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DELTA REPORT

10-K

TBLA - TABOOLA.COM LTD.

10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS	8815
CHANGES	309
DELETIONS	3569
ADDITIONS	4937

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2022 December 31, 2023

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-40566

TABOOLA.COM LTD.

(Exact name of registrant as specified in its charter)

Israel	Not Applicable
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
16 Madison Square West 7th Floor New York, NY	10010
(Address of principal executive offices)	**(Zip code)**

212-206-7633
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary shares, no par value	TBLA	The Nasdaq Global Market
Warrants to purchase ordinary shares	TBLAW	The Nasdaq Global Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☐ Yes ☒ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

The aggregate market value of the voting and non-voting shares held by non-affiliates of the Registrant, based on the closing price of the shares of $2.53 $3.11 on June 30, 2022 June 30, 2023 the last business day of the registrant's most recently completed second fiscal quarter was approximately $427.4 million $676.3 million.

As of February 28, 2023 February 22, 2024 the Registrant had outstanding 295,676,002 295,463,243 Ordinary Shares shares and 45,198,702 Non-Voting Ordinary Shares. shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's 2023 2024 definitive Proxy Statement, which will be filed with the Securities and Exchange Commission within 120 days after December 31, 2022 December 31, 2023, are incorporated by reference in Part III of this Form 10-K.

ABOUT THIS ANNUAL REPORT

Unless otherwise stated or unless the context otherwise requires, the terms "Company," "the registrant," "our company," "the company," "we," "us," "our," "ours," and "Taboola" refer to Taboola.com Ltd., a company organized under the laws of the State of Israel, and its consolidated subsidiaries. In this Annual Report:

"Advertisers" means advertisers, merchants, affiliate networks and their respective brands and agencies.

"Business Combination" means the merger pursuant to the Merger Agreement, whereby Merger Sub merged with and into ION, with ION surviving the merger, and the other transactions contemplated by the Merger Agreement, which we consummated on June 29, 2021.

"Connexity" means, Shop Holding Corporation, a Delaware corporation, which was merged into Connexity, Inc., a Delaware corporation, effective as of September 1, 2022.

"Effective Time" means the effective time of the closing of the Business Combination.

"Investors' Rights Agreement" means the Amended and Restated Investors' Rights Agreement, effective as of the Effective Time, pursuant to which each of the Sponsors, and certain of Taboola's shareholders were granted certain resale registration rights with respect to any Ordinary Shares or Warrants.

"ION" means ION Acquisition Corp. 1 Ltd., a Cayman Islands exempted company.

"Merger Agreement" means the agreement and plan of merger, dated as of January 25, 2021, by and among ION, Taboola and Merger Sub.

"Merger Sub" means Toronto Sub Ltd., a Cayman Islands exempted company and wholly owned subsidiary of the Company.

"Non-Voting Ordinary Shares" means each non-voting ordinary share of Taboola, no par value per share, originally issued in connection with the Yahoo partnership and not entitled to vote, except in limited circumstances as provided in Taboola's Amended and Restated Articles of Association.

"Ordinary Shares" means each ordinary share of Taboola, no par value per share, listed on NASDAQ and entitled to vote.

"Sponsors" means ION Holdings 1, LP and ION Co-Investment LLC.

"Taboola" means Taboola.com Ltd., a company organized under the laws of the State of Israel and its consolidated subsidiaries.

"Warrants" means warrants of Taboola issued to ION warrant holders and the Ordinary Shares underlying such warrants.

All references in this Annual Report to "Israeli currency" and "NIS" refer to New Israeli Shekels, the terms "dollar," "USD" or "$" refer to U.S. dollars and the terms "€" or "euro" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the treaty establishing the European Community, as amended.

BASIS OF PRESENTATION

Our financial statements have been prepared in accordance with generally accepted accounting principles in the United States Generally Accepted Accounting Principles ("GAAP"). We present our consolidated financial statements in U.S. dollars.

Our fiscal year ends on December 31 of each year.

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Certain monetary amounts, percentages and other figures included elsewhere in this Annual Report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables or charts may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them.

Throughout this Annual Report, we provide a number of key performance indicators used by our management and often used by others in our industry. For details, see Item 7. "*Management's Discussion And Analysis Of Financial Condition And Results Of Operations*."

Certain capitalized terms used in this Annual Report are defined in the Glossary following Item 16.

Market and Industry Data

Unless otherwise indicated, information in this Annual Report concerning economic conditions, our industry, our markets and our competitive position is based on a variety of sources, including information from independent industry analysts and publications, as well as our own estimates and research.

Our estimates are derived from publicly available information released by third-party sources, as well as data from our internal research, which we believe to be reasonable. None of the independent industry publications used in this Annual Report were prepared on our behalf.

Trademarks

We or our licensors have proprietary rights to trademarks, trade names and service marks used in this Annual Report. Solely for convenience, trademarks, trade names and service marks referred to in this Annual Report may appear without the "®" or "™" symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent possible under applicable law, our rights or the rights of the applicable licensor to these trademarks, trade names and service marks. We do not intend our use or display of other companies' trademarks, trade names or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies. Each trademark, trade name or service mark of any other company appearing in this Annual Report is the property of its respective holder.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements in this Annual Report may constitute "forward-looking statements" for purposes of the federal securities laws. Taboola's forward-looking statements include, but are not limited to, statements regarding Taboola or its management team's expectations, hopes, beliefs, intentions or strategies regarding the future. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "anticipate," "appear," "approximate," "believe," "continue," "could," "estimate," "expect," "foresee," "intends," "may," "might," "plan," "possible," "potential," "predict," "project," "seek," "should," "would" and similar expressions (or the negative version of such words or expressions) may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements in this Annual Report may include, for example, statements about:

- our financial performance following the Business Combination; performance; and
- the outcome of any known and unknown litigation and regulatory proceedings.

These forward-looking statements are based on information available as of the date of this Annual Report, and current expectations, forecasts and assumptions, and involve a number of judgments, risks and uncertainties. Accordingly, forward-looking statements should not be relied upon as representing our views as of any subsequent date, and we do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.You should not place undue reliance on these forward-looking statements. As a result of a number of known and unknown risks and uncertainties, including those described in Part I, Item 1A, "Risk Factors" "Risk Factors" in this Annual Report on Form 10-K, our actual results or performance may be materially different from those expressed or implied by these forward-looking statements.

Risk Factors Summary

The following is a summary of the material risks we are exposed to in the course of our business activities. The below summary does not contain all of the information that may be important to you, and you should read the below summary together with the more detailed discussion of risks set forth under the heading "Risk "Risk Factors," " as well as elsewhere in this Annual Report.

- Taboola may be unable to attract new digital properties and Advertisers, sell additional offerings to its existing digital properties and Advertisers, or maintain enough business with its existing digital properties and Advertisers;
- If Taboola's performance under contracts with digital properties where Taboola is obligated to pay a specified minimum guaranteed amount per thousand impressions does not meet the minimum guarantee requirements, its gross profit could be negatively impacted and its results of operations and financial condition could be harmed;
- If the Yahoo partnership and our ability to transition and fully launch the native advertising service with Yahoo is not successful or implemented on the currently projected timeframe, or at all, the partnership may not be as financially accretive as we are projecting and our business, operating results or financial condition and our reputation could be adversely affected. affected;
- Taboola may not be able to compete successfully against current and future competitors;

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- Taboola's future growth and success depends on its ability to continue to scale its existing offerings and to introduce new solutions that gain acceptance and that differentiate it from its competitors;
- If Taboola fails to make the right investment decisions in its offerings and technology platform, or if Taboola is unable to generate or otherwise obtain sufficient funds to invest in them, Taboola may not attract and retain digital properties and Advertisers;
- If Taboola's ability to personalize its advertisements and content to users is restricted or prohibited due to various privacy or data protection laws or regulations, Taboola could lose digital properties and Advertisers;
- If Taboola's AI powered platform fails to accurately predict what ads and content would be of most interest to users or if Taboola fails to continue to improve on its ability to further predict or optimize user engagement or conversion rates for its Advertisers, its performance could decline and Taboola could lose digital properties and Advertisers;
- Taboola's business depends on continued engagement by users who interact with its platform on various digital properties;
- Historically, the majority of Taboola's agreements with digital properties have typically required them to provide it exclusivity or other incentives based on preferred usage, for the term of the agreement; to the extent that such exclusivity is reduced or eliminated for any reason, digital properties could elect to implement competitive platforms or services that could be detrimental to its performance;
- Taboola's business depends on strong brands and well-known digital properties, and failing to maintain and enhance its brands and well-known digital properties would hurt its ability to expand its number of Advertisers and digital properties;
- Taboola is a multinational organization faced with complex and changing laws and regulations regarding privacy, data protection, content, competition, consumer protection, and other matters;

- Conditions in Israel could adversely affect Taboola's business;
- Natural disasters, political events, war, terrorism and the emergence of another pandemic, each of which could disrupt our business and adversely affect our results of operations; and
- Other risks and uncertainties set forth in the section entitled "Risk Factors" in this Annual Report.

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PART I

ITEM 1. BUSINESS

Our Mission

We power recommendations for the Open Web, helping people all around the world discover things they may like, but never knew existed.

Our Company

Taboola is a technology company that powers recommendations across the Open Web with an artificial intelligence, or AI-based, algorithmic engine that we have developed over since the past 15 Company years. began operations in 2007. Taboola has also recently expanded more directly into e-Commerce, allowing its partners with digital properties the ability to use its platforms to display advertising suited to the audiences of those partners' web sites or other digital services.

We think of ourselves as a search engine, but in reverse — instead of expecting people to search for information, we recommend information to people or enable our partners to use our technology. You've seen us before: we partner with websites, devices, and mobile apps, which we collectively refer to as digital properties, to recommend editorial content and advertisements on the Open Web, outside of the closed ecosystems of the walled gardens such as Meta/Facebook, Google, and Amazon.

Digital properties use our technology platforms to achieve their business goals, such as driving new audiences to their sites and apps, or increasing engagement on site — and we don't charge them for these services. We also provide a meaningful monetization opportunity to digital properties by surfacing paid recommendations by Advertisers. Unlike walled gardens, we are a business-to-business, or B2B, company with no competing consumer interests. We only interact with consumers through our partners' digital properties, hence we do not compete with our partners for user attention. Our motivations are aligned. When our partners win, we win, and we grow together.

We empower Advertisers, to leverage our proprietary AI-powered recommendation platform to reach targeted audiences utilizing effective, native ad formats across digital properties. We generate revenues primarily when people (consumers) click on, purchase from or, in some cases, view the ads that appear within our partners' digital experiences via our recommendation platform. Advertisers pay us for those clicks, purchases or impressions and we share the resulting revenue with the digital properties who display those ads and generate those clicks and downstream consumer actions.

Our powerful recommendation platform was built to address a technology challenge of significant complexity: predicting which recommendations users would be interested in, without explicit intent data or social media profiles. Search advertising platforms have access, at a minimum, to users' search queries which indicate intent, while social media advertising platforms have access to rich personal profiles created by users. In contrast, we base our recommendations on an extensive dataset of context and user behavior derived from the intersection of thousands of digital properties and millions of recommended items, including ads and editorial content.

Our annual Revenues grew to $1,401.2 million in 2022, from $1,378.5 million in 2021 and $1,188.9 million in 2020. Over the same three years, our Gross profit grew to $464.3 million, from $441.1 million and $319.5 million, and our ex-TAC Gross Profit grew to $569.6 million, from $518.9 million and $382.4 million, respectively. Our Net income (loss) for the same three years was $(12.0) million, $(24.9) million and $8.5 million, respectively, while our Adjusted EBITDA was $156.7 million, $179.5 million and $106.2 million,

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respectively, and our Non-GAAP Net Income was $91.4 million, $113.6 million and $59.2 million, respectively. For more information about ex-TAC Gross Profit, Adjusted EBITDA and Non-GAAP Net Income, see "*Management's Business Discussion and Analysis of Financial Condition and Results of Operations- Non-GAAP Financial Measures.*"

Selected 2022 Developments

Yahoo Partnership

In November 2022, the Company we announced it we had entered into a 30-year exclusive commercial agreement with Yahoo, Inc. ("Yahoo"), under which the Company we will power native advertising across all of Yahoo's digital properties, expanding the Company's our native advertising offering. In connection with January 2023 we closed on the closing of this agreement and various related agreements, on January 17, 2023, Yahoo including the issuance of 39,525,691 Ordinary shares and its affiliated parties received an aggregate 24.99% of the outstanding voting and non-voting equity of the Company on a combined post-transaction basis, as well as one representative on our Board of Directors ("Board"). On January 17, 2023, following a recommendation from the Nominating and Governance Committee, the Board appointed Monica Mijaleski, Yahoo's Chief Financial Officer, 45,198,702 Non-Voting Ordinary shares to serve on the Board as a Class III director with an initial term expiring at the Company's 2024 Annual General Meeting of Shareholders. Yahoo.

Additional Developments Cost Restructuring Program

In September 2022, in response to macroeconomic conditions, the Company announced and Growth Initiatives implemented a cost restructuring program impacting approximately 6% of the Company's global headcount. Restructuring expenses were approximately $3.4 million for the year ended December 31, 2022 primarily consisting of one-time incremental employee termination benefits and other costs related to the Company's business prioritization.

See Note 14 of Notes to develop partnerships with digital properties, and Advertisers. We grew our 2022 Gross Profit by approximately $23.2 million, and ex-TAC Gross Profit by approximately $50.8 million. This equated to year-over-year Gross Profit growth of approximately 5% and ex-TAC Gross Profit growth of approximately 10% on a reported basis, and approximately -1% of ex-TAC Gross Profit growth on a pro forma basis with Connexity. Existing digital property partners were negatively impacted by lower yields due to weaker demand on our platform, reflecting the current macroeconomic conditions and Consolidated Financial Statements in this Annual Report for additional details regarding the impact on advertising spend. On a pro forma basis, this was mostly offset by growth through the acquisition of new customers. Notably, in 2022 we announced new commercial agreements with premium publishers, including Gray TV, Penske Media, Time.com, BuzzFeed Japan, HuffPost, Prisa, Grupo Godó, Network18, United Internet Media, Dumont, Kicker and Media News Group. We also signed key renewal agreements with CBSi, Tegna, Telemundo, Reach PLC, FAZ, Cox Media Group, Fox Sports, Associated Press, Altice News, Insider, Le Point, E! Online, Hearst UK and Slate. cost restructuring program.

