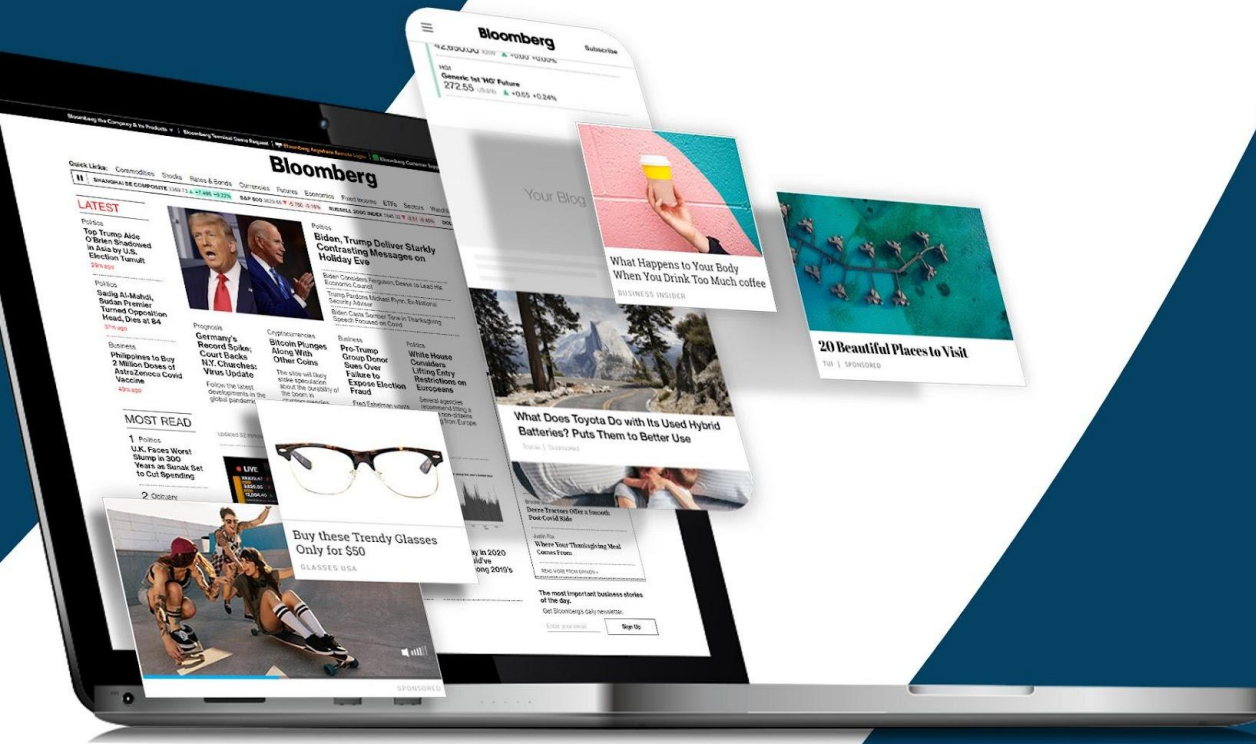


Taboola



Management Presentation

August 10, 2021

Disclaimer

Forward-Looking Statements

Certain statements in this Presentation may be considered forward-looking statements. Forward-looking statements generally relate to future events or Taboola.com Ltd.'s (the "Company") future financial or operating performance. For example, projections of future Revenue, Adjusted EBITDA, Net Dollar Retention, New Publisher Growth, and other metrics are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expect", "intend", "will", "estimate", "anticipate", "believe", "predict", "potential" or "continue", or the negatives of these terms or variations of them or similar terminology. Such forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from those expressed or implied by such forward looking statements.

These forward-looking statements are based upon estimates and assumptions that, while considered reasonable by the Company and its management are inherently uncertain. Uncertainties and risk factors that could affect the Company's future performance and cause results to differ from the forward-looking statements in this presentation include, but are not limited to: the ability to recognize the anticipated benefits of the recent transaction with ION Acquisition Corp. 1 Ltd. (the "Business Combination"), which may be affected by, among other things, competition, the ability of the combined company to grow and manage growth profitably, maintain relationships with customers and retain its management and key employees; costs related to the Business Combination; changes in applicable laws or regulations; the Company's estimates of expenses and profitability and underlying assumptions with respect to shareholder redemptions and purchase price and other adjustments; ability to attract new digital properties and advertisers; ability to meet minimum guarantee requirements in contracts with digital properties; intense competition in the digital advertising space, including with competitors who have significantly more resources; ability to grow and scale the Company's ad and content platform through new relationships with advertisers and digital properties; ability to secure high quality content from digital properties; ability to maintain relationships with current advertiser and digital property partners; ability to make continued investments in the Company's AI-powered technology platform; the need to attract, train and retain highly-skilled technical workforce; changes in the regulation of, or market practice with respect to, "third party cookies" and its impact on digital advertising; continued engagement by users who interact with the Company's platform on various digital properties; the impact of the ongoing COVID-19 pandemic; reliance on a limited number of partners for a significant portion of the Company's revenue; changes in laws and regulations related to privacy, data protection, advertising regulation, competition and other areas related to digital advertising; ability to enforce, protect and maintain intellectual property rights; and risks related to the fact that we are incorporated in Israel and governed by Israeli law; and other risks and uncertainties set forth in the section entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in the Company's registration statement on Form F-4 relating to the Business Combination filed on April 30, 2021, and in subsequent filings with the Securities and Exchange Commission ("SEC"), including the final prospectus/proxy statement relating to the Business Combination.

Nothing in this Presentation should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward-looking statements will be achieved. You should not place undue reliance on forward-looking statements, which speak only as of the date they were made. The inclusion of these projections does not constitute republication or affirmation thereof as any other date. The Company undertakes no duty to update these forward-looking statements.

Non-GAAP Financial Measures

This Presentation includes certain financial measures not presented in accordance with GAAP including, but not limited to, Adjusted EBITDA and certain ratios and other metrics derived therefrom, including free cash flow and ex-TAC Gross Profit, and related margin measures, as well as New Publisher ex-TAC Gross Profit. These non-GAAP financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing the Company's financial results. Therefore, these measures should not be considered in isolation or as an alternative to net income, cash flows from operations or other measures of profitability, liquidity or performance under GAAP. You should be aware that the Company's presentation of these measures may not be comparable to similarly-titled measures used by other companies.

The Company believes these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to the Company's financial condition and results of operations. The Company believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends in and in comparing the Company's financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors. These non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures. Please refer to footnotes where presented on each page of this Presentation or to the appendix found at the end of this Presentation for a reconciliation of these measures to what the Company believes are the most directly comparable measure evaluated in accordance with GAAP.

This Presentation also includes certain projections of non-GAAP financial measures. Due to the high variability and difficulty in making accurate forecasts and projections of some of the information excluded from these projected measures, together with some of the excluded information not being ascertainable or accessible, the Company is unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measures without unreasonable effort. Consequently, no disclosure of estimated comparable GAAP measures is included and no reconciliation of the forward-looking non-GAAP financial measures is included.

Use of Projections

This Presentation contains financial forecasts with respect to the Company's projected financial results, including Revenue, ex-TAC Gross Profit, Free Cash Flow and Adjusted EBITDA for the Company's fiscal years 2021. The Company's independent auditors have not audited, reviewed, compiled or performed any procedures with respect to the projections for the purpose of their inclusion in this Presentation, and accordingly, they did not express an opinion or provide any other form of assurance with respect thereto for the purpose of this Presentation. As discussed under "Financial Information" above, all financial information, including the projected information, was prepared in accordance with GAAP. These projections should not be relied upon as being necessarily indicative of future results. The assumptions and estimates underlying the prospective financial information are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the prospective financial information. Accordingly, there can be no assurance that the prospective results are indicative of the future performance of the Company or that actual results will not differ materially from those presented in the prospective financial information or that the prospective financial information will be the same as that presented in the proxy statement related to the Business Combination. Inclusion of the prospective financial information in this Presentation should not be regarded as a representation by any person that the results contained in the prospective financial information will be achieved.

Industry and Market Data

In this Presentation, the Company relies on and refer to certain information and statistics obtained from third-party sources, which it believes to be reliable. The Company has not independently verified the accuracy or completeness of any such third-party information. You are cautioned not to give undue weight to such industry and market data.

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Today's Presenters



Adam Singolda
Founder & CEO

- Founded Taboola over 13 years ago
- Has led the company as its CEO ever since

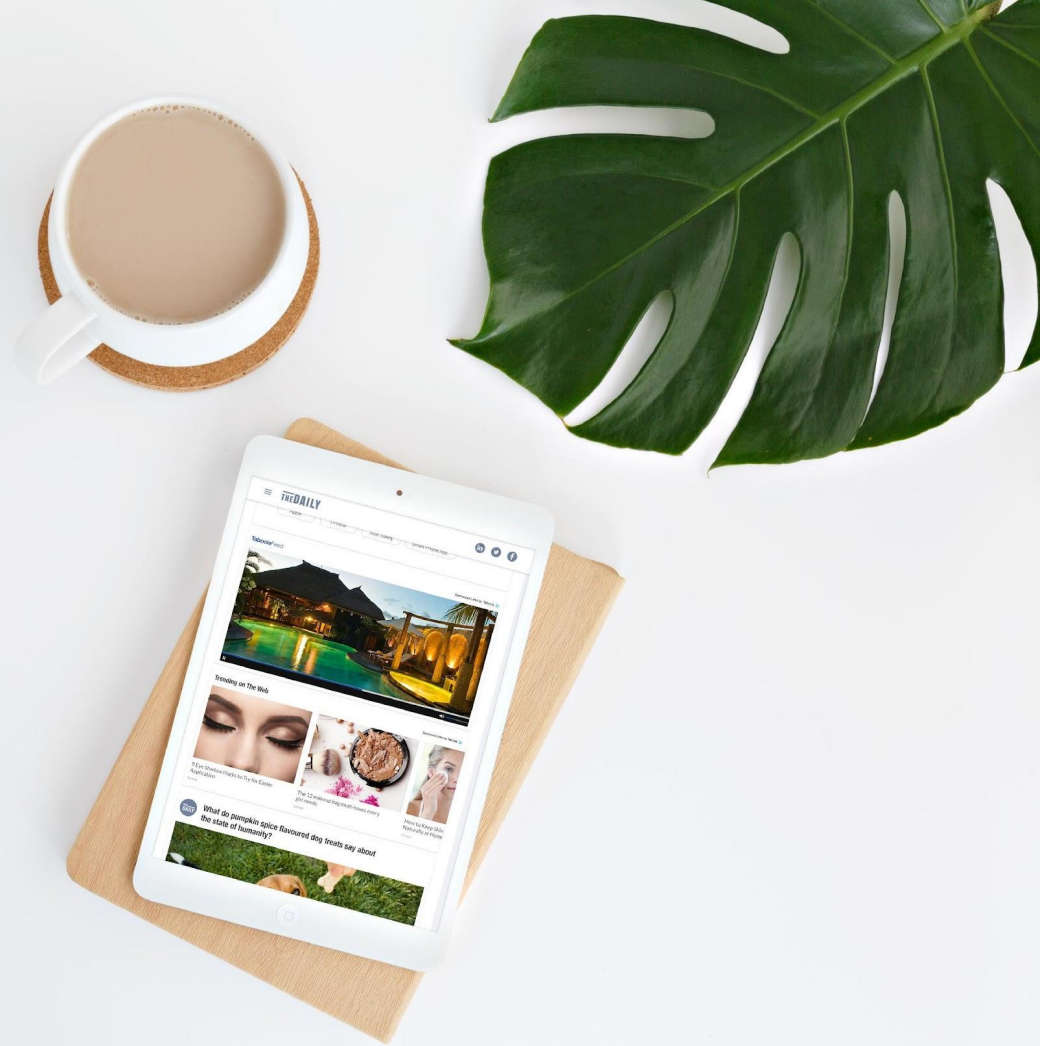


Stephen Walker
CFO

- 6+ years at Taboola
- Led several of Idealab's portfolio companies, including Perfect Market
- Prior experience at Disney & General Electric

