



**Taboola**

# TABOOLA INVESTOR DAY

#YouMayLike

**Adam Singolda**

CEO and Founder

March 29<sup>th</sup>, 2022

# AGENDA

- 1 Taboola's Strategic Direction \_\_\_\_\_ Adam, CEO and Founder
- 2 Market Opportunity \_\_\_\_\_ Tom, VP of Strategy
- 3 Core Platform \_\_\_\_\_ Eldad, President & COO
- 4 Our Algo \_\_\_\_\_ Gil, VP of Algorithms
- 5 Newsroom with McClatchy Client Discussion \_\_\_\_\_ Evangeline, Director Publisher Accts
- 6 Recommending Anything & Anywhere \_\_\_\_\_ Eldad, President & COO
- 7 Brands & Agencies with eToro Client Discussion \_\_\_\_\_ Nadav, VP Global Brands & Agencies
- 8 E-commerce Strategy \_\_\_\_\_ Bob, President Connexity
- 9 Taboola News with Samsung Client Discussion \_\_\_\_\_ Jonny, Head of Taboola News
- 10 Our People \_\_\_\_\_ Kristy, SVP of People Operations
- 11 Our Financials \_\_\_\_\_ Steve, CFO
- 12 Your Questions
- 13 Closing Remarks \_\_\_\_\_ Adam, CEO and Founder
- 14 Lunch / Demos

# AGENDA

1

Vision

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2

Capturing \$64B Market Opportunity

3

5-10 year outlook

# INFORMATION OVERLOAD



## Wraps Joy

- Escolha entre os sabores: integral e sua escolha preferida
- FRANGO**
- Chicken Wrap \$12.90
  - Chicken Prime \$15.90
  - Chicken Chicken \$15.90
  - Chicken Chips \$15.90
- CARNE**
- BEEF \$12.90
  - WALA BEEF \$12.90
  - GUACA BEEF \$12.90
  - SWEET BEEF \$12.90
- VEGETARIANO**
- Go Veggies \$15.90
- PEIXE**
- TUNAROTS \$12.90
  - MASTERTUNA \$15.90
- ACOMPANHAMENTOS PARA O Wrap**
- BRATATA DOCE \$4.90
  - SALADINHA em Casa \$4.90
  - SALADINHA Especial \$4.90
- MOLEQUES**
- AZEITE \$4.90
  - BARBECUE \$4.90
  - MILKSHAKE \$4.90
- GIROTTI**
- GIROTTI \$4.90

## Saladas Joy

- Escolha entre os sabores: integral e sua escolha preferida
- FRANGO**
- Fresh Mango \$12.90
  - Chicken Salad \$12.90
  - Chicken Good \$12.90
  - Chicken Mushrooms \$12.90
  - Chicken Salpicão \$12.90
- CARNE**
- WALA BEEF \$12.90
  - TUNAFIT \$12.90
- VEGETARIANO**
- Veggie Bowl \$12.90

## Torta com SALADA

- Torta integral e suas saladinhas favoritas
- FRANGO CREMOSO \$12.90
  - PEITO DE PERU E ALMO PORCO \$12.90
  - CARNE E QUEIJO \$12.90
- RICOTA com ESPINAFRE** \$12.90
- PALMITO** \$12.90
- SALADINHA em casa + SALADINHA especial** \$12.90

## Sucos

- TRADICIONAIS**
- LARANJA \$4.90
  - LIMÃO \$4.90
  - CENOURA \$4.90
  - LARANJA \$4.90
  - MAMAO \$4.90
  - LARANJA \$4.90
  - MELANCIA \$4.90
  - MORANGO \$4.90
  - ABACAXI \$4.90
  - MARACUJA \$4.90
  - MANGA \$4.90
- ESPECIAIS**
- Apple Berry \$11.90
  - Joy Full \$11.90
  - Ginger Twist \$11.90
  - Thropical Soul \$11.90
  - Simple Green \$11.90
  - Green Detox \$11.90
  - Feel Better \$11.90

## Sucos de Açaí

- AMAZON Pure \$15.90
- AMAZON Fresh \$15.90
- AMAZON Vibe \$15.90
- AMAZON Classic \$15.90
- AMAZON Green \$15.90
- AMAZON Nut \$15.90

## Smoothies CLASSICOS

- Love Joy \$13.90
- Watermelon Dream \$14.90
- Banana Blue \$13.90
- Pina Fresh \$13.90
- Pitaya Paradise \$13.90
- Fruit & Veggie \$13.90
- MR GREEN \$13.90

## Smoothies PROTÉICOS

- PROTEIN Berry \$14.90
- POWER Nut \$16.90
- BERRY Good \$16.90

## Água DE COCO

- 400ml \$9.50
- 500ml \$10.50

## Açaí & Cremes NATIGELA

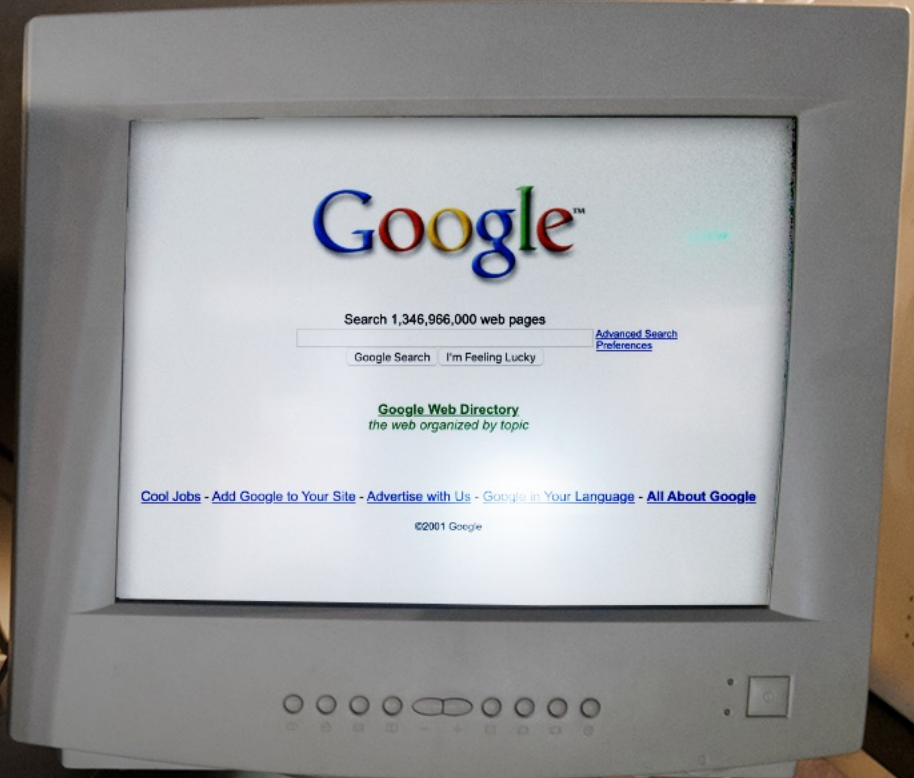
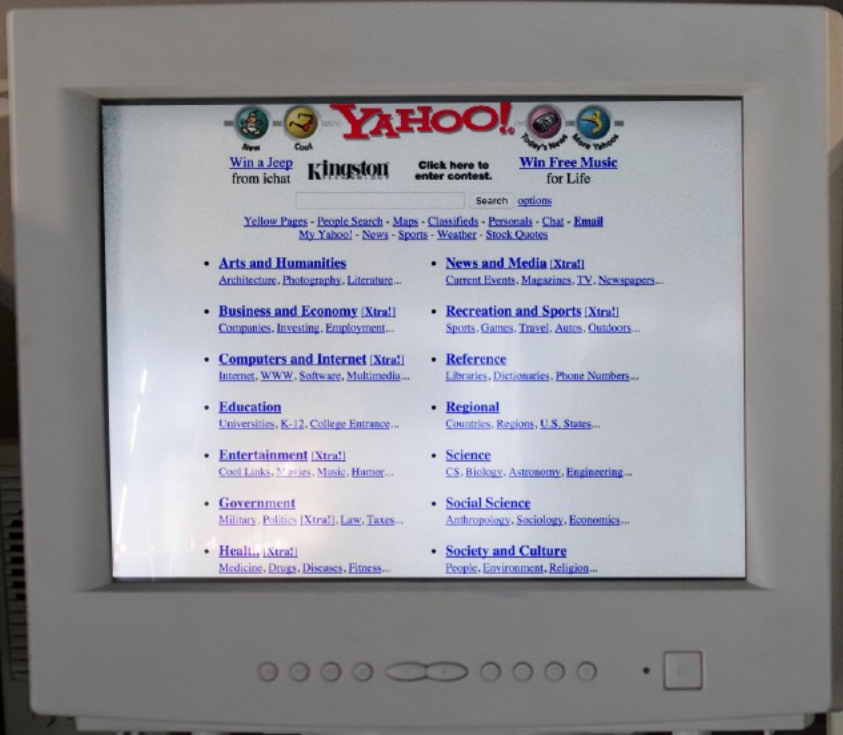
- ACAI Joy \$16.90
- BANANA Nut Cream \$17.90
- ACAI Coconut \$18.90
- ACAI Nuts \$18.90
- PITAYA Bowl \$17.90

## Frozen Yogurt

- Tradicional \$15.90
- Honey Almonds \$17.90
- Berry Dream \$17.90

## Banana Joy

- \$15.50



Google



I'm feeling Lucky

Google Search



Blockbuster Films



Watch It Again



RECOMMENDATION  
ENGINES ARE  
EVERYWHERE

Ensemble TV Programmes



## Continue where you left off



NG Men's W...  
89.99



ALEADER Men's Lace...  
\$59<sup>99</sup> \$65.99



AIRS Boys &...  
37.99



GUBARUN Boys Snow...  
\$42<sup>99</sup> \$49.99

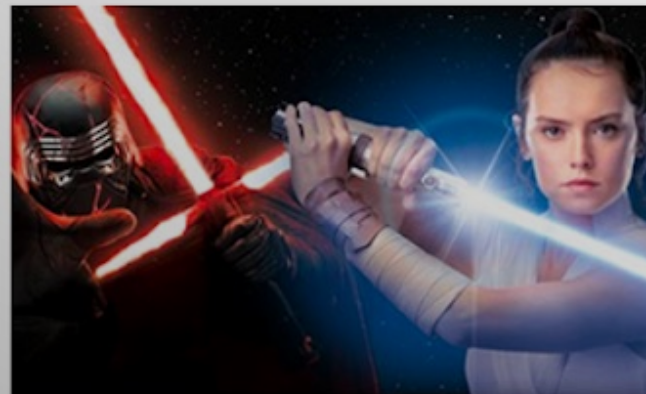
## Review your purchase



[See more products to review](#)

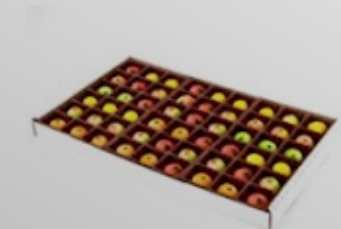
## Are you a fan of Star Wars?

Based on your Amazon activity



[Explore Star Wars products](#)

## More top picks



# RECOMMENDATION ENGINES ARE EVERYWHERE







# Good afternoon

**Stuck On Replay**

**Good Vibes Only**

**Coffee Grind**

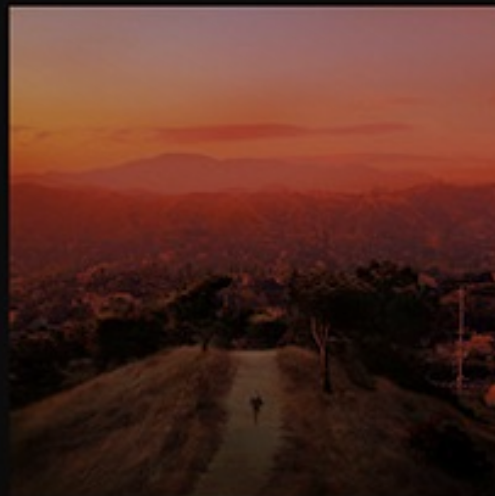
**Discover Weekly**

**Neat Tape 2**

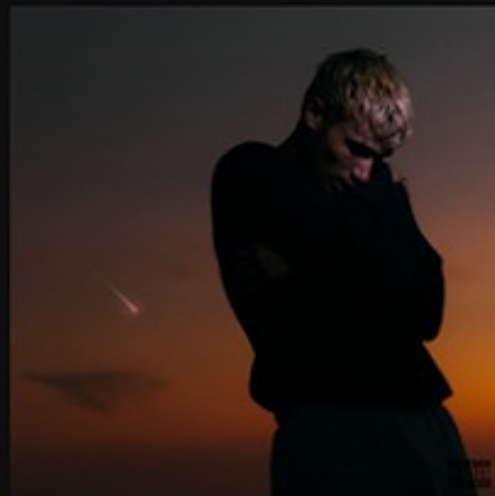
**Kabhi Khushi Kabhie Gham...**

# RECOMMENDATION ENGINES ARE EVERYWHERE

# Recommended for today



**Let's Fall In Love For T...**  
Single • FINNEAS

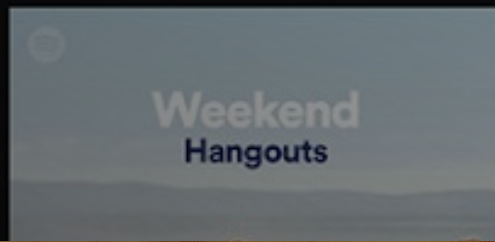


**love is not dying**  
Album • Jeremy Zucker



**Hau...**  
Sing

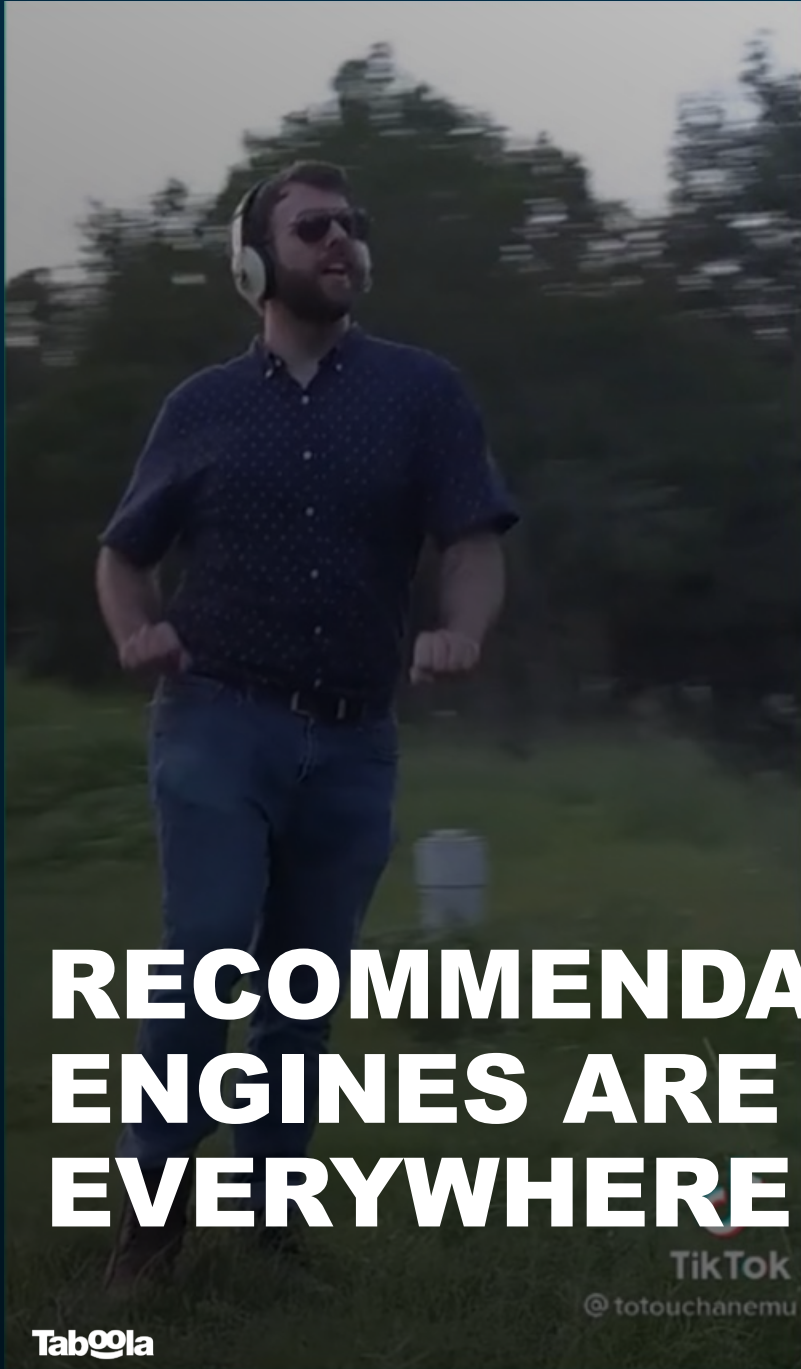
# Summer sounds



**Weekend Hangouts**



**Good Vibes**

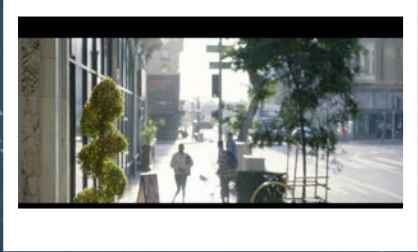


# DISCOVERY

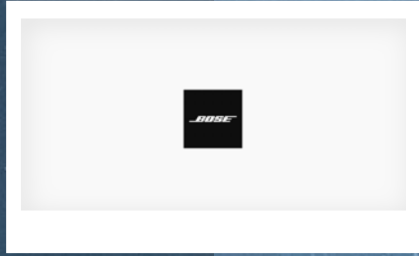
Power Recommendations For The **Open Web**

(Watch, Read, Buy...)

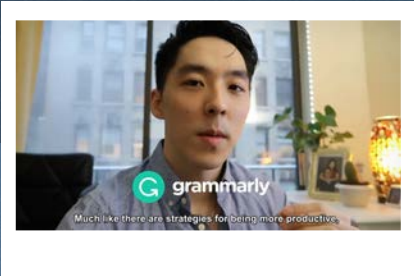
# ADVERTISERS



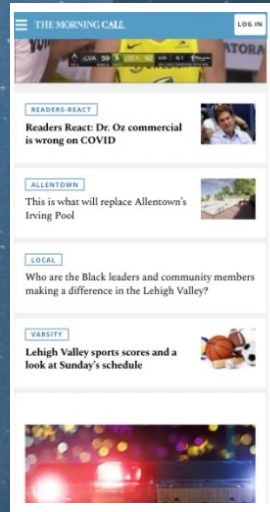
**ETORO SUPERBOWL**  
campaign



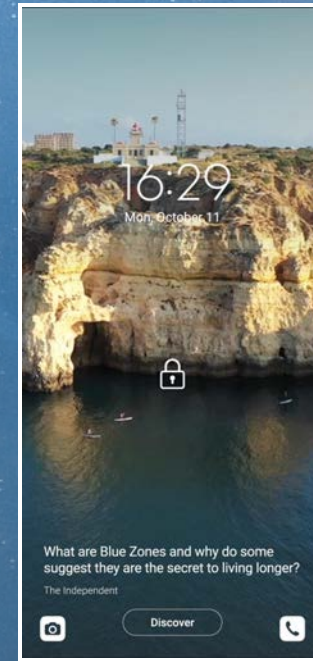
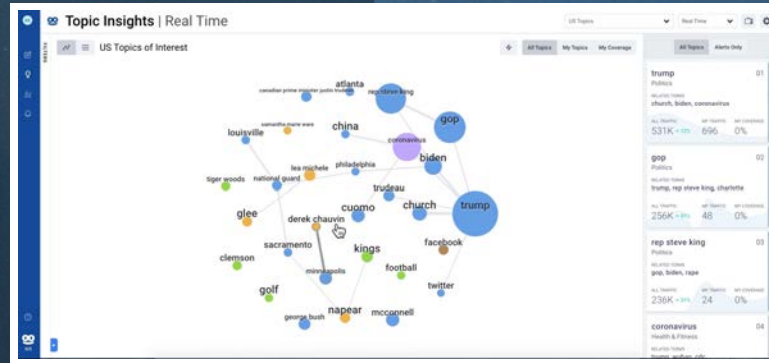
**BOSE**  
campaign



**GRAMMARLY**  
campaign



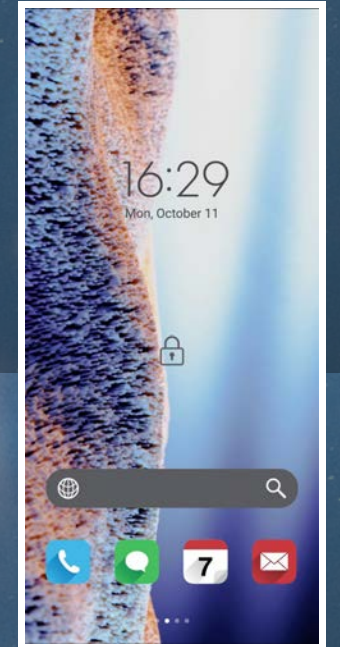
# PUBLISHERS & TABOOLA NEWSROOM



Wallpaper

# TABOOLA NEWS

Minus 1





# AGENDA

1

Vision

2

**Capturing \$64B Market Opportunity**

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3

5-10 year outlook



# ...DONE RIGHT

Walled garden integrated ad experience

facebook.

Google

twitter

amazon

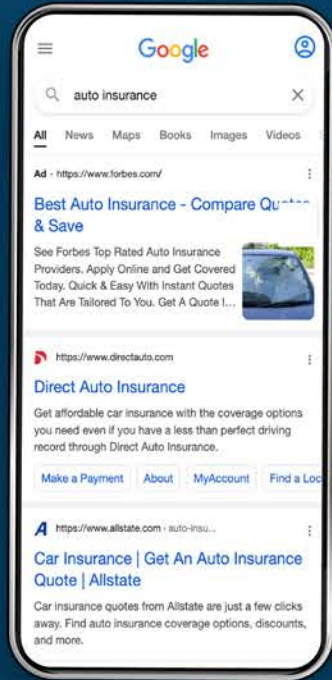
SnapChat

Paid



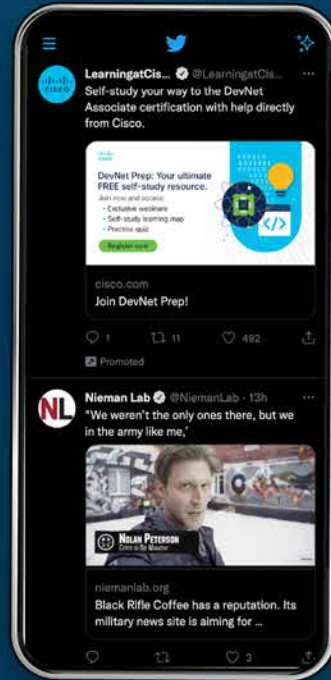
Paid

Organic



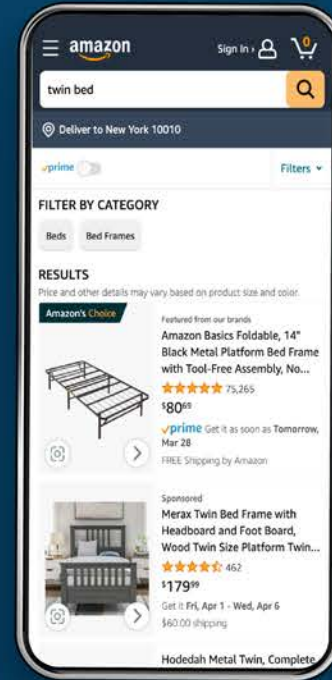
Paid

Organic



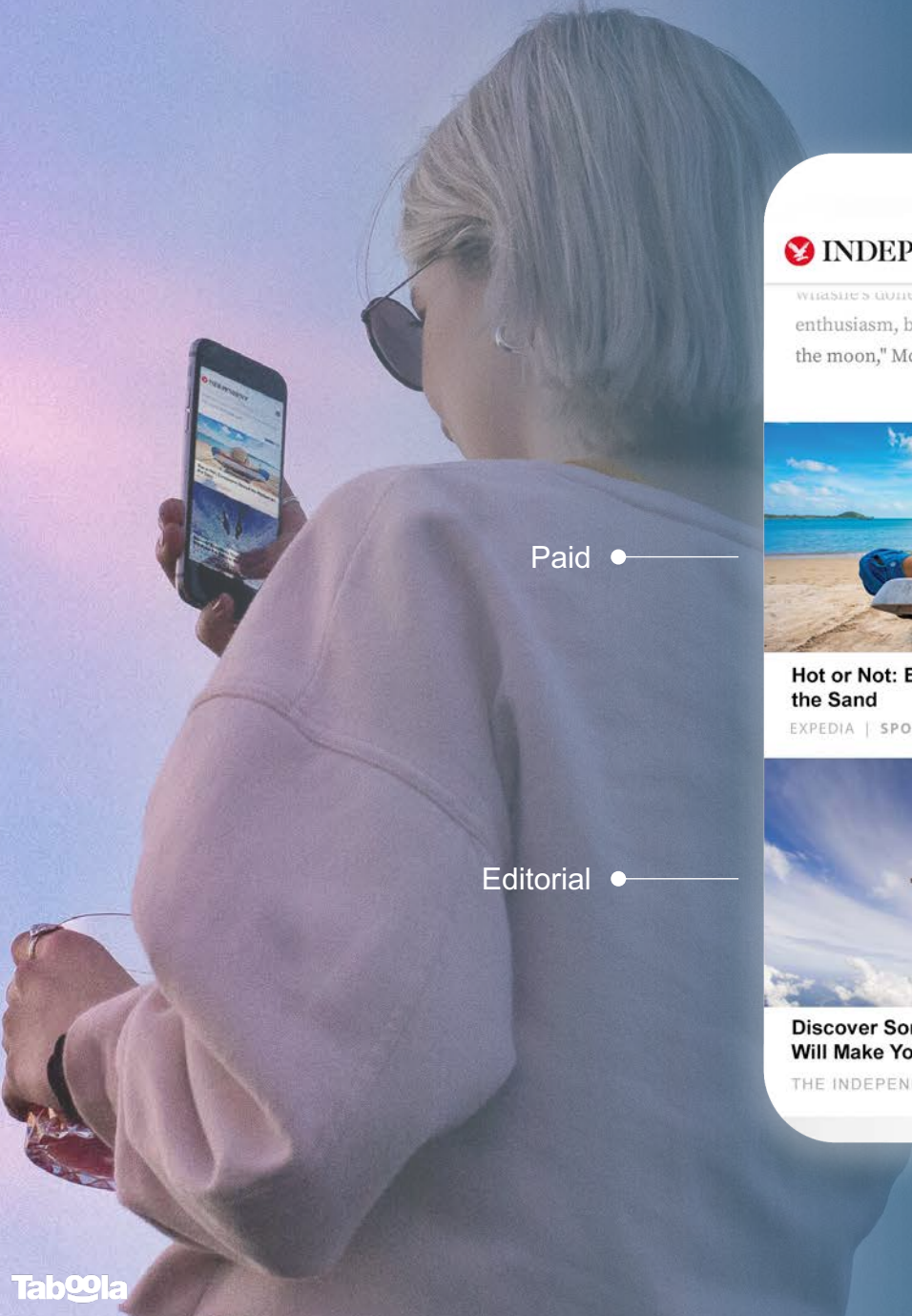
Organic

Paid





Paid







Paid ●

Editorial ●


 **INDEPENDENT** 

what she's done yet to generate that kind of enthusiasm, but I wish her well. I hope she hangs the moon," McCaskill said.





**Hot or Not: Europeans Named the Hottest on the Sand**  
EXPEDIA | SPONSORED



**Discover Something New About Gravity, That Will Make You See the World in a New Light.**  
THE INDEPENDENT | 1 HOUR



# BILLIONS OF MOMENTS

## *OPEN WEB*

25% of people time



## *WHERE*

Browsers, Android Devices, CTV Apps

## *WHAT*

Video, Product, TV Show, Games,...