In 2022, we also continued to invest in our three primary focus areas: performance advertising, e-Commerce and header bidding. We are driving continuous improvement in performance advertising and investing in our product for performance Advertisers, having significantly increased the number of engineers dedicated to those initiatives to help achieve our goal of becoming the best choice for performance Advertisers that want to reach consumers in the Open Web. Additionally, e-Commerce gained meaningful momentum with Dynamic Creative Optimization (DCO) rolling out, and in February 2023 we announced that TIME will be launching our new Taboola Turnkey Commerce solution. Lastly, we are making significant investments in header bidding which we believe will allow us to expand beyond our traditional bottom of article placements and continue to grow our share of the Open Web. In the second quarter of 2022, we fully deployed our new bidding technology on Microsoft's digital properties, pursuant to our agreement signed in December 2021. Throughout 2022 we dedicated resources to algorithm learning and optimizing our bidder, in close collaboration with Microsoft and during the fourth quarter, we began shifting our focus to exploring new supply utilizing this technology. Yahoo has become a fourth primary focus area as a result of the January 2023 closing of agreements related to our Yahoo partnership.

Additionally in 2022, as part of our "Taboola Anywhere" strategy, Taboola News, our version of "Apple News" but for Android devices, exceeded $50 million in annual revenue. In addition to this growth, we believe there is strategic value to our overall core business as publishers gain increased traffic from Taboola News.

Connexity Acquisition

On September 1, 2021 we completed our previously announced acquisition of Shop Holding Corporation, which we refer to as Connexity. The total consideration amount of approximately $800 million included retention incentives and is subject to customary purchase price adjustments for working capital and indebtedness. For additional information about the Connexity acquisition, including the issuance of Ordinary shares and the entry of a $300 million senior secured term loan credit agreement to finance a portion of the acquisition see Notes 7, 10, and 13 of Notes to Consolidated Financial Statements in this Annual report.

ION Merger Agreement

On January 25, 2021, we and one of our subsidiaries entered into a Merger Agreement with ION Acquisition Corp. 1 Ltd. Under that agreement, our subsidiary merged with and into ION, with ION continuing as the surviving company and becoming our direct, wholly-owned subsidiary. The Merger Agreement and the related transactions were unanimously approved by both the ION board of directors and the Board. The Business Combination and other transactions contemplated by the Merger Agreement, closed on June 29, 2021 after receipt of the required approval by our shareholders and ION's shareholders and the fulfillment of certain other conditions. In connection with the Merger Agreement, we also obtained commitments for the purchase in private transactions that closed concurrently with the Business Combination of approximately $285 million of our Ordinary shares, of which approximately $150 million was purchased directly from certain of our existing shareholders, primarily from early investors.

Industry Trends

Taboola's opportunity is to offer advertisers easy access to a curated supply of Open Web publisher inventory in a way that offers significant scale, reach and frequency with better user experience and monetization performance than what they are seeing today.

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Advertising Budgets Shift to Digital Marketing. As we have witnessed over the last decade, advertising budgets continue to shift from traditional media, such as print newspapers, magazines and television, to digital channels. No longer a trend, a change in consumer attention to digital properties has become a lasting movement, giving Advertisers an opportunity to reach increasing numbers of consumers at scale with relevant content and precise targeting, thereby driving a higher return on their investment.

Walled Gardens Dominate Digital Advertising Spend. According to eMarketer, more than half of digital advertising budgets are spent within the closed ecosystems of tech giants like Google, Facebook and Amazon, which we refer to as “walled gardens.” With the proliferation of these walled gardens and the time spent by consumers within them, the Open Web is fighting for user attention and as a result for advertising dollars.

Highly Fragmented Open Web. According to our estimates, Advertisers spent approximately $70 80 billion advertising on the Open Web in 2022 3. Because the Open Web is, by definition, highly fragmented, it is harder for Advertisers to access than the walled gardens.

The Technology behind Digital Advertising has become Increasingly Complex. Technologies for more automated and efficient buying and selling of digital advertising have been gaining traction for several years with both advertising buyers and digital properties. The ability to collect, collate and analyze intent data points using AI and machine-learning technology is a key differentiator for Advertisers, digital properties and advertising intermediaries. Data insights can now be used to optimize digital advertising campaigns in ways that were not previously possible. This means that advertising intermediaries who do not have access to data or are not using AI to power their platforms may be at a disadvantage.

Shift from Offline Shopping to Online Shopping and e-Commerce. Online shopping has been growing consistently 15-20% saw significant acceleration during the Covid-19 pandemic and continuing growth is expected to take share from offline shopping in continue ~8% annually through 2027 doubling the growth of physical stores. This trend has been significantly accelerated by the recent pandemic, leading to significant current and future expectations for continued hyper-growth of both online shopping and advertising spending by online retailers and e-Commerce companies. retail over that same period.

Native Format Proliferation. According to eMarketer, native ads - ads that match the look, feel and function of the media format in which they appear, such as those used by Taboola - accounted for approximately 62 6% of total U.S. display ad spending in 2022 3., and spending on native ads in the U.S. is forecasted to grow by approximately 12% in 2023. Native advertising is a format that has been popularized by social media and is now familiar to consumers.

Increasing Focus on Privacy and the Disappearance of Third Party Cookies. Government regulators, consumers, and technology companies recently turned their attention toward the use of personal data and related privacy practices. This has led to increased regulation, such as the European Union’s General Data Protection Regulation, or GDPR, its equivalent in the United Kingdom (commonly referred to as the UK GDPR), and the California Consumer Privacy Act (as modified by the California Privacy Rights Act), or CCPA. In parallel, major Internet browsers, such as Safari and Firefox are already blocking third party cookies while and Google Chrome is expected has announced plans to completely phase out third-party cookies completely by 2024. in Google Chrome during the second half of 2024. These changes pose a challenge for the digital marketing landscape, which currently relies extensively on third-party cookie data for personalization and must adapt to comply with increasing regulation of personal data.

Our Market Opportunity

We believe the Open Web needs a technology partner that enables digital properties to compete effectively with the scale and technological advantages of the tech giants. We believe our recommendation technology is applicable to a wide range of digital properties, including websites, apps, devices, and in the future, connected TVs and other mediums.

Unlike walled gardens, we are a B2B company with no competing consumer interests. We do not compete with our digital property partners for users’ attention. Our motivations are aligned: when our partners win, we win, and we grow together. This win-win mentality applies to our relationships with digital property partners and our Advertiser clients. Our Advertiser clients typically utilize a performance-based pricing model, which means they only pay us after a desired event, most commonly a click, occurs. In addition, our deep relationships with digital properties offer a compelling value for Advertisers, granting consolidated access to Open Web audiences and, thus, reducing the effects of fragmentation. In the fourth quarter of 2022, 2023, we worked with approximately 18,000 17,000 Advertisers to serve ads to users across the Open Web and reached over 500 million nearly 600 million daily active users, which, for this figure, we calculated as the average daily number of users that have been exposed to Taboola content recommendations at least twice in the preceding seven days. We and our digital property partners both benefit when users stay engaged with content on the digital property. To that end, we share advertising revenue as well as content-consumption data with digital properties, which they can use to make editorial decisions that best accommodate their audiences’ interests and increase user engagement.

What We Do: Our Recommendation Platform

At the core of the Taboola platform is our AI-powered predictive recommendation engine, which predicts what people may find interesting by employing unique Deep Learning technology and utilizing a broad range of inputs.

In Taboola’s core business, we serve two types of recommendations: (1) editorial, or “organic,” content from the site that the user is currently visiting, in order to engage the user and increase their chances of staying on the site longer; and (2) third-party ads paid for by our Advertiser partners. Our recommendations support text, image and video formats.

We generate revenue by enabling Advertisers to place bids for the right to serve their ads to targeted audiences across the Taboola network of digital properties, including some of the most premium sites in the world. As part of our e-Commerce offerings, we also syndicate our retailer Advertisers’ monetized product listings and links (clickable advertisements) into commerce content-oriented consumer experiences on both the Open Web and within the dominant traditional ad platforms.

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Representative Product Implementation

graphic

Our Platform for Digital Properties

Through our technology, data and Advertiser relationships, we help digital properties achieve three key goals:

- *Engagement*: We keep users engaged with the digital property they are currently visiting, helping digital properties grow their business and not lose users to walled gardens. Digital properties work extremely hard to create engaging content and rely, in part, on Taboola to surface that content to the right user at the right time. To that end, the more content people read, the more time they spend on that digital property's site, and the greater the opportunity for the digital property to monetize their business by, among other things, serving ads and offering subscriptions. In 2022 3, people clicked on Taboola recommendations tenstens of billions of times and approximately one-third of those clicks were on editorial content, keeping users on the site that they were on.

- *Audience*: Digital properties using our platform can grow their audience in seven main ways: (1) using our Taboola Newsroom product, they can use the readership data we compile from across the Taboola network to inform editorial decisions and optimize their content strategy, ultimately bringing new users to their property; (2) creating audience exchange programs between their own sites and those of other digital properties on our network, diversifying their audiences and introducing their content to new users; (3) acquiring new quality audiences from across the Taboola network of digital properties; (4) driving subscriptions to newsletters and paid subscriptions which, help bring loyal readers again and again to their site; (5) distributing their editorial content onto devices, OEMs, mobile carriers and more; (6) providing access to structured product content that can be used to create compelling consumer experiences; and (7) delivering insights and real-time analytics that enable the optimization of e-Commerce content strategy to increase engagement and organic traffic generation.

- *Monetization*: We enable digital properties to monetize their content with seamlessly integrated native ads, typically displayed in a feed format appearing at the end of an article, as well as other prime locations such as homepages, section fronts and middle of the articles. When people click on these ads or make a purchase, and in certain cases when they view the ads, Advertisers pay us and we then share in this revenue with the digital property on which the click or impression occurred. With the addition of Taboola's new offerings through its recent acquisition of e-Commerce focused Connexity, Inc., we also offer cost-per-click and cost-per-action monetization of both product listings and links to retailers that reside directly within editorial content.

Our Platform for Advertisers

Advertisers utilize Taboola's platform and leverage our AI-powered recommendation engine to reach their audiences throughout the buyer journey, from building brand awareness to increasing customer loyalty. Using Taboola's predictive engine, Advertisers can engage consumers at the right time with the right content, using text, image or video formats. Taboola allows Advertisers to run campaigns either directly through Taboola, using Taboola's campaign management dashboard, or programmatically.

We believe we offer Advertisers a complement to the walled gardens:

- *Massive reach*: With an average of over 500 million nearly 600 million daily active users in the fourth quarter of 2022 3, our platform creates opportunities to reach people on the Open Web when they're most receptive to brand messages and new content.

- *Targeting*: Our recommendation platform allows Advertisers to target their campaigns according to multiple parameters, such as context, user location, device and network connection type. Additionally, we use the Advertiser's own data to target demographics, interests, "lookalike audiences" and more. Our predictive engine and large readership dataset enable Advertisers to reach their target audiences with the right message, at the right time and in the right context. In contrast with social networks, where Advertisers reach users based on carefully curated personas as well as other signals, our Advertisers reach users based on signals from what people are reading on the Open Web, which we believe is a more authentic representation of their true interests.

- *Impactful Native Ad Formats*: Our close partnerships with premium digital properties allow us to develop highly impactful ad experiences that support a variety of ad formats and achieve diverse Advertiser goals, from awareness, to consideration, to purchase.

- *Brand Safe*: Ads distributed by Taboola are typically served on pages that display editorial content rather than the ubiquitous user-generated content of platforms such as YouTube or Facebook. In addition, our ad platform allows Advertisers to control the properties and topics on which their content appears, ensuring that their ads are displayed within suitable environments.

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- Measurable Performance-Based Advertising: Performance-based Advertisers only pay when a consumer has actually engaged with the ad unit and in some cases only when a transaction is completed which is typically on a cost per click or cost per action basis. This is a particularly strong proposition for the retailer client advertising because it is a tangible return on the retailer client's client's media investment.

Our Recommendation Technology

Our R&DResearch and development team has spent over a decade developing our proprietary AI-based recommendation technology used in our core product, solving an incredibly complex problem — how to construct a personalized recommendation feed from millions of available articles, videos and ads, in real-time, when you have over 500 millionnearly 600 million daily active users and need to optimize for diverse outcomes and support multiple pricing models.

Rather than rely on knowledge of what people are searching for or what they share on social media, our predictive algorithms employ unique Deep Learning technology to develop a powerful model of people's interests across the Open Web. Our technology performs exceptionally well on diverse types of input data, such as text, images and video, and is designed to discover non-trivial relations between content and users in a specific context. We predict which recommendations users are most likely to engage with based on a broad set of 'signals' that fall into the following categories:

- *User Behavior*. We are experts in analyzing pseudonymized user behavior across the Open Web. We gather a massive amount of content consumption data from users who visit our partners' digital properties, which our Deep Learning engines then ingest.

- *Context*. Our algorithms ingest contextual signals, such as geographic location of the user, what device the user is using, time of day, day of week, page layout, page language and more.

- *Analysis of Recommended Items*. We analyze recommended items, including paid advertisements, editorial articles, images and videos, to identify signals such as topic, title, thumbnail image, semantics and sentiment.

Generating a Rich Recommendation Feed

We serve the majority of our recommendations within a feed that was modeled after widely popular social media feeds and adapted for the Open Web. While the feed format provides a good user experience, it requires technological expertise that is an order of magnitude more complex than optimizing a single ad.

This is both a competitive advantage and a technological challenge that requires our algorithms to optimize multiple placements simultaneously across an entire web page, while also supporting the unique objectives of our various partners. Indeed, any recommendation we generate takes into consideration the other advertisements and editorial content recommendations that we display in the same feed. The effect of the sum of these parts allows us to predict the user engagement in different contexts, and make algorithmic decisions concerning the content we serve the user next.

In order to populate recommendations within a feed, our technology must consider the whole page, and recommend content or ads within the context of that page. This has implications both on the algorithms to predict engagement, as well as on how ad auctions are conducted. We have built an efficient algorithm to estimate the incrementality of new items based on what is already in the feed, and taking into account both how strong the item is standalone, as well as how similar it is to the other items already in the feed.

Additionally, our Deep Learning engine allows us to optimize for multiple objectives simultaneously, which delivers efficacy to Advertisers, increases user engagement and supports the achievement of many other business goals 6in tandem. As opposed to other digital ad intermediaries who optimize the placements of a single ad unit in an environment they do not control, we influence, and more often create, the setting in which ads appear as we control the entire feed of content and ads, and optimize across the entire feed, page or session.