AGENDA

- **Taboola Overview**
- Investment Highlights
- Taboola + Connexity = Even Stronger
- Financial Information



We Power Recommendations for The Open Web

Helping people discover things they may like



TABOOLA = SEARCH “IN REVERSE”

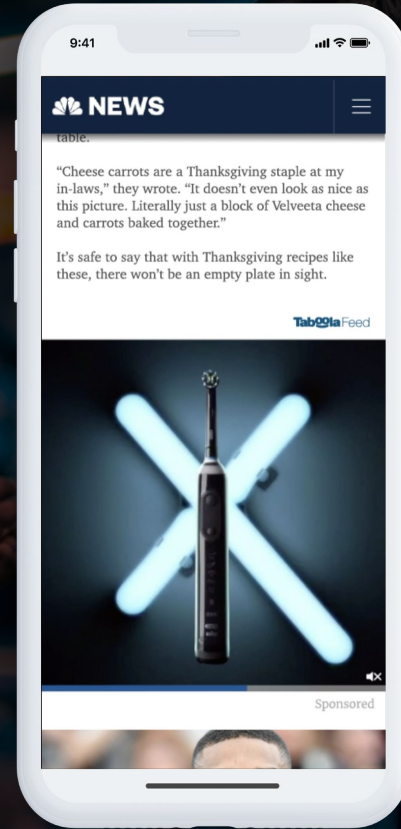
From people looking for information
to information looking for people



I'm Feeling Lucky

Google Search

**YOU HAVE
SEEN
TABOOLA
BEFORE**



SOLVING TREMENDOUSLY DIFFICULT TECHNOLOGICAL CHALLENGES

Predicting what people might be interested in without the intent data that Google has or the personal data that Facebook has and doing it at massive scale.

516M DAILY ACTIVE USERS¹



More than Twitter and Snap combined²

1 Petabyte

Data Processed by Taboola AI Daily³

330K+

CPU & GPU Cores⁴

1 Trillion

Monthly Recommendations⁵

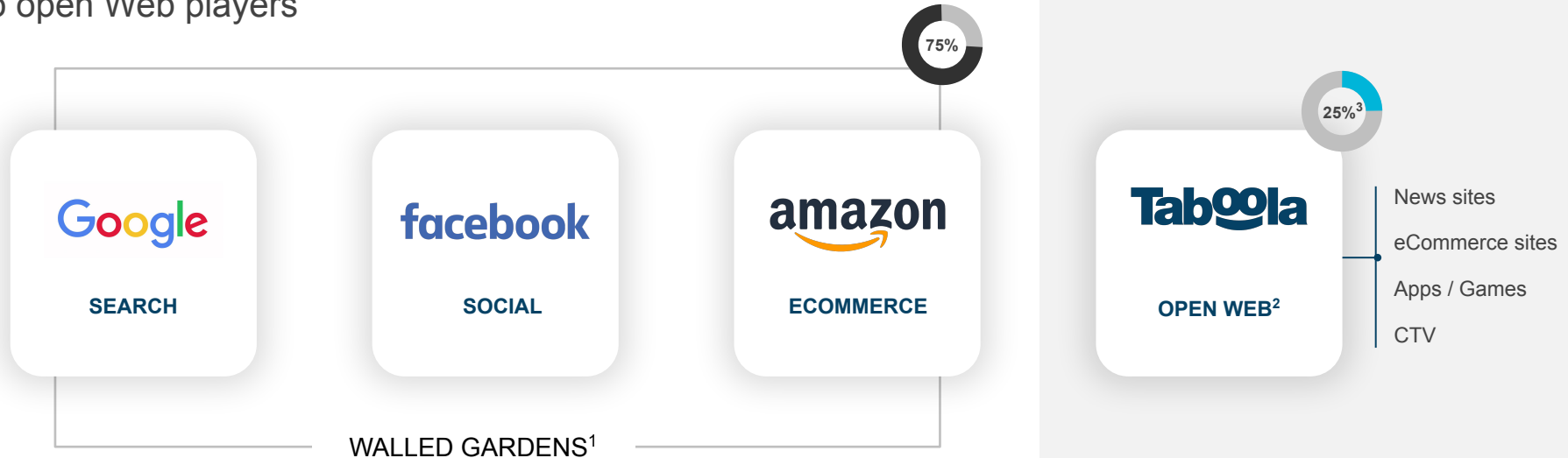
(1) Daily Active Users measures the 7-day average number of users exposed to Taboola recommendations

(2) Twitter and Snap reported 187M and 249M (respectively) in Q3-2020 Earnings reports

(3)(4)(5)Source: Company estimates

ENABLING PUBLISHERS TO COMPETE WITH WALLED GARDEN BEHEMOTHS

Bringing the user data, AI technology and scale of demand to open Web players



(1) Walled Gardens includes other closed platforms including Snap, Twitter, and Netflix

(2) Open Web: Digital properties not owned by walled gardens such as websites, apps, games, Connected-TV apps, etc.

(3) Percentages reflect time spent on digital media according to company estimates based on eMarketer data. 25% reflects total time spent on Open Web properties, not just on Taboola

TABOOLA CAN CAPTURE SHARE OF THE HIGHLY FRAGMENTED \$64B OPEN WEB MARKET¹



SEARCH

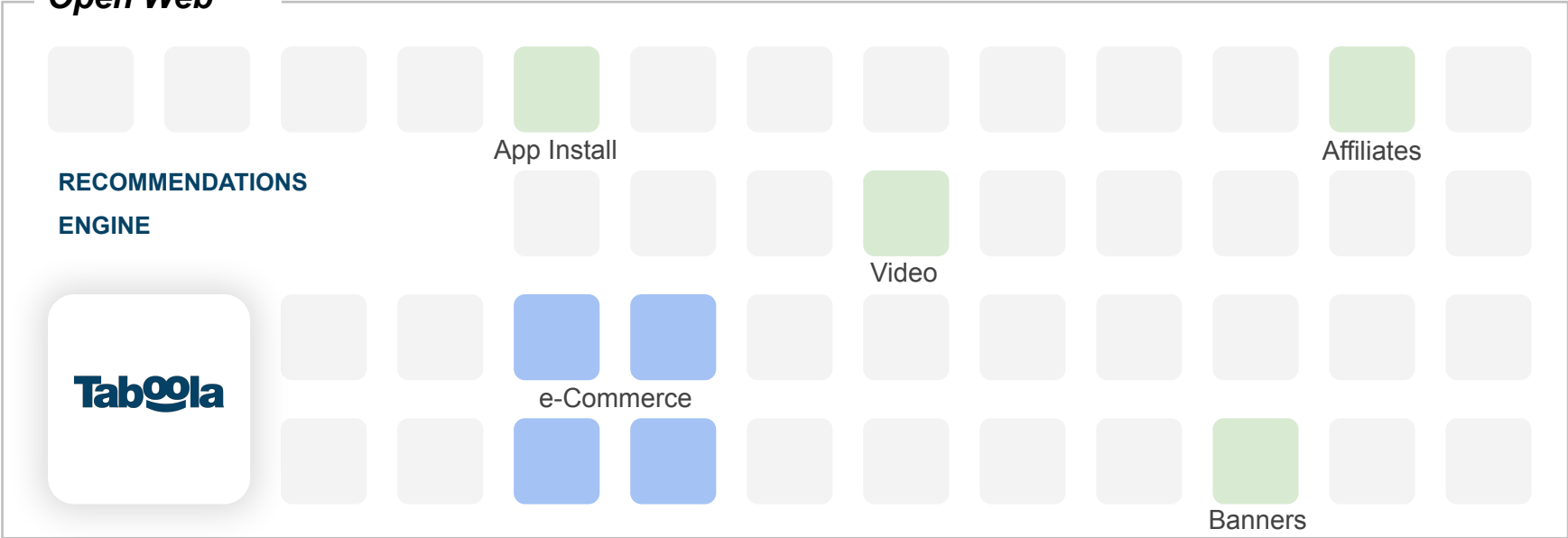


SOCIAL



E-COMMERCE

Open Web



FULL TECH STACK FOR PUBLISHERS: MISSION CRITICAL FOR THE OPEN WEB

\$2B+ Paid To Publishers
Over 3 Years¹

Monetization

Monetizing with non-interruptive,
native ads

Engagement

Engaging users by recommending
organic content

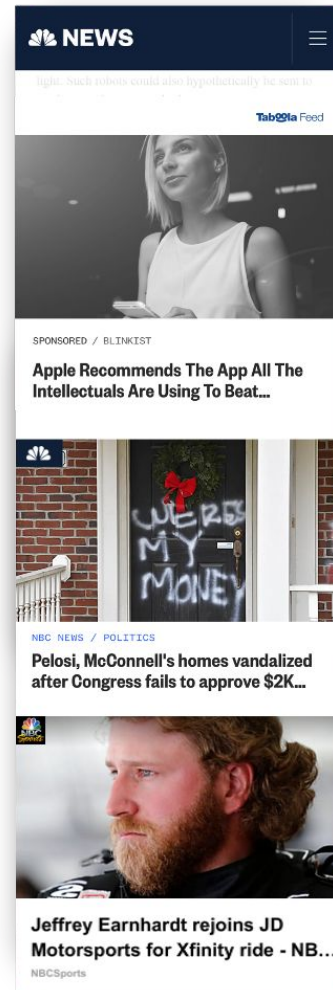
Audience

Driving quality audiences from
across the network

Empowering editorial teams with
actionable data insights



(1) See Appendix for historical annual Traffic acquisition costs (TAC)



THAT'S WHY TABOOLA GETS LONG-TERM, EXCLUSIVE PARTNERSHIPS WITH PUBLISHERS

"NBC News Group is excited to continue working with Taboola to expand the reach of our content and continue driving our already impressive growth. We recognize the value of Taboola's technology and their ability to drive meaningful engagement with NBC News content, especially at a time when competition for user attention is at an all-time high."

- Elisabeth Sami, SVP of Global Strategy and Business Development for NBC News Group

- 118% NDR in 2020¹
- 9,000 publishers
- Global

Publishers on a 5+ Year Contract with Taboola



Bloomberg



sport1



NBC NEWS



SYNACOR

USA TODAY

axel springer

Lagardère

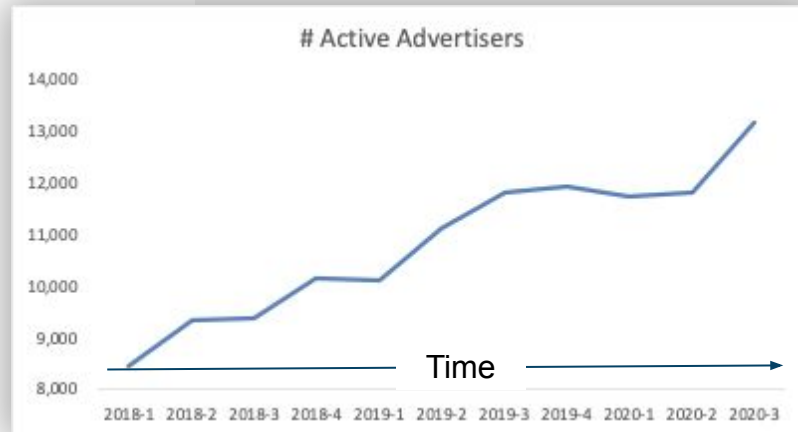
Daily Mail

Taboola

(1) Source: Company Data. 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.