**(BUT) OPEN WEB  
TODAY IS NOT  
PERSONALIZED**

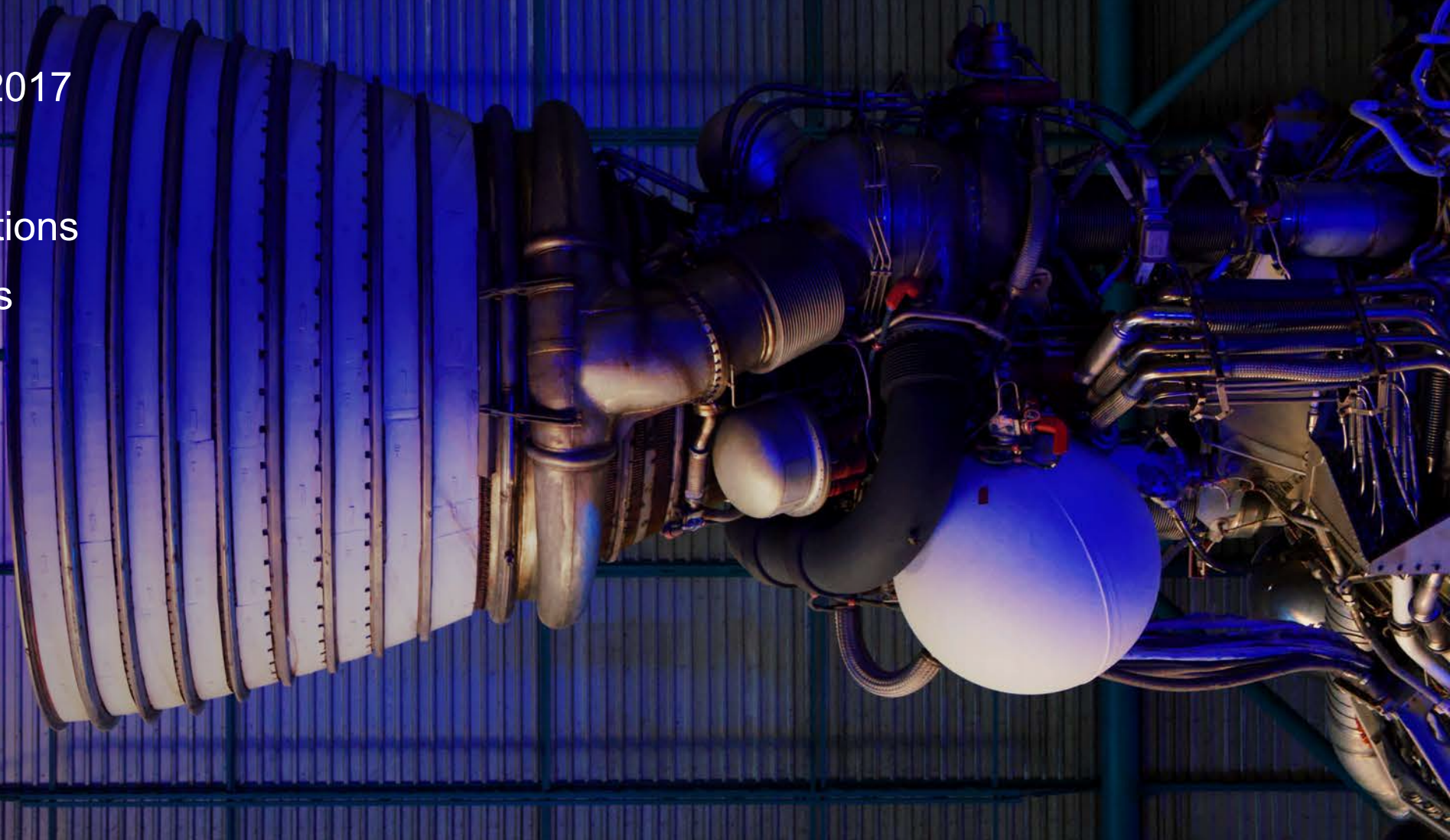
**ONE SIZE  
DOES NOT  
FIT ALL**



[personalization.com](https://personalization.com)

# ROCKET ENGINE (AI)

- Deep Learning since 2017
- \$100M R&D
- Editorial recommendations
- Paid recommendations
- SmartBid



# ROCKET FUEL

- 500M DAU
- Context
- Tens of billions clicks a year
- Curiosity graph (“people who read this also do this”)
- 90% of revenue direct (pixel on page)

Source: Company data





**WE BUILD**  
**THE BEST ROCKETS**

Walled Garden Dynamics for The Open Web

# TECH DIFFERENTIATION

10 years partnerships, trust





# AGENDA

1

Vision

2

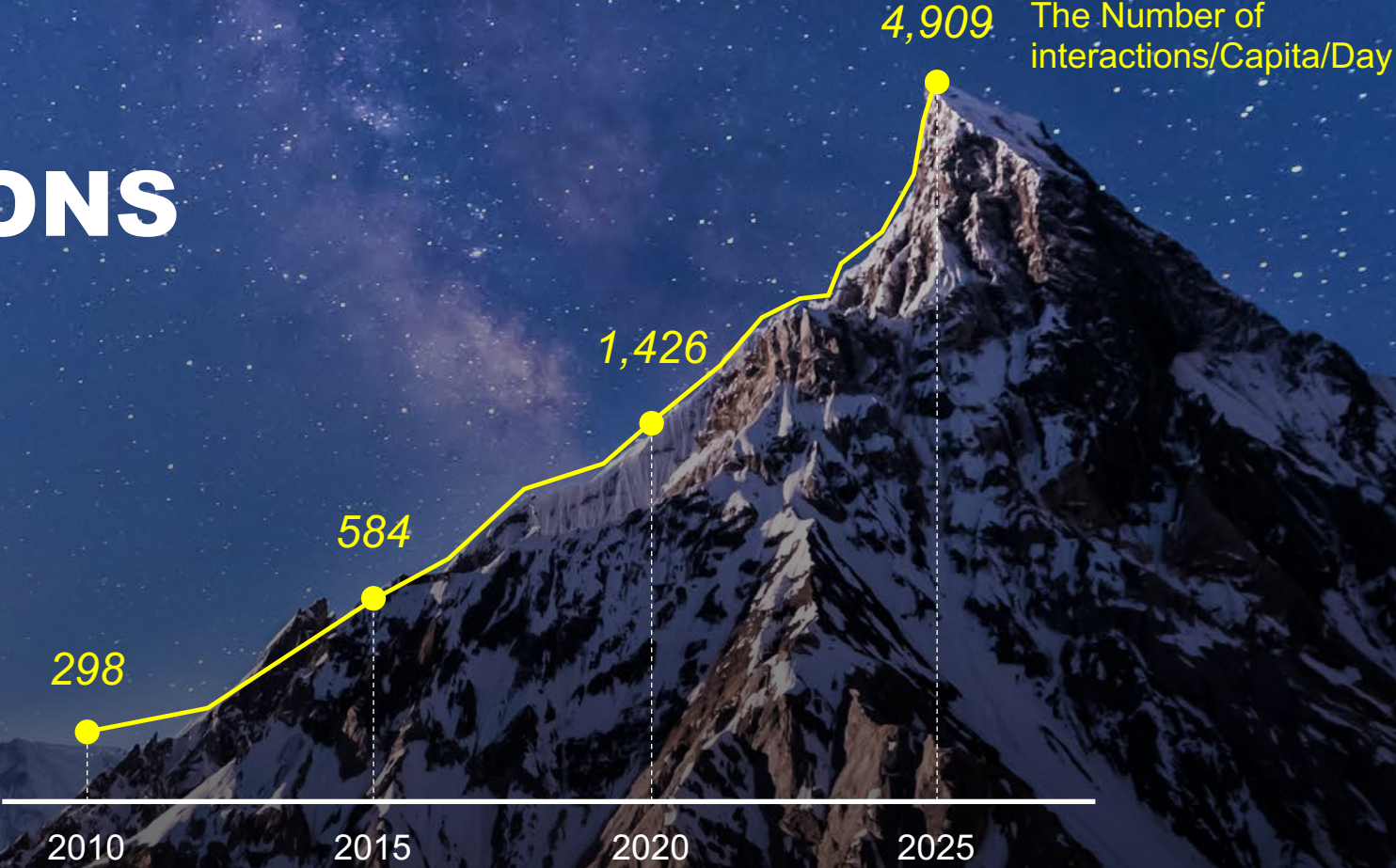
Capturing \$64B Market  
Opportunity

3

5-10 year outlook

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# AN OPEN WEB POWERED BY TABOOLA RECOMMENDATIONS



Source:  
Data Age 2025, sponsored by Seagate with data from IDC Global DataSphere Nov 2018



A silhouette of a person sitting on a large rock, looking out over a vast mountain range at sunset. The sky is a mix of blue and orange, with stars visible in the upper portion. The overall mood is contemplative and aspirational.

Over the next 3 years

**WE EXPECT TO CROSS \$1B  
EX-TAC MAINTAINING OUR  
MARGINS**

**ANYTHING.  
ANYWHERE.**



**ANYTHING.  
ANYWHERE.**

**ANYTHING.  
ANYWHERE.**



# Powering Recommendations for The Open Web

Powered By **Taboola**



**Taboola**

# MARKET OPPORTUNITY

**Tom Inbal**

VP of Strategy

March 29<sup>th</sup>, 2022

# THE OPEN WEB

where we spend  
25% of our time

## *RECOMMENDATION*

AI, personalized, relevant,  
based on the user and the context



## *WHERE*

article page, homepage,  
app, ctv,...

## *WHAT*

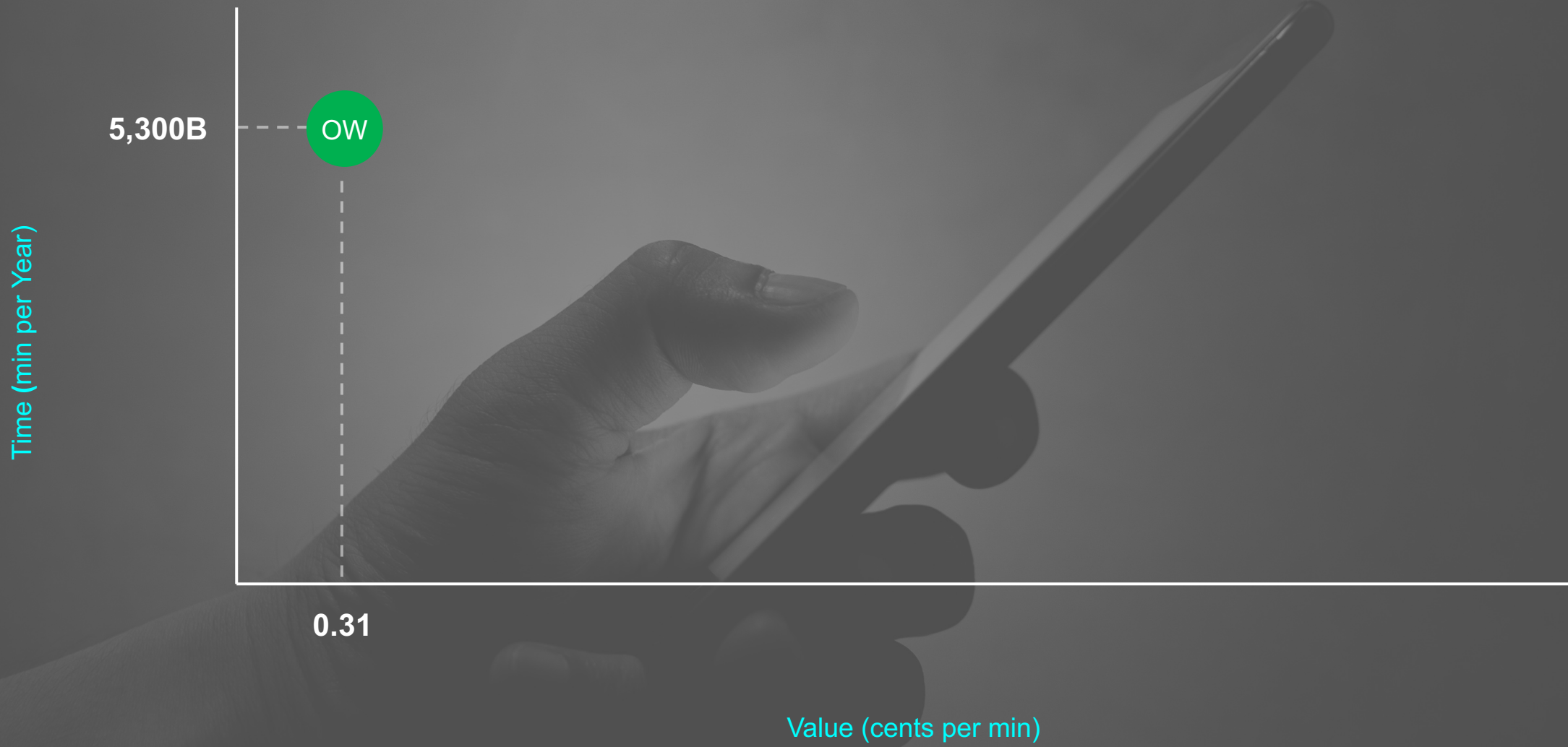
video, product, tv show, app,...

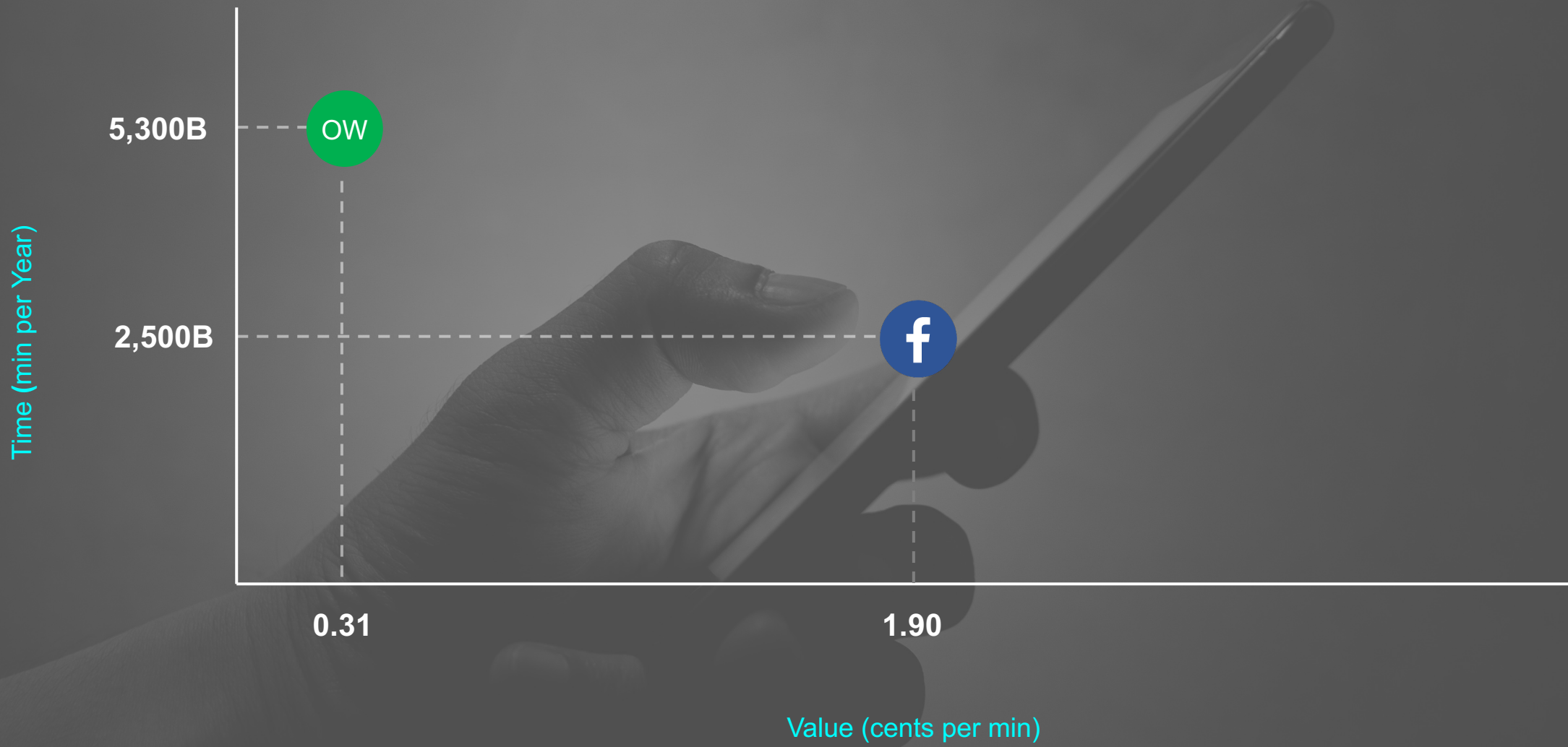
Time (min per Year)

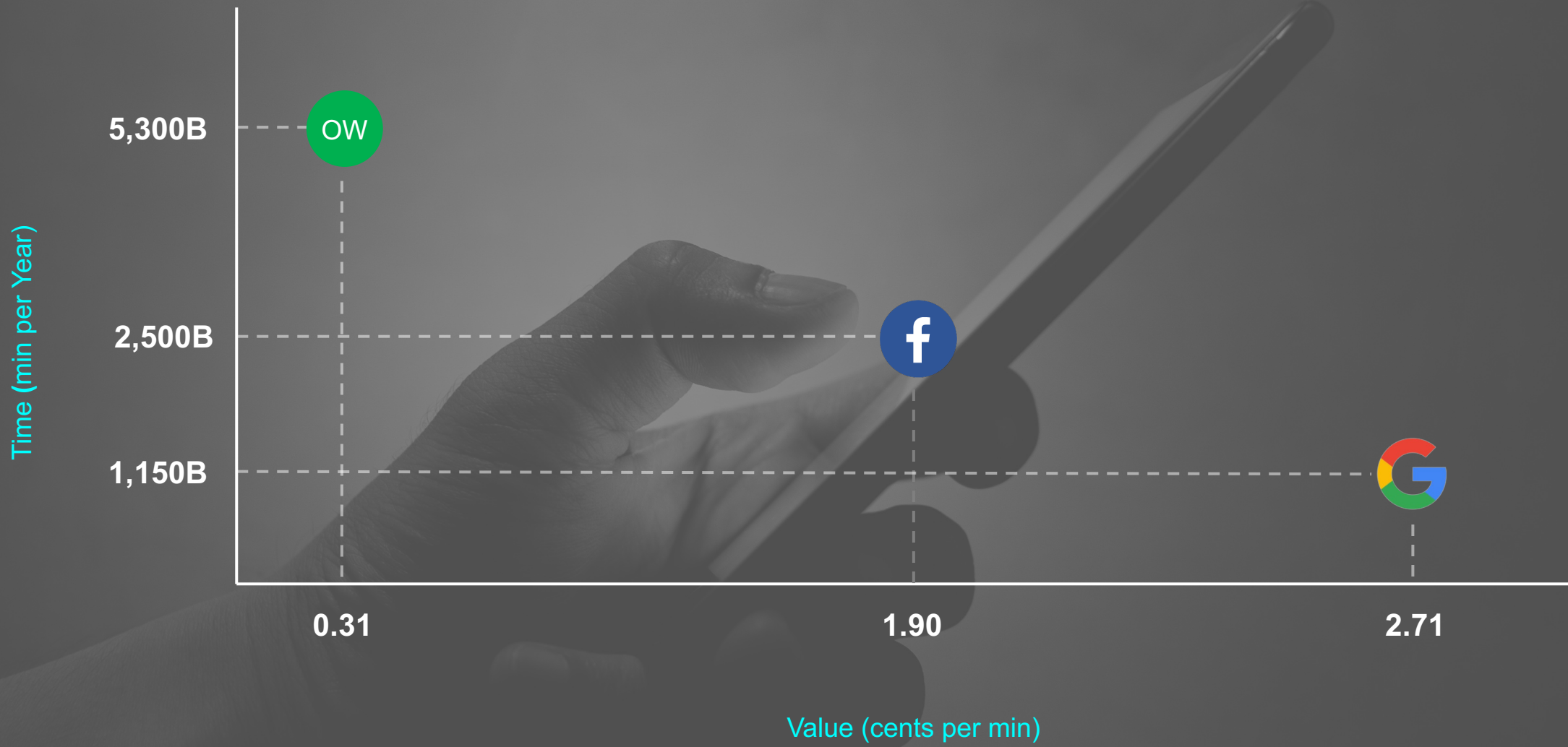


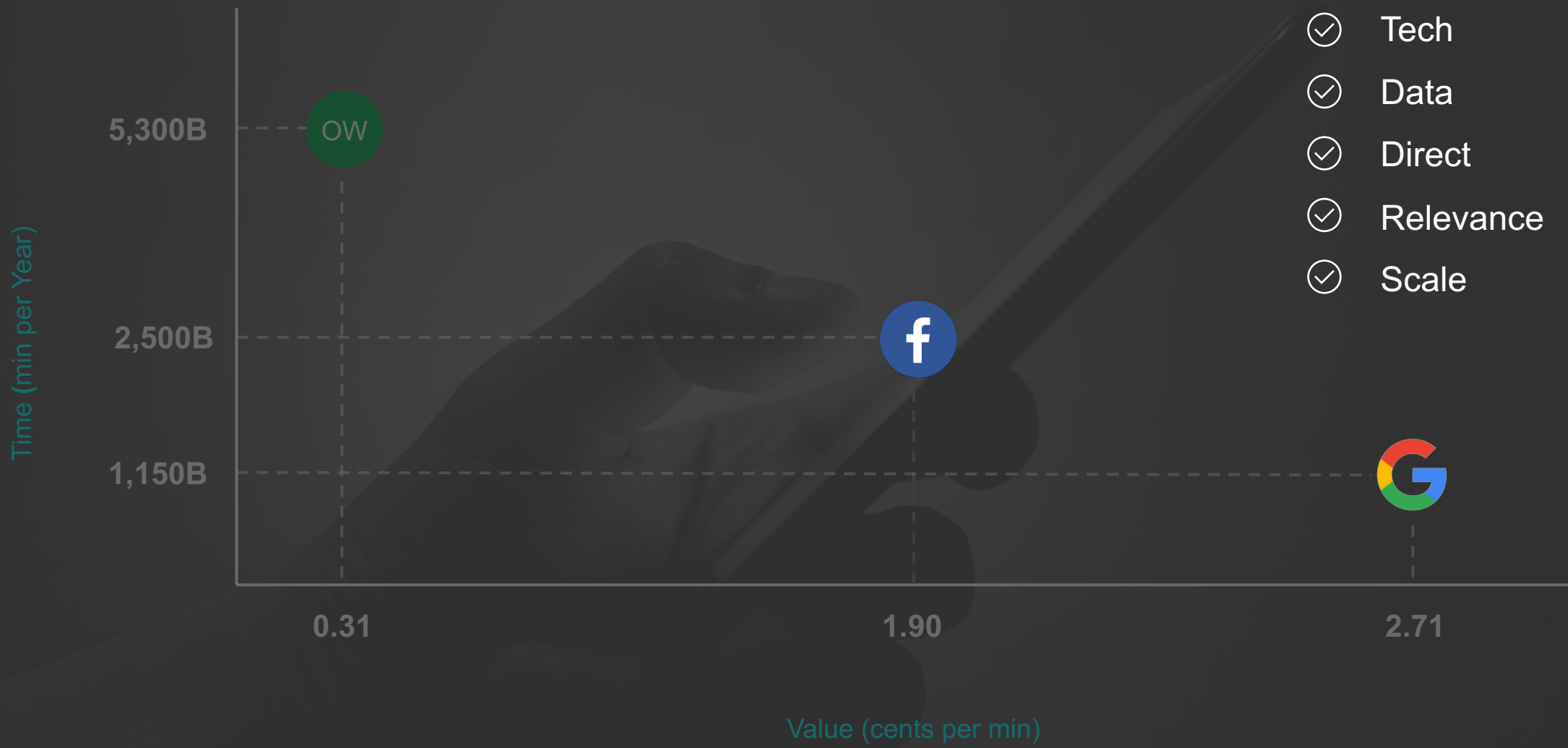
Value (cents per min)

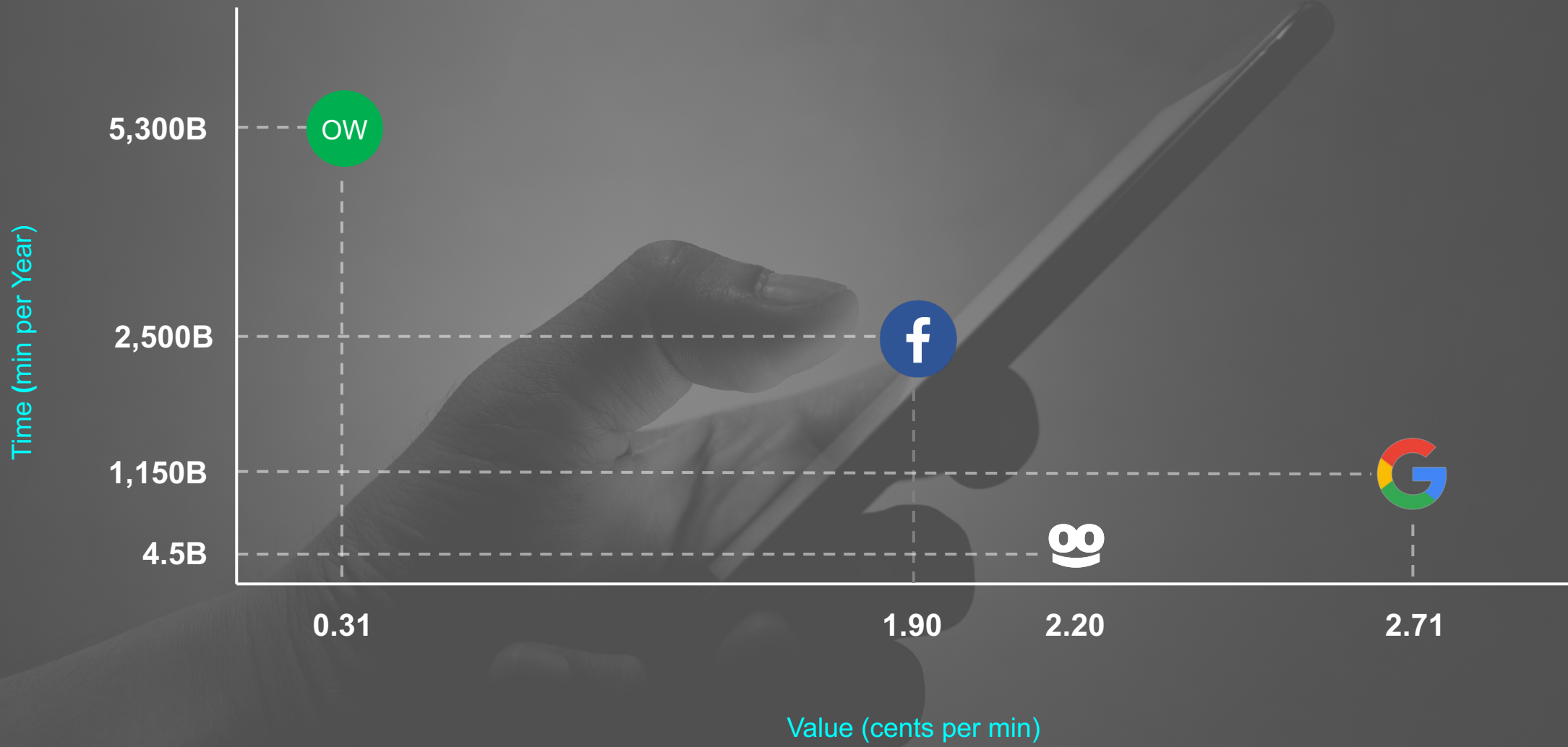


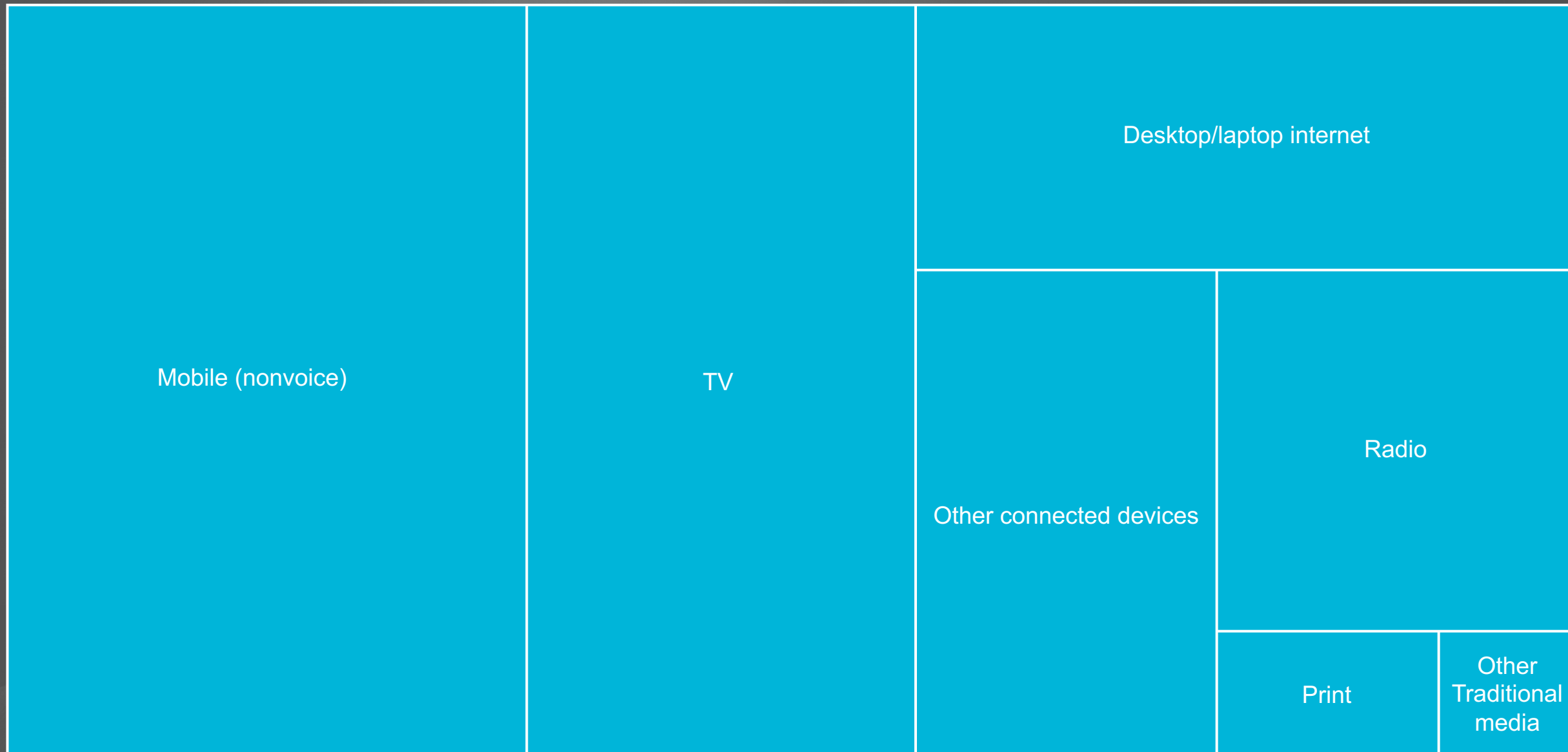


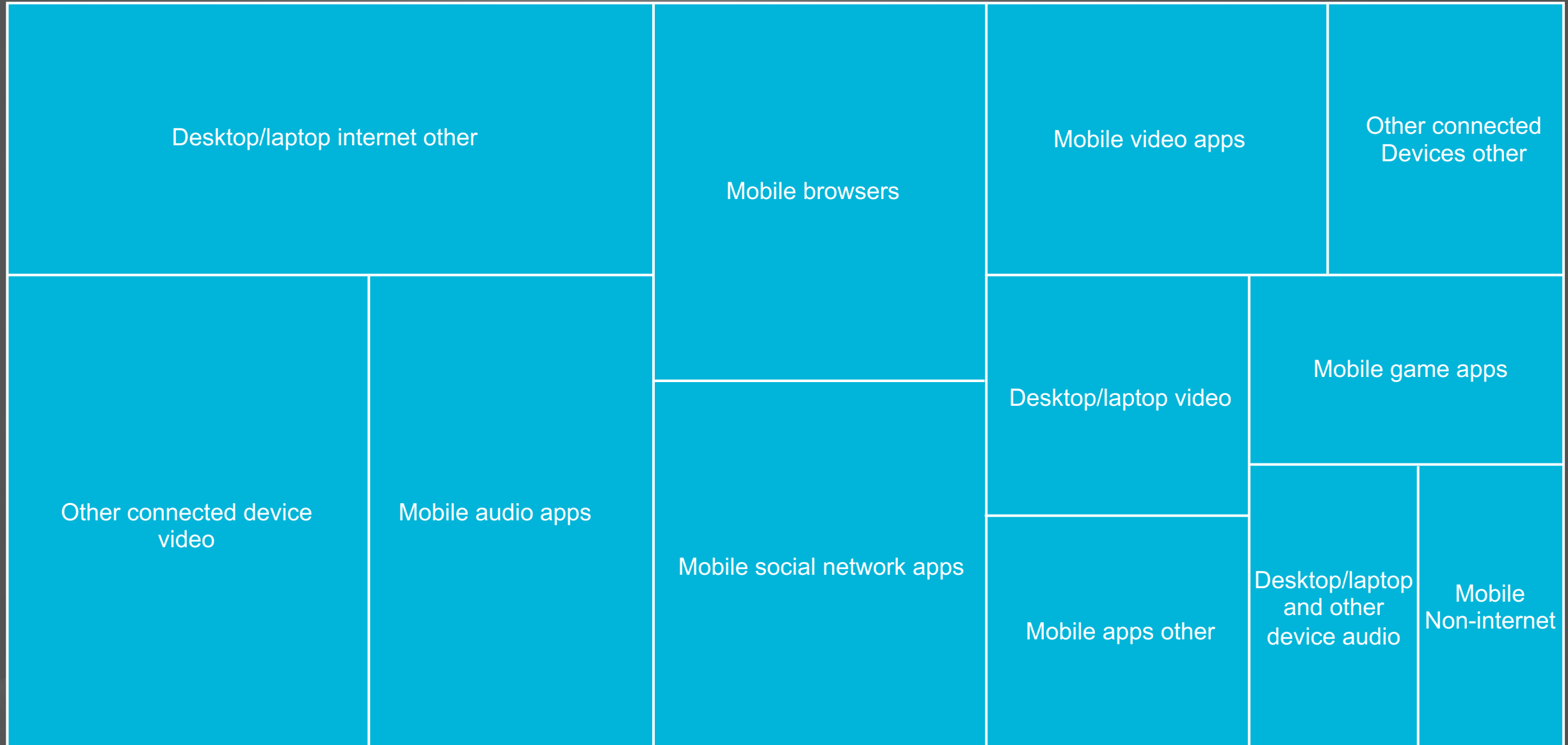


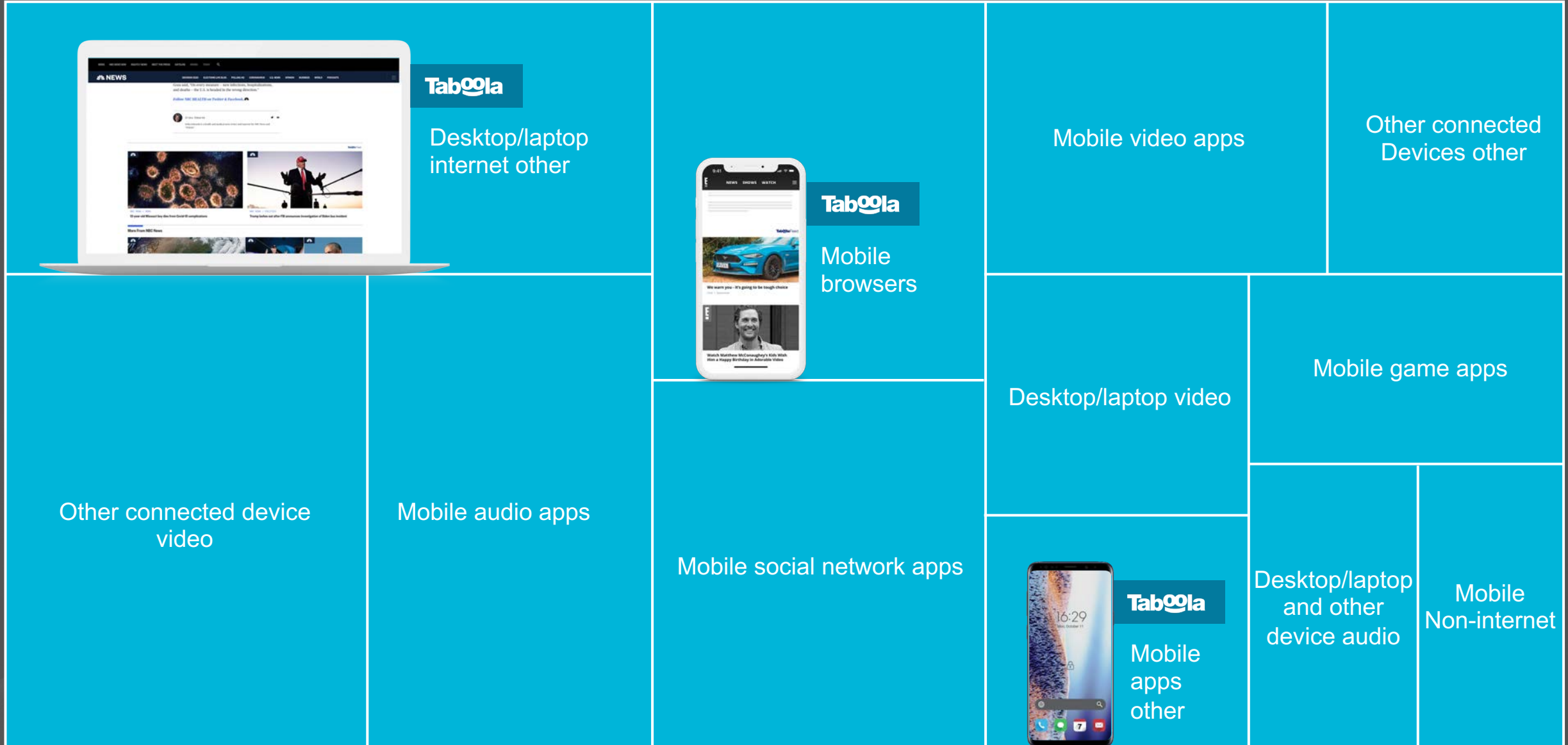


















**\$519M in 2021**

from 10 sec a day



.