Lastly, we have built a robust ability to conform our recommendation feeds to the design of our digital property partners' pages and layouts. Presenting a variable mix of both editorial and paid content in this native format also mitigates the risk of user fatigue, commonly referred to as "banner blindness," that has been noted in traditional display ads.

How We Recommend Editorial Content

Recommending editorial, or organic, content produced by digital properties enables us to help our publisher partners keep users active on their site for a longer period of time, increasing their exposure to more personalized editorial content — thus increasing overall satisfaction and loyalty.

To successfully recommend editorial content items, we developed algorithms that extract and analyze content consumption patterns from our entire network of digital properties. Our recommendations also rely on our deep understanding of reading habits based on our analysis of redundancy, recency, vertical, longevity, relevance device type and other factors.

In order to refine our ability to recommend editorial content even further, we have built multiple crawlers to ingest editorial content, categorize it, and extract named entities and topics using our Natural Language Understanding platform, which transforms human language into a machine-readable format. We also automated the assimilation, classification and generation of creatives, including images, videos, titles and descriptions.

We also take into consideration the optimization of recommendations to support our publishers' goals, including subscriptions, pages per session, session duration, subscriptions to newsletters and more.

How We Recommend Ads

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Recommending ads is particularly complex because the process requires accurately predicting multiple facets of the user's interaction:

- The probability the user will interact (click on an ad, or go to an Advertiser's site/app after seeing an ad), given a specific user and context.
- The probability a user will convert (into a lead, sales or other KPIs the Advertiser wishes to optimize) after she clicked/viewed an ad, given a specific user and context.
- The price of a specific item (we support cost per click (CPC) and cost per thousand impressions (CPM)).

Our ultimate measure of success in recommending ads is achieving the Advertiser's goals. In order to do so, Taboola's algorithms are designed to select the right opportunity to engage the right user with the right ad, while at the same time optimizing pricing and selecting the best creative assets to use. Our technology is designed to predict the value of each item and optimize both the advertising creatives and the format mix in each auction.

As described above, in order to make effective recommendations, our technology must first predict a user's engagement with a given advertisement. When combined with the bid for each item, and the prediction of the conversion, this allows us to calculate the relative value of each item available for recommendation. To create an efficient marketplace, our algorithms support diverse pricing models, including CPC and CPM, and are able to conduct efficient auctions between them in order to maximize available inventory for Advertisers with diverse marketing objectives. We optimize bids for a particular ad, Advertiser, user and context, while factoring in constraints, such as geographic location targeting or audience segment targeting, regardless of pricing model.

In order to assist Advertisers in executing efficient and effective campaigns, we developed a pricing automation tool called Smart Bid. Smart Bid is an automated campaign bidding strategy that utilizes platform data to bid effectively in real-time on impressions that are most likely to lead to conversions.

To maximize the probability of a user engaging with an ad, we support flexible native ad formats that include images, videos, text and interactive elements; we also support specialized elements, such as product price, discount, number of items left in stock, mobile app rating and more. Selecting the optimal ad also involves determining the best version and format of the ad from a very large number of combinations; Taboola does so by running a scalable infrastructure of multi-variant testing, which in turn allows the algorithm to choose the best creative combination efficiently.

How we Enable Digital Properties to make e-Commerce Recommendations

With our acquisition of Connexity, our solutions have expanded to include e-Commerce focused content and monetization solutions for publishers. From a content point of view, we provide publishers with access to over 500 million product listings that are structured into product categories and enriched with product attributes. We syndicate those enriched offers to publishers, thereby enabling them to create consumer shopping or editorial experiences by embedding those product listings as native content within their websites, apps or social media feeds.

There are a variety of implementations in terms of how publishers can access and engage with the content. Technology-savvy enterprise publishers will ingest the entire product listings feed and use their own search engine or content management system to choose how, when and which content to display. Less tech-enabled publishers will call Connexity's search engine API to retrieve product listing results based on a search query, and then they will publish those product listings within their consumer experience in real-time. Lastly, professional editors or social influencers can use a browser-based editorial tool to hand-pick a specific product to display within their editorial content experience.

In each of those cases, from a monetization perspective, we enable the publisher to seamlessly earn revenue on either a CPC or cost-per-action (CPA) for clicks and conversions that are generated by consumer engagement with the product listings or other retail-oriented editorial content.

To enable these publishers to maximize the success of the commerce content initiatives, the company provides a suite of analytics dashboards that showcase real-time feedback on the performance of each of their product listing or editorial placements. In addition, the company also provides insights into industry trends including visibility into the type of content and products that are converting well across the entire network. These real-time feedback loops and insights are critical inputs that drive publishers' content strategy and decisions about which products to promote. They accrue significant benefits to both publishers and the company in the form of increased yield and significantly differentiate the solution as the network effect is difficult to replicate.

We are Built for the Open Web as a Complement to the Walled Gardens

In support of our win-win approach to partnerships, our recommendation technology is built to operate differently. Because we power editorial recommendations, digital properties typically embed our code directly on their web page. This means we can serve our own first-party cookie, much like what digital properties do on their own sites and applications.

Our recommendation platform allows both digital properties and Advertisers to control their brand identity within Taboola's network. For example, digital properties can set "acceptance profiles" to determine which types of Advertisers we will recommend, and Advertisers can target or block selected digital properties. To consistently regulate the quality of our network, we also maintain a public content policy and employ a content review team that reviewed over

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six ten million items in the fourth quarter of 2022 3. This combination of technology and human review is designed to create a consistently high level of brand safety and quality content within our network.

While developing our recommendation technology, privacy is always at the top of our mind. We have long established and adopted privacy-by-design as a central element of our technology, and product design and development cycles, with a strong commitment to ensuring best practices in privacy, security and safety for our partners and users. Since 2017, we have had a designated Data Privacy Officer along with a team of privacy specialists. These specialists are integrated within our R&Desearch and development and Product organizations and processes, and consider all facets of user privacy as key elements in the design of any new technology, solution or feature of our recommendation platform. We also perform ongoing privacy impact assessments to monitor potential risks during the product lifecycle and proactively mitigate those risks.

Infrastructure

To successfully deliver optimized recommendations to over 500 millionnearly 600 million daily active users, and 500,000 recommendation related requests every second, we developed powerful software and hardware infrastructures from the ground up.

Our data infrastructure was designed and implemented with several principles to ensure both very high accuracy and high speed to process and ingest every new data input at a very high scale and throughput. This infrastructure continuously “feeds” the predictive Deep Learning models, granting access to rich user history and enabling enrichment of data.

In order to support the massive amount of text analysis, processing, named entities and general semantic understanding, we have built a Natural Language Understanding platform with a large scale knowledge graph. Designed to recognize multiple languages, topics, concepts, named entities and categories for the entire Taboola platform, this platform is built using Deep Learning technologies.

The ability to control the entire feed across multiple canvases is enabled by building state of the art client-side technologies to render and serve a rich feed of content across billions of devices, canvases and user touch points. This process operates within strict SLA and performance constraints, which requires us to develop our technology to work efficiently on low-end and high-end devices and canvases.

As of December 31, 2022 3, we utilized approximately 10,000 12,000 servers; four back-end data centers processing over 100TB of data per day to train our AI engine; and seven nine front-end global data centers that, together, have served up to one trillion recommendations monthly. We use around 500,000 CPUs and GPU CPU cores, 2.2T 2.5PB of memory and around 50 71,000TB ,000PB of storage overall.

Deployment of our code to the production environment is fully automated and includes execution of tens of thousands of automated tests for each code change, using AI to locate anomalies in the code to prevent errors. This allows our R&DResearch and development to develop software quickly and enables us to continuously deliver reliable code and AI models to production. To address the extreme complexity of operating at such a massive scale, we use cutting-edge technologies, such as Tensorflow, Spark, Cassandra and Kafka, as well as highly sophisticated code we developed to allow these tools to meet our scale and reliability requirements.

Our Team

We have assembled a world class team of engineers and data scientists with a business-focused, innovative engineering culture. We have access to top talent in Asia, Europe, Israel, and the U.S., including very strong talent in AI, Deep Learning, high-scale infrastructure and browser-based technologies. We believe our engineering culture plays a key role in our success: we assign business KPIs to R&DResearch and development teams so technological decisions and priorities are aligned with business needs; we empower engineers to own features end-to-end, from ideation to full adoption; and we put special emphasis on collaboration. Our engineering culture relies strongly on experimentation and multi-variants testing. We continuously deploy and run hundreds of different AI models, UI variations and optimizations, in effect measuring hundreds of KPIs. We build our infrastructure such that it enables this culture of continuous improvement.

Our Competitive Strengths

We believe the following key strengths provide us with competitive advantages:

- *Performance of our AI Technology*. We have spent over 15 years developing our AI-powered recommendation technology to drive high yield for digital properties, high returns on advertising spend for Advertisers, and relevant recommendations to consumers, who spend more time consuming content on digital properties. Similarly Connexity, our recent e-Commerce investment solution, uses AI powered technology to drive optimized performance for Advertisers and digital properties.

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- *More than Monetization*. The value we provide to digital properties goes beyond monetization. Our technology helps digital properties grow their audience by optimizing audience exchange programs; recommending content created by the digital properties to increase the time consumers spend on these properties; helping editorial teams make data-driven decisions, and more. We work daily with our extensive network of global digital properties to improve our platform and create more value for the entire Taboola network.

- *Exclusive, Multi-Year Partnerships with Premium Digital Properties*. We have established long-standing, and in many cases exclusive relationships with digital properties on the Open Web. They have chosen to work with Taboola across all types of platforms, including desktop, mobile and tablet devices. This provides Taboola and Taboola Advertisers with predictable access to audiences and supply.

- *Direct Relationships with Advertisers*. We work directly with the majority of the Advertisers that use our platform. This allows us to build strong relationships, help Advertisers succeed on our platform, and evolve our technology based on direct feedback.

- *High Reach and Scale*. We have more than 500 millionnearly600 million daily active users across the globe, enabling Advertisers to run campaigns at scale.

- *Network Effect*. As more digital properties use our platform, we gather more content consumption data. More data makes our AI-driven algorithms more effective in making predictions, which in turn enables us to deliver better performance for Advertisers, which drives higher yields for digital properties. These higher yields make it easier to retain digital properties and acquire new partners.

- *Founder-led Experienced Management Team*. Our founder, Adam Singolda, has successfully led the company Taboola as CEO since the company we began operations in 2007. Most of Taboola's senior management has worked together with our founder for many years: the average tenure of our senior management is over eight nine years, demonstrating strong execution and achieving rapid growth.

- *Strong Financial Profile*. We designed our business to be highly scalable, with a focus on sustainable long-term development. Since we began operations in 2007, we have demonstrated a track record over time of growth in revenue, gross profit and ex-TAC Gross Profit.

- *Not Dependent on Third Party Cookies*. Our direct integration with many digital properties has helped us navigate changes in the industry. Our engineers continue to work closely with industry stakeholders to ensure we will be prepared if in the likely event that third-party cookies are fully blocked as many industry observers expect, and we continue to invest in innovative solutions that deliver relevant and engaging discovery experiences for our users.

Our Growth Opportunities

We intend to grow our business drive revenue by growing users and user engagement, and by driving yield, which represents the revenue we can generate per user. We do this by focusing on the following key areas:

- *Continued Investment in AI*. Continuously investing in our AI technology is at the heart of what we do. We believe AI is critical to engaging Open Web users and will ultimately provide better service and greater monetization to Advertisers and digital properties, increasing our yields and accelerating our growth.

- *Grow our Core Digital Property and Advertiser Client Base*. While we already have an extensive network of global digital properties and Advertisers, we believe the efficacy of our recommendation platform gives us the opportunity to expand our partnerships and client base even further, as demonstrated by our 30-year partnership with Yahoo which closed in January 2023. We expect to continue investing in our technology, expanding our global presence, and growing our sales and client service teams to support further growth.

- *Add User Touchpoints*. At our core, Taboola is a recommendation engine. We believe many types of digital properties need a recommendation engine to engage their consumers, find new audiences and monetize. This includes e-Commerce websites, connected TVs, devices and more. In 2018, we launched Taboola News, an offering which seamlessly integrates premium content from our digital properties into connected devices. We believe our existing partnerships with leading device manufacturers and mobile carriers, as well as potential future partnerships with connected TV vendors and others, presents a substantial growth opportunity for both Taboola and our partners.

- *Add New Types of Recommendations*. From experience, we know recommendation engines become better when they are able to recommend a greater variety of content. For example, in 2016, we predicted that video content presented a huge opportunity for Advertisers to reach their audiences in a highly impactful way, for digital properties to drive better monetization and for users to engage with suggested videos, similar to how they are used on social networks such as Instagram. To that end, we added support for video formats in our recommendation platform and saw significant returns from doing so. Similarly, we believe there is opportunity to further diversify our recommendation offerings and intend to invest in new formats and advertising partnerships to improve both consumer experience and yield. The ability to display a variety of media formats in novel combinations is key to preventing "banner blindness" that plagues traditional display formats and making our recommendation engine even better.

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- *E-Commerce*. We have expanded into the e-Commerce market through our acquisition of Connexity, which strengthens our data, pairing our readership data with purchasing data that can make our AI better, grow yield and make our advertising partners more successful. Our expansion into e-Commerce aligns with Taboola's overall business strategy, which is about working directly with both Advertisers and publishers, serving high quality advertising experiences that do not depend on cookies. E-Commerce is also the way for us to diversify what we recommend - to recommend products - and to grow our yield for publishers, which helps us become even more competitive. These new capabilities will provide merchants, and publishers, large and small, more opportunities to scale outside of the walled gardens, making the open web thrive.

- *Pursue Value-Enhancing Acquisition Opportunities*. The Open Web remains highly fragmented, which may present attractive opportunities for us to grow through strategic and value-enhancing acquisitions. We will continue to evaluate potential acquisition opportunities in light of changing industry trends and competitive conditions. However, given the level of effort we anticipate in launching our partnership with Yahoo, we would expect any acquisitions that we consider to either be small and very simple to integrate or dramatically value-enhancing.

Our Business Partners

We primarily have two types of business partners: digital properties that use Taboola to drive new audiences, engagement and monetization; and Advertisers, and their agencies, that use Taboola to achieve a variety of marketing objectives.