ADVERTISERS CHOOSE TABOOLA FOR THE OPEN WEB

- **Massive reach** – 516M Daily Active Users
- **Performance** focus with measurable ROI
- **Brand safe** ad placements
- **Target ads** based on what people truly care about



Largest advertiser is 3% of total ad spend

10th largest advertiser is 1% of total ad spend¹

101% Net Dollar Retention over the period Q4 2018 - Q3, 2020²

(1) Source: Company Data

(2) Excluding Q2-2020 due to expected one-time impact of COVID-19

Having an amazing year and it's just the beginning

Went public, raised \$500M+ from great investors - Fidelity, Federated, Baron, others

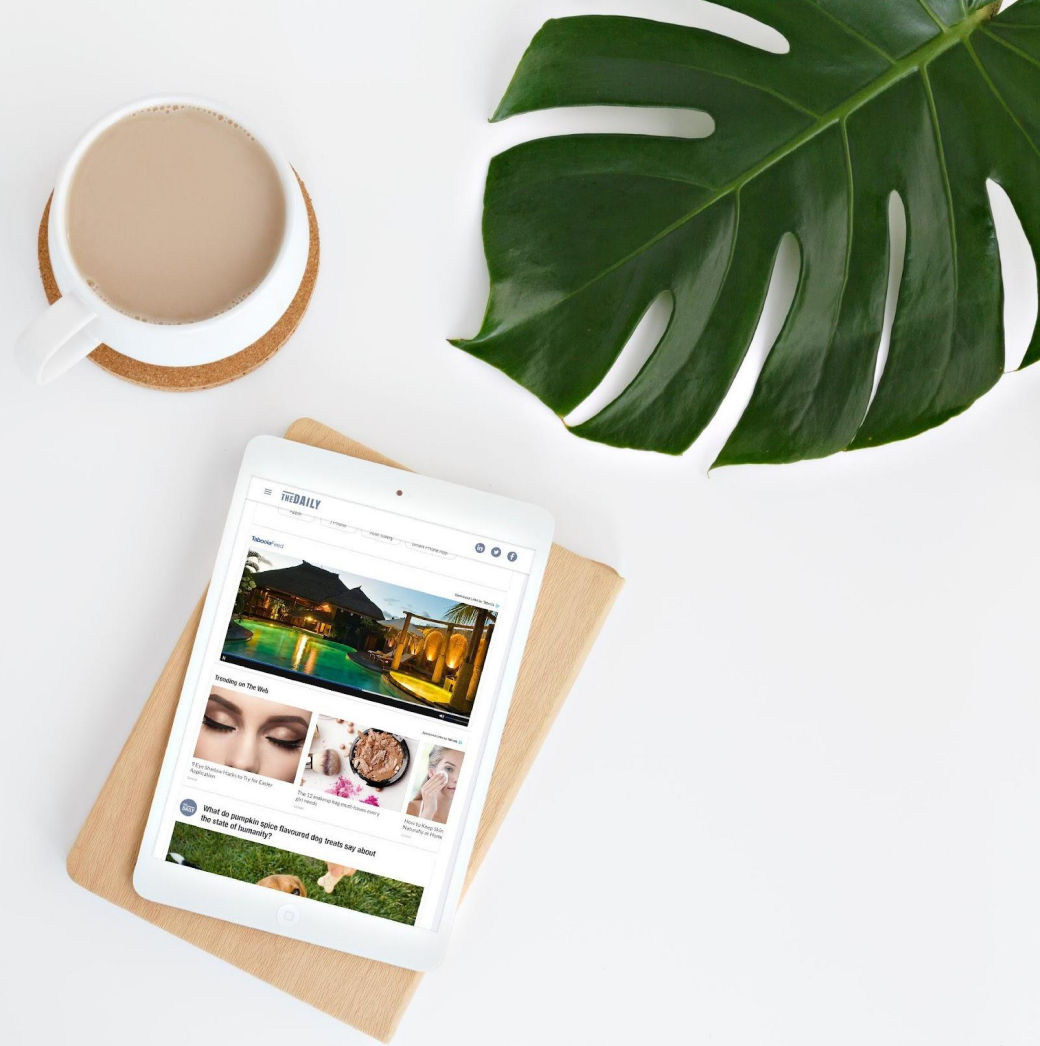
Beat Q1 and Q2 projections and raised guidance for Q3 and full year 2021

Winning incredible partners, and progressing on our growth initiatives organically



AGENDA

- Taboola Overview
- **Investment Highlights**
- Taboola + Connexity = Even Stronger
- Financial Information

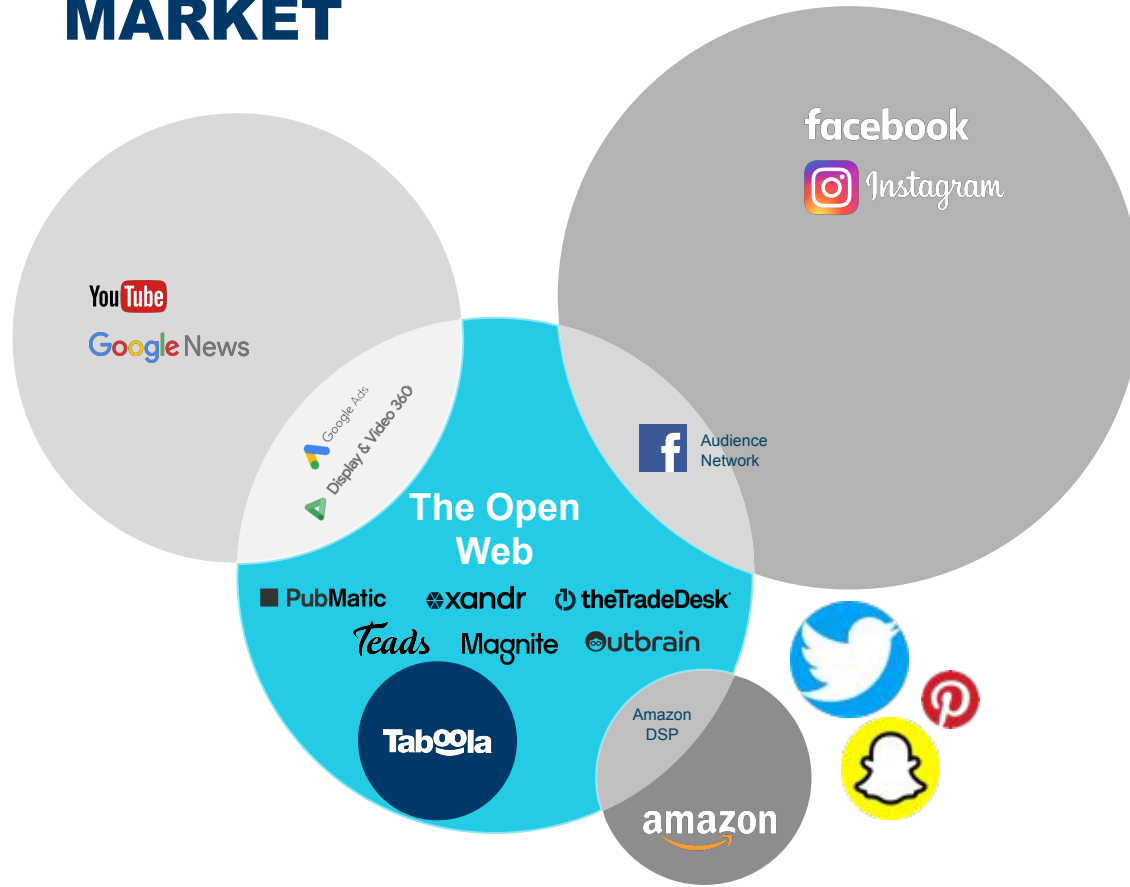


INVESTMENT HIGHLIGHTS

- 1 The Open Web is a massive category
- 2 Taboola's technology is resilient to the future disappearance of third-party cookies
- 3 Product-led growth fueled by a network effect
- 4 Platform advantage driven by Taboola's technology
- 5 Numerous paths to accelerate growth
- 6 Proven, founder-led management team
- 7 Superior financial profile with recurring revenues, scale, and profitable growth



1 TABOOLA IS POISED TO CAPTURE SHARE OF THE \$64B OPEN WEB MARKET



- **More than ads, product led** - driving engagement, and audience to the entire publisher org
- **Exclusive & direct relationships with publishers/advertisers** - enables end-to-end innovation and predictable growth
- **1st party & contextual data, built for a cookieless world** - We're "always on" - all users, all GEOs, all platforms. 500M+ DAU.⁽¹⁾

Source: Original Image: "State of the Open Internet" by Jounce Media, January 2020, Modified to reflect Taboola as part of The Open Web

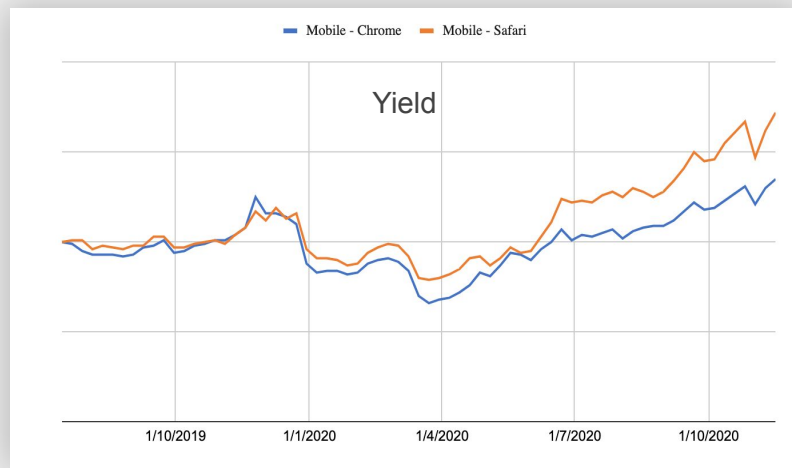
(1) Daily Active Users measures the 7-day average number of users exposed to Taboola recommendations