**\$519M in 2021**

from 10 sec a day



**0.03%**

of the 480 min in  
digital media

**\$519M in 2021**

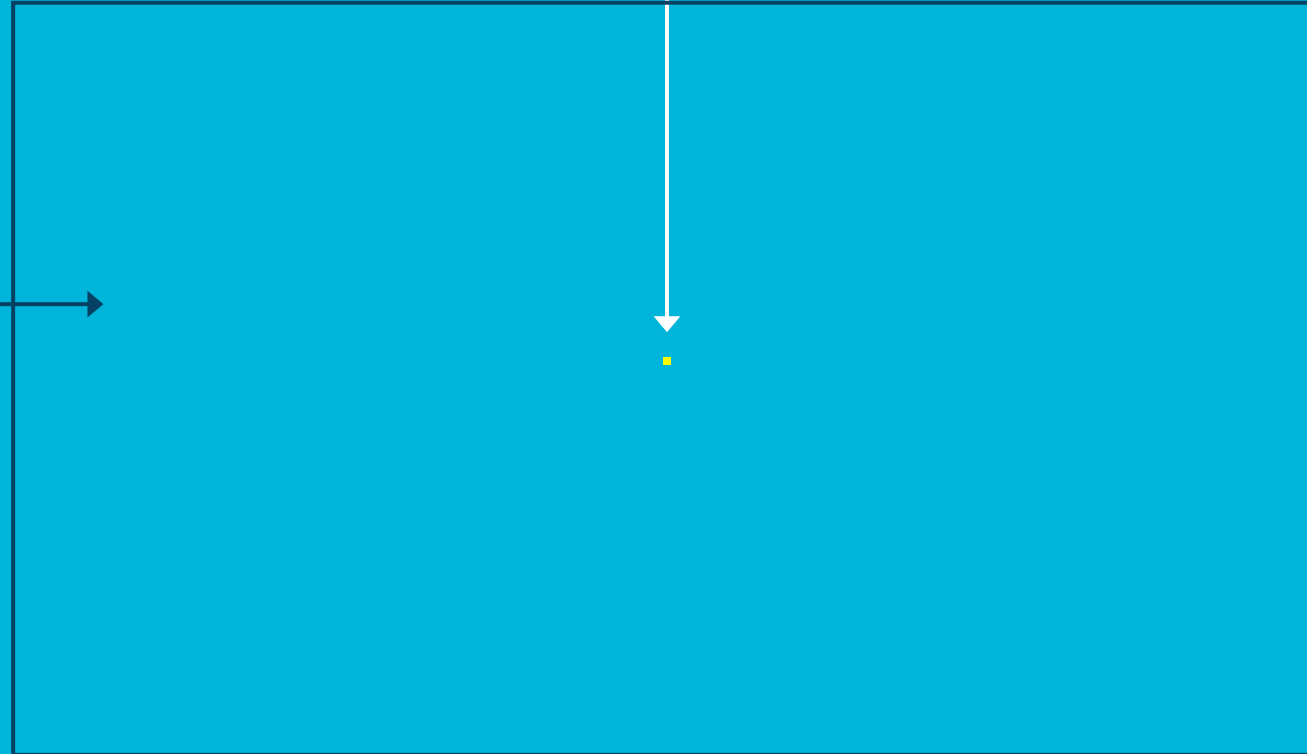
from 10 sec a day

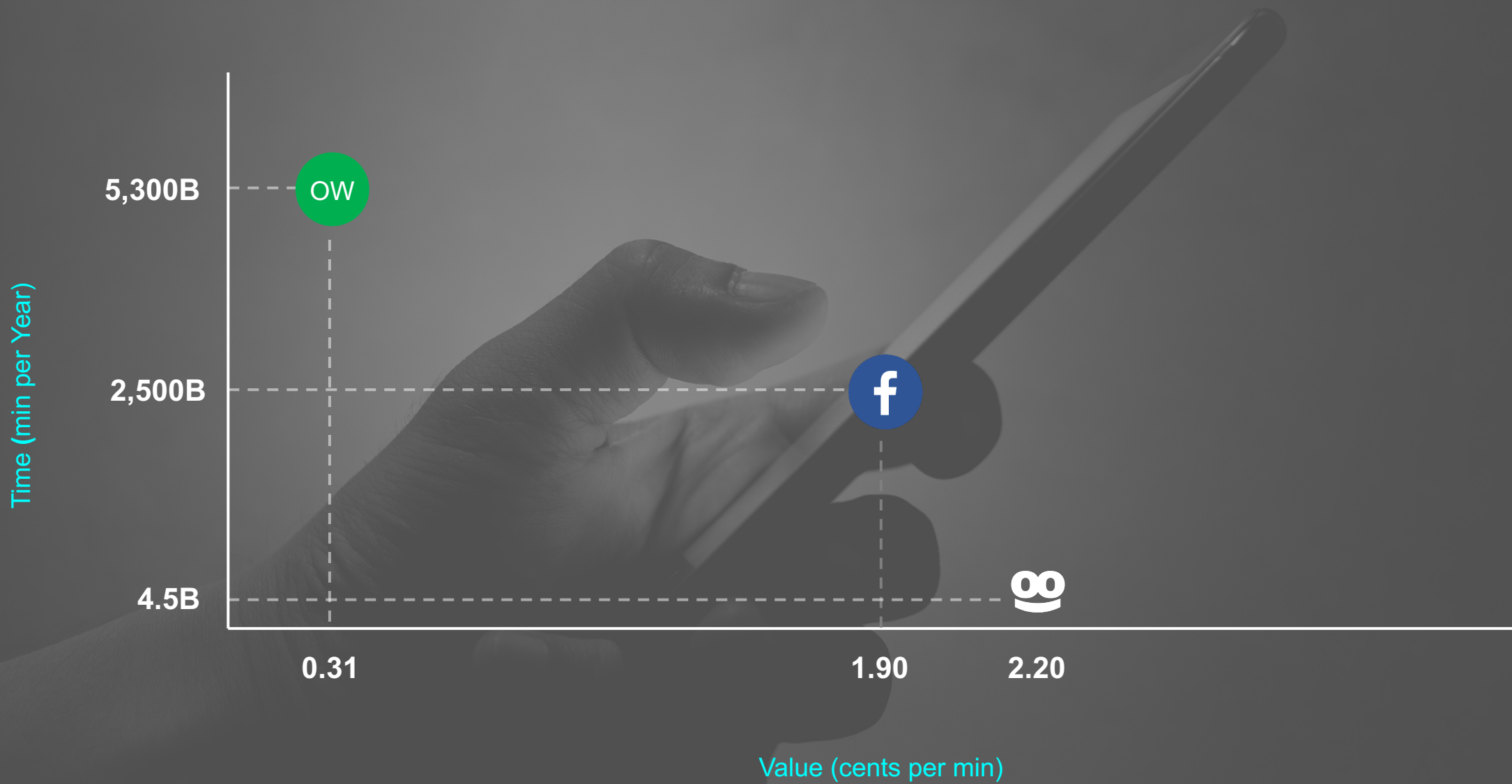
**0.13%**

of the 130 min spent in segments Taboola is already established in exc. Social networks

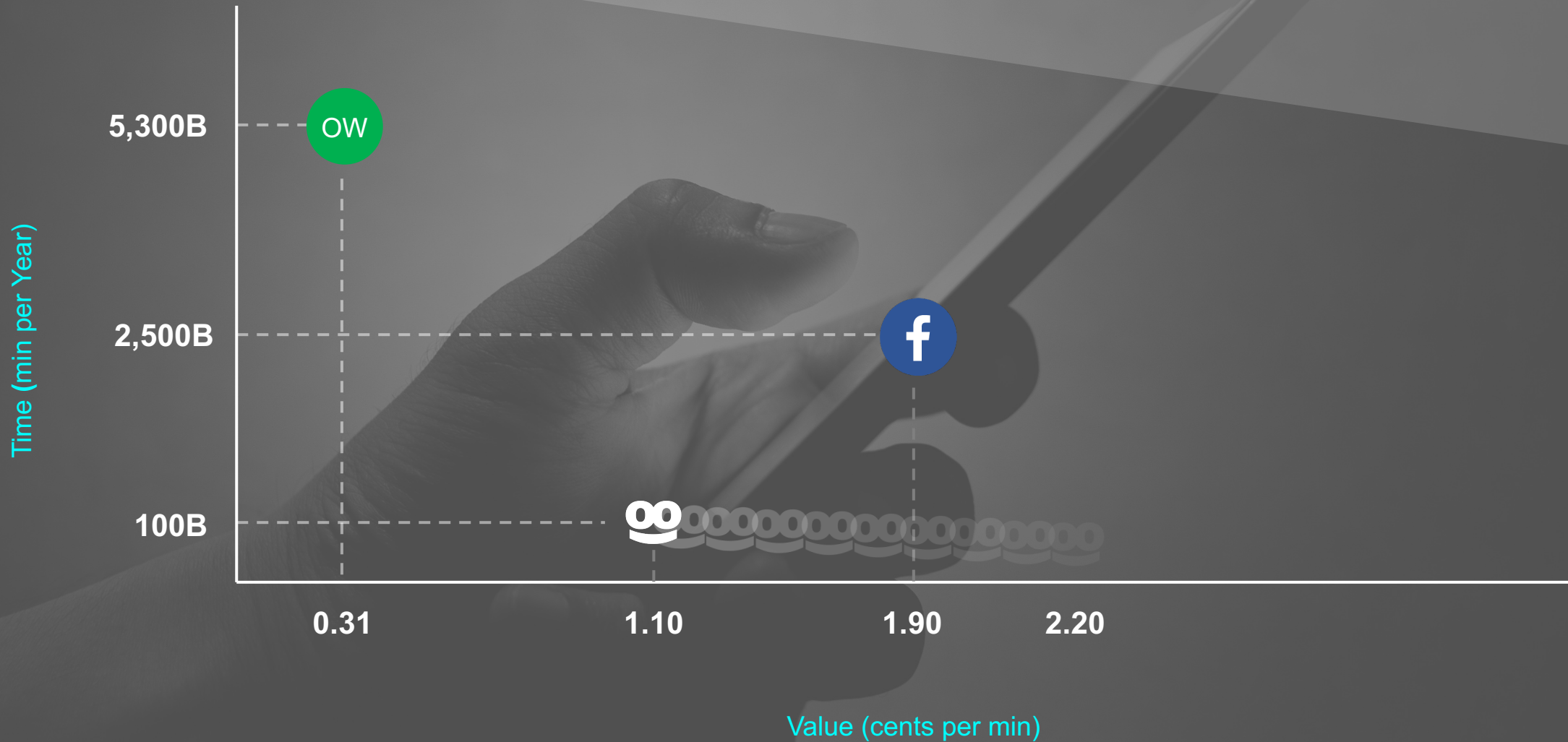
**0.03%**

of the 480 min in digital media

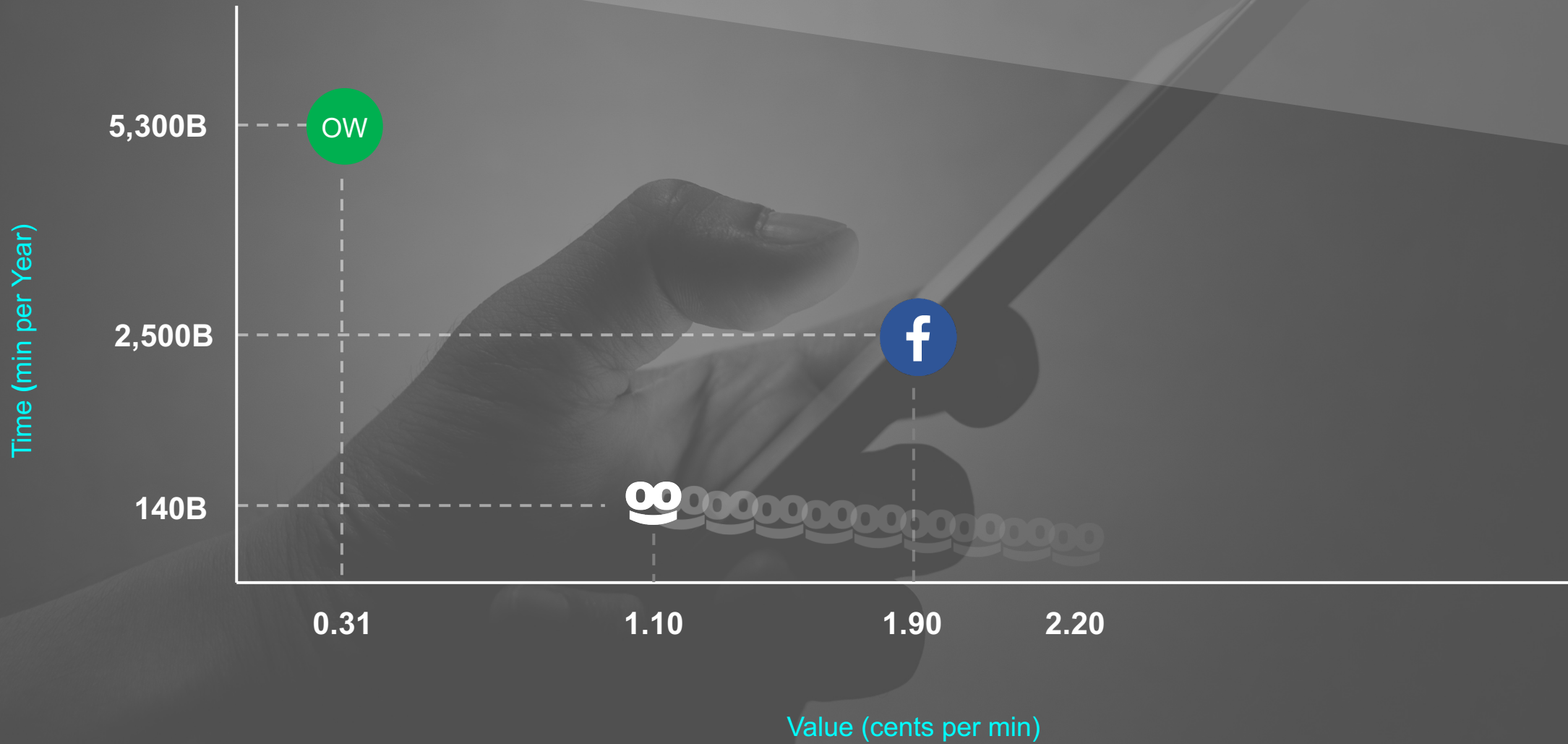




$$\begin{array}{ccccccc}
 \sim 3.5 & \rightarrow & 100\text{B} & \times & 1.10 & = & \$1.1\text{B} & = & \$3.5\text{B} \\
 \text{min per user} & & \text{min} & & \text{cents} & & \text{ExTAC} & & \text{Total ExTAC} \\
 \text{per day} & & \text{per year} & & \text{per min} & & \text{Gross Profit} & & \text{Gross Profit} \\
 & & & & & & \text{In US Mobile} & & 
 \end{array}$$



$$\begin{array}{ccccccc}
 \sim 5 & \longrightarrow & 140\text{B} & \times & 1.10 & = & \$1.5\text{B} & = & \$5\text{B} \\
 \text{min per user} & & \text{min} & & \text{cents} & & \text{ExTAC} & & \text{Total ExTAC} \\
 \text{per day} & & \text{per year} & & \text{per min} & & \text{Gross Profit} & & \text{Gross Profit} \\
 & & & & & & \text{In US Mobile} & & 
 \end{array}$$







**Taboola**

# CORE PLATFORM

**Eldad Maniv**

President & COO

March 29th, 2022

# ALL ONLINE PUBLISHERS HAVE THE SAME GOAL

MORE USERS,  
visiting more often....

... STAYING LONGER,  
engaging more...

... And taking  
REVENUE-DRIVING ACTIONS.

**Audience X Engagement X Revenue = Maximum value**

# PUBLISHERS APPLY DOZENS OF TOOLS AND SOLUTIONS



# BUT EXTRACTING OPTIMAL VALUE IS INCREDIBLY HARD

IN-STREAM VIDEO

*OUTSTREAM VIDEO*

**SUBSCRIPTIONS**

**INSIGHTS**

SOCIAL

STRATEGY

NEWSLETTERS

**Audience X Engagement X Revenue = ?**

NOTIFICATIONS

E-COMMERCE

AUDIENCE DEVELOPMENT

*DIRECT DEMAND*

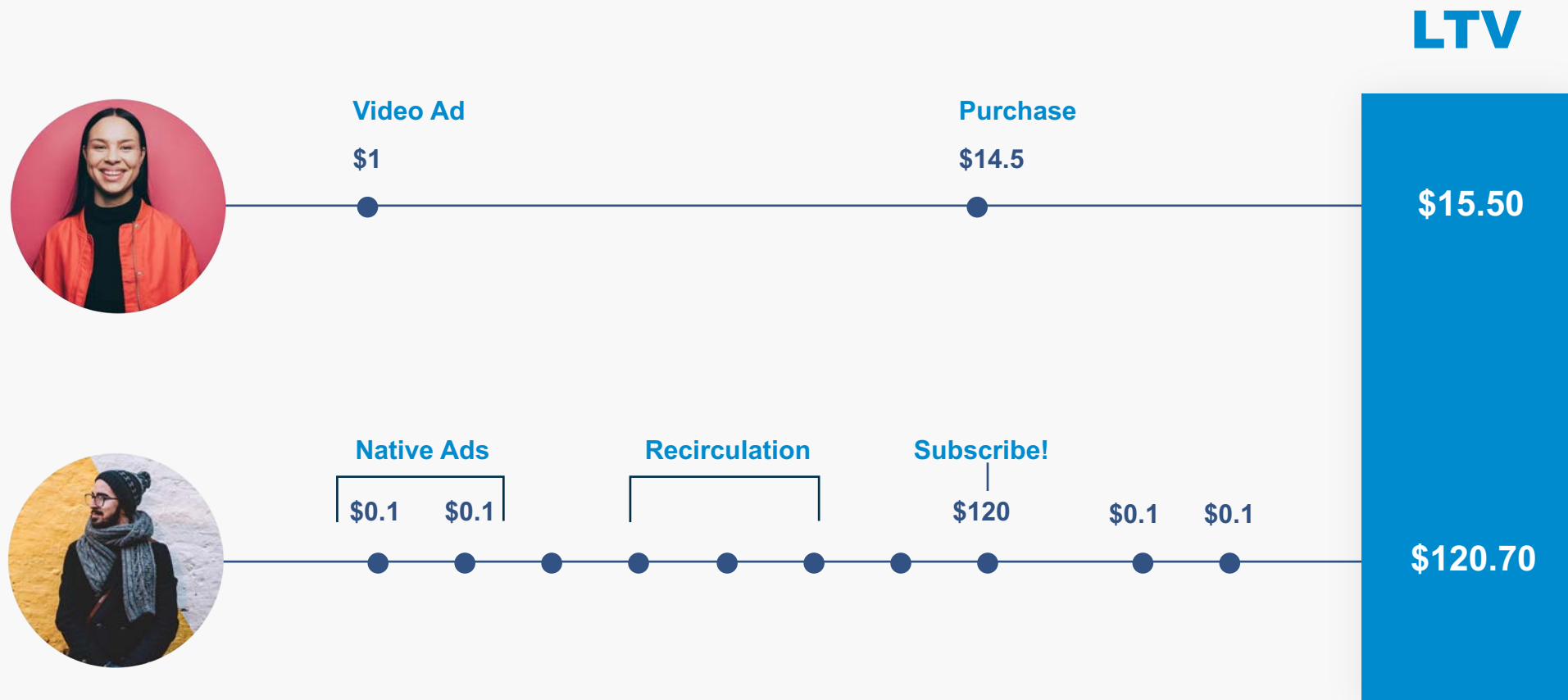
**AUDIENCE**

*VIDEO PRODUCTION*

**SEO**

**PREMIUM ADS**

# PERSONALIZATION IS KEY TO MAXIMIZING LIFETIME VALUE



# TABOOLA IS THE LEADER IN PERSONALIZATION POWERED BY OUR RECOMMENDATION ENGINE



## DATA

Readership data  
from **~16,000** digital  
properties

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**100TB** data processed  
daily

## TECHNOLOGY

**500** employees in R&D  
(out of 1,850 employees)

---

**\$100M+** Annual R&D  
Spend

## SCALE

**9,500** Servers

---

Up to **1 Trillion**  
Recommendations per month

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**Tens of Billions** of clicks  
per year

# COMPREHENSIVE PUBLISHER PLATFORM

## Publisher Strategy

Organic Engagement

Audience Development

Subscription

E-Commerce

Taboola Ads

Pub Direct Ad Demand

## UX

Feed

Next Up

Explore More

Video Slider

Video Reel

Reco Reel

Taboola News

Homepage 4U

## AI

Personalized Recommendation Engine

## Controls

Editorial Controls

Ad Controls

Ad Content Review

## Analytics

Taboola Newsroom

Analytics / Insights / Reporting

## Code-on-Page

Native Placements

Readership Data

Purchase Intent Data

# COMPREHENSIVE ADVERTISER PLATFORM

## Marketing Objective

Awareness

Website Traffic

Engagement

Lead Generation

Purchase

## Ad Experience

Formats – Capture Attention

Formats – Drive Customer Action

## AI

Algo

SmartBid “Dimensions”

## Brand Safety

Pre-Bid Controls

Environmental & Experience Controls

Measurement & Verification Tools

## Audiences & Targeting

Contextual

Advertiser 1<sup>st</sup> Party

Custom

## Analytics

Taboola Ads (Insights & Reporting)

## Channels

Self-Service

Managed

Programmatic

## Code-on Page

Native Placements

Readership Data

Purchase Intent Data



# MONETIZATION DRIVEN BY 'ALWAYS-ON' ADVERTISERS

## 4.6 Years

Average Top 50 Advertiser Tenure

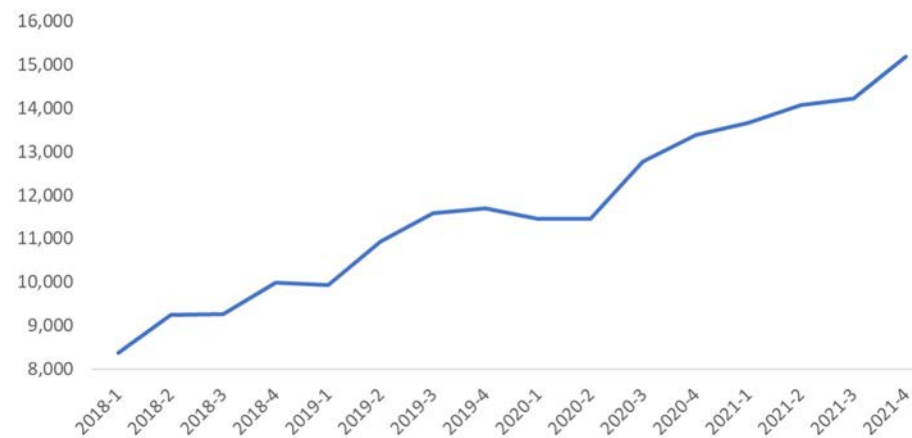
## \$7M+

Average Annual Revenue amongst Top 50 Advertisers

## 200+

Advertisers That Spent >\$1M in 2021 (~15,000 Advertisers in Total)

# Active Advertisers



(1) Source: Company Data



# ACCESS TO PROGRAMMATIC CHANNELS

Connections to major  
Media buying platforms

 theTradeDesk

 xandr

 CRITEO

 A9

 Adobe

 MediaMath

 AMOBEE

 Display &  
Video 360

# STRATEGIC VALUE TRANSLATES TO LONG-TERM RELATIONSHIPS WITH PUBLISHERS

## 5+ Years

Average Top 50  
Publisher Tenure

## 3+ Years

Typical contract length,  
Revenue-weighted

Publishers on a 5+ Year Contract with Taboola



**Bloomberg**

**Daily Mail**

**sport1**



**NBC NEWS**



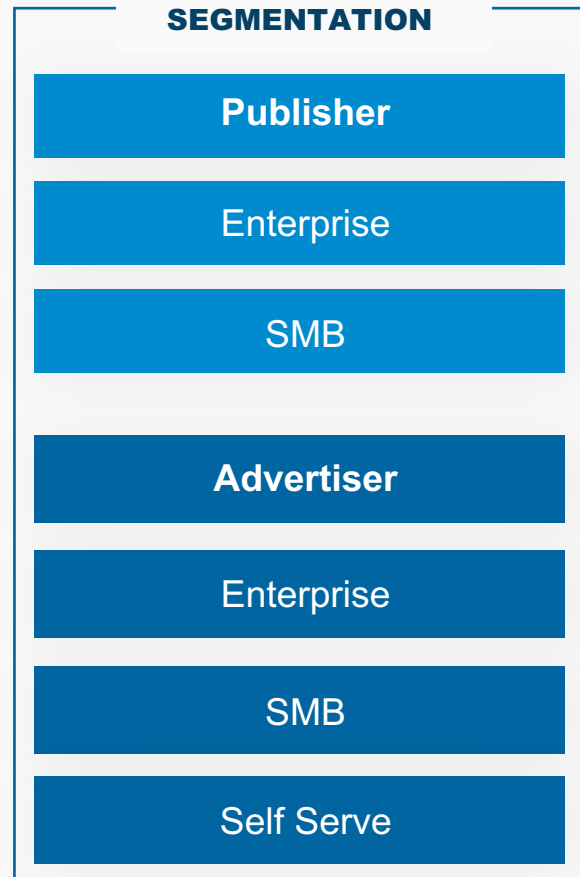
**SYNACOR**

**USA TODAY**

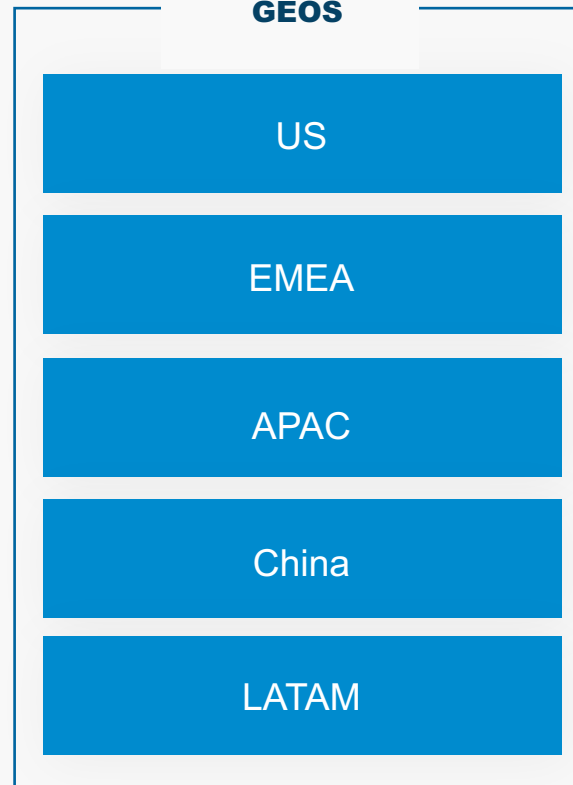
*Lagardère*

# GO TO MARKET OVERVIEW

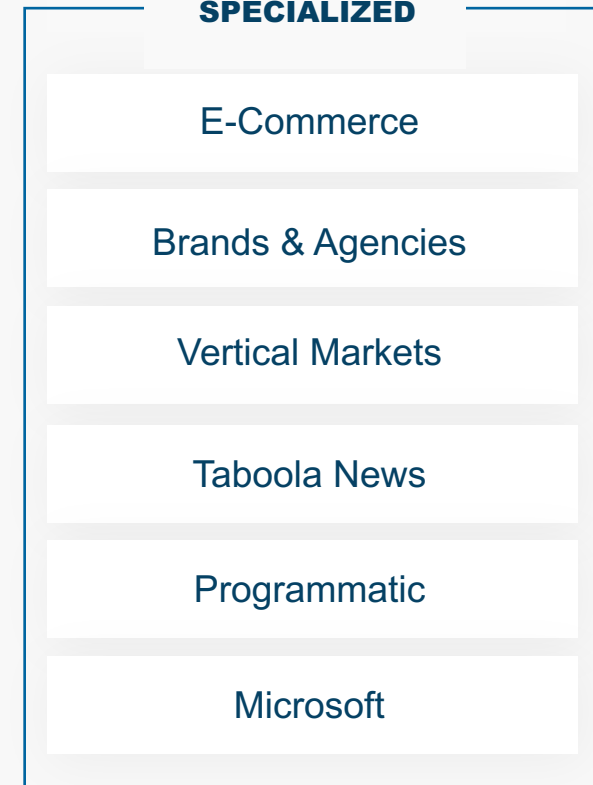
## CUSTOMER SEGMENTATION



## GEOS



## SPECIALIZED



# PREDICTABLE BUSINESS RESULTS



**Taboola**

**AI@  
TABOOLA**

**Gil Chamiel**

VP of Algorithms and Data Science

March 29th, 2022

# AGENDA

1

The Revolution of Deep Learning

2

Taboola's AI revolution

3

The AI behind SmartBid

4

Things we are working on



# REVOLUTION OF AI DRIVEN BY DEEP LEARNING

Machines that learn things on their own



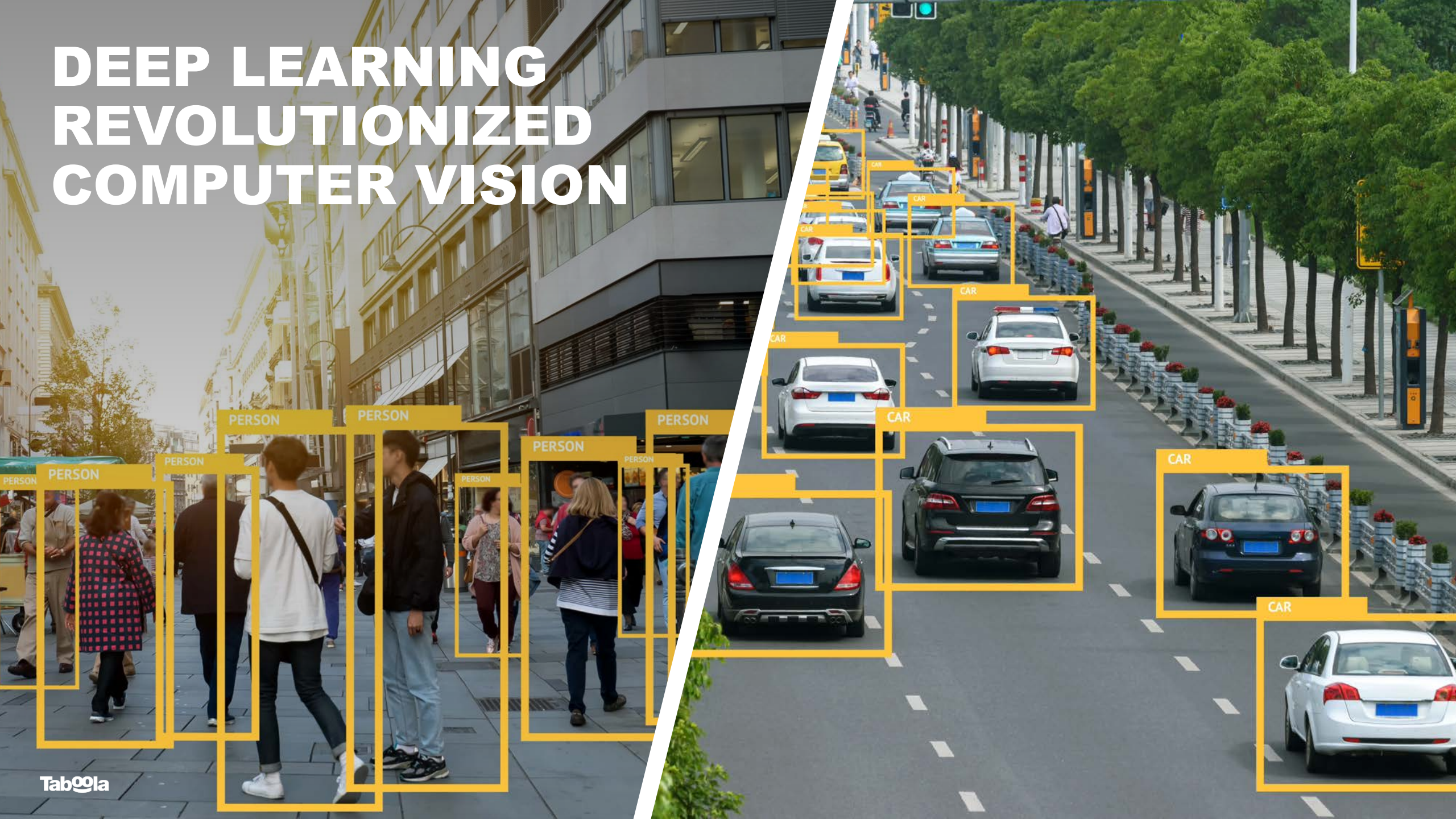
# WHAT DO PEOPLE ATTEMPT WITH AI?