Digital Properties

Taboola had approximately 15 12,000 digital property partners in the fourth quarter of 2022, 23, including many premium properties such as Microsoft, NBCUniversal, CBSi, The Independent and El Mundo. These partners value our ability to drive new audiences to their sites, engage their users, and monetize their digital properties, while our data insights assist them in making informed editorial decisions. Our value is evidenced by our many multi-year, exclusive partnerships. As of December 31, 2022 December 31, 2023, our average contract term length with our digital properties was over two years as measured by contract duration at inception; some of our largest partners have even longer-term agreements.

Microsoft is our largest partner. Other than Microsoft, no other digital property partner accounted for 3%5% or more of our Revenues generated from Advertisers on digital properties in 2022 3.

Advertisers

We had approximately 18,000 17,000 Advertisers working with us directly, or through advertising agencies, worldwide during the fourth quarter of 2022 2023. The vast majority of our Revenues comes from Advertisers working with us directly, rather than via an agency. We support the leading programmatic channels via integrations with leading demand side platforms, or DSPs. Thanks to the effectiveness of our recommendation engine, many of our Advertiser clients are considered "always on," which means they continuously invest on our platform, rather than running finite campaigns.

Our Advertiser customer base is highly diverse. Some of the verticals we have seen strong adoption in are health & fitness, finance, hobbies & interests, technology & computing, home & garden, shopping and automotive. Our ten largest Advertisers accounted for less than 11 3% of total Revenues on our network in 2022 3, with none larger than 3%.

Sales and Marketing

To support our "win-win" approach to working with both digital properties and Advertisers, we employ a global sales team tasked with signing new partners and growing existing implementations. Our team is deployed around the world with sales hubs in Bangkok, London, Los Angeles, New York, and Sao Paulo, supported by regional satellite offices in order to best serve our geographically diverse client base.

Selling to Digital Properties

Our sales teams are responsible for adding new partnerships with digital properties. Once a digital property joins our network, our account management team works with the digital property's stakeholders to understand their goals, help them reach those goals, and identify new opportunities for mutual growth on an ongoing basis.

Selling to Advertisers

We sell to Advertisers through our global sales team and a "self-service" website. Our sales team onboards new customers, mostly large Advertisers, through direct outreach from one of our international sales offices. Our account management teams provide ongoing guidance and data insights that inform campaign strategies and help Advertisers learn how to maximize their return on investment with Taboola. Advertisers can also choose our self-service platform

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to launch and manage campaigns. Outside of account managers, we support Advertisers through our online Help Center, in-product instructions, and a large number of video tutorials.

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Marketing

To support our global sales force, our marketing team presents at industry conferences and hosts webinars and customer events. In addition, our marketing team invests in public relations, advertises online to build brand awareness and acquire new customers, creates case studies, sponsors third-party research, authors data insight reports, creates marketing collateral, publishes blog posts and creates and sponsors events online and in-person.

Competition

We operate in a highly competitive industry. Our main competition for advertising budgets and digital property partnerships are walled gardens and advertising intermediaries:

Walled Gardens. We compete for advertising dollars with the closed ecosystems of technology companies such as Google, Meta/Facebook and Amazon. In many cases we also compete with those companies, in particular Google, for real estate on digital properties. As described above, unlike the walled gardens, our business is based on a “win-win” model of partnership, where we do not compete with our partners and our goals are aligned.

Advertising Intermediaries. A large number of companies provide a solution to one or more of the steps involved in the buying and selling of advertisements online. These include The Trade Desk, Magnite, PubMatic, Xandr, Outbrain, Plista, TripleLift, RevContent, Teads and others. While these companies may be in competition with us, some are also partners of ours.

When competing for Advertiser business, we compete for budgets based on price, reach, speed, brand safety and performance. When competing for digital properties’ business, we are measured on our ability to generate revenue and support other business goals, such as audience development.

Intellectual Property

Our proprietary recommendation engine and associated algorithms and technologies are key to our success, and we rely upon a combination of trade secret, trademark, copyright, and patent laws in the United States and abroad as well as confidentiality agreements and technical measures to establish, maintain and protect our intellectual property and protect our proprietary recommendation engine and associated algorithms and technologies.

Historically, we have not patented our proprietary technology in order to keep our technology architecture, trade secrets, and engineering roadmap private; however, as of December 31, 2023, we own approximately twenty issued patents. We also own registrations for certain domain names, trademarks and service marks in the United States and in certain locations outside the United States. Additionally, we rely upon common law protection for certain trademarks. We generally enter into confidentiality and invention assignment agreements with our employees and contractors, and confidentiality agreements with our partners and clients with whom we conduct business, in order to limit access to, and disclosure and use of, our proprietary information.

Our proprietary, internally developed know-how is also an important element of our intellectual property portfolio. The development and management of our platform requires sophisticated coordination among many specialized employees. To protect our technology, we implement multiple layers of security and our data protection measures are ISO 27001 certified.

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Taboola’s General Privacy Practices

Taboola is committed to protecting personal data and providing users transparency and control over the use of their data in online advertising. We seek to strictly enforce our privacy and data protection policies, knowing this is important to our partners, clients, users and vendors.

Historically, we have not collected data that would enable the direct identification of Internet users. As of December 31, 2022December 31, 2023, we used only pseudonymous data about Internet users on our platform to manage and execute digital advertising campaigns. We either collect this data directly from users’ devices or it is passed to us by third parties. We provide consumers with notice about our use of cookies and our collection and use of data in connection with the delivery of targeted advertising and allow them to opt-out from the use of data we collect for the delivery of targeted advertising.

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We are members of, or participants, in industry self-regulatory organizations, including the Digital Advertising Alliance, the Digital Advertising Alliance Canada, and the European Interactive Digital Advertising Alliance. Taboola also adheres to the Interactive Advertising Bureau’s Self-Regulatory Principles for Online Behavioral Advertising, and the IAB Europe OBA Framework. In addition, Taboola is a proud member in good standing of the Network Advertising

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Initiative, an association dedicated to responsible data collection use in digital advertising, and we adhere to the NAI Code of Conduct for Web and Mobile. Taboola also has partnerships with a number of industry groups, including the Trustworthy Accountability Group.

Our privacy team delivers company-wide privacy training, enforces our privacy policies and is integral to ensuring that we consider the privacy implications in all aspects of our proprietary platform. We regularly review and document our internal privacy policies, amend existing policies as necessary, and seek to enforce these policies with our clients, publisher partners and vendors. Our privacy team is also actively involved in negotiations with our customers on data and privacy terms to ensure compliance with relevant laws.

Privacy and data protection laws and regulations play a significant role in our business. Our ability to collect, augment, analyze, use, share and otherwise process data relies upon the ability to uniquely identify devices across websites, and applications, and to collect data about user interactions with those devices for purposes such as serving relevant ads and measuring the effectiveness of ads. Federal, state and international laws and regulations regarding the collection, use and other processing of personal data by advertising networks, Advertisers Advertisers and digital properties is frequently evolving. This includes those related to the level of consumer notice and consent required before a company can employ cookies or other electronic tools to collect data about interactions with users online. Taboola's operation of its platform and services is subject to numerous U.S. and global privacy regulations, including, without limitation, the following: the European Union's Union's General Data Protection Regulation Regulation and ePrivacy Directive,, the UnitedKingdom's Kingdom's General Data Protection Regulation, the California Consumer Privacy Act (as amended by the California California Privacy Rights Act), China's China's Personal Information Protection Law, South Korea's Korea's Personal Information Protection Act, Act, Turkey's Law on the Protection of Personal Data, and New Zealand's Privacy Act 2020.

Privacy Regulation in the U.S.

In the United States, at both the federal and state level, there are laws that govern activities such as the collection, use and other processing of personal data by covered companies. At the federal level, online advertising activities and data processing activities are subject to regulation by the Federal Trade Commision, Commission, which has regularly relied upon Section 5 of the Federal Trade Commission Act to enforce against unfair and deceptive acts and practices, including alleged violations of consumer privacy interests. Some The Federal Trade Commission has also started enforcing HIPAA in relation to disclosure of online identifiers by covered entities to adtech companies. In addition, some proposed and newly recently enacted legislation concerning privacy and data protection has affected and will continue to affect our operations and those of our industry partners. Certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to personal data than federal, international, or other state laws, which may differ from one other, complicating compliance efforts.

For example, the California Consumer Privacy Act of 2018 (as amended by the California Privacy Rights Act of 2020)Act), or CCPA, defines "personal information" broadly enough to include online identifiers provided by individuals' devices, such as IP addresses, increases privacy rights for California consumers and establishes a new privacy framework for covered businesses. The CCPA also imposes stringent obligations on companies regarding that process their personal data (including device identifiers, IP addresses, cookies and geo-location). Among other things, the level CCPA requires covered companies to provide disclosures to California consumers and provide such consumers with data protection and privacy rights, including the ability to opt-out of information and control they provide to users about the collection and certain sales or sharing of their personal data, including for targeted advertising, and the ability to limit the processing of certain sensitive personal data. Other The CCPA provides for civil penalties for violations, as well as a private right of action for certain data breaches that result in the loss of personal data. Numerous other states have enacted, or are considering enacting, similar legislation, with at least four such legislation. State laws (in Virginia, Connecticut, Colorado continue to change rapidly, all while discussions continue in Congress about a new comprehensive U.S. federal data privacy law to which Taboola would become subject, if it is enacted. In addition, laws in all 50 U.S. states generally require businesses to provide notice under certain circumstances to consumers whose personal data has been disclosed as a result of a data breach. These laws are not consistent, and Utah) having taken effect, or scheduled to take effect, compliance in 2023.the event of a widespread data breach is difficult and may be costly.

Moreover, there has been a rise in enforcement action and regulation for data privacy in various sectors. For example, Washington state has passed the first comprehensive state health data law, the Washington My Health My Data Act, or MHMD, which, starting in March 2024, will require Taboola to obtain opt-in consent for processing health data in Washington or of Washington consumers. MHMD broadly defines health data to include data that is inferred from nonhealth data when that information is used by a covered entity, or its processor, to associate or identify a consumer with health data. This broad definition means that Taboola will be limited with what advertising services it can provide in Washington to customers in the health and wellness field. MHMD also provides a private right of action for consumers to sue entities that process their data in violation of the MHMD. Further, the FTC has issued substantial fines to HIPAA covered entities for sharing protected health information with third parties like Taboola for advertising purposes and has released guidance around what kind of online tracking activity constitutes sharing protected health information. This new guidance on the scope of HIPAA applicability reduces the data we can collect on users.

Privacy Regulation in Europe

Our business activities are also subject to foreign legislation and regulation. In For example, we are required to comply with the General Data Protection Regulation, or GDPR, in the European Economic Area, or EEA, separate laws and regulations (and member states' implementations thereof) govern the processing of GDPR's equivalent in the United Kingdom, or UK GDPR, which impose strict obligations and restrictions on the ability to collect, use, retain,

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protect, disclose, transfer and otherwise process personal data (including online identifiers and these laws location data). The GDPR and regulations continue to impact us. Like the CCPA, the European Union's General Data Protection Regulation, or UK GDPR defines "personal data" broadly, and it enhances enhance data protection obligations for "controllers" of such data and for service providers, called "processors," processing the data. It They also provides provide certain rights, such as access and deletion, to the individuals about whom the personal data relates and we have adapted our services to accommodate such rights. The digital advertising industry has collaborated to create a user-facing framework, which we use as of December 31, 2021December 31, 2023, for establishing and managing legal bases under the GDPR and other EEA privacy laws including the EU Directive 2002/58/EC (as amended by Directive 2009/136/EC).

For the transfer of personal data from the EEA to the U.S., we rely upon direct contractual agreements between Taboola's European corporate entity, Taboola Europe Limited, and Taboola's U.S. corporate entity, Taboola, Inc., based on the European Union's standard contractual clauses. These contractual agreements obligate Taboola's U.S. operations to uphold adequate data protection measures (appropriate safeguards, enforceable data subject rights, and effective legal remedies for data subjects) on all personal data that Taboola transfers to the U.S. from the EEA on its own behalf and on behalf of its clients and partners. However, standard contractual clauses have been subjected to regulatory and judicial scrutiny and the legal bases for cross-border data transfers are constantly evolving. A recent decision of the Court of Justice of the European Union ("Schrems II") ruled that standard contractual clauses are not sufficient, on their own, to provide appropriate safeguards for transfers of personal data from the European Union, or EU, to the U.S. (and other non-EEA countries) and that companies that engage in these transfers, like Taboola, need to undertake data transfer risk assessments and implement any "supplementary measures" necessary to address any risks identified in order to ensure that the data they transfer continues to be protected to a standard that is essentially equivalent with the GDPR. While the European Commission announced in March 2022 that an agreement in principle had been reached between EU and U.S. authorities regarding a new transatlantic data privacy framework, no formal agreement has been finalized, and any such agreement, if formalized, is likely to face challenge at the Court of Justice of the European Union.

Additionally, since January 1, 2021, when the transitional period following Brexit expired, we have been required to comply with the so-called UK GDPR (combining the GDPR and the United Kingdom's Data Protection Act of 2018). While the UK GDPR currently imposes substantially the same obligations as the GDPR, the UK GDPR will not automatically incorporate changes to the GDPR going forward (which would need to be specifically incorporated by the United Kingdom, or UK, government). Moreover, the United Kingdom UK government has publicly announced plans to reform the UK GDPR in ways that, if formalized, are likely to deviate from the GDPR, all of which creates a risk of divergent parallel regimes and related uncertainty, along with the potential for increased compliance costs and risks for affected businesses. Failure to comply with the GDPR or UK GDPR can result in fines of up to 4% of global annual revenue or €20 million (or £17 million under the UK GDPR), whichever is greater. In addition, some EU countries are considering or have passed legislation implementing data protection requirements or requiring local storage and processing of data or similar requirements that could increase the cost and complexity of delivering our services.

Moreover, legal developments in the EEA have created complexity and uncertainty regarding transfers of personal data from the EEA to the U.S. and other so-called third countries outside the EEA. Similar complexities and uncertainties also apply to transfers from the UK to third countries. For the transfer of personal data from the EEA to the U.S. and from the UK to the U.S., we rely upon the EU's standard contractual clauses, or SCCs, and the UK's international data transfer agreement (or the UK's international data transfer addendum that can be used with the EU's SCCs). However, SCCs have been subjected to regulatory and judicial scrutiny and the legal bases for cross-border data transfers are constantly evolving. On July 10, 2023, the European Commission adopted an adequacy decision concluding that the U.S. ensures an adequate level of protection for personal data transferred from the EU to the U.S. under the EU-U.S. Data Privacy Framework (followed on October 12, 2023 with the adoption of an adequacy decision in the UK for the U.S.-UK Data Bridge). While Taboola is working to participate in the EU-U.S. Data Privacy Framework and the U.S.-UK Data Bridge, such adequacy decision by the European Commission has been challenged in EU courts, and is likely to face additional challenges. Moreover, although the European Commission has issued an adequacy decision in respect of the UK's data protection framework, enabling data transfers from the EEA to the UK to continue without requiring organizations to put in place contractual or other measures in order to lawfully transfer personal data between the territories, this adequacy determination will automatically expire in June 2025 unless extended. Further, the European Commission may unilaterally revoke the adequacy decision at any point.