2 TABOOLA TECH IS BUILT FOR A COOKIE-LESS WORLD

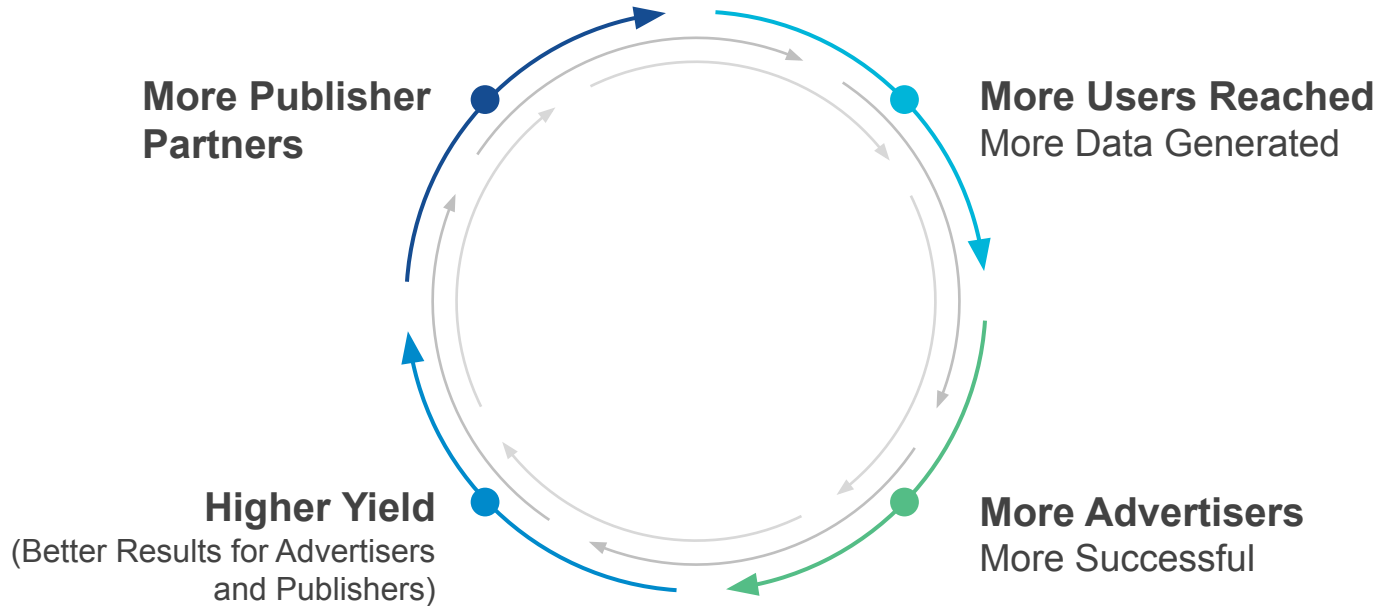
- **Taboola has its own 1st party cookie** - recommending personalized editorial content enables serving our own 1st party identifier
- **Unique readership context** - deep access to the context of the page, allowing advertisers to target context (vs. “3rd party cookie behavior”)
- **People click on Taboola recommendations tens of billions of times a year¹** - re-hashing Taboola identifier across websites

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



3 SCALE MATTERS IN OUR INDUSTRY - GROWTH WITH A BUILT-IN NETWORK EFFECT



4 PLATFORM ADVANTAGE DRIVEN BY INVESTMENT IN TECH

500 R&D staff

100 in Algo & Data

\$100M Annual R&D Investment

5 RECOMMENDING ANYTHING, ANYWHERE A MULTI BILLION DOLLAR OPPORTUNITY

Taboola

Core Business

\$1B+ in 2020 &
Growing Rapidly²

\$10M's in 2020¹

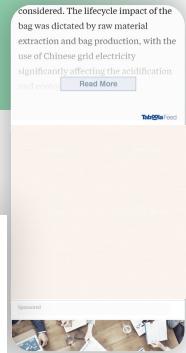
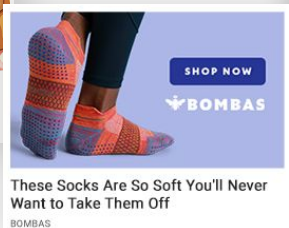
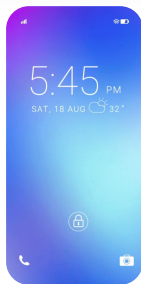
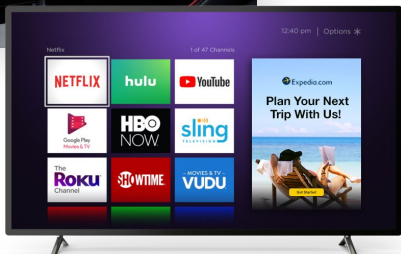
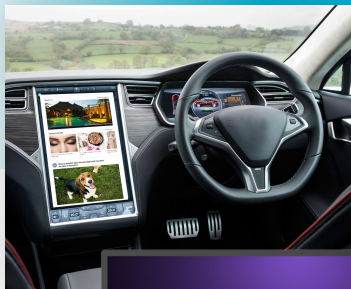
ANYWHERE

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

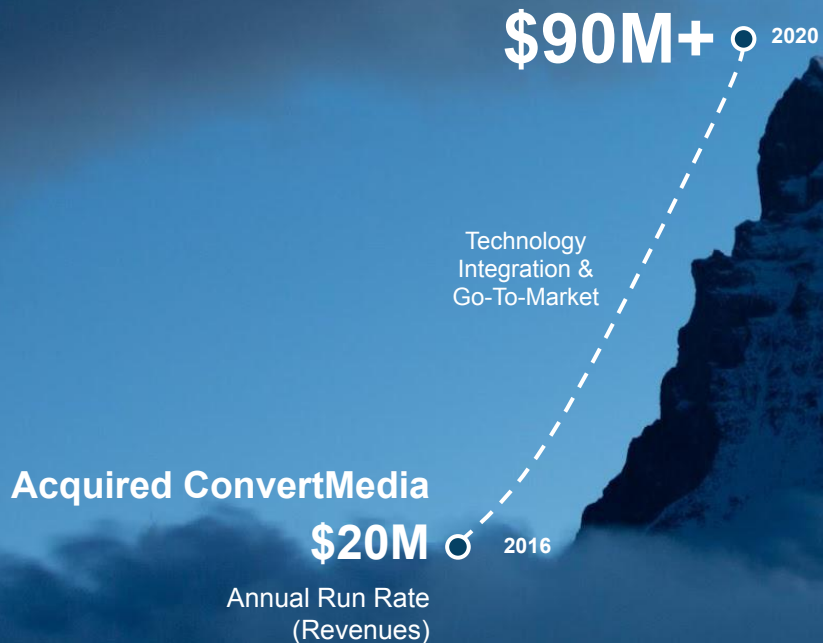
ANYTHING

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

\$10M's in 2020³



5 FAST GROWING PREMIUM VIDEO DEMAND ON PREMIUM PLACEMENTS



MID ARTICLE VIDEO

The Bucks paid a steep price to get Jrue Holiday out of New Orleans — Eric Bledsoe, George Hill, R.J. Hampton, and two future first-round selections — but they did it with three goals in mind.

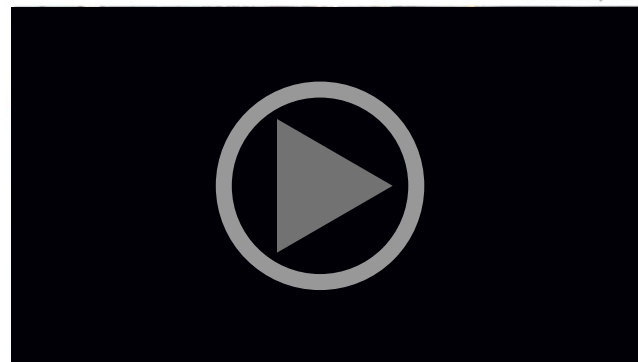
First (and most importantly), prove to **Giannis Antetokounmpo** the franchise was willing to do whatever it took to win a title, so he would re-sign with them. [Check that box off.](#)

Second, re-sign Holiday to a longer contract and keep him in Milwaukee. [Check that box off.](#)

And now the Bucks are **just one win away** from checking off the third box — winning an NBA title.

And they wouldn't be there without Holiday — his defense on **Chris Paul** and **Devin Booker** has changed the tide of the 2021 NBA Finals.

"His ability to impact the ball, just make everybody uncomfortable," Bucks coach Mike Budenholzer said of Holiday's defense on the Suns. "You never know when he might get a steal, get a deflection. I think it all just adds up.... Jrue's impact defensively is a big part of the reason why he's such a good fit with us."



New York: Startup is Changing the Way People Retire

SmartAsset

You could see that at the end of Game 5 Saturday night. Phoenix was down one with less than 30 seconds left, Booker was matched up on **P.J. Tucker** and trying to drive past him, Antetokounmpo doubled Booker and took away the drive, so Booker stopped and tried to spin back toward the middle for a shot, only to find Holiday had left his man, dug down on Booker who spun right into him, then Holiday ripped the ball away for the steal.

PROVEN, FOUNDER-LED MANAGEMENT TEAM



Adam Singolda
13 years at Taboola
Founder & CEO



Stephen Walker
6 years at Taboola
CFO



Eldad Maniv
8 years at Taboola
President & COO



Lior Golan
11 years at Taboola
CTO



Kristy Sundjaja
1 year at Taboola
SVP, People Operations



Aviv Sinai
13 years at Taboola
SVP, R&D



Ran Buck
7 years at Taboola
SVP, Global Revenue

Q2 RESULTS

	Unaudited Q2-21 ¹	Previous Guidance ²
Revenues	\$329M	\$315 - 320M
Gross Profit	\$100M	\$88 - 95M
ex-TAC Gross Profit ³	\$117M	\$108 - 113M
Adj EBITDA ³	\$41M	\$34 - 36M

Strong Q2-21 Results.

Driven by revenue growth from new and existing digital property partners and improved network yield relative to historic seasonal expectations

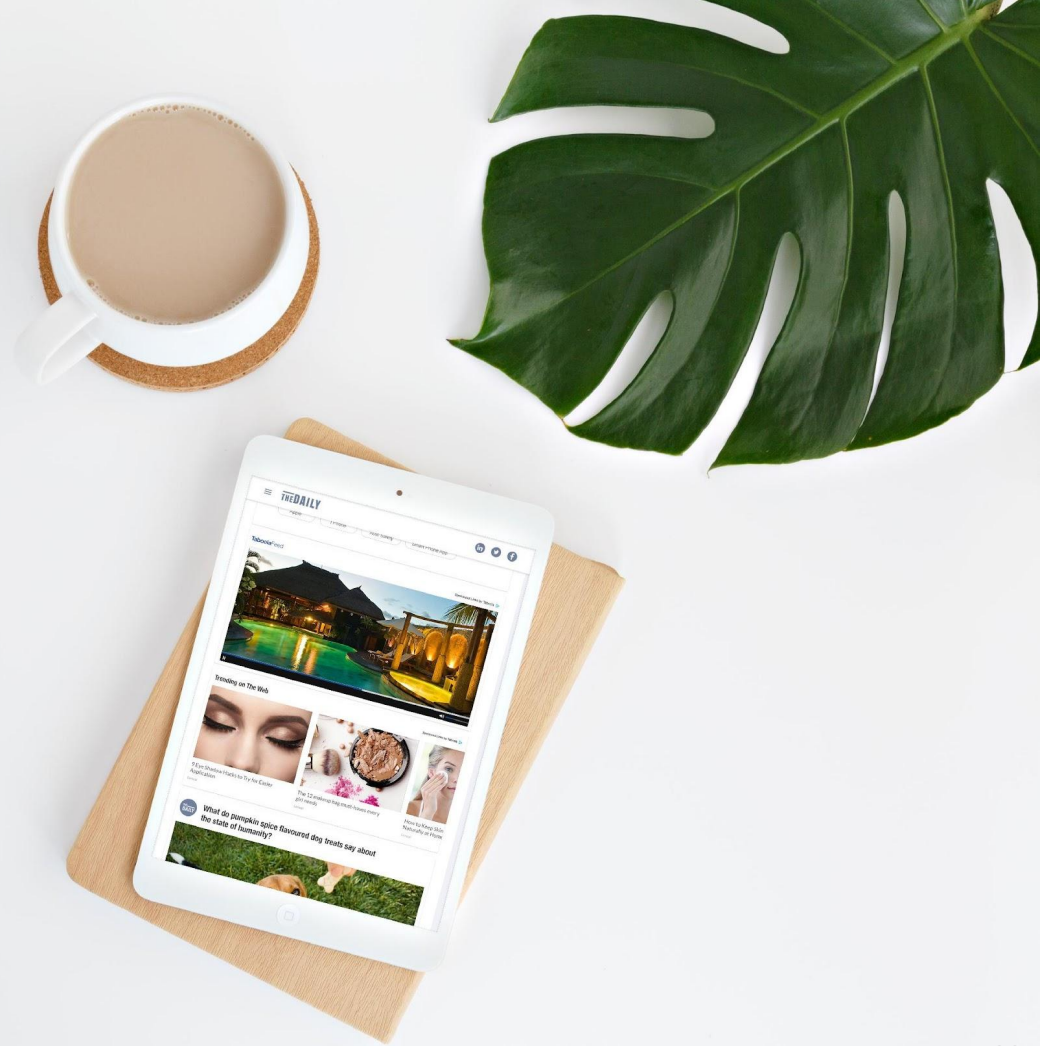
UPDATED FULL YEAR 2021 GUIDANCE

	2020	2021 GUIDANCE	GROWTH RATE
Revenues	\$1,189M	\$1,316-1,323M	10-11%
Gross Profit	\$319M	\$390-396M	22-24%
ex-TAC Gross Profit ¹	\$382M	\$468-472M	22-23%
Adj. EBITDA ¹	\$106M	\$150-153M	41-44%