Observe the world  
in a meaningful way

Learn new  
skills



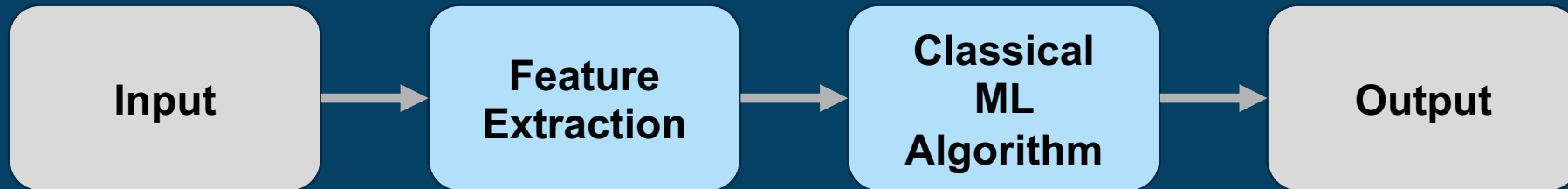
# DEEP LEARNING REVOLUTIONIZED COMPUTER VISION



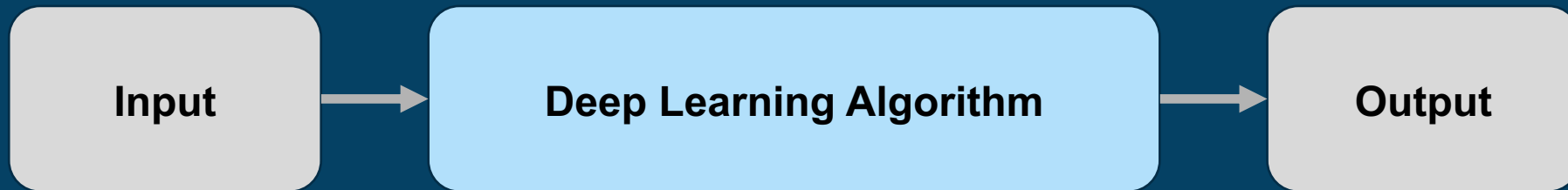
# DEEP LEARNING REVOLUTIONIZED NATURAL LANGUAGE PROCESSING



# “CLASSICAL” MACHINE LEARNING VS DEEP LEARNING

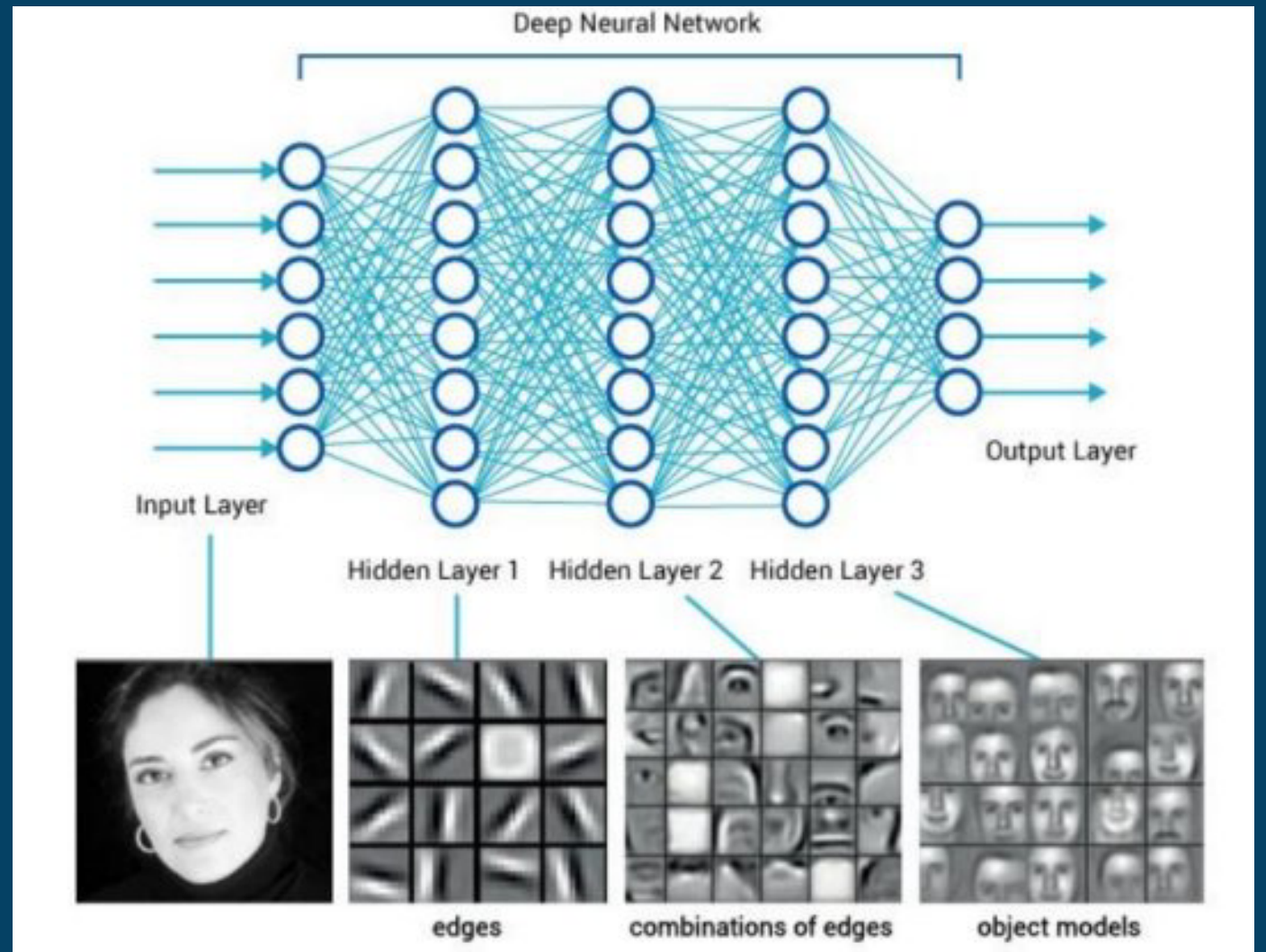


Classical Machine Learning Flow



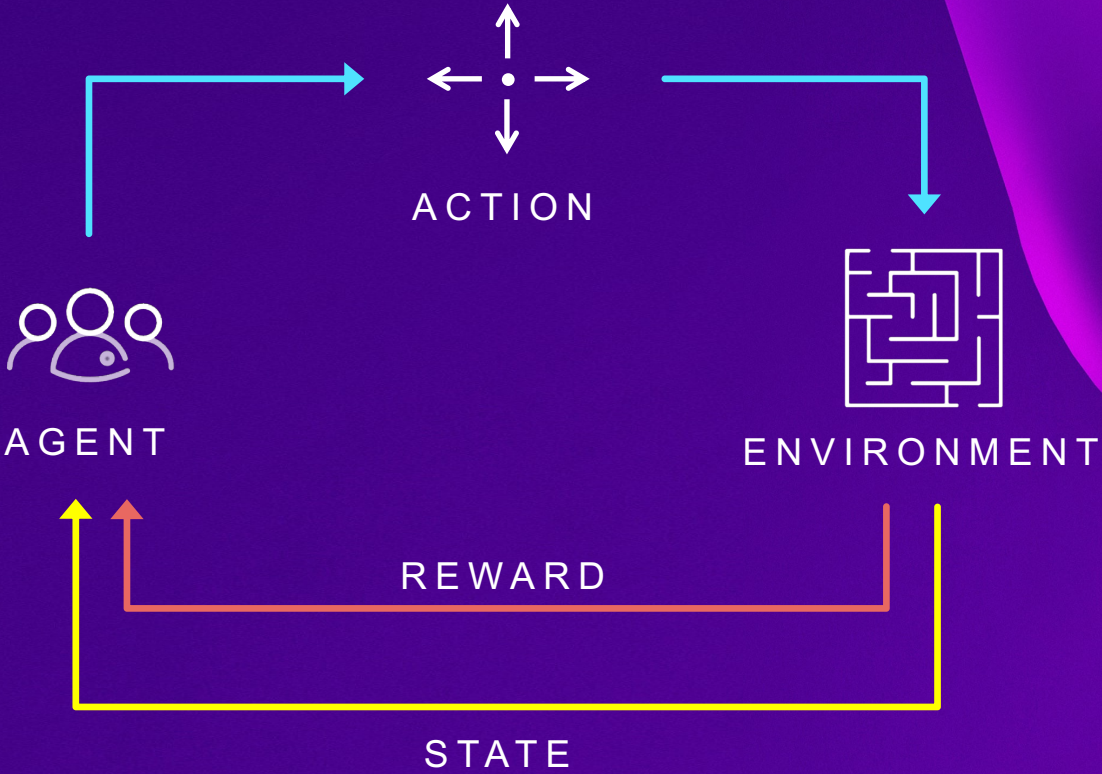
Deep Learning Flow

# “CLASSICAL” MACHINE LEARNING VS DEEP LEARNING



<https://www.saagie.com/blog/object-detection-part1/>

# AI THAT TEACHES ITSELF



## Explore

Unseen areas

## Exploit

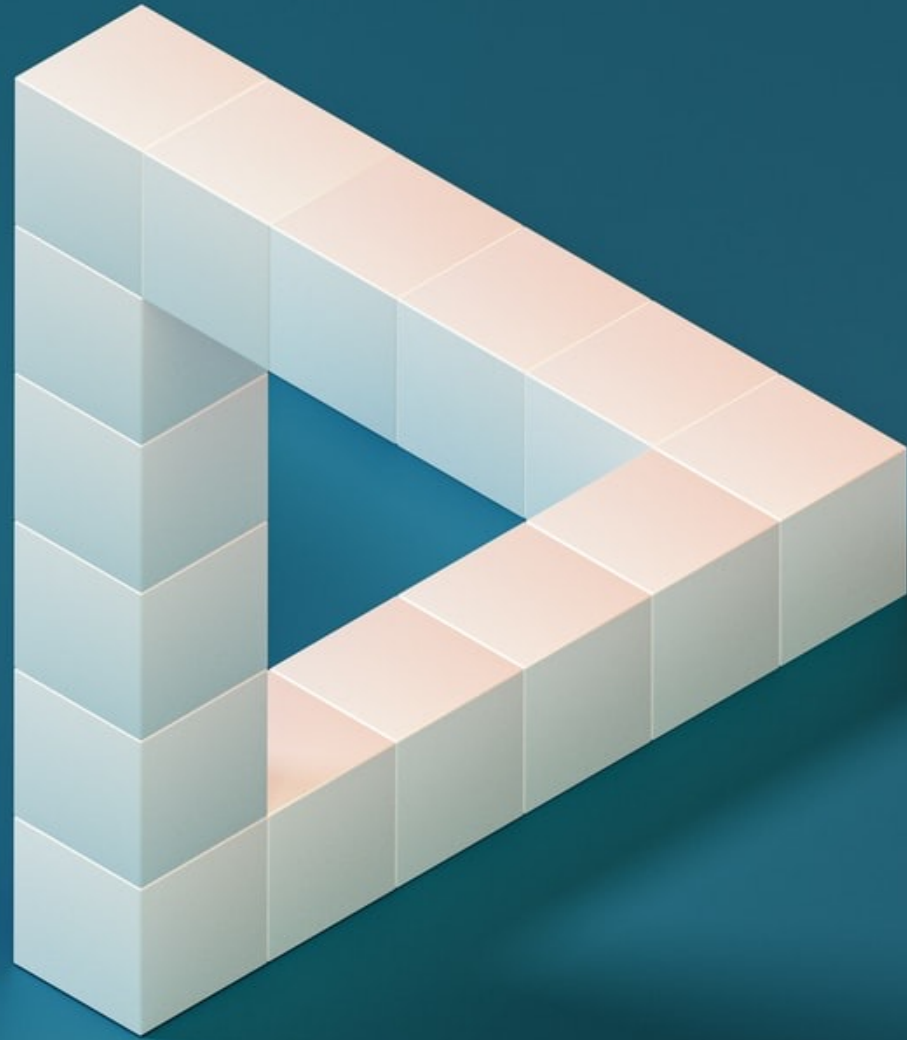
Previously learned insights

# AI THAT TEACHES ITSELF



# WHAT ARE WE TRYING TO SOLVE?

Matching millions of content items with over a billion people every month while optimizing publisher & advertiser success





**100TB+** Daily data

**200** Deep Learning Models Trained Daily

**500** R&D Team Members

**500K+** Requests per Sec

**50B+** Recommendations per day

**OUR SCALE**  
Is one of the main advantages of working with Taboola

**88%** US Mobile Internet Users Reached

**30M** Predictions Per Second

**7** Global Data Centers

**85** Deep Learning Scientists

**1.3B** Monthly Unique Users Globally

# TABOOLA'S AI DEPARTMENT

- 85 Research Engineers
- Research Engineer =  
Data Scientist + Software Engineer
- Analysis -> Modeling -> Experiments -> Production
- Pipeline is geared for continuous experimentation



# IT IS A JOURNEY...

And it took a special effort to get into Deep Learning



# THE IMPACT OF DEEP LEARNING ON TABOOLA'S CUSTOMERS

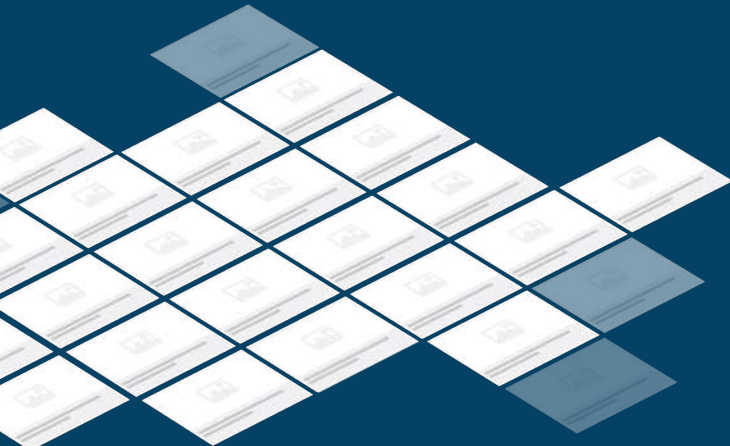
Dramatic improvement in  
RPM, CVR, CPA and  
organic recirculation\*

\* Tracked via long term a/b testing



# WHERE DOES DEEP LEARNING FIT AT TABoola

# WHAT ARE WE TRYING TO SOLVE?



Millions of Possible Recommendations



Rank N recommendations by *estimated CPM*



Sponsored Content

From Park Jogs to Marathon Training Here Are The Best Running Shoes  
Macy's

Sponsored ▶

Don't Buy New Furniture Before You Visit This Site  
Wayfair | Sponsored



Context Metadata



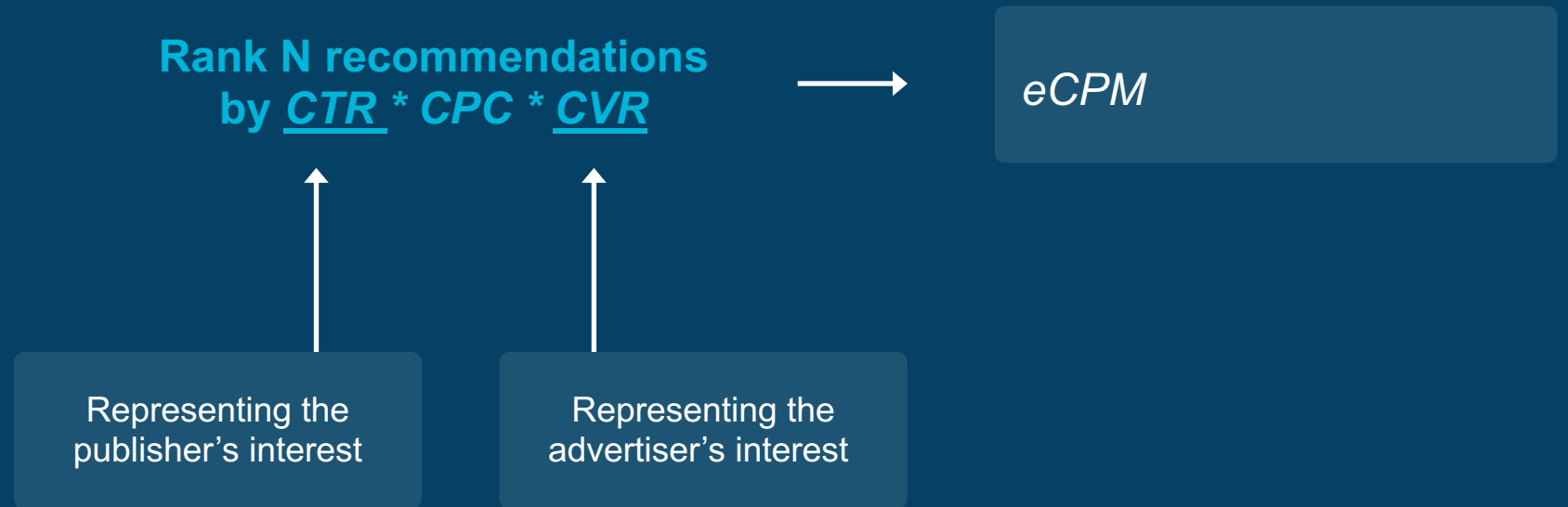
Location Region based Information



Curiosity Graph



# WHAT ARE WE TRYING TO SOLVE?

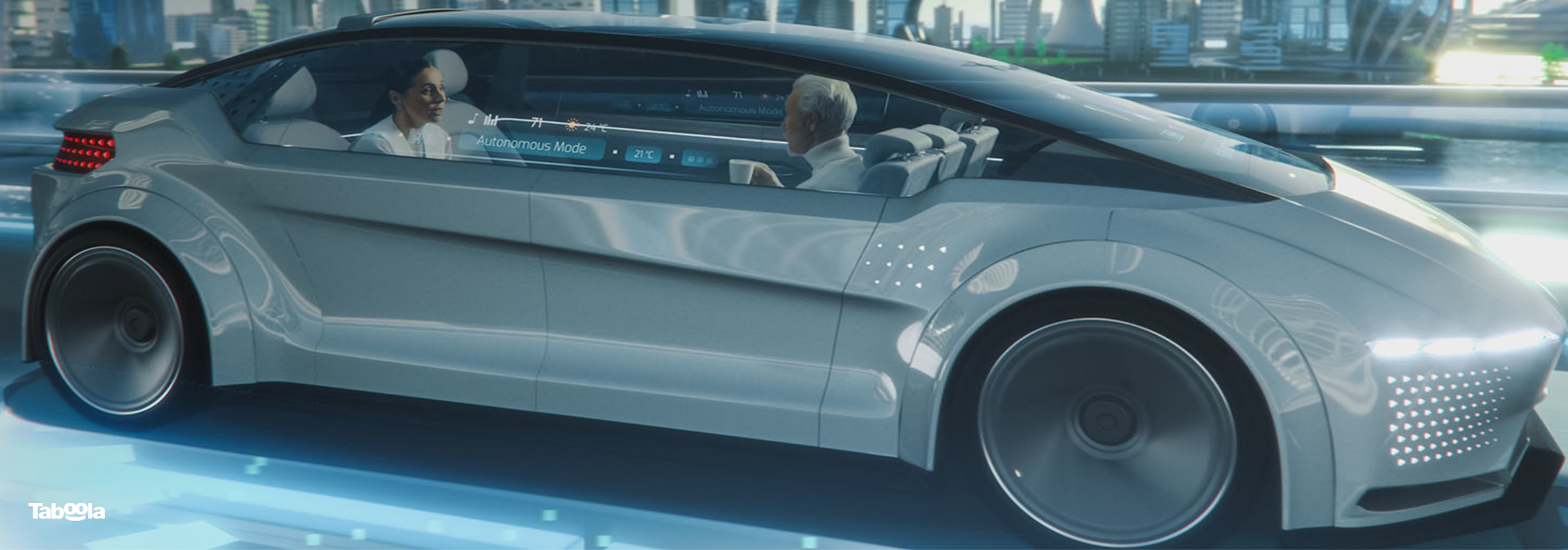


*CTR = Click Through Rate*

*CPC = Cost Per Click*

*CVR = Conversion Rate*

# SMARTBID AI - TABOOLA'S SELF DRIVING DISCOVERY PLATFORM





# WHAT DOES SMARTBID CAPTURE

*For users reading about COVID-19, SmartBid found that they have*



High tendency to engage  
with travel campaigns  
35% Higher Ranking Score  
CPA down 40%



Lower tendency to engage  
with personal investing  
campaigns:  
40% Lower Ranking Score  
(CPA would be up 50%)

# HOW DOES SMARTBID GET SMARTER ON ITS OWN

It actively seeks new knowledge

## EXPLOIT

I'm fairly certain I know what to do



Environment



## EXPLORE

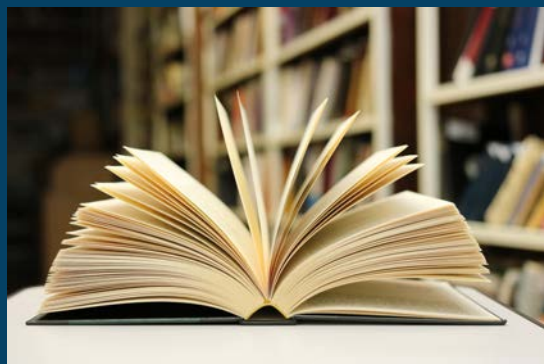
I need to learn more about this



Autonomous  
Driving tool

# WHAT DOES SMARTBID CAPTURE

*For users reading about Sports, SmartBid found that they have*



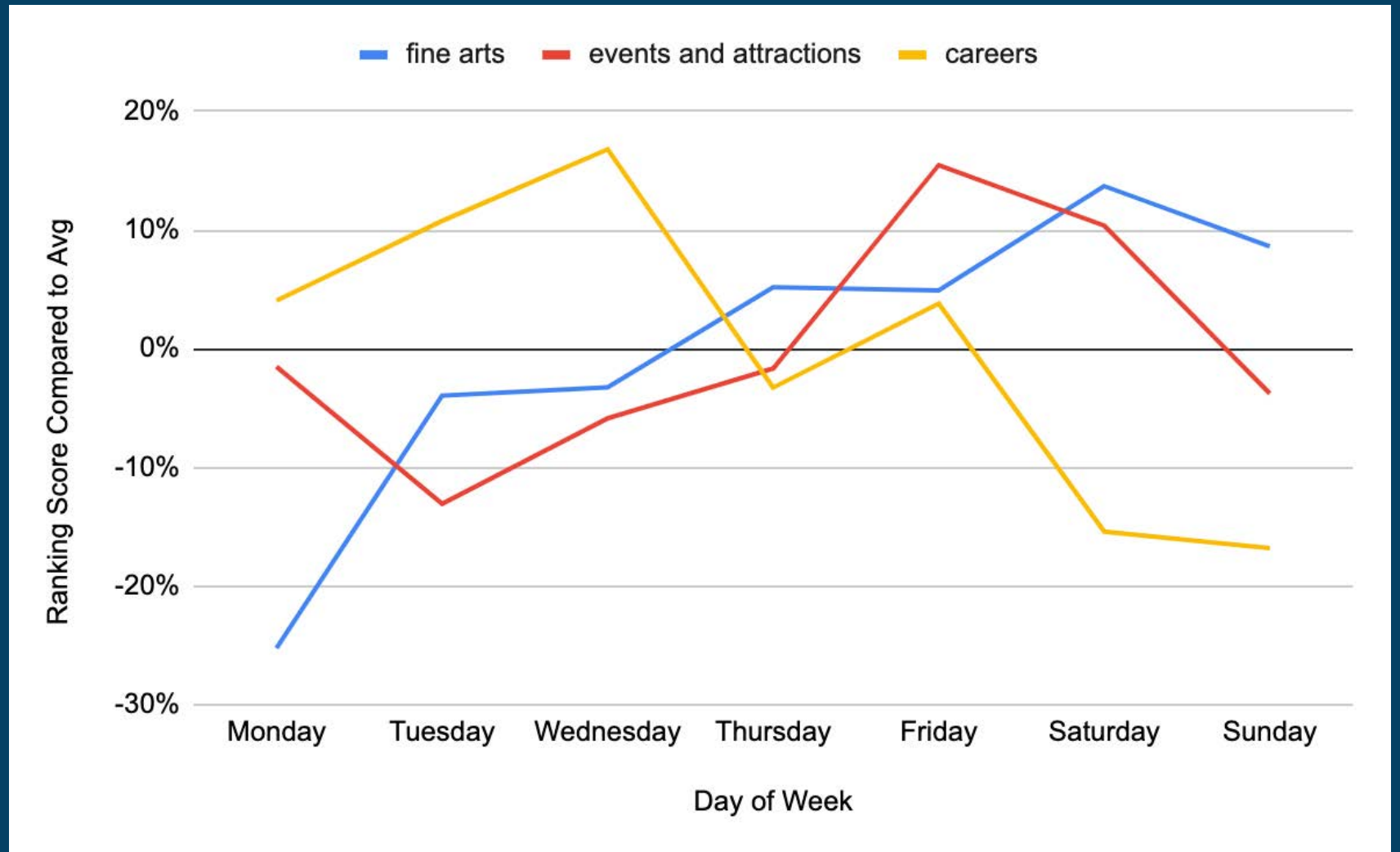
Not so much into books and literature campaigns  
45% Lower Ranking Score  
(CPA would be up 25%)



Much more into “lighter” subjects like other hobbies and interests:  
25% Higher Ranking Score  
CPA down 60%

# WHAT DOES SMARTBID CAPTURE

*Trends throughout the week*



# WHAT DOES SMARTBID CAPTURE

*SmartBid knows that users reading tech are more likely to engage with finance ads.  
But more specifically...*

For users reading articles  
about this

SmartBid: stock  
investing ads will  
perform exceptionally  
well in this context.

Ranking Score x15 compared to  
how it ranks on an average article;  
x3 compared to other tech articles

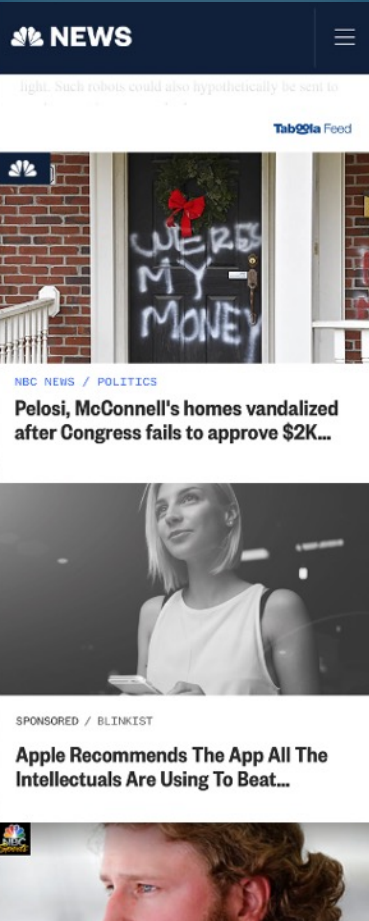
## Amazon announces 20-to-1 stock split



# UNDER THE HOOD

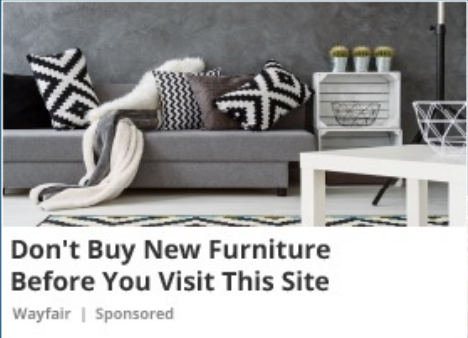


# WE SOLVE MULTIPLE PROBLEMS USING THE SAME PLATFORM



## PUBLISHERS

Revenue;  
Subscription;  
View per session



## ADVERTISERS

CPA/ROAS;  
Conversions@scale



## OEMs

User Engagement  
& Retention





# SOME THINGS WE ARE WORKING ON?

- Contextual intent at higher scale
- Faster way to explore new matching patterns
- Models which allow scaling more diverse types of advertisers
- Model lifetime value and increased engagement over time
- Smarter Bidding on any supply





# REVOLUTION OF AI DRIVEN BY DEEP LEARNING

Machines that learn things on their own

# RECOMMENDING ANYTHING, ANYWHERE A MULTI BILLION DOLLAR OPPORTUNITY



Note: Financial models take into consideration only the core business

(1)(2)(3)Source: Company data, Revenues  
(3) Includes Connexity

**Taboola**

# BRANDS AND AGENCIES

**Nadav Perry**

VP, Global Brands and Agencies Development

March 29<sup>th</sup>, 2022

# AGENDA

1

Why should brands care?