Further, EU Directive 2009/136/EC, commonly referred to as the "Cookie Directive," directs European Union, or EU, member states to ensure that accessing information on an Internet user's device, such as through a cookie, is allowed only if the Internet user has given his or her consent. As there were different transpositions of the Cookie Directive in domestic laws across the EU Member States, there are currently different interpretations of what constitutes valid consent (e.g., explicit versus implied consent) across the EU, posing a risk of regulatory divergence and creating legal uncertainty for businesses. The EU also has released a proposed replacement to the Cookie Directive, commonly known as the "ePrivacy Regulation," to, among other things, better align EU member states and the rules governing online tracking technologies and electronic communications, such as unsolicited marketing and cookies, with the requirements of the GDPR. While the ePrivacy Regulation was originally intended to be adopted alongside the GDPR, it is currently going through the European legislative process, and commentators now expect it to be adopted in the coming years. Like the GDPR, the proposed ePrivacy Regulation has extra-territorial application as it applies to businesses established outside the EU which provide publicly-available electronic communications services to, or gather data from the devices of, users in the EU. The ePrivacy Regulation may impose burdensome requirements around obtaining consent and impose fines for violations that are materially higher than those imposed under the EU's current ePrivacy Directive and related EU member state legislation.

Privacy Regulation in the Asia-Pacific Region

Our business activities are also subject to legislation and regulation in the Asia-Pacific region. Following the implementation of the GDPR, many jurisdictions have moved to amend, release, review and strengthen their existing data privacy and cybersecurity laws, and there has been a progressive effort in the region

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to work towards coordination of their otherwise disparate laws. Many For example, many countries have also sought out adequacy decisions from the EU. New Zealand's updated Privacy Act and South Korea's amendments to its Personal Information Protection Act, which went into effect in 2020, and China'sChina's Personal Information Protection Law (PIPL) (PIPL), which went into effect in 2021,2021, largely align with requirements of the GDPR. Thailand and Japan's new similar updates and regulations will also become became effective in 2021 and 2022, respectively.

While China's PIPL establishes a regime that is largely similar to the GDPR, it also imposes some stricter requirements. For instance, the PIPL has heightened disclosure requirements and specific consents for processing sensitive personal data and transferring personal data outside of China. The PIPL also mandates security impact assessments under a number of processing scenarios and imposes a data localization requirement on both operators of critical information infrastructure and covered companies that process large volumes of personal data. The PIPL also creates penalties for organizations that fail to fulfill their obligations to protect personal data, with potential fines up to 5% of annual revenue.

In August 2023, India passed the Digital Personal Data Protection Act, or DPDP Act, a comprehensive privacy law with extra-territorial effect that mirrors other privacy laws like the GDPR and puts requirements on data fiduciaries for when and how they can process data and gives data subjects rights to their data. Penalties for violating the DPDP Act can be up to INR 250 crores (approximately $30 million). Taboola will be subject to the DPDP Act upon its effective date, which has not yet been set.

Other jurisdictions, such as India, Singapore, Malaysia and Hong Kong, are reviewing their existing privacy regimes, with an eye toward similar privacy privacy and data protection developments.

To address this range of developments, Taboola's privacy and data protection program is largely rooted in the GDPR and ISO 27001 security standards, and any international data transfers from the Asia-Pacific region are governed by direct contractual agreements between the regional entities and Taboola's Israeli parent corporate entity, Taboola.com Ltd. Otherwise, our privacy team works to oversee compliance with these Asia-Pacific regional requirements and to address compliance with our region-specific clients and business teams.

Human Capital

We strive to create a diverse, inclusive and ambitious environment where every employee can discover and unleash their potential to achieve individual and collective success. Our employees are our most valuable asset.

Employees

On December 31, 2022 3, we had approximately 1,815 1,900 employees, the majority of which have been employed by Taboola for over two years (including service periods of persons employed by Connexity prior to Taboola's acquisition of Connexity). We have approximately 500 employees working in research and development, with an average tenure of four years.

As of December 31, 2022 3, our employees are not covered by a collective bargaining agreement, except as required by law under arrangements in France, Spain, and Brazil, covering a total of approximately 75 80 employees. We have never experienced a general strike or similar work stoppage.

Transparency

The ability to be transparent and share and discuss our business challenges and opportunities openly and broadly with all our employees is important to our success. We promote an open dialogue with our employees through all-hands meetings, usually twice a month, which include Q&A sessions with senior leadership. We conduct annual and topic-specific employee feedback surveys which consistently receive 80% or higher response rate. Survey results are shared publicly with our managers and employees. We continue to adjust our investment in human capital based on the feedback from our employees.

Talent Acquisition and Development

We are focused on recruiting and retaining talented employees across the organization, with a particular focus on unique talent in algorithms, product, customer relationship management and many other areas that are critical to our success. We continue to invest to hire and retain top talent in all of our offices, and provide competitive compensation for our employees and a range of flexible benefits, including an industry-leading parental leave policy. We have been consistently recognized by Dun & Bradstreet as a top high-tech company to work for in Israel in 2021 2023, by UK Campaigns as a 100 Best Places to Work and by Built In as one of the 100 best large companies to work for in all four of our major U.S. officers in 2023: New York, Los Angeles, 2022.Chicago and Atlanta. Our strong external reputation led to a quarterly average of over 1020,000 candidates applying to work at Taboola in 2022 3. For new hires, we developed an onboarding program tailored towards their roles and responsibilities. On an ongoing basis, we invest in training and development programs that help our employees achieve their career goals, build management skills and lead their organizations. We have two formal career feedback discussions per year where managers and their employees discuss progress and feedback for each other. We believe in developing and promoting top talent from within: in 2022 3, one outapproximately 15% of every five of our employees was were offered an opportunity for career advancement within the company.

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Performance and Alignment

We seek to implement a “pay for performance” culture that we believe drives superior results. We invest in our workforce by offering competitive salaries, incentives, and benefits. We align the interests of our employees with those of Taboola through a broad-based equity award program, generally with a four-year vesting schedule. Typically, employee bonus plans are based on both personal and company goals.

Wellness and InclusionDiversity

In 2020, we launched a global Diversity, Equity taskforce that is focused on promoting wellness and Inclusion, or DEI, taskforce. diversity within our organization. The DEI task force works with our senior management team to address global DEI wellness and diversity topics and develop relevant initiatives to ensure we continue to build a culture where every employee feels valued, seen, and heard. We continue to have a mechanism for employees to anonymously voice concerns.

Throughout 2022, 2023, we continued to see the results of our initiatives. With respect to finding top diverse talent, we began by assessing our current workforce demographics by region and business unit, and established goals and guidelines in efforts of diversifying our recruitment funnel at the first assessment stage. We invested committed to wellness and enhanced our applicant tracking tool diversity in recruiting by starting a Diverse Interview Slate Campaign to include DE&I related tracking, allowing us promote diversity in the interview process and reduce biases, which led to capture and track self-identification data from applicants. hiring more women managers in technical roles. We further invested in strategic partnerships with employment platforms that provide us multi-pronged access to highly skilled underrepresented talent, who may not currently be on our platform, such as Built-In, Ivy Research Council, and Jopwell. As a result, in 2022, 2023, we saw that 46% 45% of our new hires were women and 18% 16% of those women were hired into technical positions. In 2022, to track our progress and success at attracting diverse candidates and retaining diverse employees we created a DEI dashboard.

Within the organization, in 2022 2023 we increased the number of Employee Resource Groups from four seven to seven, nine, and each hasan has an annual budget to sponsor programming and events. We also have a mentorship program connecting Black, Indigenous and People of Color (BIPOC) talent to senior leaders. We continue to have a number of global and region-specific initiatives held to promote a culture of inclusion and belonging - such as, workshops, panels, networking events and communities for various interest groups. We also partner with Gold Enterprises to create robust programming for our multi-year DEI wellness and diversity training plan.

We are committed to building a long-term plan that will help foster a community that is diverse equitable, and inclusive, both internally and externally.

Available Information

The mailing address of Taboola’s principal executive office is 16 Madison Square West, 7th fl., New York, NY, 10010 and its telephone number is (212) 206-7663. Our agent for service of process in the United States is Taboola, Inc., 16 Madison Square West, 7th fl., New York, NY, 10010.

We recognize that in today’s environment, our current and potential investors, the media and others interested in us look to social media and other online sources for information about us. We believe that these sources represent important communications channels for disseminating information about us, including information that could be deemed to constitute material non-public information. As a result, in addition to our investor relations website (https://investors.taboola.com), filings made with the SEC, press releases we issue from time to time, and public webcasts and conference calls, we have used and intend to continue to use various social media and other online sources to disseminate information about us and, without limitation, our general business developments; financial performance; product and service offerings; research, development and other technical updates; relationships with customers, platform providers and other partners; and market and industry developments. We intend to use the following social media and other websites for the dissemination of information:

Our blog: https://blog.taboola.com/

Our Twitter X feed: https://twitter.com/taboola

Our CEO, Adam Singolda’s Twitter X feed: https://twitter.com/AdamSingolda

Our Facebook page: https://www.facebook.com/Taboola/

Our corporate LinkedIn page: https://www.linkedin.com/company/taboola/

We invite our current and potential investors, the media and others interested in us to visit these sources for information related to us. Please note that this list of social media and other websites may be updated from time to time on our investor relations website and/or filings we make with the SEC. We have

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included our web address and social media and other web addresses in this Annual Report solely for informational purposes and the information on our website and those social media channels is not incorporated by reference into this Annual Report.

The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers, such as we, that file electronically, with the SEC at www.sec.gov.

Executive Officers

Adam Singolda has been the Chief Executive Officer, as well as a director, of Taboola since it began operations in 2007. He also serves as a member of the board of directors of K Health, the healthcare startup he co-founded in 2016. Prior to that Mr. Singolda studied Computer Science at The Open University of Israel and spent 6½ years serving in an advanced cyber technology unit of the Israel Defense Forces, or IDF, serving as a research and development engineer and manager. He graduated from the IDF officers' academy with honors. Mr. Singolda's experience as the founder and Chief Executive Officer of Taboola makes him exceptionally well qualified to serve on our board of directors.

Eldad Maniv has been the President and Chief Operating Officer of Taboola since 2012. Mr. Maniv leads Taboola's worldwide operations including Taboola's sales, professional services, and human resources organizations. Mr. Maniv has spent approximately two decades building technology companies in the United States and Israel, having previously served in executive positions at BMC Software, Zend Technologies, and Identify Software. Earlier in his career, he founded NextNine which was acquired by Honeywell. Mr. Maniv currently serves as a director on the boards of directors of Verbit.ai and previously served as a director on the board of directors of YouAppi.Verbit.ai. Mr. Maniv holds a B.S. degree from the Talpiot program at the Hebrew University in Jerusalem, and served five years as a systems engineering officer in an intelligence unit of the Israel Defense Forces.

Lior Golan has been Chief Technology Officer of Taboola since 2009 and is responsible for Taboola's product and technical strategy worldwide. Prior to joining Taboola, Mr. Golan was co-founder, Chief Technology Officer, and Vice President of Research & Development of Cyota, a leader in consumer Internet security. After Cyota was acquired by RSA Security in 2005, Mr. Golan spent two years as Chief Technology Officer and Vice President of Strategy of the RSA Security Consumer Division and was responsible for leading the product and business direction of its consumer business. Mr. Golan holds a B.S. degree from the Talpiot program at the Hebrew University in Jerusalem and served eight years in an intelligence unit of the Israel Defense Forces.

Stephen Walker has been Chief Financial Officer of Taboola since June 2020. Prior to that, he served as Taboola's Senior Vice President of Worldwide Sales Operations from 2015 to 2020 and as the General Manager of Taboola-X product between 2014 and 2015. From 2007 until 2014, he served as President and Chief Operating Officer of Perfect Market, until it was acquired by Taboola. Earlier, Mr. Walker held positions in Idealab's New Ventures Group and led several of Idealab's portfolio companies. Mr. Walker has a B.S. degree in Computer Science and Finance from Boston College and an M.B.A degree from Harvard Business School.

Kristy Sundjaja has been Chief People Officer since February 2022. Prior to that she served as Senior Vice President of People Operations for Taboola from 2019 to 2022. Prior to joining Taboola in 2019, she co-founded Exceptional Artists Foundation in 2017, a non-profit organization empowering the disabled community, and remains as its President. From 2012 to 2017, Ms. Sundjaja was the Chief of Staff and the Global Head of People at LivePerson. Between 2009 and 2012, Ms. Sundjaja was the Head of Industry Transformation Teams at New York City Economic Development Corporation. Prior to that, Ms. Sundjaja was an Associate Partner at Oliver Wyman where she worked between 1999 and 2009. Ms. Sundjaja graduated from the University of Pennsylvania with a B.S. degree in Economics from the Wharton School and a B.S. degree and an M.S. degree in Engineering. She also holds an M.B.A degree from Columbia University.

ITEM 1A. RISK FACTORS

Risks Related to Our Business and Industry

If we are unable to attract new digital properties and Advertisers, sell additional offerings to our existing digital properties and Advertisers, or maintain enough business with our existing digital properties and Advertisers, our revenue growth prospects will be adversely affected.

We must add new digital properties and Advertisers, and encourage existing digital properties and Advertisers to add additional offerings from us, in order to sustain or increase our revenue. As the digital advertising industry matures and as competitors introduce more competitive pricing or differentiated products or services that compete with or are perceived to compete with ours, our ability to sell our solutions to new and existing digital properties and Advertisers could be impaired. In addition, we may reach a point of saturation at which we cannot continue to grow our revenue from existing digital properties and Advertisers because of internal limits they may place on the allocation of space on their sites, allocation of their advertising budgets to digital media, to particular campaigns, to a particular provider, or other reasons. We may also lose revenues if our existing digital properties and Advertisers reduce the amount of business they do with us for any reason, including nonrenewal of their agreements with us or renewal on less favorable terms. If we are unable to attract new digital properties and Advertisers or obtain new business from existing digital properties and Advertisers or maintain enough business with our existing digital properties and Advertisers, our revenue, our revenue growth prospects and business will be adversely affected.