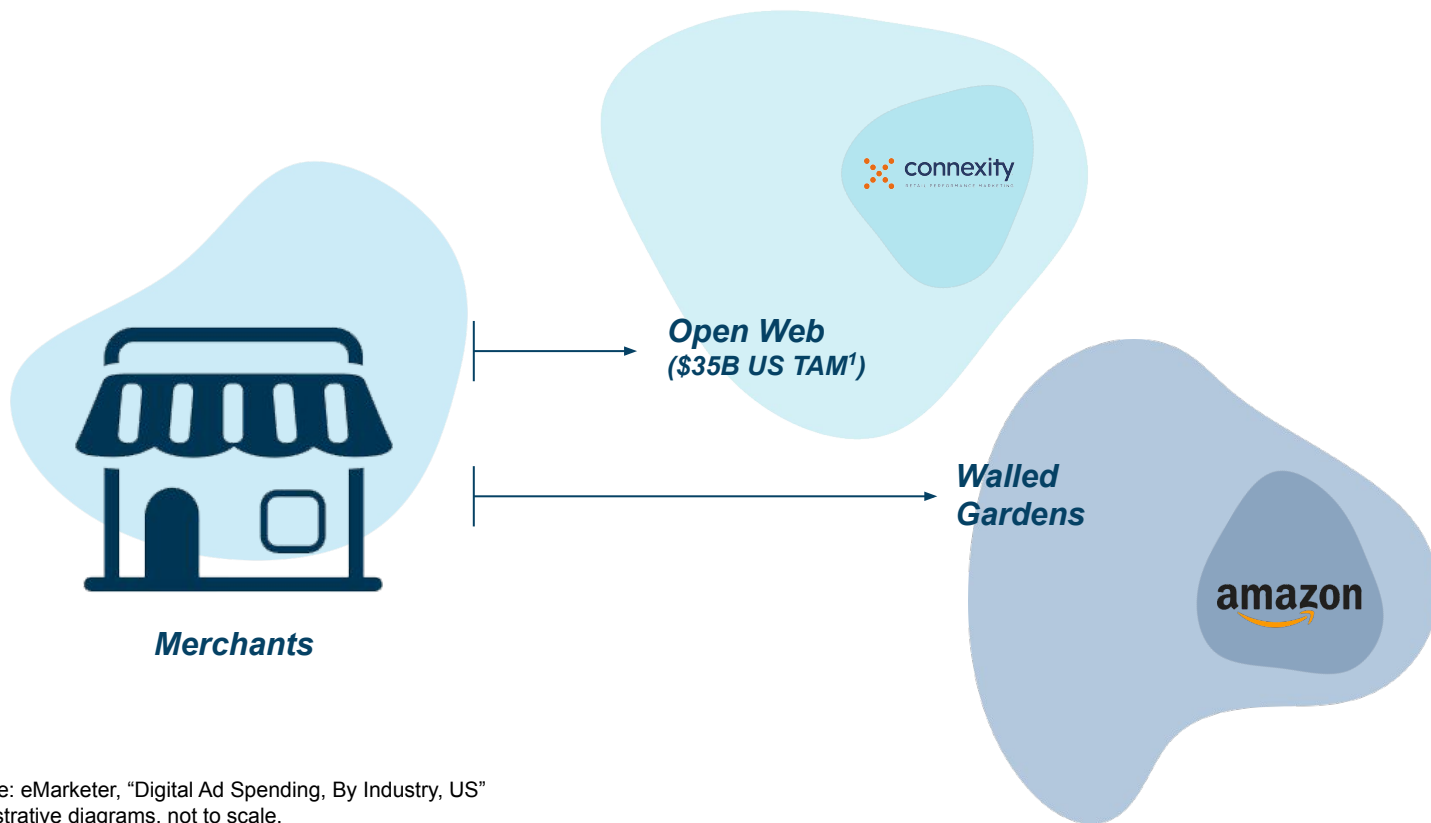
**INCREASED
GUIDANCE ACROSS
ALL MEASURES**

AGENDA

- Taboola Overview
- Investment Highlights
- **Taboola + Connexity = Even Stronger**
- Financial Information

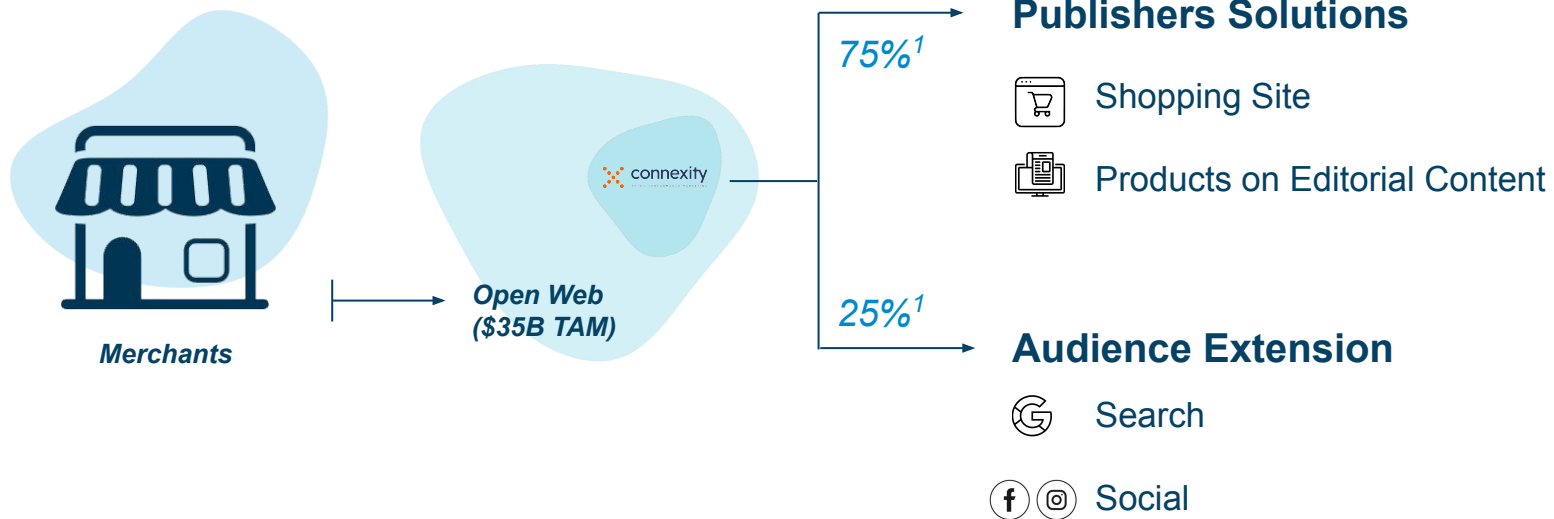


CONNEXITY IS ONE OF THE LARGEST OPEN WEB E-COMMERCE MEDIA PLATFORMS



HOW CONNEXITY DRIVES SHOPPERS TO MERCHANTS IN THE OPEN WEB

¹ Percentage of Revenue in 2020.



KOHL'S

OTTO

overstock.

ebay

SKECHERS

macy's

wayfair

Walmart*

BED BATH & BEYOND

Disney

SEPHORA

CONNEXITY FOR PUBLISHERS

Products on Editorial Content

Best running shoes 2021: our choice of men's and women's running trainers, tested in the lab and on the road

We round up the best running shoes on the market

BY BEN HOBSON, JANE MCGUIRE AND KERRY MCCARTHY 22/02/2021

Best Overall Pick	Best Men's Pick	Best Women's Pick	Best Commuter Pick	Best Commuter Pick
Nike One One Racer X	Air Max 270	Saucony Guide 14	Brooks Levitate 4	Nike Zoom X Invincible Run

There's no such thing as the perfect running shoe. When it comes to running, all sorts of things come into play – your biomechanics, your weight, the surface you run on and the shape of your feet, meaning no one shoe will suit

Shopping Site

Better Homes & Gardens

Shop Deals | Log In | Join Now

SALES | DECOR | BED & BATH | FURNITURE | KITCHEN | DINING & ENTERTAINING | OUTDOOR & GARDEN | HOLIDAYS | CLEANING | BETTER HOMES & GARDENS

BHG SHOP | FURNITURE | LIVING ROOM | LIVING ROOM SETS

Living Room Sets

FURNITURE
LIVING ROOM
Living Room Sets (16,500)
Sofas & Loveseats (296,121)
Sectionals (172,112)
Chaise Lounges (8,300)
Settees (3,859)

Shop By

COLOR

- Gray (9,049)
- White (6,163)
- Black (14,174)
- Blue (2,914)
- Brown (9,381)

MOSE

SALE

- All Products On Sale (2,948)
- 20% Off Or More (1,621)
- 30% Off Or More (134)

Handy Living Madouir Modular Sofa Set	Handy Living Madouir Modular Sofa Set	Alfreda Ella 3 Piece Living Room Set	Elm Design Aya 3 Piece Living Room Set	European Furniture Mayfair 3 Piece Living Room Set	Elm Design Aya 3 Piece Living Room Set	European Furniture Picasso 3 Piece Living Room Set	Brooks Alexandra Reclining 3 Piece Leather Living Room Set	Willis Arent Interiors Alexandra Living Room Set
\$12961.10 \$4,999.00	\$2231.10 \$4,999.00	\$3899.99	\$5809.97	\$14699.99	\$5909.97	\$15399.99	\$2359.99	\$2569.99

Take your ideas to new places.

American Furniture 3 Piece Living Room Set	Latitude Run Latitude Run Black Sectional Sofa	American Furniture Deer Lodge 4 Piece Living Room Set	Zipcode Design Zee 3 Piece Living Room Set	American Furniture Deer Sleeper Valley 4 Piece Living Room Set	Canora Gray Canora Gray Pelaz 3 Piece Leather Living Room Set	American Furniture Sedona Sleeper 4 Piece Living Room Set
\$1179.99	\$1179.99	\$2689.99	\$1089.99	\$2789.99	\$8699.99	\$2999.99



BuzzFeed

CONDÉ NAST

HEARST

meredith



THE NEW YORKER

tkww THE KNOT WORLDWIDE

USA TODAY

verizon



wirecutter

CONNEXITY BY THE NUMBERS¹ - POWERING E-COMMERCE IN THE OPEN WEB AT SCALE

Strong 2020 Financial Results:¹

\$77M ex-TAC gross profit²

\$38M Adjusted EBITDA²

20%+ ex-TAC gross profit growth YoY

50%+ "Rule of 50" business: ex-TAC
gross profit growth + Adj EBITDA
margin² exceeds 50%

At Impressive Scale:

1,600+ direct merchant relationships

750M product offerings (SKUs)

1M+ monthly transactions

6k+ publisher relationships

(1) Connexity company data. Connexity information includes pro forma Skimlinks results for periods prior to its acquisition by Connexity in May 2020. YoY growth represents 2020 compared to 2019.