---

2

Our investment in brands:  
a. Product  
b. Partnerships  
c. People

3

Success Stories

# DIVERSIFY & ENGAGE THE CONSUMER AT ALL MOMENTS

FACEBOOK



TikTok

Moments of  
**ENTERTAINMENT**

Taboola

Moments of  
**DISCOVERY**

amazon

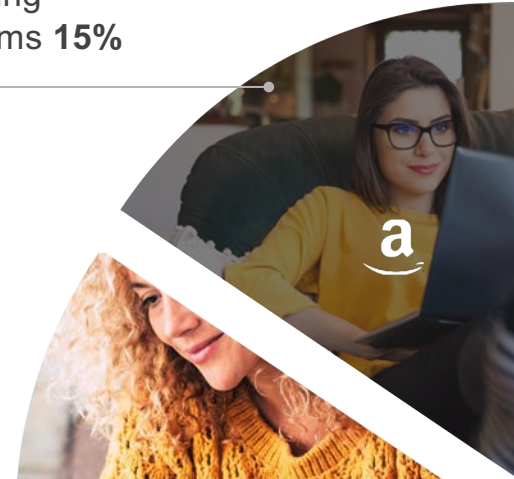
Google

Moments of  
**INTENT**

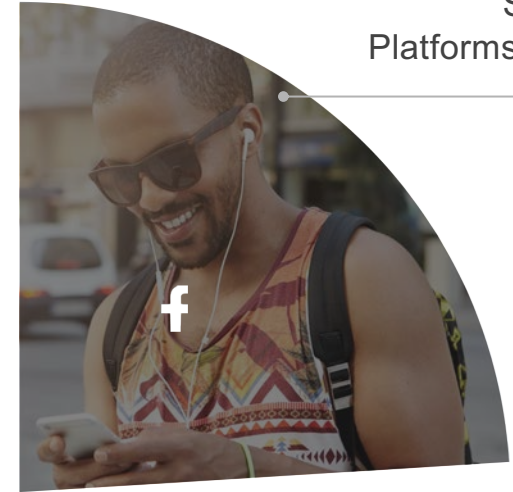
# PEOPLE SPEND 25% OF THEIR ONLINE TIME ON THE OPEN WEB

Open Web 25% 

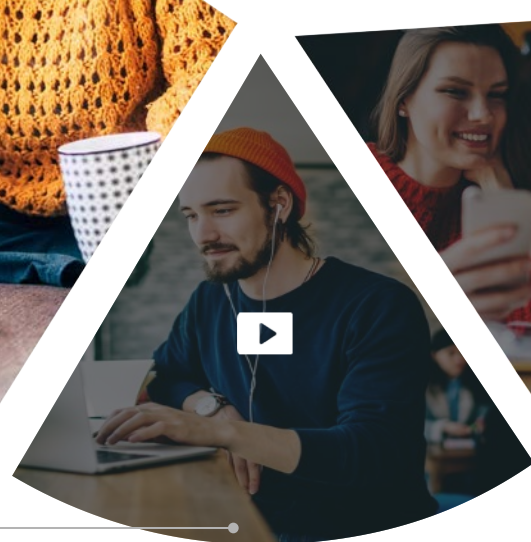
Shopping  
Platforms 15%



Social  
Platforms 23%



Video  
Platforms 17%



Search  
Platforms 16%





9:41



TECH

## Your iPhone Could Stop You From Texting And Driving Soon

JUNE 15, 2017 by [Yuyu Chen](#)

Apple unveiled a new iPhone feature this week that aims to cut down on the number of distracted drivers.

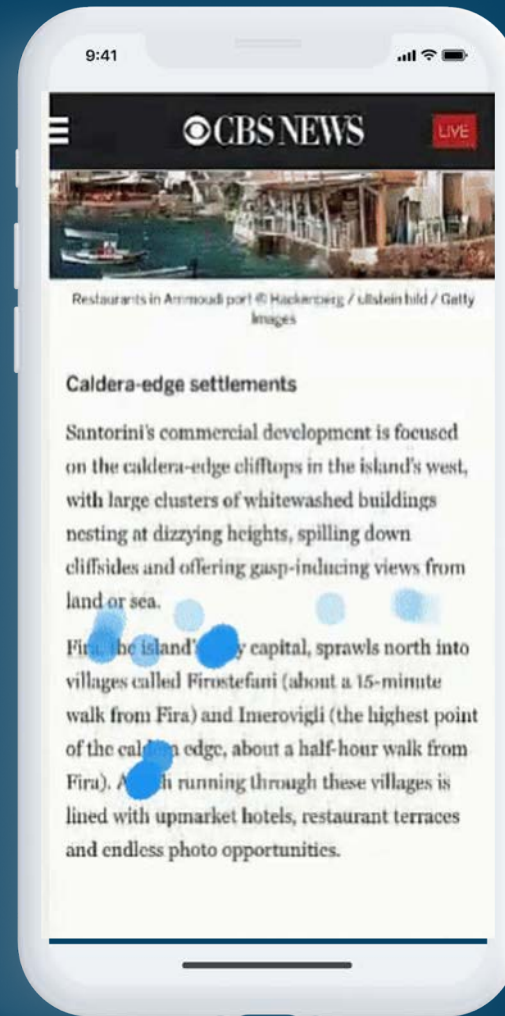
The "Do Not Disturb While Driving" setting will automatically silence incoming texts and notifications while an iPhone is connected to a car via Bluetooth or cable, the tech giant announced Monday.

DNDWD, which will be available in fall 2017 with the release of Apple's mobile operating system iOS 11, will allow users to send automatic replies to contacts attempting to reach them

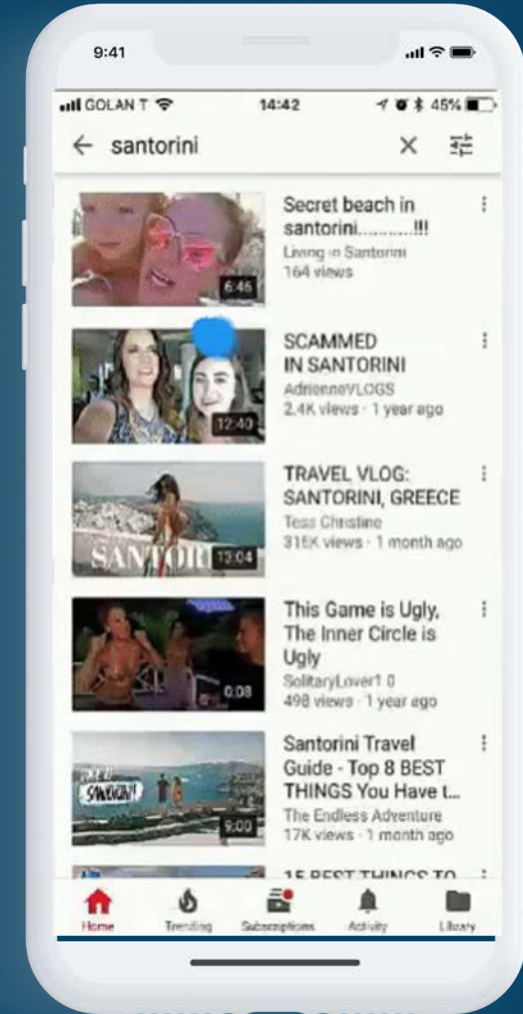
# ADS IN THE MOMENT OF DISCOVERY HAD 25% HIGHER ATTENTION

nielsen

25%



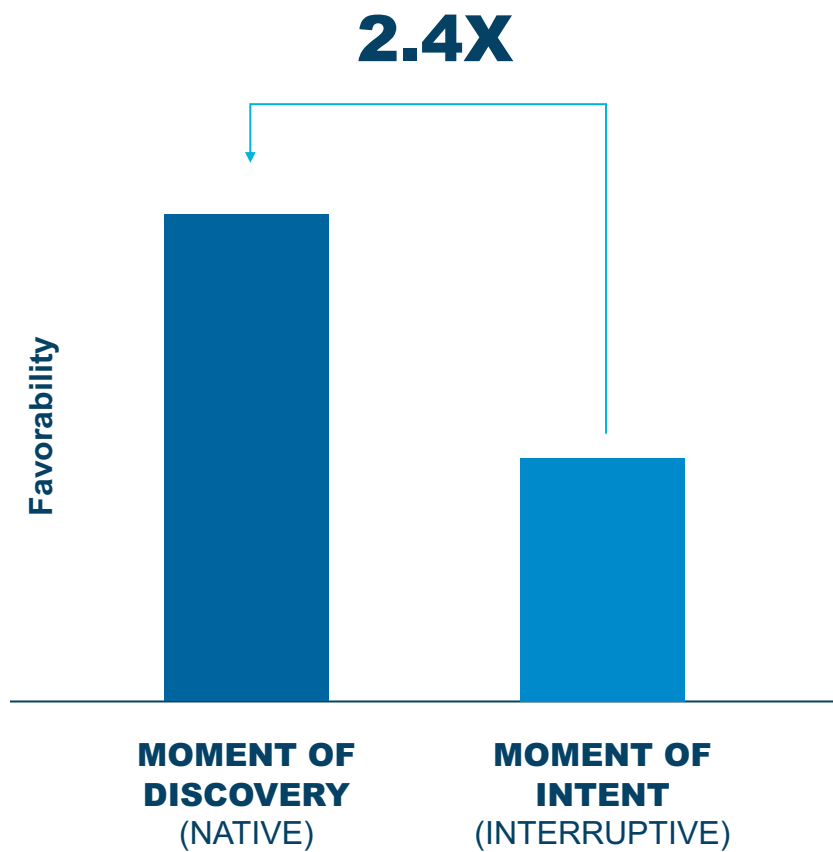
**MOMENT OF  
DISCOVERY  
(NATIVE)**



**INTERRUPTIVE  
(PREROLL)**



# ADS IN THE MOMENT OF DISCOVERY WERE RATED 2.4X MORE FAVORABLE



**BRAINSTER**



*“77% of people under 35 feel the pandemic has made them value journalism more and trust news brands more than social environments.”*

IAB 2021 - 'The Value of Quality Environments'

---

## **AD PERCEPTION ON HIGH QUALITY SITES**

**▲ 74%**

VERSUS THE SAME AD ON A **LOW QUALITY** SITE



# AGENDA

1

Why should brands care?

2

Our investment in brands :

- a. Product
  - b. Partnerships
  - c. People
- 

3

Success Stories

# CONNECTING BRANDS TO CONSUMERS ACROSS THE FUNNEL

## TABOOLA HIGH IMPACT



**AWARENESS**

Brand Awareness

**CONSIDERATION**

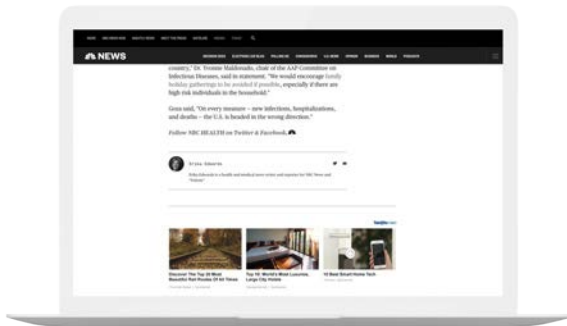
Website Traffic

User Engagement

**CONVERSION**

Lead Generation & Conversion

## TABOOLA PERFORMANCE



# HIGH IMPACT PLACEMENTS

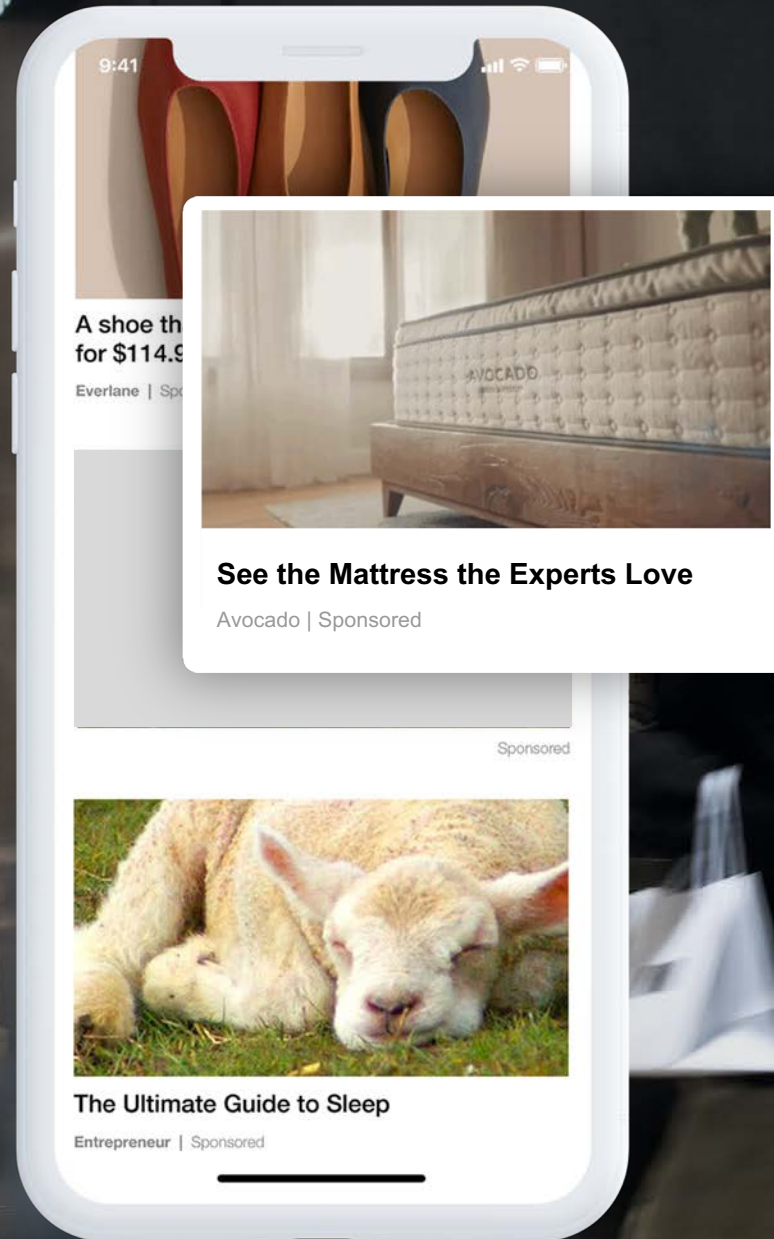
## Premium Ad Placements on Premium Publishers.

A highly-viewable advertising solution, with brand safety controls, optimal for achieving branding and awareness goals.



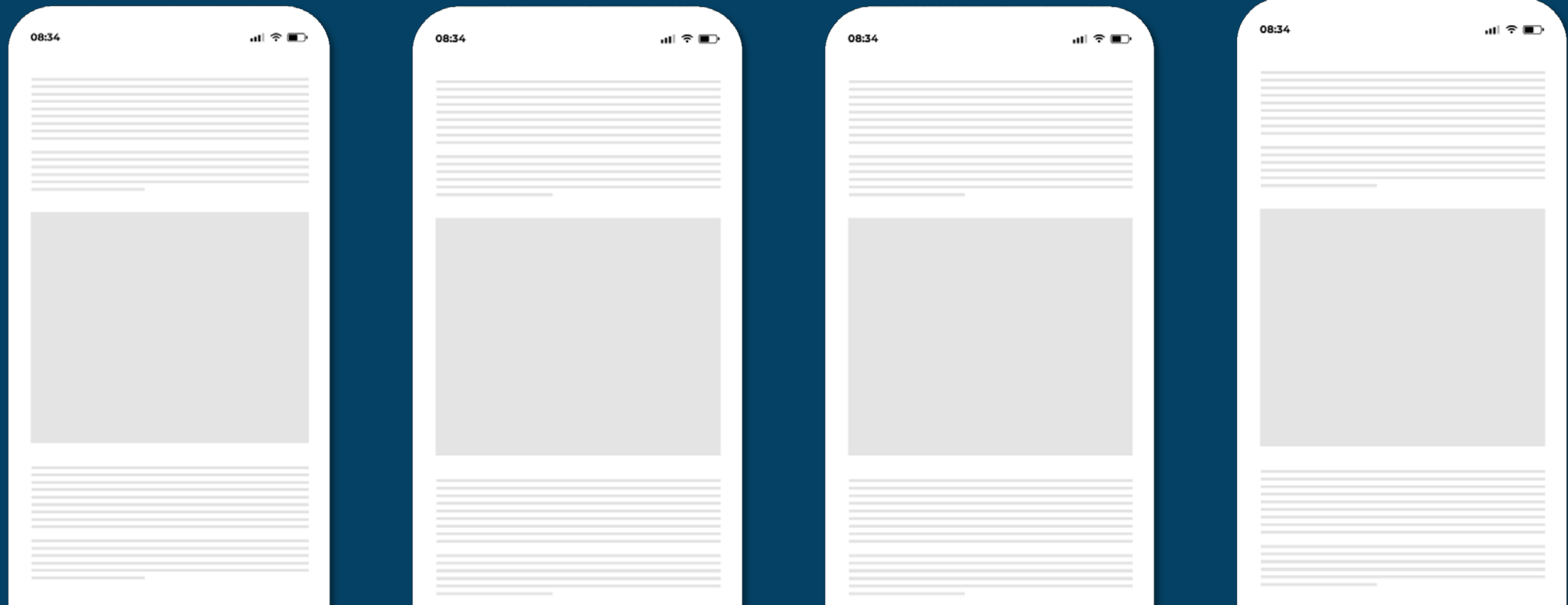
# PERFORMANCE MARKETING

A data driven solution for performance focused outcomes. Leveraging image, motion ads and video assets and SmartBid Algorithms to achieve lower-funnel KPIs.

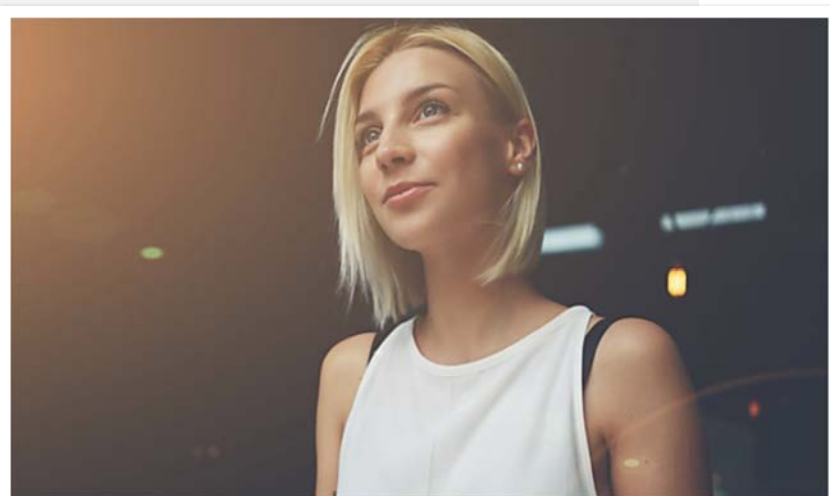


# INNOVATION: DRIVING AWARENESS

Experimenting with new rich ad experiences



# INNOVATION: DRIVING PERFORMANCE



## The Innovative App That's Trending Among Intellectuals

Blinklist is an app used by top thinkers around the world- it provides genuine value for people who love to learn

Blinklist | Sponsored

Learn More

DESCRIPTION

CTA  
BUTTON

## ADS WITH DESCRIPTION

### Elevate The Brand Message:

Advertisers have greater storytelling opportunities to highlight details about their product or service.

DRIVING  
PURCHASES

**+26%**

CVR

## CALL TO ACTION

### Drive users To Action:

Help users convert with a specific post-click action

LEAD  
GENERATION

**+6%**

CVR

Learn More



# CREATE A SAFE ENVIRONMENT FOR BRANDS

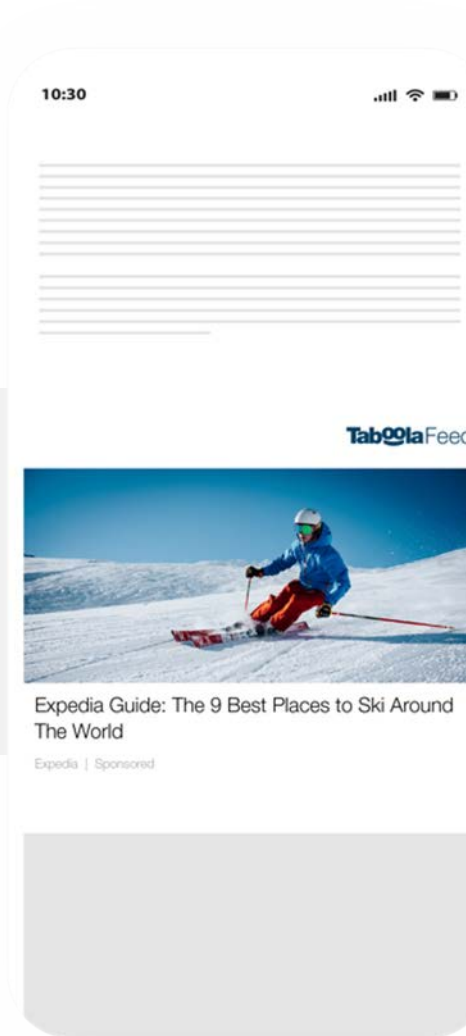
**IAS** Integral  
Ad Science

MOAT

- Control which sites & articles your ad appears on
- Control what content surrounds your ad

**DV**  
DoubleVerify

 White Ops®



Editorial Content

Your ad, adjacent to safe editorial content

Editorial Content

# TABOOLA ACHIEVES

## IAB UK GOLD STANDARD 2.0



**TABOOLA MEETS THE INDUSTRY'S HIGHEST STANDARDS** by ensuring that your brand will appear in **premium, brand safe environments** across our publisher network, which are **respectful of user experience and privacy**.

### ANTI FRAUD



Implementing [IAB Tech Lab's ads.txt, sellers.json and Open RTB Supply Chain Object](#)

### BRAND SAFETY



Obtaining [TAG Brand Safety Certification](#), providing robust policy, and long-term commitment to compliance monitoring policies

### USER EXPERIENCE



Adhering to [The Coalition for Better Ads \(CBA\)](#) advertising standards

### PRIVACY



Ensuring compliance with the GDPR and ePrivacy law by adopting [IAB Europe's Transparency Consent Framework \(TCF\)](#)

Taboola News

# CONTENT EXPERIENCES INTEGRATED INTO DEVICES

Make an impact in native environments alongside premium content.

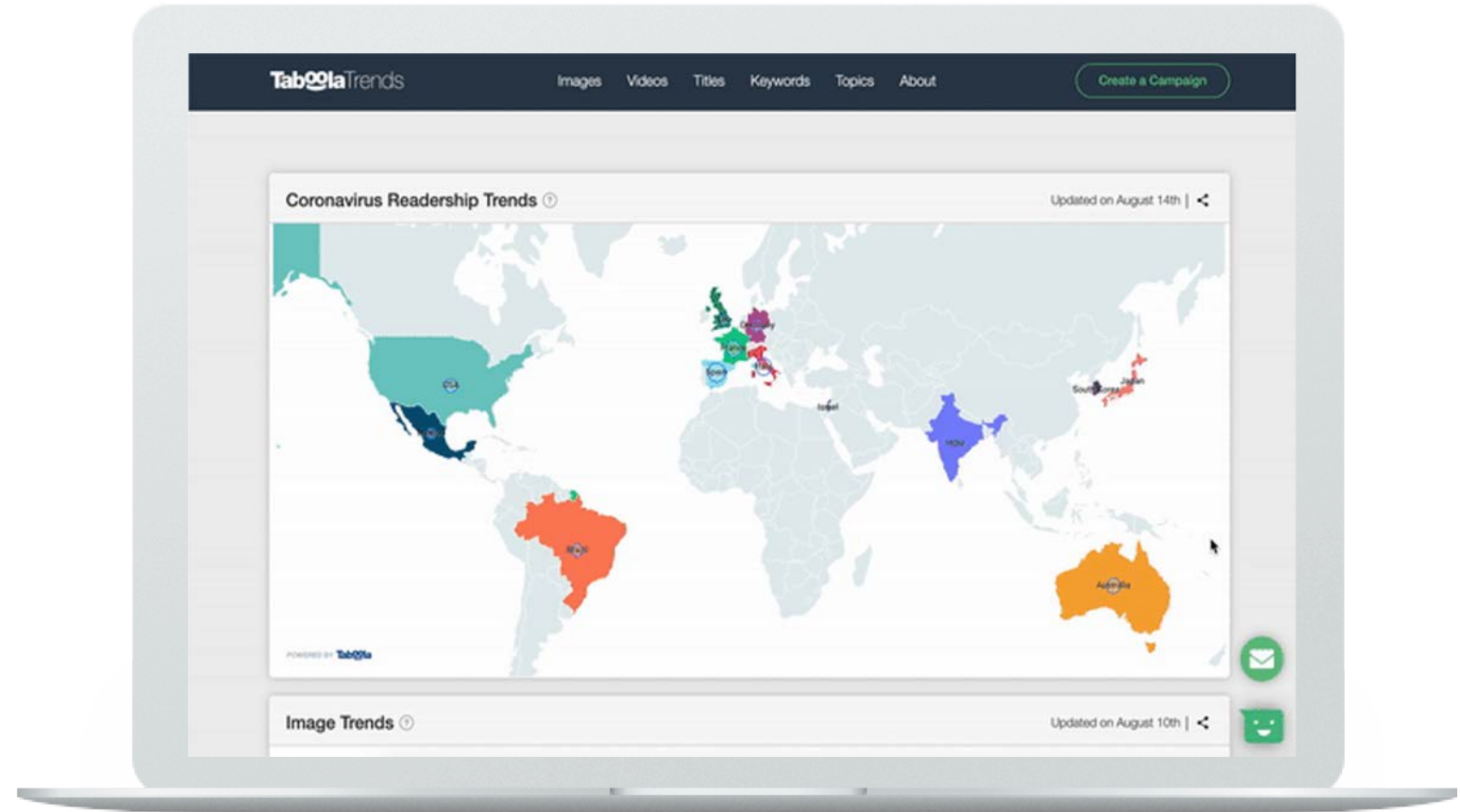


# OUR SERVICE TEAMS GLOBALLY INCLUDE:

- Industry experts (Auto, Retail, Finance etc)
- Agency leaders
- Client Success leads
- Creative experts
- Analytics experts
- And more...

# DRIVING INSIGHTS VIA TABOOLA DATA

Shape the Brand Story, the Creative, the Landing Page, the audience Targeting...  
**based on unique readership data**



# AGENDA

1

Why should brands care?

2

Our investment in brands:  
a. Product  
b. Partnerships  
c. People

3

**Success Stories**

---



## AGENCY COLLABORATIONS



## BRAND SUCCESS STORIES





**Taboola**

# GROWING E-COMMERCE ON THE OPEN WEB

Connexity retail performance marketing

**Bob Michaelian**

President Connexity

March 29<sup>th</sup>, 2022





# E-COMMERCE IS A ROCKET SHIP

- **E-Commerce will surpass 20% of all retail** globally in 2022.<sup>1</sup>
- **US retail e-Commerce will surpass \$1 trillion** in sales for the first time in 2022.<sup>2</sup>

INSIDER  
INTELLIGENCE

eMarketer

*We expect US e-commerce sales will cross \$1 trillion for the first time in 2022.*

*Prior to the pandemic, we did not forecast e-commerce reaching this milestone until 2024.*

*- Alicia Phaneuf  
eMarketer | Insider Intelligence*

(1) Source: [eMarketer](#), [Global Ecommerce Forecast 2022](#)

(2) Source: [eMarketer](#), [Insider Intelligence](#) – [Ecommerce Statistics: Industry benchmarks & growth](#)

# AND IS ENABLING THE FUTURE OF OPEN WEB CONTENT

- **60% of publishers** list e-Commerce as a top revenue opportunity.<sup>1</sup>
- Publishers generating revenue from e-Commerce has grown **over 3x in the last year.**<sup>2</sup>
- There are nearly 150 Commerce Editors currently in the US - one of the fastest growing roles in the newsroom.<sup>3</sup>

(1) Source: eMarketer, Publishers and Commerce 2021

(2) Source: Digiday, Digiday Research: Commerce is now a revenue stream for a majority of publishers

(3) Source: LinkedIn

## The INDEPENDENT

*“Revenue diversification is a key theme for The Independent’s continued growth as e-commerce grew by 60% in 2021”*

- **Zach Leonard**  
The Independent

## CONDÉ NAST

*“We expect that a third of revenue will come directly from readers through the likes of ecommerce by 2025”*

- **Natalia Gamero del Castillo**  
Conde Nast

## FUTURE

*“Without cookies, publishers should be looking to place extra focus on their commerce content as an alternative revenue stream.”*

- **Mike Peralta**  
Future, PLC

# CONNEXITY IS AN E-COMMERCE MARKET MAKER

Direct relationships with blue-chip partners in both retail demand and publisher traffic supply.

## SELECT DIRECT MERCHANT RELATIONSHIPS



## PREMIER PUBLISHER RELATIONSHIPS



## LONGSTANDING PREMIUM PARTNERS

- 20+ Years in e-Commerce, pioneers of retail lead gen
- 90%+ of revenue from direct merchant relationships with 10+ years average tenure
- 15 of the top 20 global publishers leverage platform for monetization

# HOW CONNEXITY DRIVES SHOPPERS TO MERCHANTS

## FINDING NEW CUSTOMERS



**150M**

shopper visits per month\*



**750M**

product offers processed\*



**\$4B**

in gross merchant sales generated annually\*

We find incremental, retail oriented audiences.

## ON UNIQUE CHANNELS



**HEARST**



**VOX MEDIA**

**CONDÉ NAST**



**Bing**  
**yahoo!shopping**

We access sources in both the open web and walled gardens.

## USING PROPRIETARY TECH



Inventory Management System



Smart Pricing System



Custom Reporting/ Analytics

We create growth with turnkey performance technology.