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If our performance under contracts with digital properties, where we are obligated to pay a specified minimum guaranteed amount per thousand impressions, do not meet the minimum guarantee requirements, our gross profit could be negatively impacted and our results of operations and financial condition could be harmed.

A significant amount of our revenue comes from contracts with digital properties where we are obligated to pay a specified minimum guaranteed amount per thousand impressions to the digital property. In each of the years ended December 31, 20202022 through 20222023, our guarantee costs, which we calculate as total payments due under guarantee arrangements in excess of amounts we otherwise would have been required to pay under revenue sharing arrangements, as a percentage of our total payments to digital properties, or TAC, was approximately 13139% or less. Although we focus on achieving sufficient revenue per impression through the improvement of our algorithms and using our scale to exceed the minimum guarantees made to digital properties, we may not succeed in doing so. In addition, due to unfavorable macroeconomic, competitive or other conditions, we may be unable to perform as expected under arrangements that provide for such minimum guarantees, in which case our gross profit could be negatively impacted and our results of operation and financial condition could be adversely affected.

We may not be able to compete successfully against current and future competitors because competition in our industry is intense and many competitors, such as Google and Facebook, have substantially more resources than we do. Our competitors may also offer solutions that are perceived by our digital properties and Advertisers to be more attractive than our platform. These factors could result in declining revenue or inhibit our ability to grow our business.

Competition for our clients' advertising budgets is intense. We compete for a share of total advertising budgets with online search and display advertising, including large "walled garden" advertising platforms such as Google and Facebook, and with traditional advertising media, such as direct mail, television, radio, cable and print. Many current and potential competitors have competitive advantages relative to us, such as longer operating histories, greater name recognition, larger client bases, greater access to advertising inventory on premium websites and significantly greater financial, technical, sales and marketing resources. Thus, increased competition may result in the loss of business or the inability to win new business, which could negatively affect our revenue and future operating results and our ability to grow our business.

We also expect competition on the digital property side to continue increasing as the industry grows. Increased competition may require us to increase the revenue share with our digital properties, charge less for our solutions, or offer other pricing models that are less attractive to us, any of which could decrease our revenues and margins and harm our results of operations.

If the Yahoo partnership and our ability to transition and fully launch the native advertising service with Yahoo is not successful or implemented on the currently projected timeframe or at all, the partnership may not be as financially accretive as we are projecting and our business, operating results, financial condition and reputation could be adversely affected.

Our ability to transition and fully launch the native advertising service with Yahoo is dependent on several factors, including the need to achieve key technological milestones and to efficiently manage the integration of our solution with Yahoo. Adapting our technology and successfully integrating our solution with Yahoo is complex, difficult, time-consuming, and costly and may place significant strain on our personnel, systems and resources. If we are unable to integrate our solution with Yahoo in a timely manner, or if Yahoo Advertisers terminate their existing contracts and decline to move to the new Taboola service or if there is otherwise inadequate market acceptance of the new service (or a combination of the foregoing) it could result in the failure to meet our projected financial targets. We may also experience attrition from Yahoo employees resulting in the loss of critical institutional knowledge needed to successfully integrate the partnership. The financial accretion we expect to generate from the Yahoo partnership if any, may not be realized until we successfully integrate our platform with Yahoo which may be later than we currently project, or at all, and will require requires significant upfront expenditures which may exceed our current estimates. These factors, including the size and complexity of the integration, if not implemented and managed successfully, may result in a deterioration of our client relationships, increased costs of integration, harm to our reputation, any of which could materially adversely affect our business, operating results and financial condition.

Our future growth and success depends on our ability to continue to scale our existing offerings and to introduce new solutions that gain acceptance from digital properties and Advertisers and that differentiate us from our competitors.

Our future success depends on our ability to effectively scale our offerings as our business grows to keep pace with demand for our solutions, and achieve long-term profitability. If we fail to implement these changes on a timely basis, or if we are unable to implement them effectively or at all due to factors beyond our control or other reasons, our business may suffer. We may not be successful in addressing these and other challenges we may face in the future. As a growing company in a rapidly evolving industry, our business prospects depend in large part on our ability to:

- develop and offer a competitive technology platform and offerings that meet our digital properties' and Advertisers' needs as they change;

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- continuously innovate and improve on the algorithms underlying our technology in order to deliver positive results for our Advertisers and digital properties;
- build a reputation for superior solutions and create trust and long-term relationships with digital properties and Advertisers;

- distinguish ourselves from strong competitors in our industry;
  - maintain and expand our relationships with Advertisers who can provide quality content and advertisements;
  - respond to evolving industry and government oversight, standards and regulations that impact our business, particularly in the areas of native advertising, data collection, privacy and data protection;
- prevent or otherwise mitigate failures or breaches of security or privacy; and attract, hire, integrate and retain qualified and motivated employees.

If we are unable to meet one or more of these objectives or otherwise adequately address the risks and difficulties that we face, our business may suffer, our revenue may decline and we may not be able to achieve further growth or long-term profitability.

If we do not manage our growth effectively, the quality of our platform or our relationships with our digital properties and Advertisers may suffer, and our operating results may be negatively affected.

Our business has historically grown rapidly. We rely heavily on information technology, or IT, systems to manage critical functions such as content recommendation, campaign management and operations, payment from Advertisers and to digital properties, data storage and retrieval, revenue recognition, budgeting, forecasting, financial reporting and other administrative functions. To manage our growth effectively, we must continue to improve and expand our infrastructure, including our IT, financial and administrative systems and controls. We must also continue to manage our employees, operations, finances, research and development and capital investments efficiently. Our productivity and the quality of our platform may be adversely affected if we do not integrate and train our new employees, particularly our research and development, sales and account management personnel, quickly and effectively and if we fail to appropriately coordinate across our executive, finance, human resources, legal, marketing, sales, operations and Advertiser support teams. If we continue to experience rapid growth, we will incur additional expenses, and our growth may place a strain on our resources, infrastructure and ability to maintain the quality of our platform. If we do not adapt to meet these evolving growth challenges, and if the current and future members of our management team do not effectively scale with our growth, the quality of our platform may suffer and our corporate culture may be harmed. Failure to manage our future growth effectively could cause our business to suffer, which, in turn, could have an adverse impact on our financial condition and results of operations.

If we fail to make the right investment decisions in our offerings and technology platform, or if we are unable to generate or otherwise obtain sufficient funds to invest in them, we may not attract and retain digital properties and Advertisers and our revenue and results of operations may decline.

Our industry is subject to rapid changes in standards, regulations, technologies, products and service offerings, as well as in digital property and Advertiser demands and expectations. We continuously need to make decisions regarding which offerings and technology to invest in to meet such demands and evolving industry standards and regulatory requirements. We may make wrong decisions regarding these investments. If new or existing competitors offer more attractive offerings, we may lose digital property and/or Advertisers, or Advertisers may decrease their spending on our platform. New digital property or Advertiser demands, superior competitive offerings, new industry standards or regulations could render our existing solutions unattractive, unmarketable or obsolete and require us to make substantial unanticipated changes to our technology platform or business model. Our failure to adapt to a rapidly changing market or to anticipate digital property and/or Advertiser demands could harm our business and our financial performance.

We have had, and may in the future continue to have, significant fluctuations in our operating results, which make our future results difficult to predict and could cause our operating results to fall below investors' expectations.

Our quarterly and annual operating results have fluctuated significantly in the past. Similarly, we expect our future operating results to fluctuate for the foreseeable future due to a variety of factors, many of which are beyond our control. Our fluctuating results could cause our performance to fall below the expectations of investors, and adversely affect the price of our Ordinary Shares shares. Because our business is changing and evolving rapidly, our historical operating results may not be useful in predicting our future operating results and it is difficult for us to accurately predict future results. In addition, our rapid growth has limited our ability to reliably track key business metrics and so we have limited understanding of certain aspects of our operations. For example, we do not have good visibility into the seasonality of our business due to the fact that our rapid growth may have masked seasonality. Factors that may increase the volatility of our operating results include the following:

- the addition or loss of new digital properties;

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- changes in demand and pricing for our platform;

- the seasonal nature of Advertisers' spending on digital advertising campaigns;
- changes in our pricing policies or the pricing policies of our competitors;
- the introduction of new technologies, product or service offerings by our competitors;
- changes in Advertisers' budget allocations or marketing strategies;
- changes and uncertainty in the regulatory environment for us or Advertisers;
- changes in the economic prospects of our digital properties and Advertisers or the economy generally, which could alter current or prospective Advertisers' spending priorities, or could increase the time or costs required to complete sales with digital properties or Advertisers;

- changes in the availability of advertising inventory or in the cost to reach end consumers through digital advertising;
- changes in our capital expenditures as we acquire the hardware, equipment and other assets required to support our business and potential supply issues in acquiring that hardware and assets;
- costs related to acquisitions of people, businesses or technologies; and traffic patterns.

Based upon all of the factors described above and others that we may not anticipate, including those beyond our control, we have a limited ability to forecast our future revenue, costs and expenses. As a result, our operating results may from time to time fall below our estimates or the expectations of investors.

If the use of "third party cookies" cookies is rejected by Internet users, subject to unfavorable legislation or regulation, restricted, blocked or limited by technical changes on end users' devices or Internet browsers, or our ability to use cookie data is otherwise restricted and we are unable to track users in some other way, our performance could decline and we could lose digital properties and Advertisers and, as a result, revenue.

We use "cookies" (small text files) to gather important data to help deliver our solutions. These cookies are placed through an Internet browser on an Internet user's computer device and correspond to a data set that we keep on our servers. Some of our cookies are "third party" cookies where we do not have a direct relationship with the Internet user. Our cookies collect information, such as when an Internet user views an Internet site, clicks on an ad, or visits one of our digital properties. We use these cookies to help us achieve our digital property or Advertisers' campaign goals, to help us ensure that the same Internet user does not unintentionally see the same recommendations too frequently, to report aggregate information to our Advertisers regarding the performance of their campaigns, and to detect and prevent fraudulent activity. We also use data from cookies to help us decide on an opportunity to place a recommendation in a certain location, at a given time, in front of a particular Internet user. A lack of data associated with cookies may detract from our ability to make decisions about an Advertiser's campaign and undermine the effectiveness of our solutions.

Cookies may easily be deleted or blocked by

Recently, there has been a general trend among Internet users. users to refuse to accept cookies on their Internet browsers. All of the most commonly used Internet browsers (including Chrome, Firefox, Internet Explorer, Edge and Safari) allow Internet users to prevent cookies from being accepted by their browsers. Internet users can also delete cookies from their computers devices at any time. Some Internet users also download "ad blocking" software that prevents cookies from being stored on a user's computer. device. If more Internet users adopt these settings block or delete their cookies more frequently than they currently do, our business could be harmed. Recently, there has been a general trend among Internet users to refuse to accept cookies on their Internet browsers. In addition, the Safari, Firefox, and Edge browsers block cookies by default, and other browsers may do so

Moreover, technology companies in the future. Unless such default settings in browsers were altered by Internet users, we would be able to set fewer of our cookies in browsers, which could adversely affect our business. In addition, companies such as browser and operating system spaces, including Google, have publicly disclosed their intention announced intentions to move away from discontinue the use of cookies, and to another form of persistent unique identifier, or ID, to indicate Internet users in the bidding process on advertising exchanges. If such companies do not use shared IDs across the entire digital advertising ecosystem, this could have a negative impact on our ability to find the same pseudonymous user across different web properties develop alternative methods and reduce the effectiveness of our solutions. mechanisms for tracking users. These web browser and operating system developers have significant resources at their disposal and command substantial market share, and any restrictions they impose could foreclose our ability to understand the preferences of a substantial number of consumers.

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In addition, The Safari, Firefox, and Edge browsers currently block cookies by default, and other browsers may do so in the EU Directive 2009/136/EC, commonly referred future. On January 4, 2024, Google started restricting third-party cookies by default for 1% of global Google Chrome users. Unless such default settings in browsers are adjusted by Internet users, our ability to as the "Cookie Directive," directs EU member states to ensure that accessing information on an Internet user's computer, such as through a cookie, is allowed only if the Internet user has given his or her consent. As there were different transpositions of the Cookie Directive set our cookies in domestic laws across the EU Member States, there are currently different interpretations of what constitutes valid consent (e.g., explicit versus implied consent) across the EU, posing a risk of regulatory divergence and creating legal uncertainty for businesses. The EU browsers will be more limited, which could adversely affect our business. Google also has released announced plans to completely phase out third-party cookies in Google Chrome during the second half of 2024. Moreover, mobile devices using Android and iOS operating systems limit the ability of cookies to track users while they are using applications other than their web browser on the device. As a proposed replacement consequence, fewer of our cookies or media partners' cookies may be set in browsers or be accessible in mobile devices, which can adversely affect our ability to the Cookie Directive, commonly known as the "ePrivacy Regulation," to, among other things, better align EU member states target and the rules governing online tracking technologies and electronic communications, such as unsolicited marketing and cookies, with the requirements of the EU's General Data Protection Regulation, or GDPR. While the ePrivacy Regulation was originally intended to be adopted on May 25, 2018 (alongside the GDPR), it is currently going through the European legislative process, and commentators now expect it to be adopted in the coming years. Like the GDPR, the proposed ePrivacy Regulation has extra-territorial application as it applies to businesses established outside the EU which provide publicly-available electronic communications services to, or gather data from the devices of, users in the EU. The ePrivacy Regulation may impose burdensome requirements around obtaining consent and impose fines for violations that are materially higher than those imposed under the EU's current ePrivacy Directive and related EU member state legislation. measure ads effectively.

Additionally, the use of cookies, as well as the use of the data collected using cookies, is subject to legislation and regulation, and may be subject to further legislation or regulation. regulation in the future. The United Kingdom, EU, the United States UK, the U.S. and other governments have enacted or are considering legislation that regulate the level of consumer notice and consent required before a company can employ cookies or other electronic tracking tools.