(2) Non-GAAP measures. See appendix for calculation and reconciliation to GAAP. "Adj. EBITDA margin" is Ratio of Adjusted EBITDA to ex-TAC gross profit.

DIRECT RELATIONSHIP WITH MERCHANTS

- **90%+** of revenue comes from direct merchants relationships
- **10%** from affiliates that Connexity is not directly managing
- **65%** of revenue is CPC, **35%** is CPA



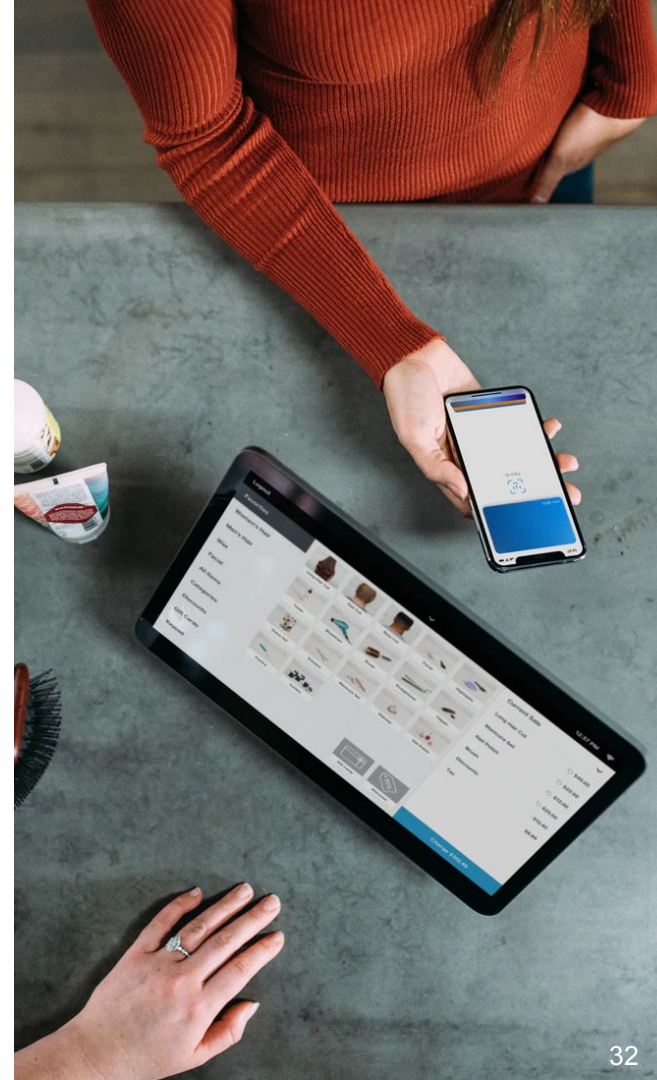
PARTNERS AND CLIENTS LOVE CONNEXITY: NDR

Merchants

- 12 year average tenure of strategic merchants
- 140% Net Revenue Retention among strategic merchants
- Top 10 merchants in 2020 had 88% CAGR in 2017-2020

Publishers

- 4.5 year average tenure of top publishers
- 247% Net Revenue Retention among managed service publishers (~65% of net revenue)

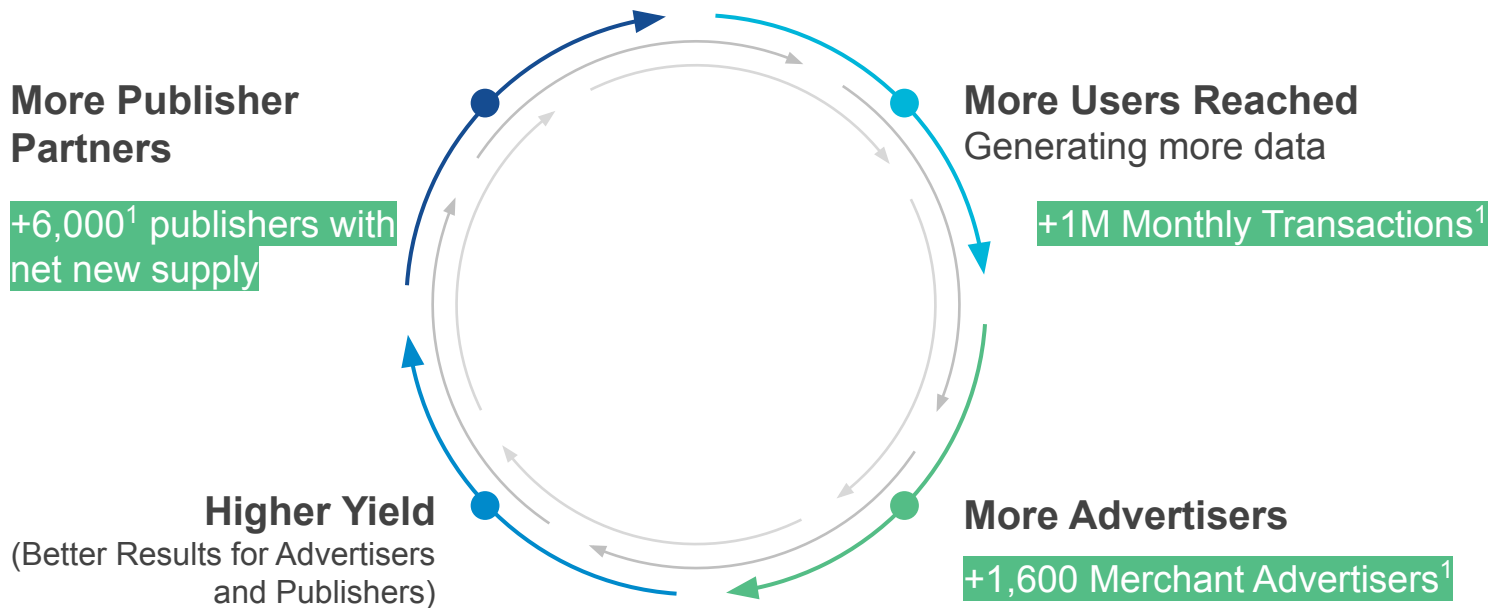


SYNERGIES



- **Driving yield growth** by bringing Connexity Merchants to Taboola's existing relationships with publishers
- **Upselling Existing Connexity publisher products** - shop section and commerce content - to Taboola's 9,000+ publishers
- Bringing Connexity **global** by leveraging Taboola's worldwide presence
- **Creating a super data set (merge our data)** - drive yield growth to Connexity partners, and Taboola's

ADDITION OF E-COMMERCE DATA SIGNALS WILL INCREASE YIELD AND ENHANCE NETWORK EFFECT



(1) Connexity company data

STRONG STRATEGIC RATIONALE

Bringing e-commerce
Recommendations to the
Open Web

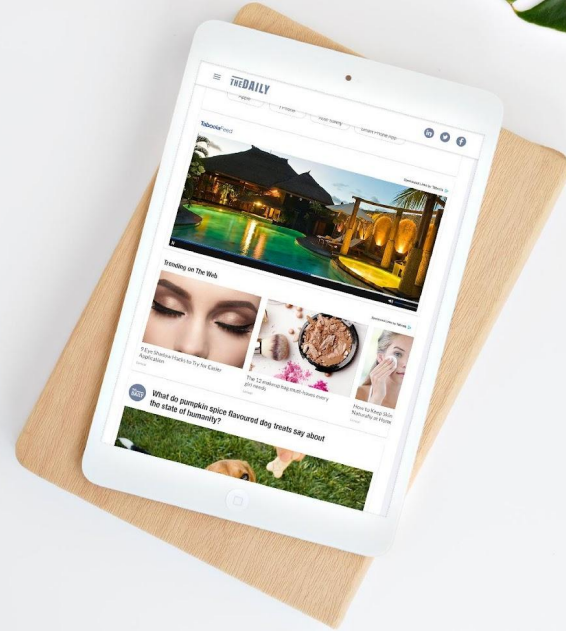


1. Accelerates Taboola Growth into \$35B e-Commerce Media TAM (US alone)¹
2. Adds Direct Relationships with **1,600+ Brand Name Merchants**²
3. Leverages contextual signals - **not reliant on 3rd party cookies**
4. Expected to **increase Yield**, make us more competitive (through e-Commerce demand and expanded access to transaction data)
5. Expected to **grow revenue to our publishers**, bringing even more strategic value as we sign 3, 5+ year exclusive, global partnerships
6. Incredible **culture fit** - passion, perseverance, and execution

(1) Source: eMarketer, "Digital Ad Spending, By Industry, US"
(2) Connexity company data

AGENDA

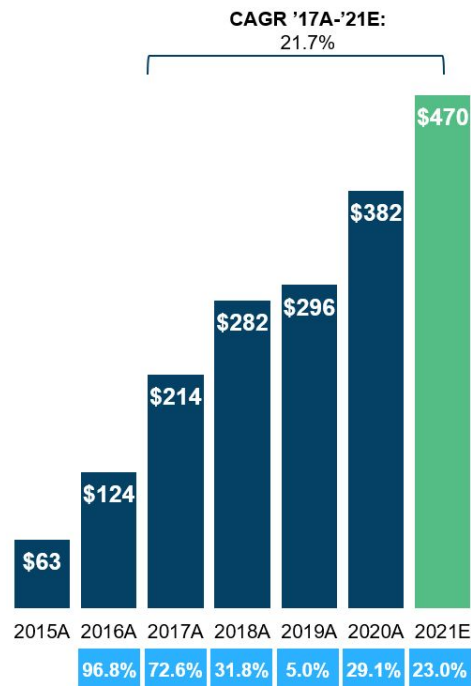
- Taboola Overview
- Investment Highlights
- Taboola + Connexity = Even Stronger
- **Financial Information**



TABOOLA FOCUSES ON PROFITABLE GROWTH

ex-TAC Gross Profit ¹

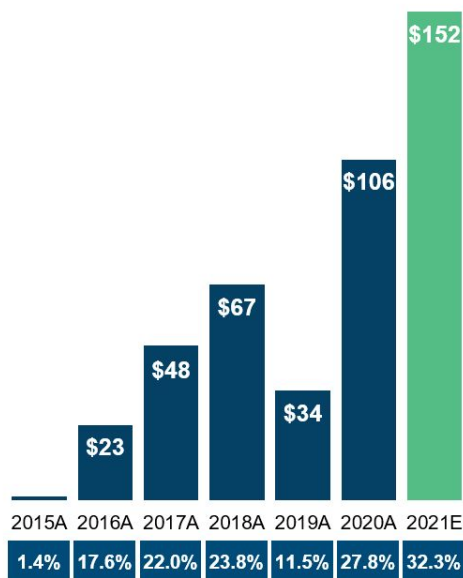
(\$ in millions)



YoY growth

Adj. EBITDA ²

(\$ in millions)