## FOR BLUE CHIP RETAILERS

**wayfair**

**ebay**

**overstock**

**Disney**

**Walmart**

**BED BATH & BEYOND**

**OTTO**

**SKECHERS**

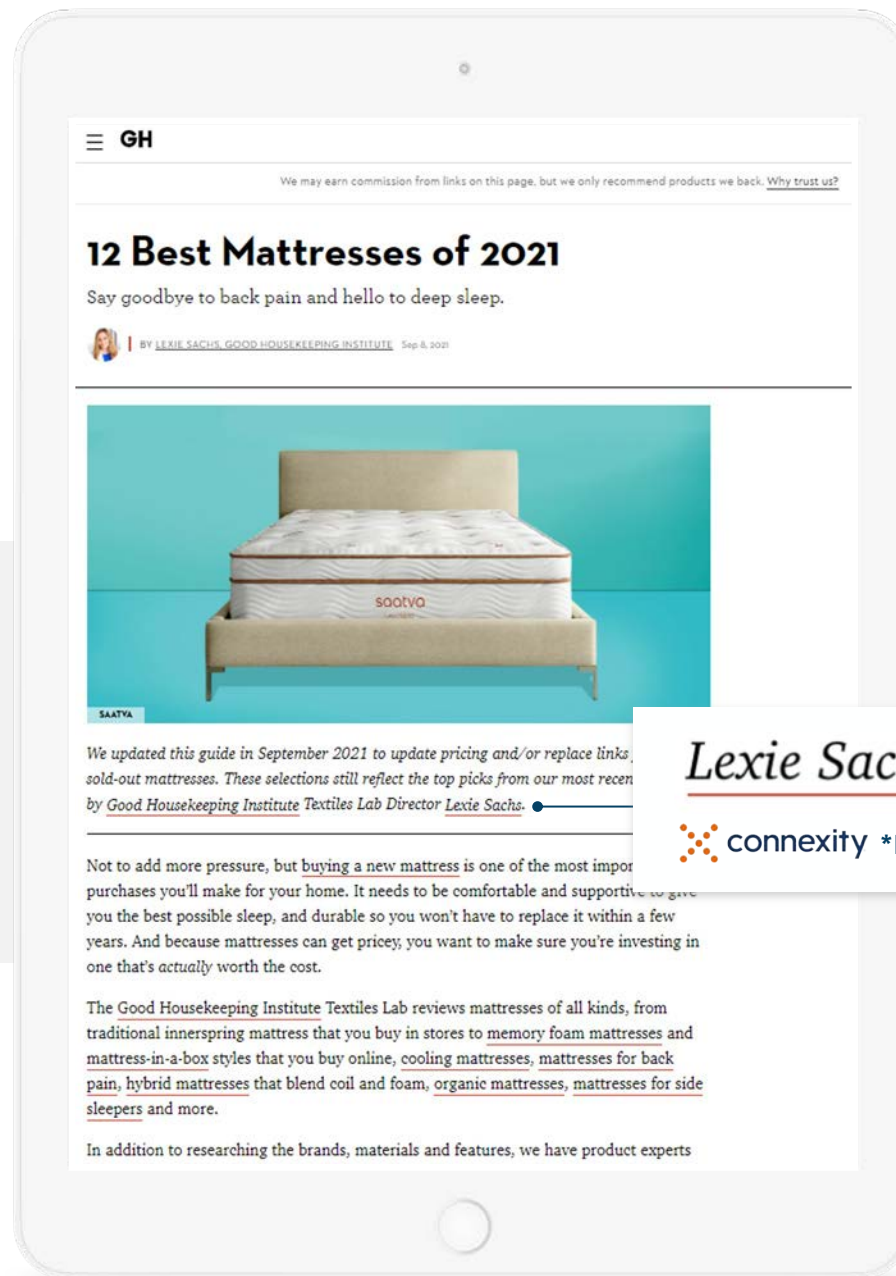
**SEPHORA**

**★macy's**

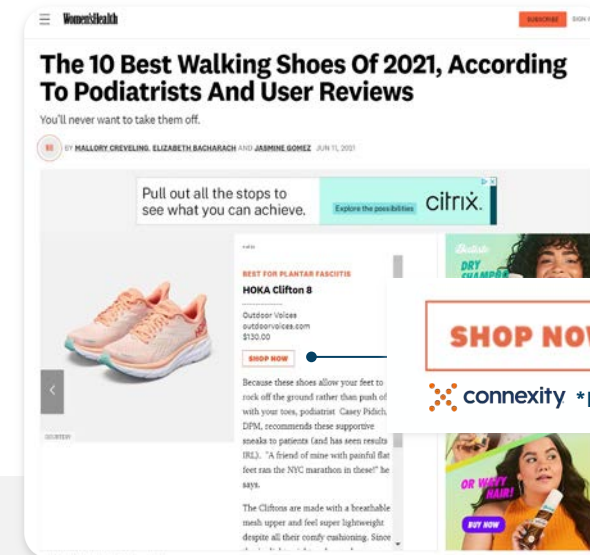
We deliver on goals & KPIs defined by our partners.

# CONNEXITY PRODUCT PLACEMENTS ON EDITORIAL CONTENT

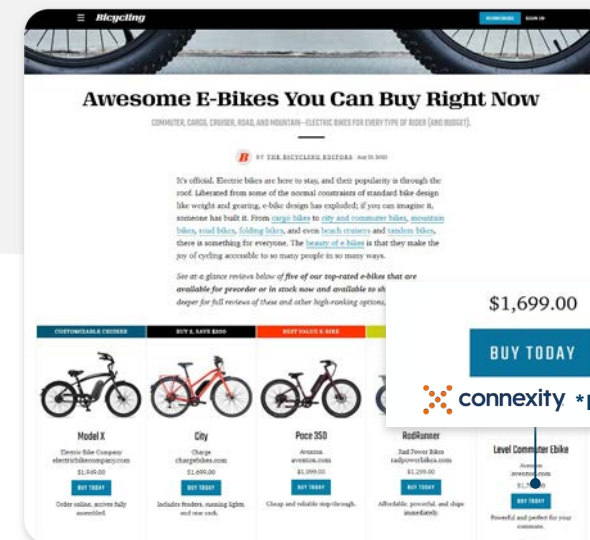
HEARST



Lexie Sachs.



SHOP NOW

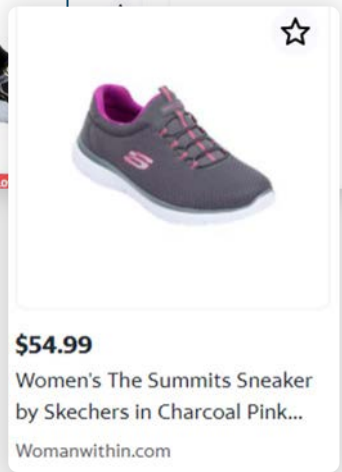
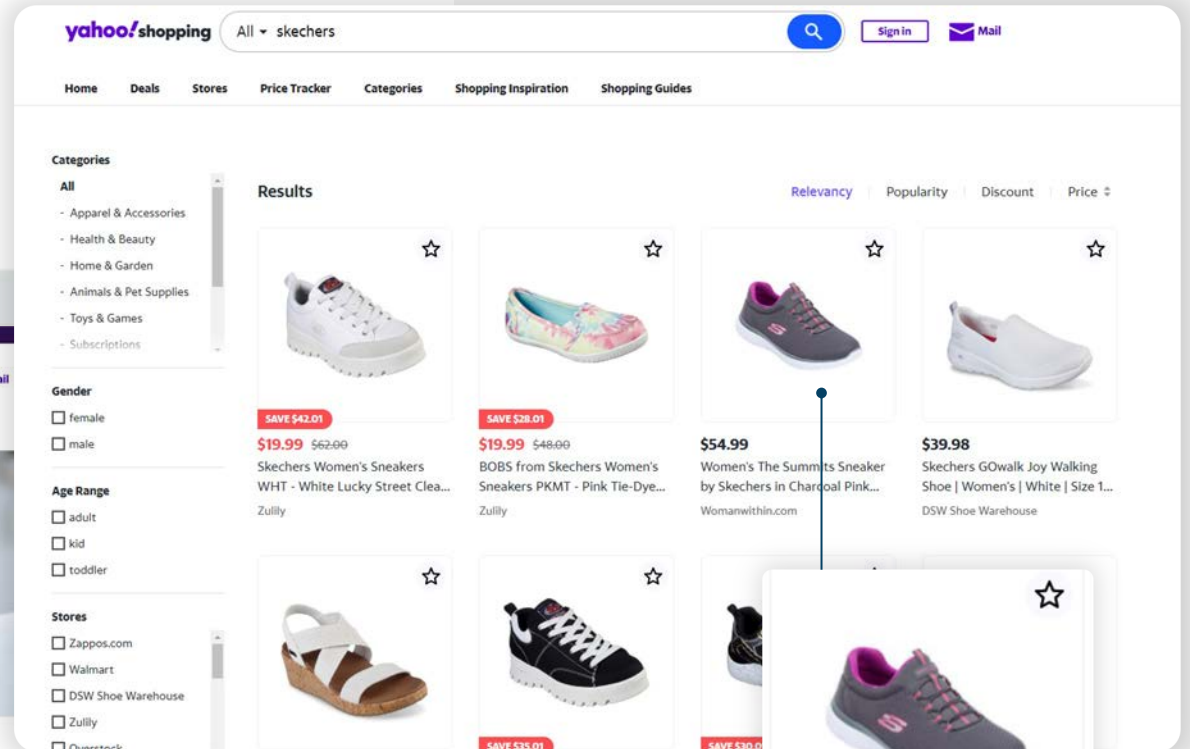
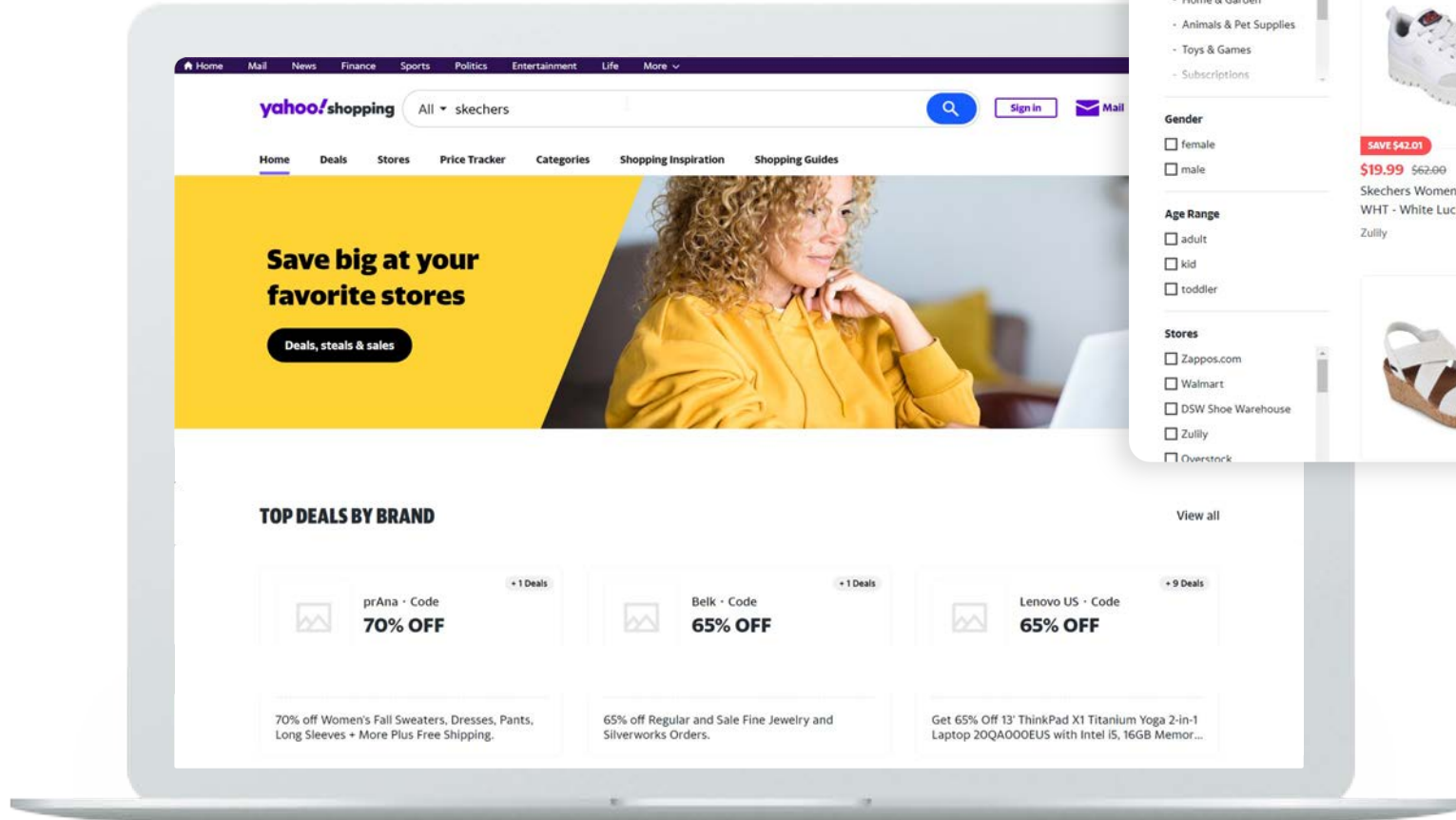


\$1,699.00

BUY TODAY

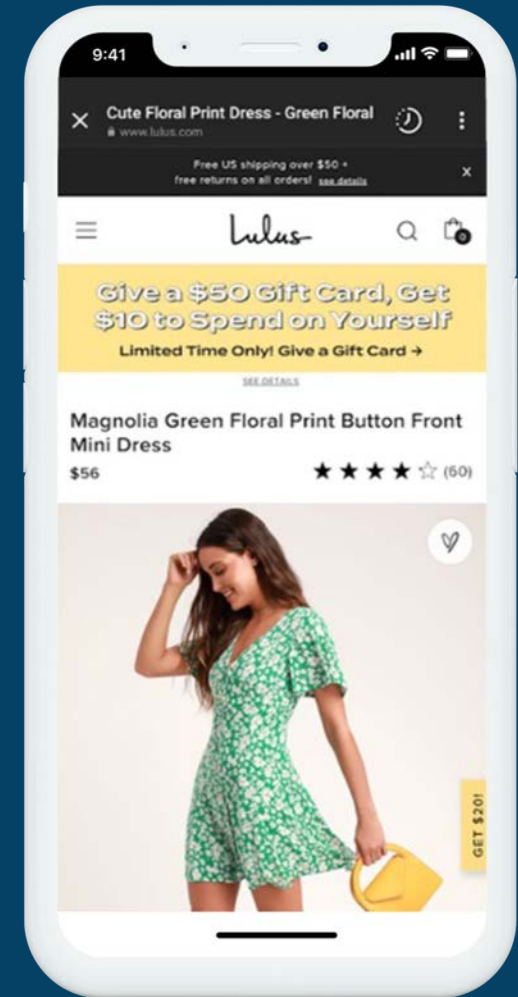
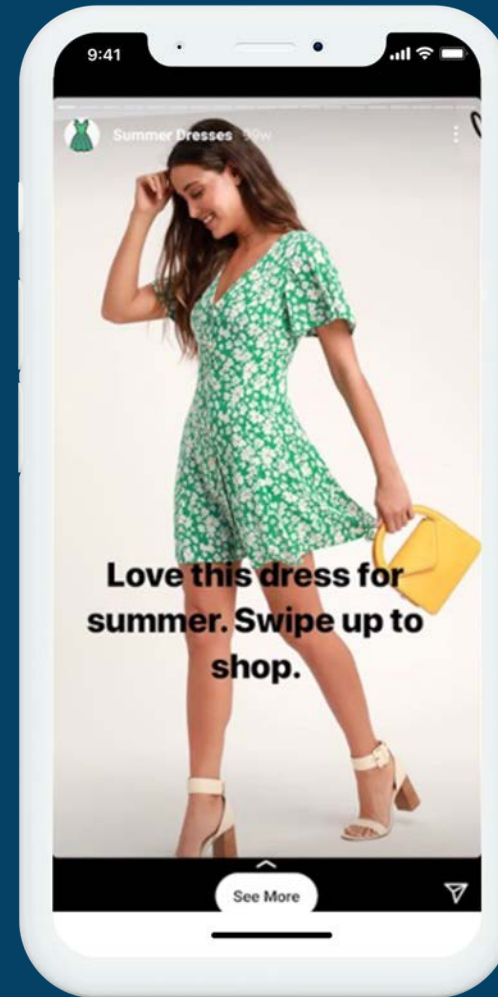
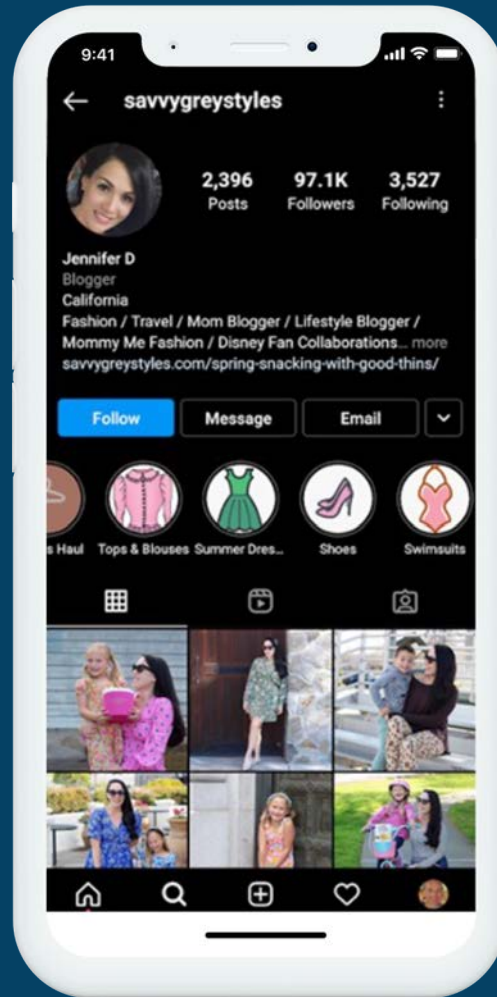


# CONNEXITY PRODUCT PLACEMENTS ON MARKETPLACE SITES



# CONNEXITY PRODUCT PLACEMENTS IN SOCIAL MEDIA

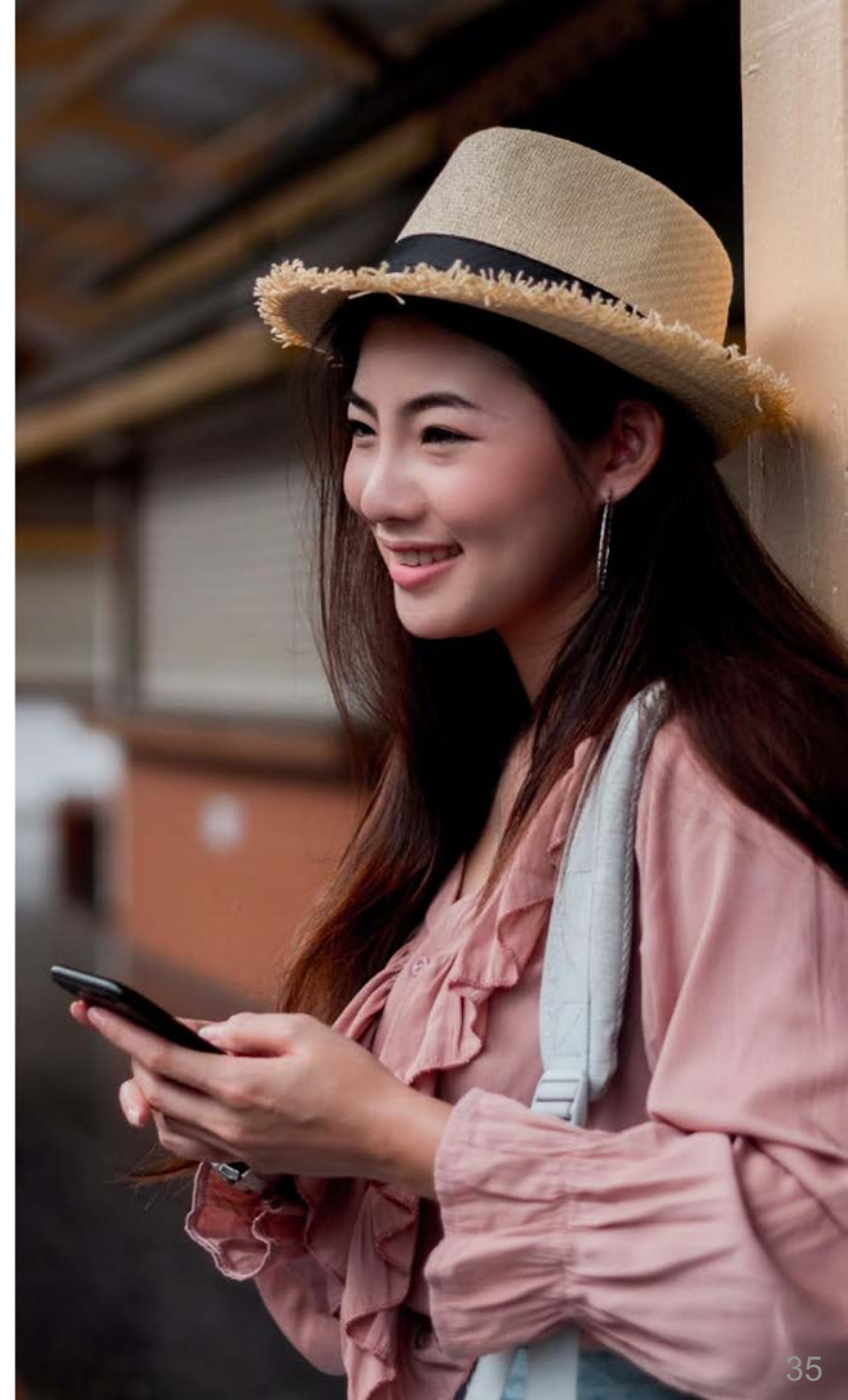
Products recommended to followers through Instagram stories, Facebook, blogs, etc.



# SYNERGY INTEGRATION STARTS

Key focus areas combining Taboola efforts to drive growth in expanded Connexity footprint

- **Expansion of Connexity Publisher Relationship in APAC/EMEA**
  - Actively rolling out to 14 new markets
  - Pitching 2-5 new partners per week
- **Leveraging Taboola Ad Sales to Sell Connexity**
  - Rolling out Commerce Vertical Ad Sales in US
  - Actively Selling in China (3 new clients signed)
- **Leveraging Taboola's network as a supply source**
  - 18 of top 100 US advertisers opted into program already







## **E-COMMERCE IS THE FUEL TO POWER GROWTH IN THE OPEN WEB**

Connexity empowers publishers and merchants to scale e-Commerce on the open web

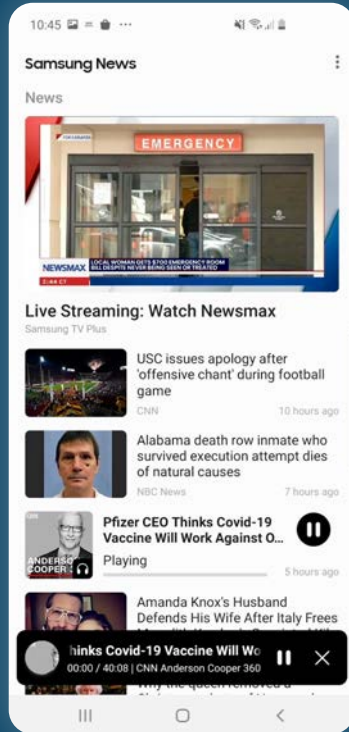
- Efficient, open channels for advertisers to find more new customers
- Valuable retailer relationships for publishers to grow commerce content revenue

# SUPPORTING TOUCHPOINTS

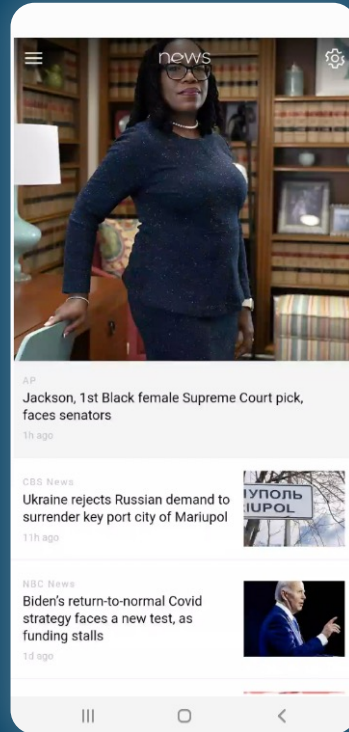
Lockscreen



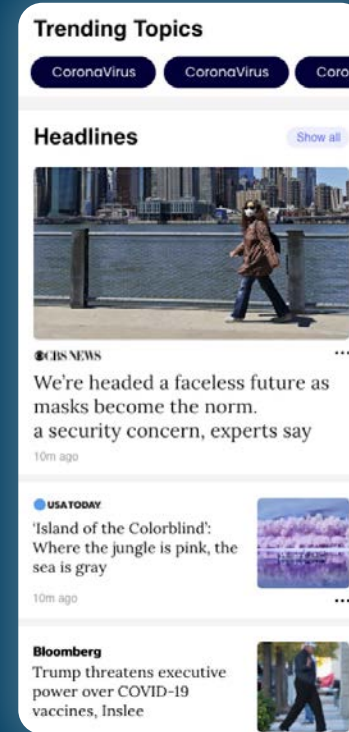
Minus one



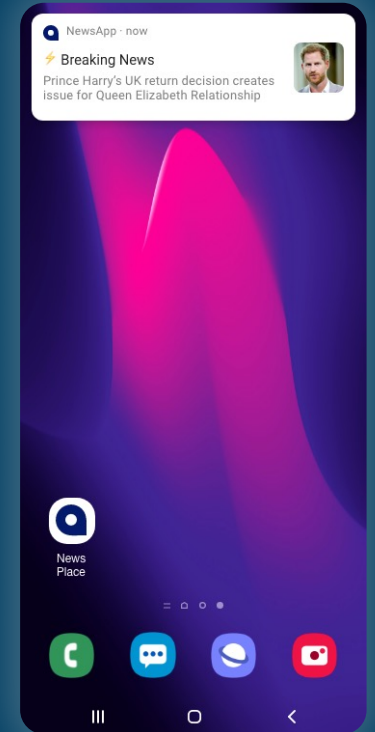
Browser



News app



Notifications





**Taboola**

# OUR FINANCIALS

**Steve Walker**

CFO

March 29<sup>th</sup>, 2022

# AGENDA

1

**Profitable Growth Model  
& Historical Results**

---

2

Taboola's Differentiation  
That Drives Superior  
Financial Results

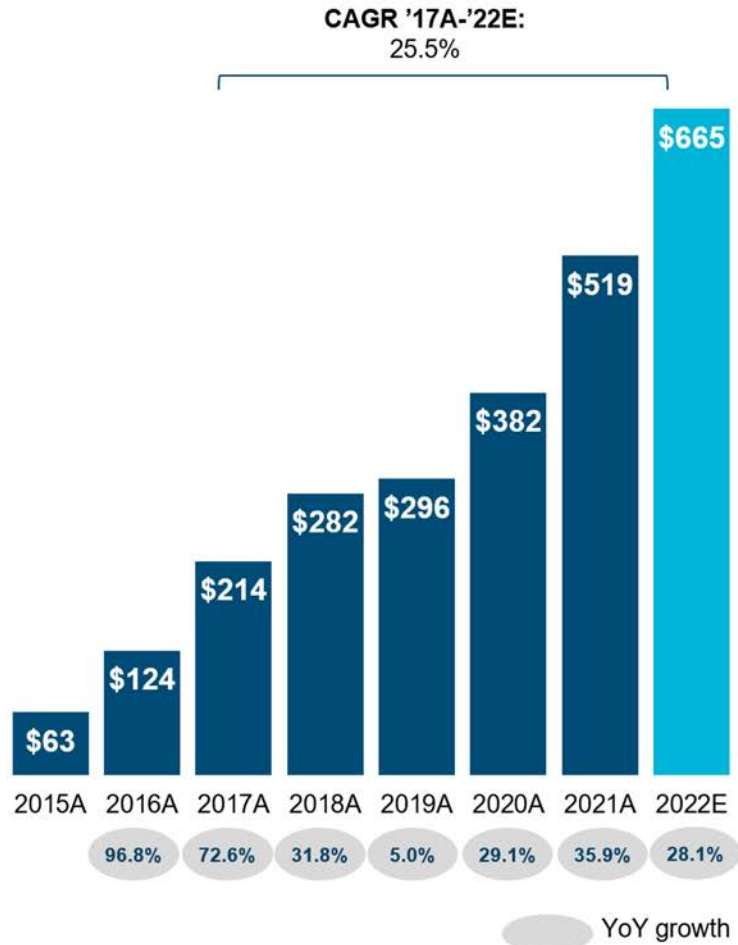
3

How We Drive Growth  
And Returns Over Time

# TABOOLA FOCUSES ON PROFITABLE GROWTH

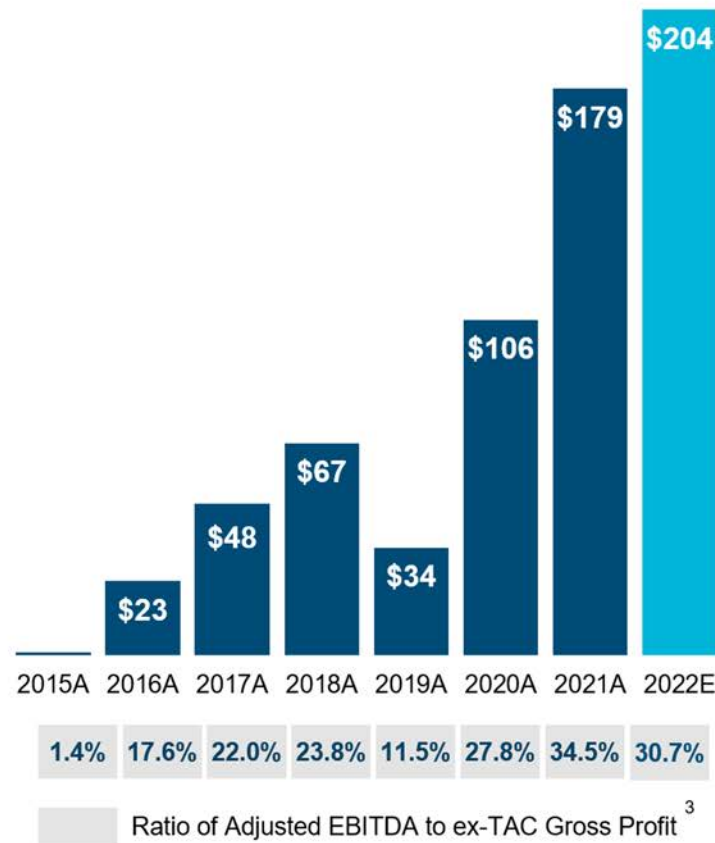
## ex-TAC Gross Profit<sup>1</sup>

(\$ in millions)



## Adj. EBITDA<sup>2</sup>

(\$ in millions)



## PROFITABLE GROWTH

Rule of 50 Business

### Upside in our model

- Model includes primarily growth from Core Open Web business only
- Conservative growth assumed for existing base
- Additional upside from existing growth initiatives and inorganic

### Long-term model

- 20%+ ex-TAC Gross Profit Growth
- 30%+ Ratio of Adjusted EBITDA to ex-TAC Gross Profit

(1),(2),(3) Non-GAAP measure, see appendix for reconciliation to GAAP  
Note: Projections reflect the mid-point of 2022 guidance