Although we believe we are well positioned to adapt and continue to provide key data insights to our media partners without cookies, this transition could be more disruptive, slower, or more expensive than we currently anticipate, and could materially affect the accuracy of our recommendations and ads and thus our ability to serve our Advertisers, including through our data marketplace product, adversely affecting our business, results of operations, and financial condition. Limitations on the use or effectiveness of cookies, or other limitations on our ability to collect and use data for advertising, whether imposed by EU member state implementations of the Cookie Directive, by the new ePrivacy Regulation, or otherwise, may impact the performance of our platform. We may be required to, or otherwise may determine that it is advisable to, make significant changes in our business operations and product and services to obtain user opt-in for cookies and use of cookie data, or develop or obtain additional tools and technologies to compensate for a lack of cookie data. We may not be able to make the necessary changes in our business operations and products and services to obtain user opt-in for cookies and use of cookie data, or develop, implement or acquire additional tools that compensate for the lack of data associated with cookies. Moreover, even if we are able to do so, such additional products and tools may be subject to further legislation or regulation, time consuming to develop or costly to obtain, or less effective than our current use of cookies.

For information on the regulation of cookies in the EU, see the section titled "Part I, Item 1—Business—"Privacy Regulation in Europe."

If Taboola's ability to personalize its advertisements and content to users is restricted or prohibited due to various privacy laws or regulations or industry changes, we could lose digital properties and Advertisers, which could cause our financial condition, results of operations, and revenues to decline.

The efficacy of our platform for both Advertisers and digital properties relies, in part, on our ability to personalize the recommendations that we serve to Internet users. If we are unable to personalize due to changes in various privacy laws or regulations, the preferences of our publisher clients, or for some other reason beyond our control, the efficacy of our platform may be negatively affected causing our business to suffer, which, in turn, could have an adverse impact on our financial condition, results of operations and revenues.

If Taboola's

Our use of AI, powered platform fails to accurately predict and the integration of AI with our products and services, may not be successful, including for predicting what ads and content would be of most interest to our users or if we fail to continue to improve and for improving on our ability to further predict or optimize user engagement or conversion rates for our Advertisers, Advertiser, and may present business, compliance and reputational challenges, which could lead to a decline in our performance, could decline and we could lose a loss of digital properties and Advertisers, Advertisers, operational or reputational damage, legal and regulatory risk, and additional costs, any of which could cause our results of operations and revenues to decline.

We utilize AI in connection with our business, including in our platform. The effective delivery of our solution depends on the ability of Taboola's AI powered platform to predict what ads and content would be of most interest to users so that our Advertisers Advertisers can achieve desirable returns on their advertising spend. We need to continuously deliver satisfactory results for our Advertisers Advertisers and digital properties in terms of predicting user engagement and conversion rates in order to maintain and increase revenue, which in turn depends in part on the optimal functioning of Taboola's AI powered platform. In addition, as we have increased the number of Advertisers Advertisers and digital properties that use our offerings on a global basis, we have experienced significant growth in the amount and complexity of data processed by Taboola's AI and the number of ad and content impressions we deliver. Beyond the use of

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AI in our recommendation engine, in 2023, we launched a new tool for Advertisers to create personalized ads using generative AI. We also may incorporate AI in our business and operations in new and more significant ways over time.

There are significant risks involved in utilizing AI and no assurance can be provided that our use of AI will produce the intended results. For example, AI algorithms may be flawed, insufficient, of poor quality, reflect unwanted forms of bias, or contain other errors or inadequacies, any of which may not be easily detectable; AI has been known to produce false or "hallucinatory" inferences or outputs; AI can present ethical issues and may subject us to new or heightened legal, regulatory, ethical or other challenges; and inappropriate or controversial data practices by developers and end-users, or other factors adversely affecting public opinion of AI, could impair the acceptance of AI solutions, including those incorporated in our products and services.

In particular, errors and defects in Taboola's AI powered platform may have a significant adverse impact on our business. As the amount of data and number of variables processed by Taboola's AI powered platform increase, the risk of errors in the type of data collected, stored, generated or accessed also increases. In addition, the calculations that the algorithms must compute become increasingly complex and the likelihood of any defects or errors increases. If we were to experience significant errors or defects in Taboola's AI powered platform, our solution could be impaired or stop working altogether, which could prevent us from generating any revenue until the errors or defects were detected and corrected. Other negative consequences from significant errors or defects in Taboola's AI powered platform could include:

- a loss of Advertisers and digital properties;

- a loss of Advertisers and digital properties;

fewer user visits to our digital properties;

- lower click-through rates;
- lower conversion rates;
- lower profitability per impression, up to and including negative margins;

- lower return on advertising spend for Advertisers;

- lower return on advertising spend for Advertisers;
- lower price for the advertising inventory we are able to offer to digital properties;
- delivery of advertisements that are less relevant or irrelevant to users;
- liability for damages or regulatory inquiries or lawsuits; and
- harm to our reputation.

Furthermore, the ability of Taboola's AI powered platform to accurately predict engagement by a user depends in part on our ability to continuously innovate and improve the algorithms underlying Taboola's AI powered platform in order to deliver positive results for our Advertisers Advertisers and digital properties that can be clearly attributed to the services we provide. The failure to do so could result in delivering poor performance for our Advertisers Advertisers and a reduced ability to secure advertising inventory. If failures in Taboola's AI powered platform or our inability to innovate and improve the algorithms underlying Taboola's AI powered platform result in Advertisers Advertisers and digital properties ceasing to partner with us, we cannot guarantee that we will be able to replace, in a timely or effective manner, departing Advertisers Advertisers with new Advertisers Advertisers that generate comparable revenue or departing digital properties with new digital properties. As a result, the failure by Taboola's AI powered platform to accurately predict user engagement or conversion rates and to continue to do so over time could result in significant costs to us and our results of operation and financial condition could be adversely affected.

In addition, the use of generative AI, a relatively new and emerging technology in the early stages of commercial use, exposes us to additional risks. For example, our generative AI-based tool for ad creation, while made available through the Taboola platform, uses software tools provided by third parties and, while we are not aware of any infringement, we do not independently verify whether the content generated using such tools infringes third-party intellectual property or other rights. Further, any content created using generative AI tools may not be subject to copyright protection, which may adversely affect Advertisers' intellectual property rights in, or ability to commercialize or use, any such content. If we or our Advertisers do not have sufficient rights to use the data or other material or content on which the AI tools we use or offer rely, or the output of such AI tools, we or our Advertisers also may incur liability through the violation of applicable laws and regulations, third-party intellectual property, privacy or other rights, or contracts to which we are party. Any such liability incurred by Advertisers in connection with the use of our generative AI-based tools may also lead to harm to our reputation and a decrease in the use of such tools or our platform by Advertisers.

Regulation of AI is rapidly evolving as legislators and regulators are increasingly focused on these powerful technologies. The technologies underlying AI and its uses are subject to a variety of laws and regulations, including intellectual property, data privacy and cybersecurity, consumer protection, competition,

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and equal opportunity laws, and are expected to be subject to increased regulation and new laws or new applications of existing laws and regulations. AI is also the subject of ongoing review by various U.S. and foreign governmental and regulatory agencies, and certain jurisdictions are applying, or are considering applying, their platform moderation, data privacy and cybersecurity laws and regulations to AI or are considering general legal frameworks for AI. We may not be able to anticipate how to respond to these rapidly evolving frameworks, and we may need to expend resources to adjust our operations or offerings in certain jurisdictions if the legal frameworks are inconsistent across jurisdictions. Further, because AI itself is highly complex and rapidly developing, it is not possible to predict all of the legal, operational or technological risks that may arise relating to the use of AI.

Our business depends on continued engagement by users who interact with our platform on various digital properties. If users begin to ignore our platform or direct their attention to other elements on the digital property, our performance could decline and we could lose digital properties and Advertisers, which could cause our results of operations and revenues to decline.

Our ability to sustain continued engagement by users who interact with our platform on various digital properties depends on our ability to continue to provide attractive content to users. If users begin to ignore our platform or direct their attention to other elements on the digital property, our performance could decline and digital property and Advertiser satisfaction with our platform may decrease. Technological and other developments may also cause changes in consumer behavior that could affect the attractiveness of our content and ads to users.

While we have adopted a number of strategies and initiatives to address these challenges, there can be no guarantee that our efforts will be successful. If we are unable to demonstrate the continuing value of our platform to Advertisers and digital properties, our results may suffer. A decrease in advertising expenditures by our Advertisers could lead to a reduction in our ability to obtain high-quality content from digital properties, which in turn could have an adverse effect on our results of operations and revenues.

We have historically relied, and expect to continue to rely, on a small number of partners and their respective affiliates for a significant percentage of our revenue. The loss of all or a significant part of their business or an adverse change in the terms of our agreements could significantly harm our reputation, business, financial condition and results of operations.

In 2022 3, our largest digital property, Microsoft and affiliates, accounted for approximately 13 0% of our gross revenues generated from Advertisers on digital properties, and our top five digital properties accounted for approximately 22 3% of our gross revenues. We have long-term contracts with our large digital properties, which, in general, contain minimum guarantee requirements. The typical contract length with our large digital properties is over two years (without any right by these properties to terminate earlier than that absent cause).

In December 2021 we announced a new agreement with Microsoft, our largest digital property partner, through July 2024. In connection with that agreement, we fully deployed our new bidding technology on Microsoft's digital properties in the second quarter of 2022. This new technology is expected to help us expand our footprint across Microsoft's digital properties beyond our existing inventory which we expect to become available in the second quarter of 2023. There can be no assurance as to the level or timing of market acceptance and our ability to attract new or existing digital properties and Advertisers to the service. There can also be no assurance as to the costs related to the introduction and operation of the service, the timing and amount of any margin, profitability or other financial contributions of the service or the risk that the service results in a decline in our financial performance compared to the results obtained under our prior arrangement with Microsoft.

The loss of all or a significant part of our business with our largest partners particularly Microsoft and its affiliates, or unfavorable changes in the terms of our agreements with these partners could significantly harm our reputation, business, financial condition and results of operations.

We do not have long-term commitments from our Advertisers, and we may not be able to retain Advertisers or attract new Advertisers that provide us with revenue that is comparable to the revenue generated by any Advertisers we may lose.

Most of our Advertisers do business with us by placing insertion orders for particular advertising campaigns. If we perform well on a particular campaign, then the Advertiser may place new insertion orders with us for additional advertising campaigns. We rarely have any do not always get written commitment from an Advertiser beyond the campaign governed by a particular campaign-specific insertion order and, even then, each particular insertion order may not be completed since Advertisers can typically terminate a campaign at any time on twenty-four hours' notice. As a result, our success is dependent upon our ability to outperform our competitors and win repeat business from existing Advertisers, while continually expanding the number of Advertisers for whom we provide services. In addition, it is relatively easy for Advertisers to seek an alternative provider for their campaigns because there are no significant switching costs. In addition, advertising agencies, with whom we do business, often have relationships with many different providers, each of whom may be running portions of the same campaign. Because we generally do not have long-term contracts, it may be difficult for us to accurately predict future revenue streams. We cannot provide assurance that our current Advertisers will continue to use our solutions, or that we will be able to replace departing Advertisers with new Advertisers that provide us with comparable revenue.

We may not be able to retain digital properties or attract new digital properties that provide us with digital space that is sufficient for our volume of sponsored content or comparable to the digital space provided by any digital properties we may lose.

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We do business with our partners by allowing them to share in the revenues we receive from Advertisers from campaigns that are placed on their digital properties. If the content we place on the digital property is successful, and the partner is satisfied with our performance and ability to generate revenue, the digital property partner may continue to want us to place content on their website. Alternatively, if we cannot maintain the quality of the content, digital property satisfaction with our platform may decrease. As our Advertiser content may appear on multiple digital properties, any decrease in quality may rapidly affect many digital properties in a short period of time. Our commitments from digital properties are for various periods of time, but our success is dependent upon our ability to successfully execute campaigns using available digital space and maintaining partner satisfaction, while continually expanding the number of digital properties from whom we purchase digital space as needed to meet content volume. In addition, after leading up to the expiration of our agreements, it is easy for digital properties to seek an alternative supplier of content for their digital space because there are no fees tied to switching costs.providers. We also face a risk that digital property contract renewals decrease our margins as digital properties may seek to negotiate a higher revenue share. Thus, we cannot provide assurance that our current partners will continue to want us to place content on their digital properties, or that we will be able to replace departing digital properties with new digital properties that provide us with sufficient or comparable digital space. In addition, certain trends in the industry designed to achieve a different user experience may significantly impact our business. For example, a partner may redesign its digital property causing us to have less real estate for our content or placing us in less profitable locations of the website.

If our access to quality digital properties or content from Advertisers is diminished or if we fail to acquire new content, our revenue could decline and our growth prospects could be impeded.

We must maintain a consistent supply of attractive content and quality digital properties on which we place content. If our access to attractive content diminishes, our ability to pay digital properties will diminish, and if access to quality digital properties diminishes then Advertisers may not want to work with us. Thus, our success depends both on our ability to secure quality content and digital real estate.

The amount, quality and cost of supply available to us can change over time. Our digital properties' contracts are for various periods. As a result, we cannot provide any assurance that we will have ongoing access to a consistent supply of quality digital real estate. Moreover, the number of competitors in our industry is substantial and continues to increase, which could negatively affect the terms of doing business with our digital property partners and ultimately our gross margin. If we are unable to compete favorably for digital properties, we may not be able to place content at competitive rates or find alternative sources of supply with comparable traffic patterns and consumer demographics in a timely manner. Similarly, if we are unable to maintain a consistent supply of quality content from Advertisers for any reason, our business, digital property partners retention and loyalty, financial condition and results of operations would be harmed.

If we are successful in attracting more advertising inventory from digital properties than we can satisfy with demand from Advertisers, our relationship with certain digital properties, our revenues and our business could be adversely impacted.

Our business model depends on our ability to coordinate the supply of advertising inventory from our digital property partners with demand for that inventory from Advertisers. Any material failure to effectively maintain a sufficient number of Advertisers relative to the inventory we have available could cause digital properties not to utilize our platform or impair Taboola's AI's ability to accurately predict user engagement. As a result, our relationships with certain digital properties, our revenues and our business could be adversely impacted.

If Taboola fails to maintain the quality of content or to prevent low quality, offensive or other non-compliant content from appearing on the digital properties, we could lose digital properties and Advertisers, which could cause our results of operations and revenues to decline.

Advertiser and digital property satisfaction with our solution depends on our ability to place high quality Advertiser content with content from digital properties that is well-suited to the Advertiser's product or service. If we are unable to keep our Advertisers' content from being placed with low quality, offensive or other non-compliant editorial content, or if we are unable to keep low quality, offensive or other non-compliant ads off of from appearing in our network of digital properties, our reputation and business may suffer. As we grow our business to serve a larger number of Advertisers and digital properties, it could become more challenging to prevent low quality, offensive or other non-compliant content from being shown. In addition, the categories of content that our digital properties accept may change over time and as these categories are removed from our inventory, we could suffer a decrease in cost-per-click and overall revenue. If we are unable to maintain the quality of our Advertiser and digital properties, our reputation and business may suffer and we may not be able to retain or secure additional Advertiser or digital property relationships.