Ratio of Adjusted EBITDA to ex-TAC Gross Profit ³

PROFITABLE GROWTH

Rule of 40 Business

UPSIDE IN OUR MODEL

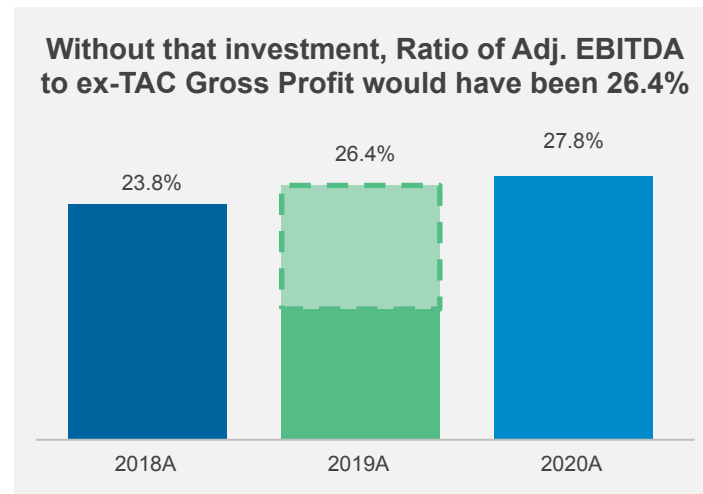
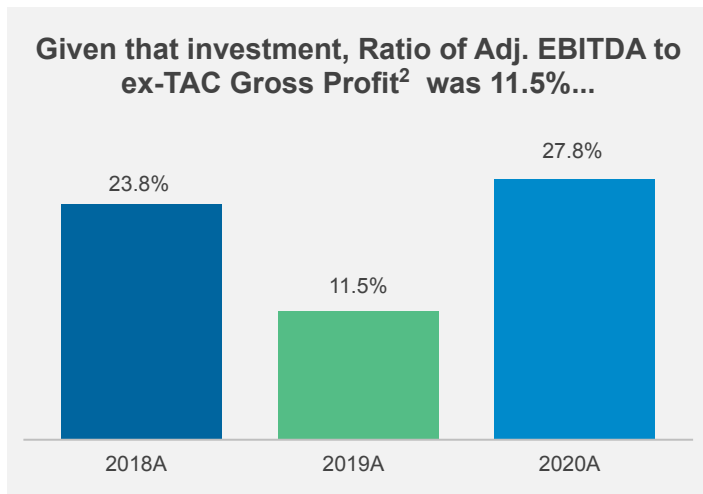
- Growth from Core Open Web business only
- Conservative growth assumed for existing base
- Additional upside from existing growth initiatives and inorganic

LONG-TERM MODEL

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

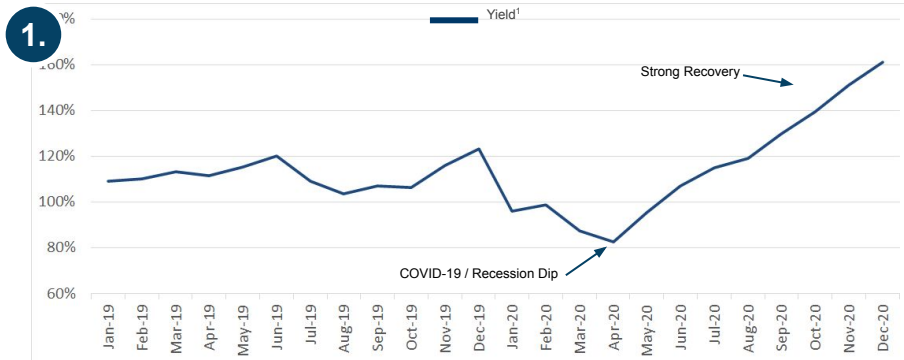
2019 METRICS WERE INFLUENCED BY OUR INVESTMENT STRATEGY

In 2019, Taboola made the decision to invest \$60 million in long-term partnerships with a number of very large, brand name publishing networks¹



In 2020 that investment has paid off as Ratio of Adj. EBITDA to ex-TAC Gross Profit was above 27% - higher than historical trends

COVID-19 IN 2020 PROVED THE RESILIENCY OF OUR MODEL

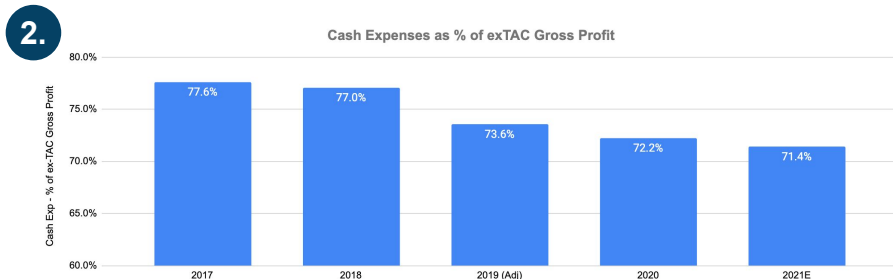


Relentless Focus on Yields...

Exited 2020 stronger than we entered with sustainably higher profitability

1. Sustainable yield increase, driving higher margins

- Worked with publisher partners to optimize for yield
- Signed more advertisers seeking consumers digitally
- Dramatic improvements in algorithms



... Combined with Historically Low Costs

2. Reset cost base

- Hiring freeze permanently “right sized” organization (sustainable)
- Reduced travel, real estate and overhead (partially sustainable)

(1) Yield is a normalized measure of performance that controls for changes due to traffic shifts.
 (2) Cash Expenses is the difference between Adj. EBITDA and exTAC Gross Profit. 2019 is adjusted to reflect Ratio of Adj. EBITDA to ex-TAC Gross Profit as detailed on the preceding slide.

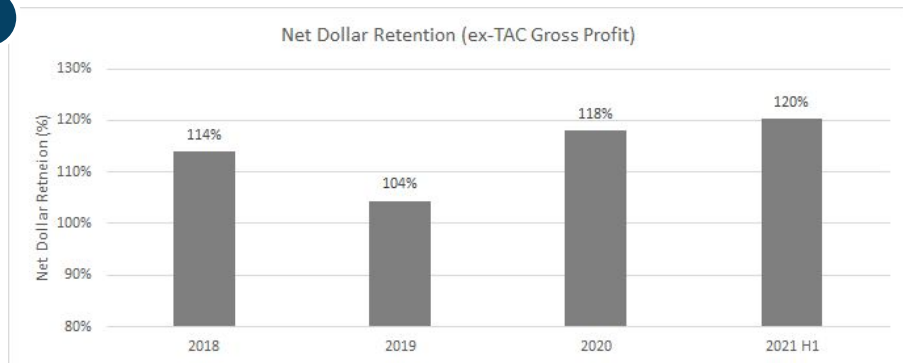
GROWTH DRIVEN BY CORE OPEN WEB INSTALLED BASE

1.



Continued growth from new supply...

2.



... helps provide fuel for growth from a strong installed base.

1.

New Publisher¹ ex-TAC Gross Profit

- Historically 10-15% new supply growth
- Projecting similar range going forward

2.

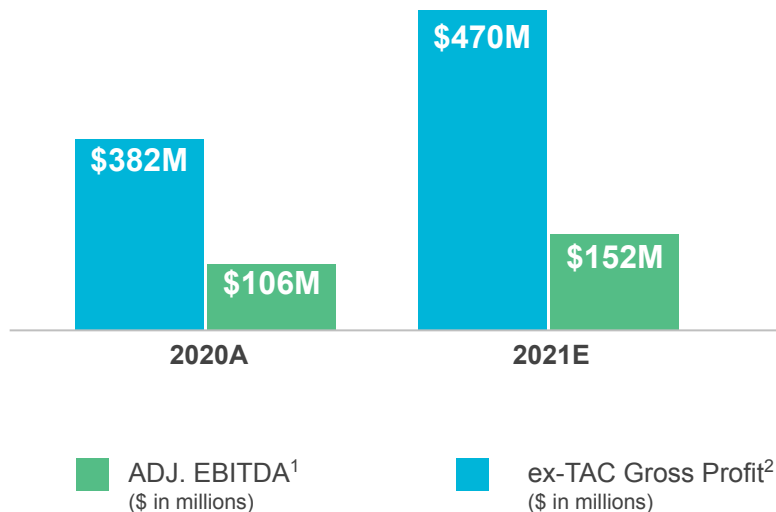
Net Dollar Retention² Growth Has Two Elements

- Improvements in yield
- More supply from existing publishers
- 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.

SELECTED NON-GAAP METRICS



23%
ex-TAC Gross Profit Growth

32%
Ratio of Adj EBITDA to
ex-TAC Gross Profit³

43%
Adj EBITDA Growth

80%+
Adj. Gross Profit Margin⁴

(1),(2),(3),(4) Adj. EBITDA, ex-TAC Gross Profit, and Ratio of Adj. EBITDA to ex-TAC Gross Profit, and Adj. Gross Profit Margin are Non-GAAP measures, see appendix for reconciliation to GAAP. Adj. Gross Profit Margin is projected to exceed 80% in 2021. Adj. Gross Profit Margin is calculated by dividing Gross profit by ex-TAC Gross Profit.

Note: Growth rates reflect 2021 growth over 2020. 2021 projection reflects the mid-point of current company guidance.

Taboola

Thank you.

APPENDIX

OUR MODEL IN A NUTSHELL

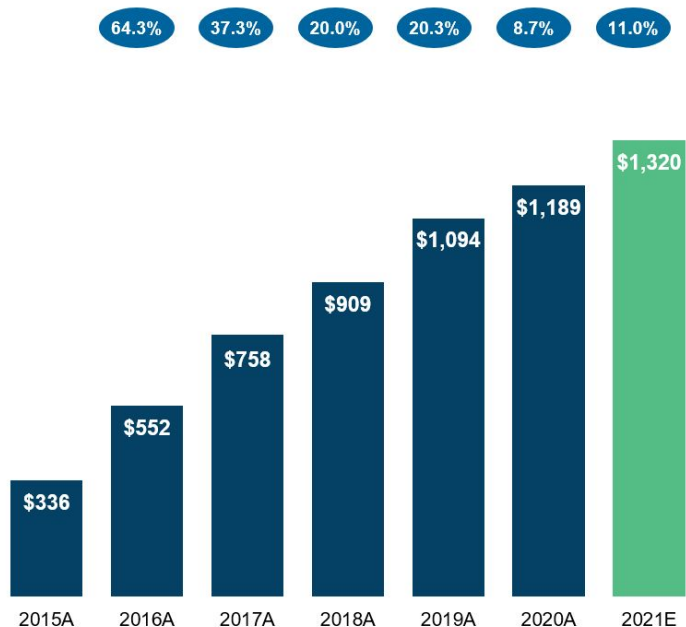
Model components:	Sample inputs / financials:	Illustrative Taboola economics:
Revenues ⁽¹⁾	\$909	\$1.00 (100%)
−		
Traffic Acq Cost (Value to publishers)	(\$627)	(\$0.69)
=		
ex-TAC Gross Profit ⁽²⁾	\$282	\$0.31
−		
Cost of Revenues	(\$48)	(\$0.05)
=		
Gross profit	\$234	\$0.26
−		
R&D	(\$73)	(\$0.08)
−		
S&M	(\$110)	(\$0.12)
−		
G&A	(\$34)	(\$0.04)
=		
Operating Income	\$17	
+		
Dep, Amort, Share Based Comp, Other item	\$50	
=		
Adjusted EBITDA ⁽³⁾	\$67	
+		
Change in WC, Other items ⁽⁴⁾ + PP&E and Capitalized Platform Costs	(\$22)	
=		
Free Cash Flow ⁽³⁾	\$45	



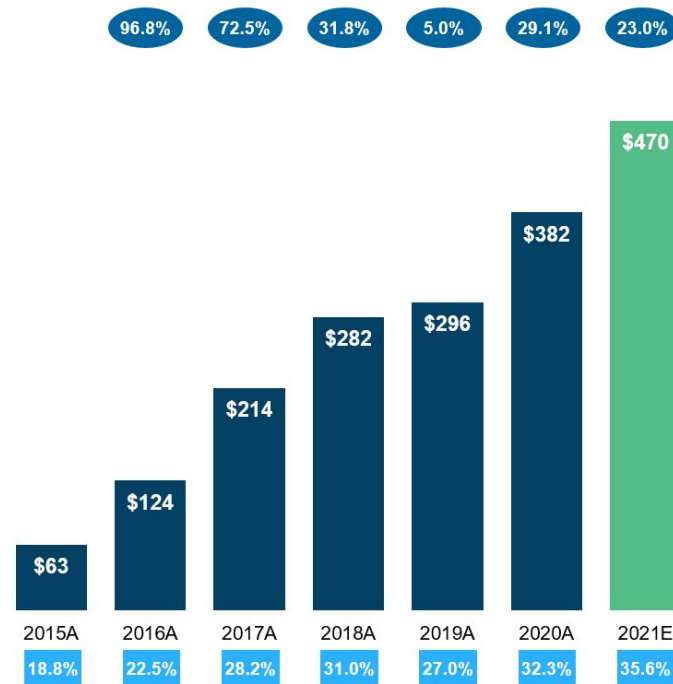
- (1) Revenue paid by Advertisers, before traffic acquisition costs (TAC) paid to Publishers.
 (2) Revenue to Taboola after TAC paid to Publishers. Non-GAAP measure, see appendix for reconciliation to GAAP
 (3) Non-GAAP measure, see appendix for reconciliation to GAAP
 (4) Non cash charges, Cash charges excluded from Adjusted EBITDA

HISTORICAL & PROJECTED REVENUE & EX-TAC GROSS PROFIT¹

Revenues



ex-TAC Gross Profit



● YoY growth

■ ex-TAC Gross Profit Margin²

(1) Non-GAAP measure, see appendix for reconciliation to GAAP

(2) ex-TAC Gross Profit Margin reflects ex-TAC Gross Profit / Revenue, a Non-GAAP measure. See appendix for reconciliation to GAAP

Note: 2021 projection reflects the mid-point of current company guidance.