# 2021 SIGNIFICANTLY EXCEEDED EXPECTATIONS

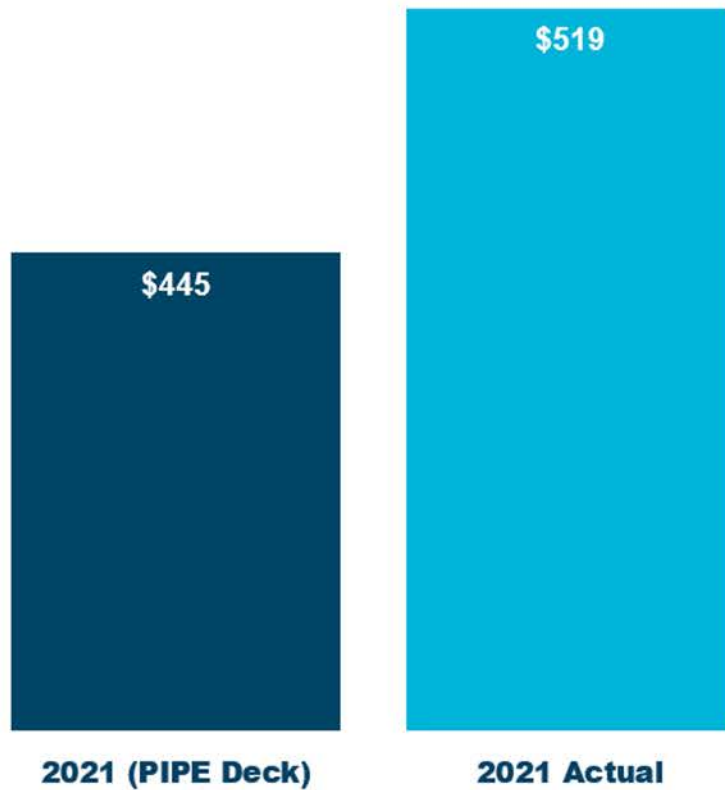
## ex-TAC Gross Profit<sup>1</sup>

\$ in millions

17.4%

YoY growth

35.7%



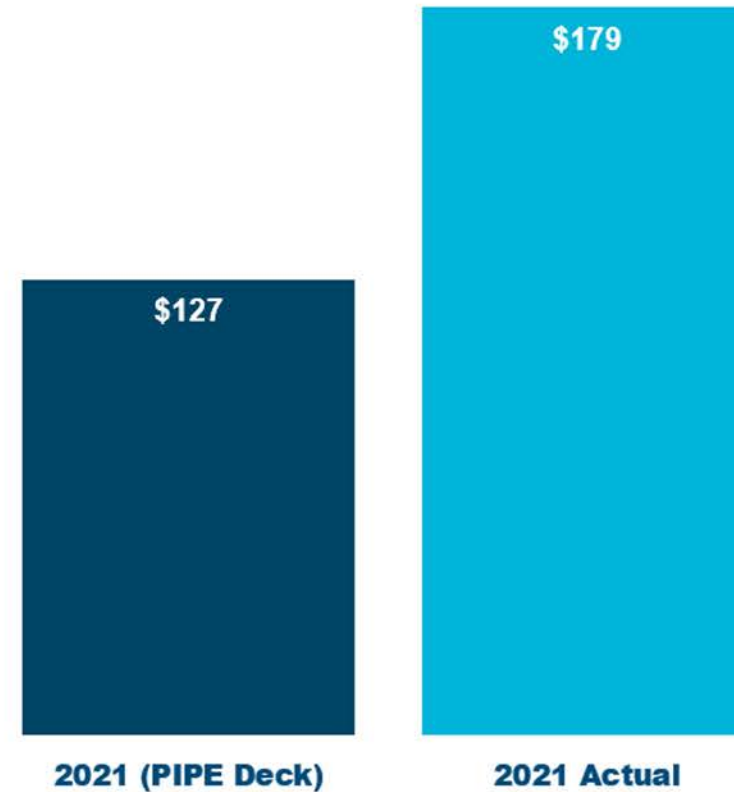
## Adjusted EBITDA<sup>1</sup>

\$ in millions

28.5%

Adjusted EBITDA  
Margin

34.6%



# CONTINUED STRENGTH EXPECTED IN 2022

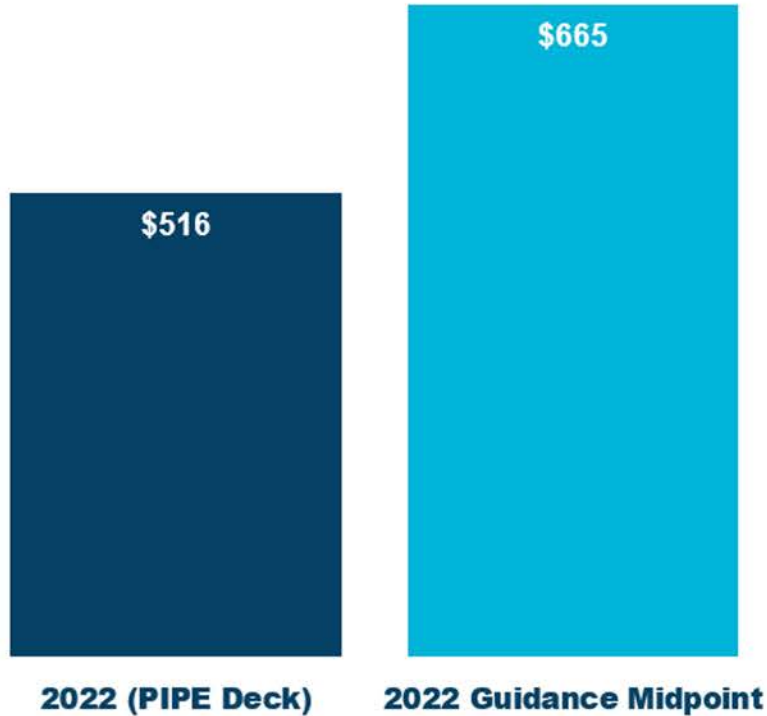
## ex-TAC Gross Profit <sup>1</sup>

\$ in millions

16.0%

YoY growth

28.2%



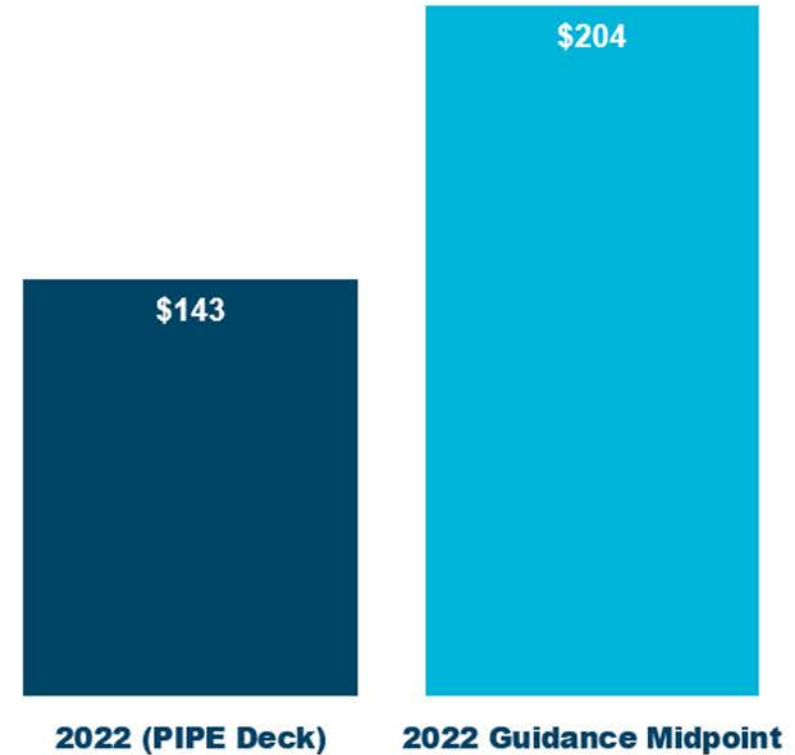
## Adjusted EBITDA <sup>1</sup>

\$ in millions

27.7%

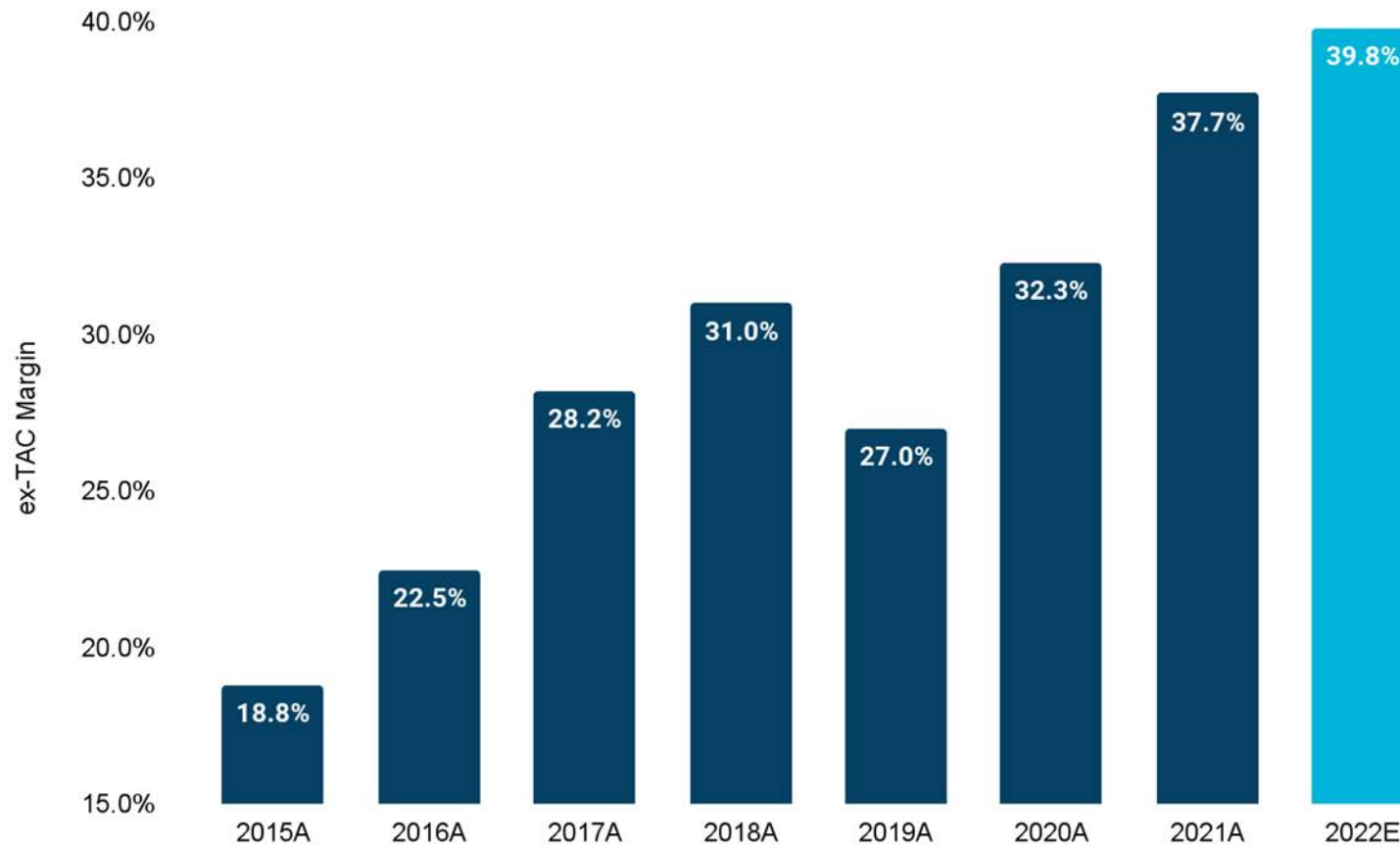
Adjusted EBITDA  
Margin

30.7%



# EXPANDING EX-TAC MARGINS POINT TO COMPETITIVE ADVANTAGE

ex-TAC Margin By Year<sup>1</sup>



- ex-TAC Margin has increased significantly since 2015
- Competitive landscape has not changed significantly in that time period
- Margins increase as competitive advantages increase



# AGENDA

1

Profitable Growth Model  
& Historical Results

2

**Taboola's Differentiation  
That Drives Superior  
Financial Results**

---

3

How We Drive Growth  
And Returns Over Time

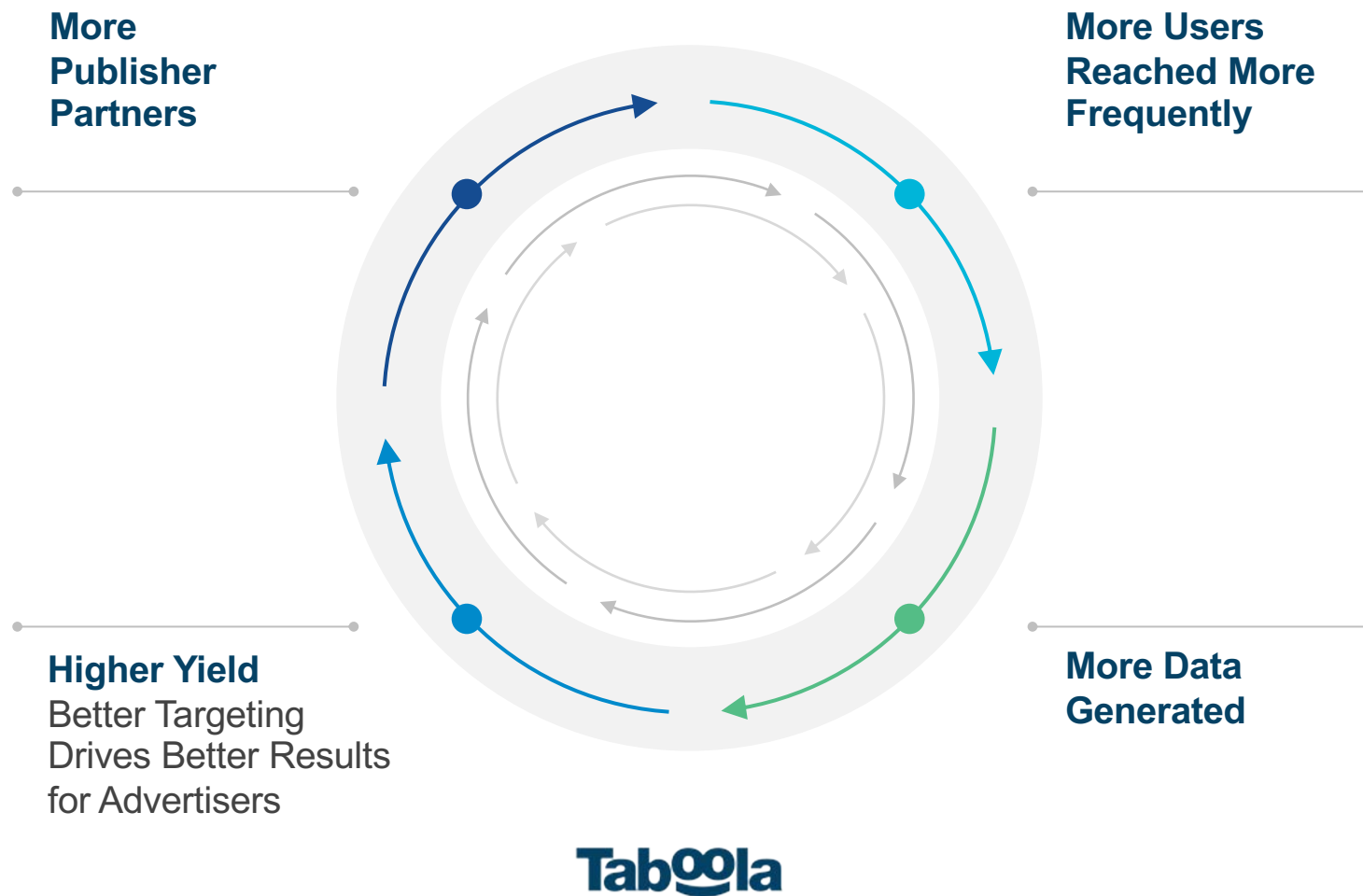
# TABOOLA'S DIFFERENTIATION

HOW IT DRIVES SUPERIOR  
FINANCIAL PERFORMANCE &  
EXPANDING MARGINS

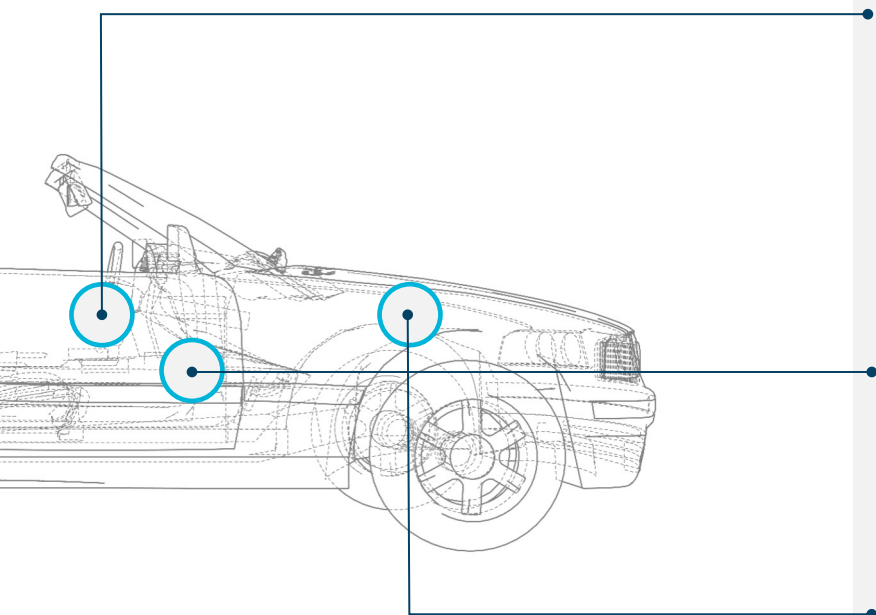
- 1 Growth fueled by a network effect
- 2 Long-term yield increases
- 3 Taboola's technology is resilient to the future disappearance of third-party cookies
- 4 Platform advantage driven by Taboola's technology
- 5 Connexity will further increase competitive advantage
- 6 More resilient in troubled economic times

# SCALE MATTERS IN OUR INDUSTRY

GROWTH WITH A BUILT-IN  
NETWORK EFFECT

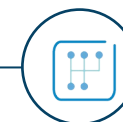


# WHAT MAKES UP YIELD



## Click Through Rate (CTR):

- The number of clicks that an ad receives divided by the number of times the ad is shown (impressions)
- A high CTR is a good indication that users find your ads relevant



**CTR**  
Click Through  
Rate

## Cost Per Click (CPC):

The amount advertisers pay for each click on their ads.



**CPC**  
Cost Per  
Click

## Conversion Rate:

The percentage of users who have completed a desired action (e.g. purchase) after clicking on an ad.

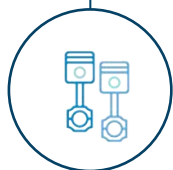
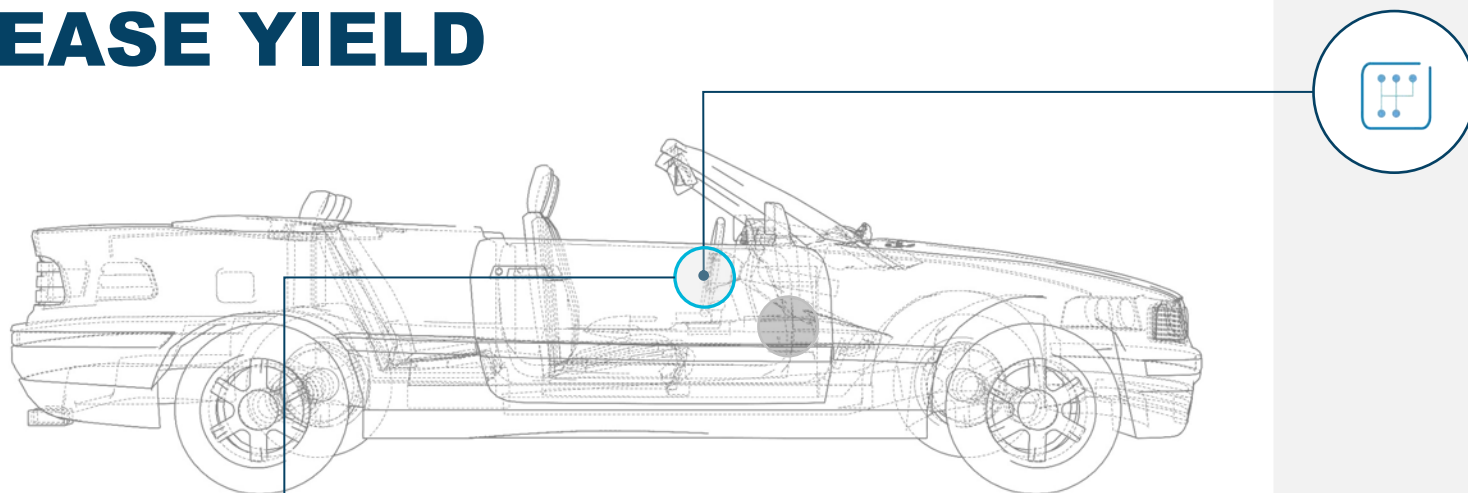


**Conversion  
Rate**



**YIELD**

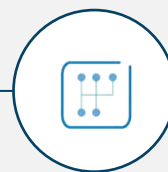
# HOW WE INCREASE YIELD



## CPC

Cost Per Click

- **More advertisers** on the platform increases auction density
- **Better attribution** measurement better reflects the value of conversions
- **Automated bidding (SmartBid)** optimizes bids dynamically



## CTR and Conversions

Click Through Rate, Conversion Rates

- **Algorithmic** improvements drive better prediction of what users will engage with
- **More advertisers** on the platform and higher diversity of campaigns
- **More data** that provides more contextual signals enables more accurate targeting
- **Better user experience** increases the likelihood of engagement with the ad

# TABOOLA TECH IS BUILT FOR A COOKIE-LESS, IDFA/ATT WORLD



Taboola has its own 1st party cookie – recommending personalized editorial content enables serving our own 1st party identifier

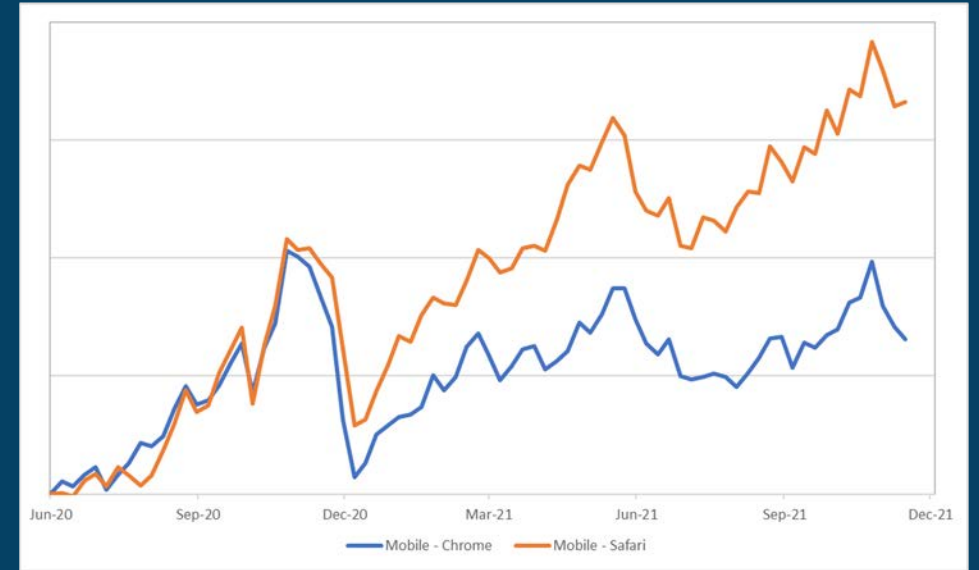


Unique readership context – deep access to the context of the page, allowing advertisers to target context (vs. “3rd party cookie behavior”)



People click on Taboola recommendations **tens of billions of times a year<sup>1</sup>** – re-hashing Taboola identifier across websites

(1) Source: Company data. Clicks represent total clicks on Taboola recommendations, including paid advertisements (“sponsored content”) and editorial (“organic”) content



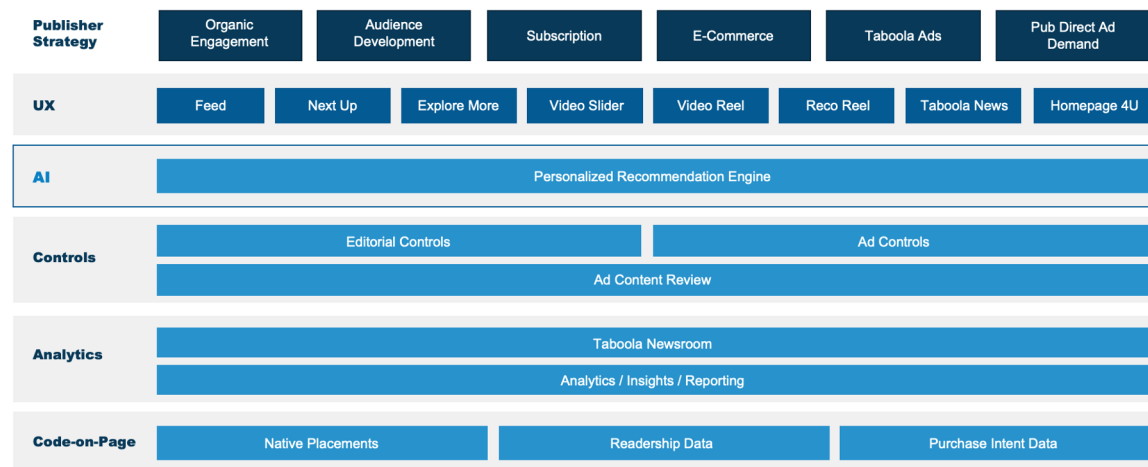
Taboola’s strong yield performance despite 3rd party cookies being blocked in the industry for years:

- Apple started blocking 3rd party cookies in 2017
- Firefox, Edge, etc are also blocking 3rd party cookies
- GDPR launched in 2018
- CCPA launched in 2019
- IDFA launched April, 2021

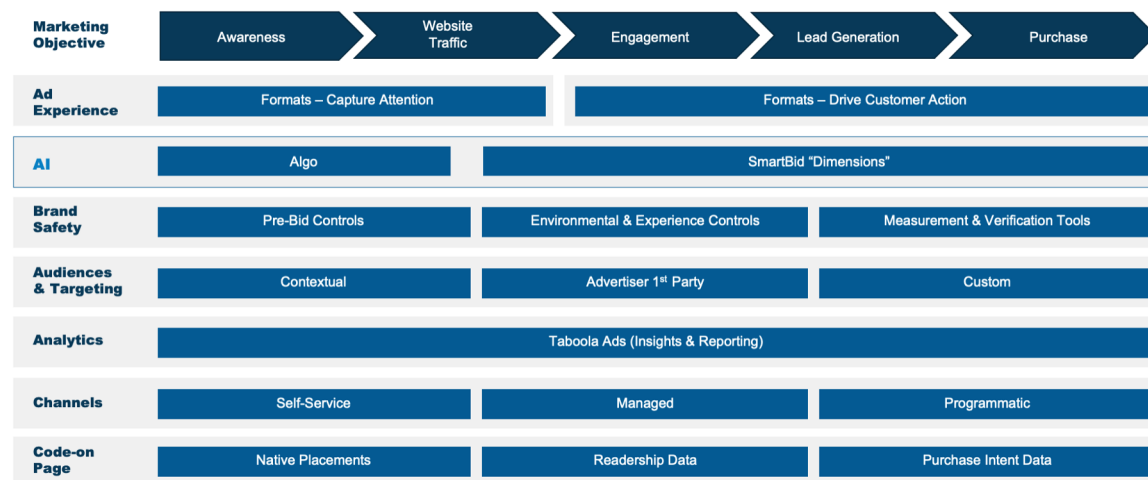
# PLATFORM ADVANTAGE DRIVEN BY INVESTMENT IN TECHNOLOGY

LEADS TO A SET OF CAPABILITIES NOT AVAILABLE FROM OUR COMPETITORS

COMPREHENSIVE PUBLISHER PLATFORM



COMPREHENSIVE ADVERTISER PLATFORM



# 1/3 OF OPEN WEB PUBLISHER REVENUE WILL BE E-COMMERCE





# CONNEXITY FURTHERS OUR COMPETITIVE ADVANTAGE

## INTRINSIC VALUE OF BUSINESS

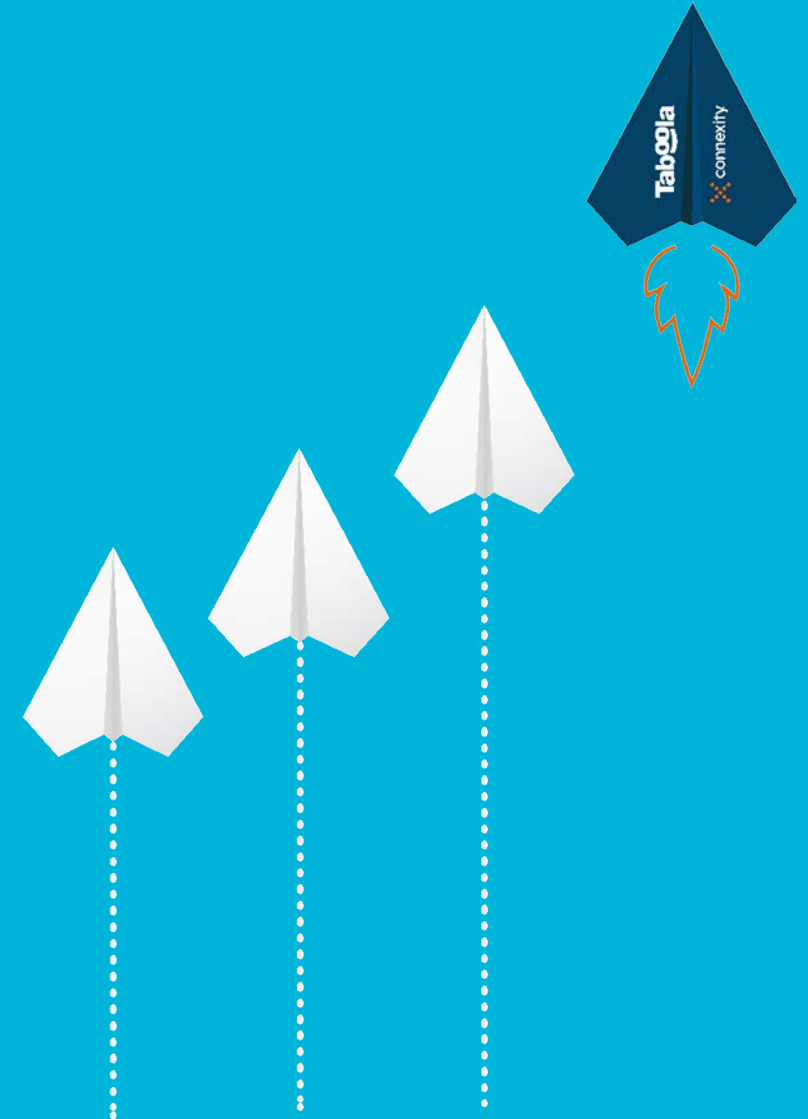
Significant expansion of our addressable TAM with long runway of growth

## SYNERGIES

Tremendous opportunity to leverage our scale, combined relationships and Connexity's e-commerce market maker capabilities

## STRATEGIC VALUE

$\frac{1}{3}$  of Open Web Publisher Revenue will be e-commerce<sup>1</sup> and Taboola with Connexity is uniquely differentiated



# CONNEXITY SYNERGIES

\$100M+ ANNUAL EX-TAC IN 4 YEARS

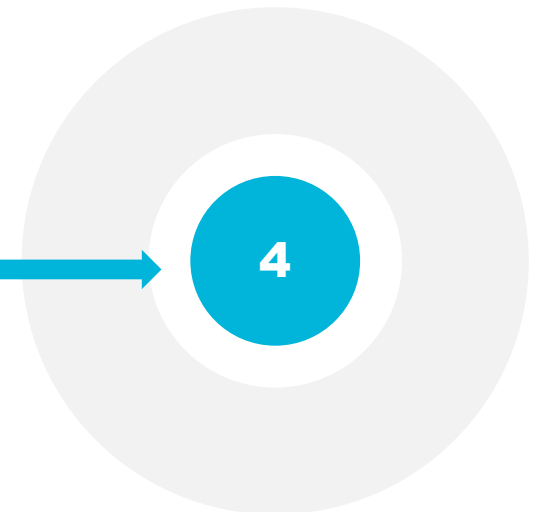
## SHORT-TERM

1. Connexity on Taboola Publishers, growing publishers % of traffic with intent
2. Take Connexity Global
3. Expanding Connexity's Client base by Leveraging Taboola Ad Sales