KEY MODEL ASSUMPTIONS

ex-TAC Gross Profit¹

- Historically, Taboola grew 20%+ (CAGR '17A-'20E)
- In 2020, Taboola generated \$382 million ex-TAC Gross Profit
- For FY2021, the Company currently expects ex-TAC Gross Profit in range of \$468 - 472M

ADJUSTED EBITDA²

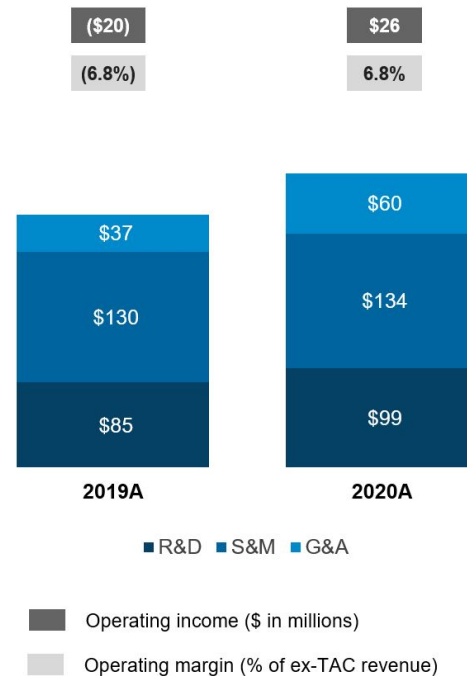
- \$106 million in 2020 and growing faster than ex-TAC Gross Profit
- For FY2021, the Company currently expects Adjusted EBITDA in range of \$150 - 153M
- Rule of 40: ex-TAC growth + Ratio of Adj. EBITDA to ex-TAC Gross Profit³ always above 40%

COST ASSUMPTIONS

- Return to “normal” operations and cost basis in H2 2021 (conservative)
- Two primary costs (headcount and hardware / IT) grow commensurate with revenue growth
- Higher costs (and lower operating margin) in 2021 driven by transaction related share-based compensation expenses

Operating costs:

(\$ in millions)



(1),(2),(3) Non-GAAP measures, see appendix for reconciliation to GAAP

SELECTED GAAP AND NON-GAAP METRICS

(\$ in millions, FYE)	2018A	2019A	2020A	2021E	Long-Term Model
Revenues	\$909	\$1,094	\$1,189	\$1,320	
% YoY growth	20.0%	20.3%	8.7%	11.0%	
ex-TAC Gross Profit	\$282	\$296	\$382	\$470	
% YoY growth	31.8%	5.1%	29.2%	22.9%	20%+
Gross Profit	\$234	\$232	\$319	\$393	
% margin	83.1%	78.4%	83.6%	83.6%	
% YoY growth	31.1%	-0.9%	37.7%	23.0%	
Adj. EBITDA	\$67	\$34	\$106	\$152	
% margin	23.8%	11.5%	27.8%	32.2%	30%+
% YoY growth	39.6%	-49.1%	211.6%	42.7%	

Ratio of Adjusted EBITDA to ex-TAC Gross Profit³

- Return to “normal” operations and cost basis in H1 2021
- Investing in serving infrastructure and Algo beginning 2021
- IPO readiness costs added starting 2021

LONG-TERM EX-TAC GROSS PROFIT GROWTH

- Current Model only forecasts growth from Core Business
- Including Connexity, in 2022 expect growth of 30%+ on a reported basis and 17%+ on a pro forma basis, above our previous standalone expectation to grow 16% in 2022
- Long-Term Growth of 20%+ includes core business growth, inorganic and existing growth initiatives

ADJUSTED EBITDA RECONCILIATION

(\$ in Millions)	2016A	2017A	2018A	2019A	2020A
Net income (loss)	(\$2.7)	\$2.8	\$10.7	(\$28.0)	\$8.5
Adjustments:					
Financial expenses (income)	0.8	(0.3)	1.3	3.4	2.7
Tax expenses	4.3	5.1	5.3	5.0	14.9
Depreciation and Amortization	13.3	28.2	35.3	39.4	34.0
Share Based Compensation	6.3	10.8	10.5	8.2	28.3
Revaluation of contingent Liability	1.4	1.6	3.8	-	-
M&A cost	-	-	-	6.1	17.8
Adjusted EBITDA	\$23.4	\$48.2	\$66.9	\$34.1	\$106.2

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
Net income (loss)	\$18.6	(\$61.4)
Adjustments:		
Financial expenses (income)	0.8	0.1
Tax expenses	2.2	7.9
Depreciation and Amortization	8.2	8.6
Share Based Compensation ¹	5.1	78.5
M&A Cost and One-Time Transaction Cost of Going Public ²	(1.4)	7.1
Adjusted EBITDA	\$33.5	\$40.8

¹A substantial majority is Share-based compensation expenses related to going public.

²Relates to the acquisition of ION Acquisition Corp. 1 Ltd. and going public.

EX-TAC GROSS PROFIT RECONCILIATION

(\$ in Millions)	2016A	2017A	2018A	2019A	2020A	2021E
Revenues	\$552.1	\$757.9	\$909.2	\$1,093.8	\$1,188.9	\$1,319.5
Traffic Acquisition Cost (TAC)	427.7	544.2	627.7	\$798.0	\$806.5	\$849.5
Other Cost of Revenues	23.2	35.1	47.3	63.9	62.9	\$77.0
Gross Profit	\$101.2	\$178.6	\$234.2	\$231.9	\$319.5	\$393.0
Other Cost of Revenues	23.2	35.1	47.3	63.9	62.9	77.0
ex-TAC Gross Profit	\$124.4	\$213.7	\$281.5	\$295.8	\$382.4	\$470.0

Note: 2021 projections reflect the midpoint of current company guidance.

RATIO OF ADJUSTED EBITDA TO EX-TAC GROSS PROFIT RECONCILIATION

(\$ in Millions)	2016A	2017A	2018A	2019A	2020A
Gross Profit	\$101	\$179	\$234	\$232	\$320
Net Income (loss)	(3)	3	11	(25)	8
<i>Ratio of Net income (loss) to Gross profit</i>	-3%	2%	5%	-11%	3%
ex-TAC Gross Profit	\$124	\$214	\$282	\$296	\$382
Adjusted EBITDA	23.4	48.2	67	33.9	106
<i>Ratio of Adjusted EBITDA to ex-TAC Gross Profit</i>	19%	23%	24%	11%	28%

EX-TAC GROSS PROFIT MARGIN RECONCILIATION

(\$ in Millions)	2016A	2017A	2018A	2019A	2020A
Revenues	\$552	\$758	\$909	\$1,094	\$1,189
Gross Profit	101	179	234	232	320
<i>Gros Profit Margin</i>	18%	24%	26%	21%	27%
Revenues	\$552	\$758	\$909	\$1,094	\$1,189
ex-TAC Gross Profit	124	214	282	296	382
<i>ex-TAC Gross Profit Margin</i>	23%	28%	31%	27%	32%

HISTORICAL & PROJECTED ADJ. GROSS PROFIT MARGIN RECONCILIATION

(\$ in Millions)	2020A	2021E
Revenues	\$1,189	\$1,320
Traffic Acquisition Cost (TAC)	\$807	\$850
ex-TAC Gross Profit	\$382	\$470
Other Cost of Revenues	63	\$77
Gross Profit	\$319	\$393
<i>Gross Profit Margin</i>	<i>27%</i>	<i>30%</i>
<i>Adj. Gross Profit Margin</i>	<i>84%</i>	<i>84%</i>

HISTORICAL AND PROJECTED FREE CASH FLOW RECONCILIATION

(\$ in millions, FYE)	2019A	2020A	2021E
Net cash from operating activities ¹	\$18	\$139	\$100
Purchases of property and equipment, including capitalized platform costs	(\$44)	(\$18)	(\$67)
Leasehold improvements & equipment	0	0	(9)
Intangible assets	0	(9)	(10)
Purchase of IT equipment (servers)	(44)	(9)	(48)
Free Cash Flow	(\$26)	\$121	\$33

2021 Free Cash Flow Reduced by Plan To Invest in Two Areas:

- 1) Purchase of \$30M of servers beyond “normal” levels as part of investment in algorithmic yield improvements
- 2) Plan to remodel offices globally for post-COVID work environment

(1) Adj. EBITDA Plus the change in working capital reflects the Net cash provided by operating activities. For estimated periods, Net cash from operating activities assumes 53-57 days payables outstanding and 40-45 days sales outstanding.

CONSOLIDATED BALANCE SHEET

(\$ in millions)	As of Dec 31, 2019	As of Dec 31, 2020
Cash, cash equivalents and short-term deposits	\$ 116	\$ 243
Total Assets	\$ 482	\$ 580
Total Liabilities & Convertible Shares	\$ 475	\$ 533
Accumulated Deficit	\$ (40)	\$ (31)
Additional Paid-in-capital	\$ 47	\$ 78
Total Shareholders' Equity	\$ 7	\$ 47

2021 QUARTERLY RESULTS: EX-TAC GROSS PROFIT RECONCILIATION

(\$ in Millions)	Q1-21A	Q2-21A
Revenues	\$303.0	\$329.1
Traffic Acquisition Cost (TAC)	197.0	212.2
Other Cost of Revenues	16.4	16.7
Gross Profit	\$89.6	\$100.2
Other Cost of Revenues	16.4	16.7
ex-TAC Gross Profit	\$106.0	\$116.9

2021 FULL YEAR GUIDANCE: EX-TAC GROSS PROFIT RECONCILIATION

(\$ in Millions)

2021E

Revenues	\$1,316 - \$1,323
-----------------	--------------------------

Traffic Acquisition Cost (TAC)	(\$848 - \$851)
--------------------------------	-----------------

Other Cost of Revenues	(\$75 - \$77)
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Gross Profit	\$390 - \$396
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Other Cost of Revenues	\$75 - \$77
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ex-TAC Gross Profit	\$468 - \$472
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