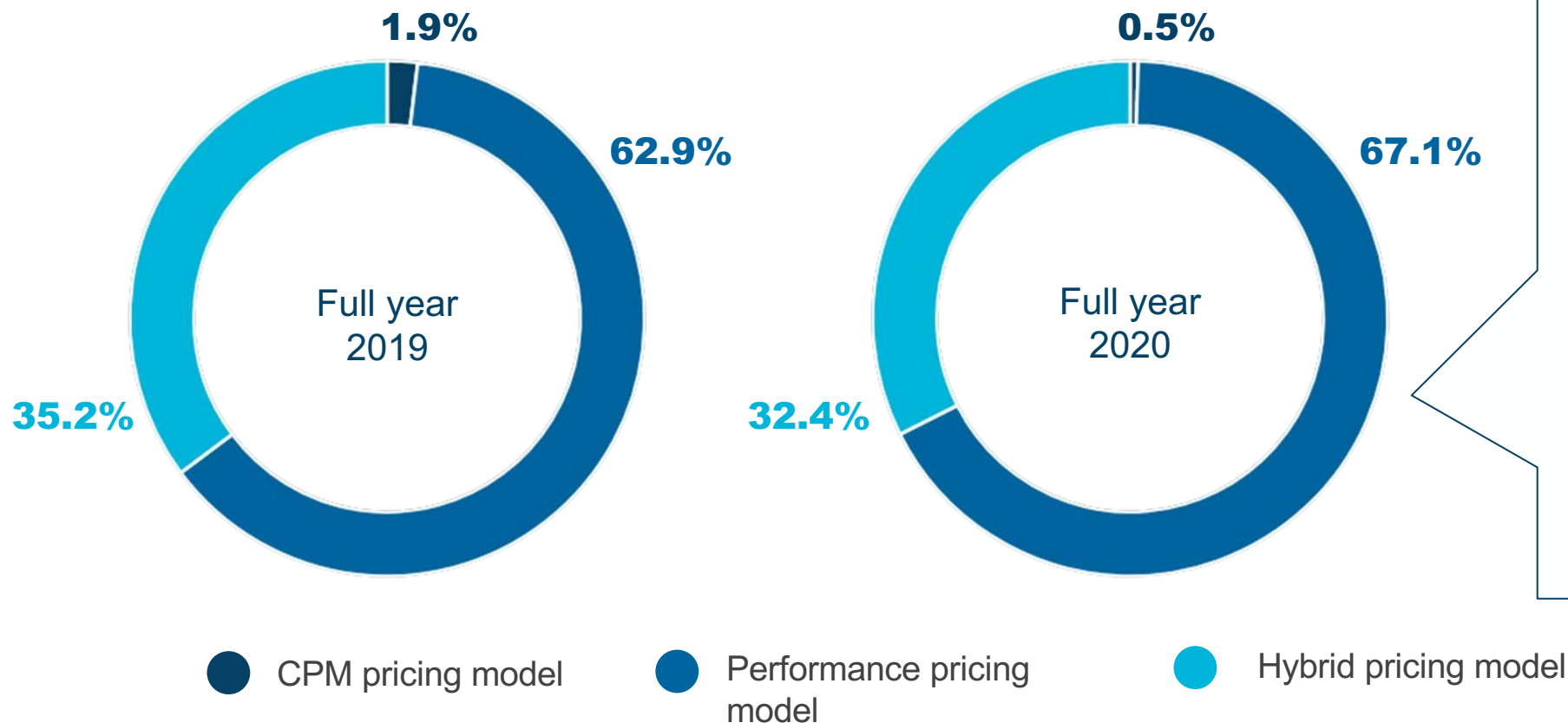
## MEDIUM-TERM

1. Connexity merchant demand on Taboola publisher supply
2. Better personalization/yield by merging data: recommendations + e-commerce



# TBLA BUSINESS MORE RESILIENT IN CHALLENGING ECONOMIC TIMES

Revenues by pricing model, full year results (2019-2020)<sup>1</sup>



At the onset of the COVID slowdown, 65% of Advertisers Agreed or Strongly Agreed that:

**Performance Media will get more of their focus<sup>2</sup>**

# AGENDA

1

Profitable Growth Model  
& Historical Results

2

Taboola's Differentiation  
That Drives Superior  
Financial Results

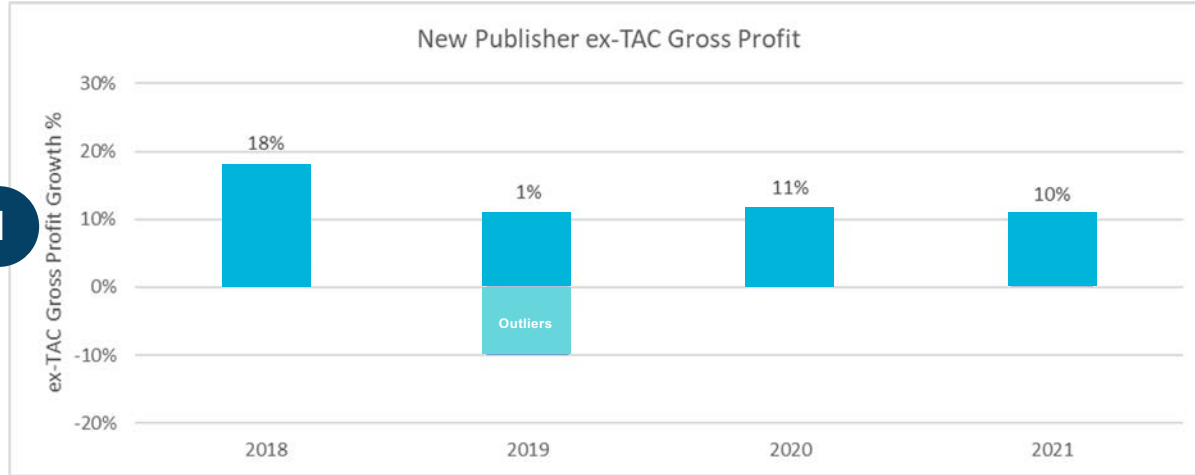
3

**How We Drive Growth  
And Returns Over Time**

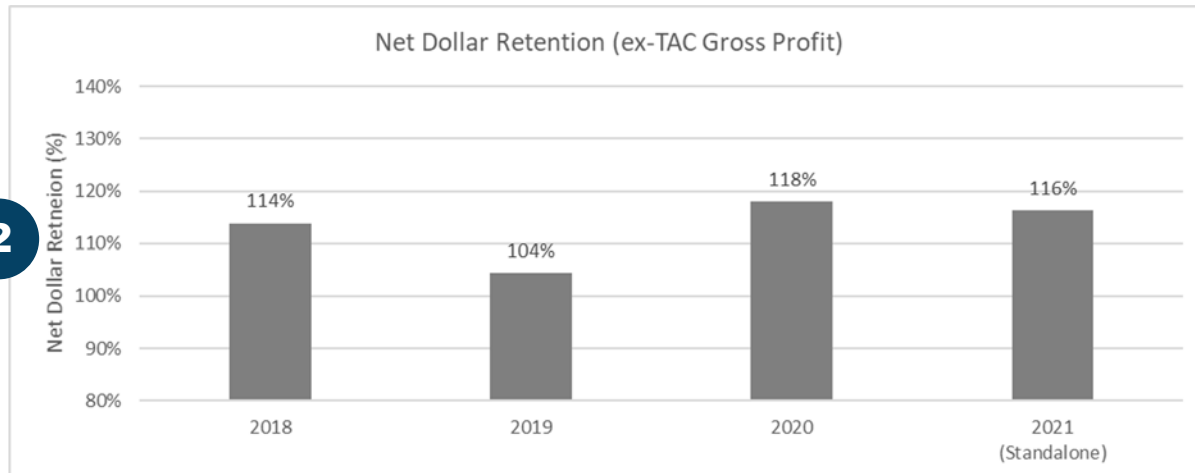
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# GROWTH DRIVEN BY CORE OPEN WEB INSTALLED BASE

1



2



**CONTINUED  
GROWTH  
FROM NEW  
SUPPLY...**

**HELPS PROVIDE  
FUEL FOR  
GROWTH FROM  
A STRONG  
INSTALLED  
BASE.**

## 1 New Publisher<sup>1</sup> ex-TAC Gross Profit

- Approximately 40% of total growth
- Historically 10%+ new supply growth
- Projecting similar range going forward

## 2 Net Dollar Retention<sup>2</sup> Growth Has Two Elements

- Approximately 60% of total growth
- Improvements in yield
- More supply from existing pubs
- Historically 110-120% on average

(1) New digital property partners within the first 12 months that were live on our network

(2) Net Dollar Retention (ex-TAC Gross Profit) is the net growth of ex-TAC Gross Profit from existing digital property partners, including the growth of new digital property partners (beyond the revenue contribution determined based on the run-rate revenue generated by them when they are first on-boarded) for the given period divided by the ex-TAC Gross Profit from the same period in the prior-year. Excludes Connexity.

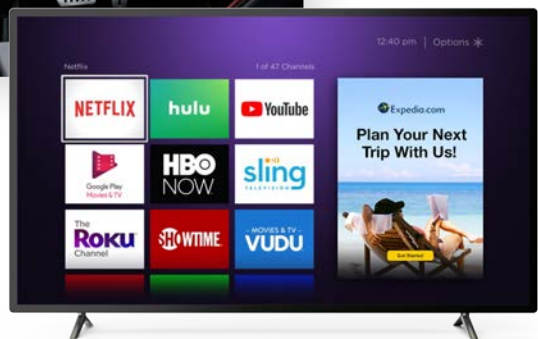
# GROWTH PROJECTIONS BASED PRIMARILY ON CORE BUSINESS

- ANYTHING, ANYWHERE GROWTH  
INITIATIVES PROVIDE UPSIDE



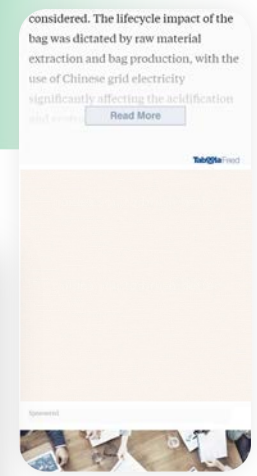
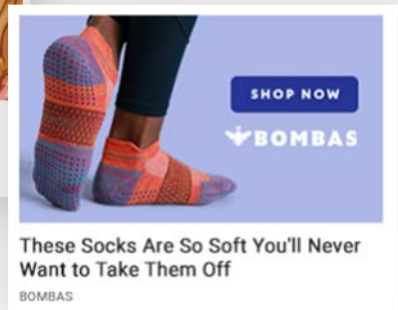
\$10M's in 2021<sup>1</sup>

**ANYWHERE**  
Taboola News  
(mobile carriers, device  
manufacturers, CTV...)



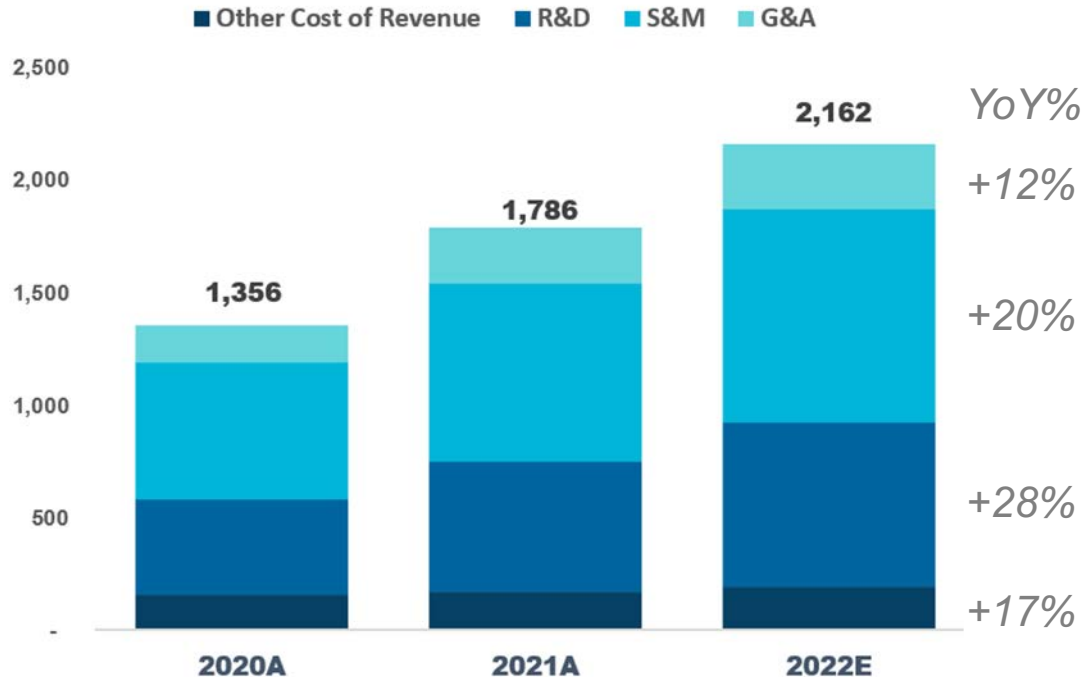
**ANYTHING**  
New products and segments  
(TV ads, eCommerce, app  
downloads, gaming...)

\$100M's in 2021<sup>3</sup>

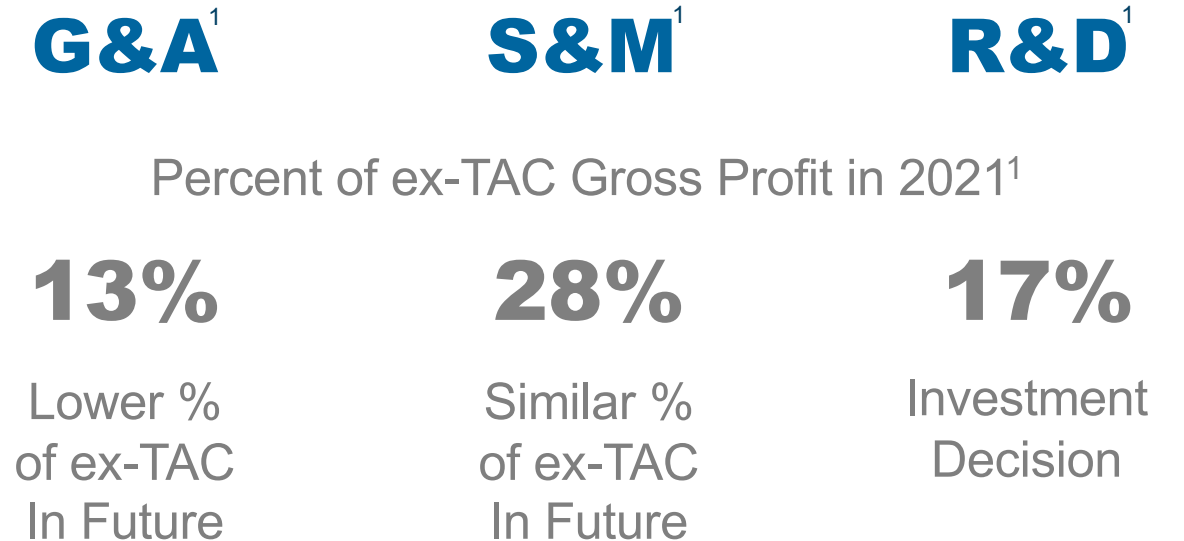


# EXPECT OPERATING LEVERAGE FROM G&A OVER TIME - VIEW R&D AS INVESTMENT

## Employees - Investing in R&D and S&M



## Expectations For Adjusted Operating Expenses Over Time

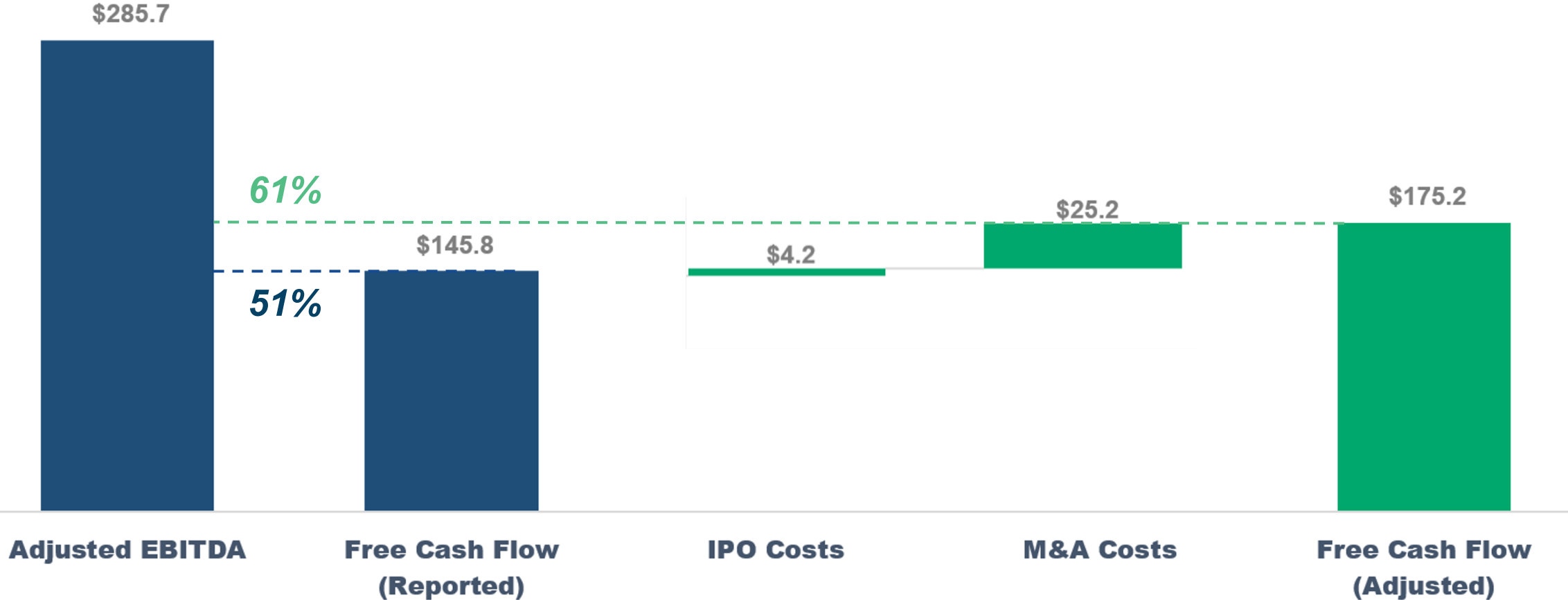


(1) Non-GAAP measure. Excludes Share based compensation, Amortization of acquired intangibles, M&A costs and IPO related costs. See appendix for reconciliation to GAAP.

# ADJUSTED EBITDA EXPECTED TO CONVERT TO FREE CASH FLOW<sup>1</sup>

AT APPROXIMATELY 60% RATIO OVER TIME

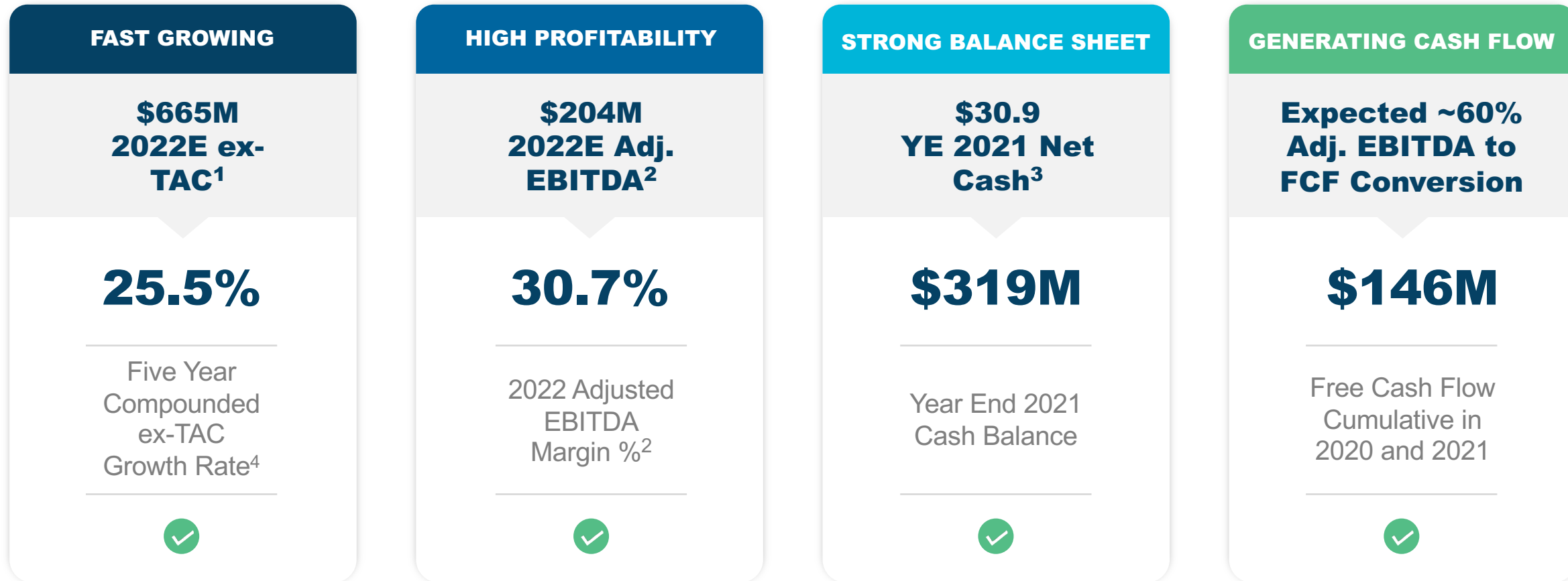
Two Year (2020/2021) Adjusted EBITDA to Adjusted FCF Bridge





# STRONG FINANCIAL PROFILE

## 2022 ESTIMATES ARE GUIDANCE MIDPOINTS



- (1) Non-GAAP measure; see appendix for reconciliation to GAAP
- (2) Non-GAAP measure; see Note in appendix regarding Adjusted EBITDA Reconciliation.
- (3) Non-GAAP measure; calculated as December 31, 2021 cash and cash equivalents of \$319.3 million minus long-term loan (including current portion) of \$288.4 million.
- (4) Growth Rate includes actual results for 2017-2021 plus 2022E results based on the midpoint of guidance.

# Appendix

# ADJUSTED EBITDA RECONCILIATION

(\$ in millions)

	2016A	2017A	2018A	2019A	2020A	2021A
<b>Net income (loss)</b>	<b>\$ (2.7)</b>	<b>\$ 2.8</b>	<b>\$ 10.7</b>	<b>\$ (28.0)</b>	<b>\$ 8.5</b>	<b>\$ (24.9)</b>
<b>Adjustments:</b>						
Financial expenses (income), net	0.8	(0.3)	1.3	3.4	2.7	(11.3)
Tax expenses	4.3	5.1	5.3	5.0	14.9	23.0
Depreciation and amortization	13.3	28.2	35.3	39.4	34.0	53.1
Share-based compensation expenses	6.3	10.8	10.5	8.2	28.3	124.1
Revaluation of Contingent Liability	1.4	1.6	3.8	-	-	-
M&A costs	-	-	-	6.1	17.8	11.7
Holdback compensation expenses	-	-	-	-	-	3.7
<b>Adjusted EBITDA</b>	<b>\$ 23.4</b>	<b>\$ 48.2</b>	<b>\$ 66.9</b>	<b>\$ 34.1</b>	<b>\$ 106.2</b>	<b>\$179.4</b>

Note: Although we provide guidance for Adjusted EBITDA, we are not able to provide guidance for projected Net income (loss), the most directly comparable GAAP measures. Certain elements of Net income (loss), including share-based compensation expenses, are not predictable due to the high variability and difficulty of making accurate forecasts. As a result, it is impractical for us to provide guidance on Net Income (loss) or to reconcile our Adjusted EBITDA guidance without unreasonable efforts. Consequently, no disclosure of projected Net income (loss) is included. For the same reasons, we are unable to address the probable significance of the unavailable information.

# 2021 QUARTERLY RESULTS: ADJUSTED EBITDA RECONCILIATION

(\$ in millions)

	Q1-21A	Q2-21A	Q3-21A	Q4-21A	FY 2021
<b>Net income (loss)</b>	<b>\$ 18.6</b>	<b>\$ (61.4)</b>	<b>\$ 17.3</b>	<b>\$ 0.6</b>	<b>\$ (24.9)</b>
<b>Adjustments:</b>					
Financials expenses (income),net	0.8	0.1	(14.0)	1.8	(11.3)
Tax expenses	2.3	7.9	(3.5)	16.3	23.0
Depreciation and amortization	8.2	8.6	13.2	23.1	53.1
Share-based compensation expenses <sup>1</sup>	5.1	78.5	19.9	20.6	124.1
M&A costs & Transaction cost of Going Public <sup>2</sup>	(1.5)	7.1	5.9	0.2	11.7
Connexity holdback	-	-	0.8	2.9	3.7
<b>Adjusted EBITDA</b>	<b>\$ 33.5</b>	<b>\$ 40.8</b>	<b>\$ 39.6</b>	<b>\$ 65.5</b>	<b>\$179.4</b>

<sup>1</sup>A substantial majority is Share-based compensation expenses related to going public.

<sup>2</sup>Relates to the acquisition of ION Acquisition Corp. 1 Ltd. and going public.

# EX-TAC GROSS PROFIT RECONCILIATION

(\$ in millions)

	2016A	2017A	2018A	2019A	2020A	2021A
<b>Revenues</b>	\$ 552.1	\$ 757.9	\$ 909.2	\$ 1,093.8	\$ 1,188.9	\$ 1,378.5
<b>Traffic Acquisition Cost (TAC)</b>	427.7	544.2	627.7	798.0	806.5	859.6
<b>Other Cost of Revenues</b>	23.2	35.1	47.3	63.9	62.9	77.8
<b>Gross Profit</b>	\$ 101.2	\$ 178.6	\$ 234.2	\$ 231.9	\$ 319.5	\$ 441.1
<b>Other Cost of Revenues</b>	23.2	35.1	47.3	63.9	62.9	77.8
<b>ex-TAC Gross Profit</b>	\$ 124.4	\$ 213.7	\$ 281.5	\$ 295.8	\$ 382.4	\$ 518.9

# EX-TAC GROSS PROFIT RECONCILIATION

(\$ in millions)

	2016A	2017A	2018A	2019A	2020A	2021A
<b>Revenues</b>	<b>\$ 552</b>	<b>\$ 758</b>	<b>\$ 909</b>	<b>\$ 1,094</b>	<b>\$ 1,189</b>	<b>\$ 1,378</b>
Gross Profit	101	179	234	232	319	441
Gross Profit Margin	18%	24%	26%	21%	27%	32%
<b>Revenues</b>	<b>\$ 552</b>	<b>\$ 758</b>	<b>\$ 909</b>	<b>\$ 1,094</b>	<b>\$ 1,189</b>	<b>\$ 1,378</b>
ex-TAC Gross Profit	124	214	282	296	382	519
ex-TAC Gross Profit Margin	23%	28%	31%	27%	32%	38%

# 2022 FULL YEAR GUIDANCE: EX-TAC GROSS PROFIT RECONCILIATION

	Guidance
	FY 2022
<i>(\$ in millions)</i>	
<b>Revenues</b>	<b>\$1,666 - \$1,678</b>
<b>Traffic Acquisition Cost (TAC)</b>	<b>(\$1003 - \$1011)</b>
<b>Other Cost of Revenues</b>	<b>(\$106 - \$112)</b>
<b>Gross Profit</b>	<b>\$552 - \$560</b>
<b>Other Cost of Revenues</b>	<b>\$106 - \$112</b>
<b>ex-TAC Gross Profit</b>	<b>\$661 - \$669</b>

# HISTORICAL FREE CASH FLOW RECONCILIATION

(\$ in millions)

	2019A	2020A	2021A
<b>Net cash from operating activities</b>	\$ 18	\$ 139	\$ 64
<b>Net cash used in the following investing activities</b>	\$ (44)	\$ (18)	\$ (39)
Intangible assets	\$ (6)	(9)	(14)
Purchase of IT equipment (servers)	\$ (38)	(9)	(25)
<b>Free Cash Flow</b>	\$ (26)	\$ 121	\$ 25



# OPERATING EXPENSES RECONCILIATION

	2021A		
	R&D	S&M	G&A
<b>Total expenses</b>	<b>117.9</b>	<b>206.1</b>	<b>130.3</b>
<u>Adjustments:</u>			
<b>Share based compensation</b>	<b>(29.0)</b>	<b>(44.8)</b>	<b>(52.2)</b>
<b>Amortization of acquired intengibles</b>	<b>-</b>	<b>(17.5)</b>	<b>-</b>
<b>M&amp;A and IPO related Costs</b>	<b>(0.7)</b>	<b>(0.2)</b>	<b>(10.8)</b>
<b>Total expenses after adjustments</b>	<b>88.2</b>	<b>143.6</b>	<b>67.3</b>

# 2021 ADJUSTED OPERATING EXPENSES TO EX-TAC GROSS PROFIT RECONCILIATION

(\$ in millions)

2021A

<b>Gross Profit</b>	\$	<b>441</b>
<b>R&amp;D</b>		<b>117.9</b>
<i>Ratio of R&amp;D to Gross profit</i>		<i>27%</i>
<b>S&amp;M</b>		<b>206.1</b>
<i>Ratio of S&amp;M to Gross profit</i>		<i>47%</i>
<b>G&amp;A</b>		<b>130.3</b>
<i>Ratio of G&amp;A to Gross profit</i>		<i>30%</i>
<b>ex-TAC Gross Profit</b>	\$	<b>519</b>
<b>R&amp;D</b>		<b>88.2</b>
<i>Ratio of Adjusted R&amp;D to ex-TAC Gross Profit</i>		<i>17%</i>
<b>S&amp;M</b>		<b>143.6</b>
<i>Ratio of Adjusted S&amp;M to ex-TAC Gross Profit</i>		<i>28%</i>
<b>G&amp;A</b>		<b>67.3</b>
<i>Ratio of Adjusted G&amp;A to ex-TAC Gross Profit</i>		<i>13%</i>

# FREE CASH FLOW RECONCILIATION

## 2 YEAR COMBINED 2020-2021

*(\$ in millions)*

**2020-2021**

<b>Net cash from operating activities</b>	<b>\$</b>	<b>203</b>
<b>Net cash used in the following investing activities</b>	<b>\$</b>	<b>(57)</b>
Intangible assets		(23)
Purchase of IT equipment (servers)		(34)
<b>Free Cash Flow</b>	<b>\$</b>	<b>146</b>

# ADJUSTED EBITDA RECONCILIATION

## 2 YEAR COMBINED 2020-2021

<i>(\$ in millions)</i>	<b>2020-2021</b>	
<b>Net income (loss)</b>	<b>\$</b>	<b>(16.5)</b>
<b><u>Adjustments:</u></b>		
Financial expenses (income), net		(8.5)
Tax expenses		37.9
Depreciation and amortization		87.1
Share-based compensation expenses		152.5
M&A costs and public related costs <sup>1</sup>		29.4
Holdback compensation expenses		3.7
<b>Adjusted EBITDA</b>	<b>\$</b>	<b>285.7</b>

(1) For 2020 periods, represents costs associated with the proposed strategic transaction with Outbrain Inc. which we elected not to consummate, and for 2021 periods, relates to the acquisition of ION Acquisition Corp. 1 Ltd., the acquisition of Connexity and going public.