Historically, the majority of our agreements with digital properties have typically required them to provide us with exclusivity for the term of the agreement. To the extent that such exclusivity is reduced or eliminated for any reason, including due to changes in market practice or changes in or in response to laws, rules or regulations, digital properties could elect to implement competitive platforms or services that could be detrimental to our performance, thereby reducing our revenues and harming our business.

Although the majority of our agreements with digital properties have historically required digital properties to provide us with exclusivity for the term of the agreement, there is no guarantee that we will be able to continue to obtain such exclusive arrangements or to renew existing arrangements on similar terms in the future. To the extent that such exclusivity is reduced or eliminated for any reason, including due to changes in market practice or changes in or in

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response to laws, rules or regulations, our partners could elect to implement other platforms or services on their digital properties, develop their own,or to seek out other third parties with which to do business, which could be detrimental to our performance, thereby reducing our revenues and having an adverse effect on our business.

If we fail to detect fraudulent clicks, including non-human traffic, serve advertisements on undesirable websites, or serve content that is inappropriate to certain of our digital properties, our reputation will suffer, which would harm our brand and reputation and negatively impact our business, financial condition and results of operations.

Our business depends in part on providing our Advertisers and digital properties with a service that they trust, and we have contractual commitments to take reasonable measures to prevent click fraud or distributing content on undesirable digital properties. We use proprietary technology to detect click fraud and block inventory that we know or suspect to be fraudulent. Preventing and combating fraud requires constant vigilance, and we may not always be successful in our efforts to do so. In addition, as we continue to improve our click fraud detection mechanisms, we may find that a portion of our traffic is the result of click fraud, and eliminating this fraudulent traffic would reduce our revenues. We also use proprietary technology to prevent our Advertisers' content from appearing on undesirable digital properties, but we may not be successful in doing so, which would harm our relationship with Advertisers. Any of these things would harm our brand and reputation and negatively impact our business, financial condition and results of operations.

Our platform and business are subject to a wide variety of risks from individuals from inside and outside our company. Our policies and procedures may be inadequate to protect us from material losses or other harm caused by these bad actors, which could negatively impact our business, results of operations and reputation.

Our platform and business are subject to a wide variety of risks from individuals both inside and outside our company. We have established policies and procedures to manage our exposure to risk, including risks arising from the actions of our employees. These policies may not be adequate or effective in managing our future risk exposure or protecting us against unidentified or unanticipated risks. Although we regularly update our policies and procedures, including with respect to sanctions, bribery, money laundering and insider trading, we may fail to predict future risks due to rapid changes in the market and regulatory conditions and in new markets we enter. Although we have established internal controls to ensure our risk management policies and procedures are adhered to by our employees as we conduct our business, our internal controls may not effectively prevent or detect any non-compliance of our policies and procedures. In particular, these measures may not adequately address or prevent all illegal, improper, or otherwise inappropriate activity from occurring and such conduct could expose us to liability, including through litigation, or adversely affect our brand or reputation. Further, any negative publicity related to the foregoing, whether such an incident occurred on our platform or on our competitors' platforms, could adversely affect public perception of our industry as a whole, which could negatively affect demand for platforms like ours, and potentially lead to increased regulatory or litigation other legal exposure. Any of the foregoing risks could negatively impact our business, results of operations and reputation.

Our business depends on strong brands and well-known digital properties, and failing to maintain and enhance our brands and well-known digital properties would hurt our ability to expand our number of Advertisers and digital properties.

Building and maintaining market awareness, brand recognition and goodwill in a cost-effective manner is important to our overall success in achieving widespread acceptance of our existing and future solutions. In particular, our business depends on access to strong brands and well-known digital properties, such as prominent media outlets, and failing to maintain and enhance our relationships with such brands and digital properties would hurt our ability to strengthen our own brand and to expand our current number of Advertisers and digital properties. Our efforts in developing our brand may be hindered by the marketing efforts of our competitors, to the degree our competitors are able to decrease the number of high-profile digital properties we are able to work with. Alternatively, if a significant number of well-known digital properties ceased to do business with us due to changing market conditions or for other reasons, our own brand image and reputation could suffer and our business and results of operations could be adversely affected.

The widespread use of technologies that can block or limit the display of our ads could adversely affect our financial results and business.

Technologies have been developed, and will likely continue to be developed, that can block the display of our ads or content or block our ad measurement tools, particularly for advertising displayed on personal computers. We generate substantially all of our revenue from advertising, including revenue resulting from the display of ads via our platform on personal computers. Revenue generated from the display of ads on personal computers has been impacted by these technologies from time to time. As a result, these technologies may have an adverse effect on our financial results and, if such technologies continue to proliferate, in particular with respect to mobile platforms, our future financial results may be harmed.

Our business depends on continued and unimpeded access to the Internet and digital properties by us and our users. Internet access providers, device manufacturers, browser developers or owners of digital properties may be able to restrict, block, degrade, or charge for access to certain of our products and services, which could lead to significant degradation of our service or additional expenses and the loss of users and Advertisers.

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Our products and services depend on the ability of consumers to access the Internet. Currently, this access is provided by companies that have significant market power in the broadband and internet access marketplace, including incumbent telephone companies, cable companies, mobile communications companies, and government-owned service providers. Some of these providers may take measures that could degrade, disrupt, or increase the cost of user access by restricting or prohibiting the use of their infrastructure to support our platform, by charging increased fees to us or our users, or by providing our competitors preferential access. Some jurisdictions have adopted regulations prohibiting certain forms of discrimination by internet access providers; however, substantial uncertainty exists in the United States and elsewhere regarding such protections. For example, in 2018 the United States Federal Communications Commission repealed net neutrality rules, which could permit internet access providers to restrict, block, degrade, or charge for access. In addition, our platform may be subject to government-initiated restrictions or blockages. These could result in a decrease of users interacting with our platform, and could impair our ability to attract new Advertisers and digital properties.

In addition, we rely on data signals from user activity on websites that we do not control in order to deliver relevant and effective ads on behalf of our Advertisers. Our advertising revenue is dependent on targeting and measurement tools that incorporate these signals, and any changes in our ability to use such signals will adversely affect our business. For example, legislative and regulatory changes, such as the GDPR and CCPA, may impact our ability to use such signals in our ad products. In addition, mobile operating system and browser providers, such as Apple and Google, have announced product changes as well as future plans to limit the ability of application developers to use these signals to target and measure advertising on their platforms. These developments may limit our ability to target and measure the effectiveness of ads on our platform, and any additional loss of such signals in the future will adversely affect our targeting and measurement capabilities and negatively impact our advertising revenue.

Large and established internet and technology companies may be able to independently transform the marketplace for data and native advertising and significantly impair our ability to operate.

Large and established internet and technology companies such as Amazon, Apple, Facebook and Google may have the power to significantly change the very nature of the internet display advertising marketplace, and these changes could materially disadvantage us. For example, Amazon, Apple, Facebook and Google have substantial resources and have a significant share of widely adopted industry platforms such as web browsers, mobile operating systems and advertising exchanges and networks. In addition, these or other companies may bundle other services alongside the services that compete with our solutions, thus potentially creating a more competitive platform than ours. Therefore, these companies could leverage their position to make changes to their web browsers, mobile operating systems, platforms, exchanges, networks or other products or services that could be significantly harmful to our business and results of operations.

From time to time certain of our digital properties, typically small and medium digital properties, have, and in the future may continue to, violate the terms of their agreements with us by depriving us of their contractually required advertising inventory.

If a significant number of these digital properties violate their agreements, it could be impractical for us to pursue remedies against all of them and as a result we may lack sufficient or timely advertising inventory for our Advertiser clients. As a result, Advertisers may be less likely to contract with us in the future. The combined effect of this disruption to our anticipated advertising inventory, and related supply and demand dynamics, could have an adverse effect on our revenue, business operations and reputation.

We have already and may in the future invest in or acquire other businesses, which could require significant management attention, disrupt our business, dilute shareholder value and adversely affect our financial condition and results of operations.

As part of our business strategy, we have made and may make future investments in or acquisitions of complementary companies, products or technologies. These activities, including the Connexity acquisition in September 2021, involve significant risks to our business. We may not be able to find other suitable acquisition candidates, and we may not be able to complete such acquisitions on favorable terms, if at all. If we do complete acquisitions, they may not ultimately strengthen our competitive position. Any acquisitions we complete could be viewed negatively by our partners and clients, which could have an adverse impact on our business. In addition, if we are unsuccessful at integrating employees or technologies acquired, our financial condition and results of operations, including revenue growth, could be adversely affected. Any acquisition and subsequent integration will require significant time and resources. We may not be able to successfully evaluate and use the acquired technology or employees, or otherwise manage the acquisition and integration processes successfully. We will be required to pay cash, incur debt and/or issue equity securities to pay for any such acquisition, each of which could adversely affect our financial condition. Our use of cash to pay for acquisitions would limit other potential uses of our cash, including investments in our sales and marketing and product development organizations, and in infrastructure to support scalability. The issuance or sale of equity or convertible debt securities to finance any such acquisitions would result in dilution to our shareholders. If we incur debt, it would result in increased fixed obligations and could also impose covenants or other restrictions that could impede our ability to manage our operations.

If we do not effectively grow and train our sales team and account managers, we may be unable to add new digital properties and Advertisers or increase sales to our existing digital properties and Advertisers, and our business would be adversely affected.

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We continue to be substantially dependent on our sales team and account managers to obtain new digital properties and Advertisers and to drive sales from our existing digital properties and Advertisers. We believe that there is significant competition for sales personnel with the skills and technical knowledge that we require. Our ability to achieve significant revenue growth will depend, in large part, on our success in recruiting, training, integrating and retaining sufficient numbers of sales personnel to support our growth. New hires require significant training and it may take significant time before they achieve full productivity. Our recent hires and planned hires may not become productive as quickly as we expect, and we may be unable to hire or retain sufficient numbers of qualified individuals in the markets where we do business or plan to do business. In addition, if we continue to grow rapidly, a large percentage of our sales team will be new to the company and our solutions. If we are unable to hire and train sufficient numbers of effective sales personnel, or the sales personnel are not successful in obtaining new digital properties and Advertisers or increasing sales to our existing digital property and Advertiser base, our business would be adversely affected. Finally, managing our sales team and account managers, particularly in light of our growth, and enforcing compliance with our sales policies is a challenge for us.

If we do not effectively maintain and grow our research and development team with top talent, including employees who are trained in artificial intelligence, machine learning and advanced algorithms, we may be unable to continue to improve on our artificial intelligence, our performance could decline and we could lose digital properties and ***Advertisers, which could cause our results of operations and revenues to decline.***

Our future success depends on our ability to continue to attract, retain and motivate highly skilled employees, software engineers and other employees with the technical skills in artificial intelligence, machine learning and advanced algorithms that will enable us to deliver effective advertising and content solutions. Competition for highly skilled employees in our industry is intense, particularly in the fields of artificial intelligence and data science. We expect certain of our key competitors, who generally are larger than us and have access to more substantial resources, to pursue top talent even more aggressively.

We may be unable to attract or retain such highly skilled personnel who are critical to our success, which could hinder our ability to keep pace with innovation and technological change in our industry or result in harm to our key Advertiser and digital property relationships, loss of key information, expertise or proprietary knowledge and unanticipated recruitment and training costs. The loss of the services of such key employees could make it more difficult to successfully operate our business and pursue our business goals.

Our growth depends, in part, on the success of our strategic relationships with third parties, including ready access to hardware in key locations to facilitate the delivery of our platform and reliable management of Internet traffic. Supply disruptions can impede our operations, ability to grow and financial performance and also result in significant cost increases.

We anticipate that we will continue to depend on various third-party relationships in order to grow our business. We continue to pursue additional relationships with third parties, such as technology and content providers, content delivery networks, data partnerships, co-location facilities and other strategic partners. Identifying, negotiating and documenting relationships with third parties requires significant time and resources, as does integrating third-party data and services. Our agreements with providers of technology, computer hardware, co-location facilities, and content are typically non-exclusive, do not prohibit them from working with our competitors or from offering competing services and do not typically have minimum purchase commitments. Our competitors may be effective in providing incentives to third parties to favor their products or services over ours or to otherwise prevent or reduce purchases of our solutions. In addition, these third parties may go out of business, no longer offer their services to us or not perform as expected under our agreements with them, and we may have disagreements or disputes with such third parties, which could negatively affect our brand and reputation.

In particular, our continued growth depends on our ability to source computer hardware, including servers built to our specifications, and the ability to locate those servers and related hardware in co-location facilities in the most desirable locations to facilitate the timely delivery of our services. Disruptions in the services provided at co-location facilities that we rely upon can degrade the level of services that we can provide, which could harm our business. We also rely on our integration with many third-party technology providers to execute our business on a daily basis. We rely on a third-party domain name service, or DNS, to direct traffic to our closest data center for efficient processing. If our DNS provider experiences disruptions or performance problems, this could result in inefficient balancing of traffic across our servers as well as impairing or preventing web browser connectivity to our site, which could harm our business.

Supply disruptions could materially impede our growth and our ability to maintain our existing platform. Disruptions in supply can be caused by many factors, including decreases in manufacturing output and labor shortages due to COVID or other reasons; shortages; the availability of one or more components including semiconductors which are currently in short supply; the impacts of pent up demand; transportation and delivery issues; geopolitical issues; and other circumstances. Such disruptions can result in the delay or inability to obtain necessary hardware, or significant cost increases, any of which could have a material adverse effect on our existing business, our ability to grow and our financial performance.

Our future success depends on the continuing efforts of our key employees, including our founder, and on our ability to hire, train, motivate and retain additional employees, including key employees.

Our future success depends heavily upon the continuing services of our key employees, including our founder and CEO, Adam Singolda, and on our ability to attract and retain members of our management team and other highly skilled employees, including software engineers, analytics and operations employees and sales professionals. The market for talent in our key areas of operations, including Bangkok, California, New York, Sao Paulo, Tel Aviv, and

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London, is intensely competitive. Our competitors may provide more generous benefits, more diverse opportunities and better chances for career advancement than we do. Some of these advantages may be more appealing to high-quality candidates than those we have to offer. Any of our employees may terminate his or her employment with us at any time.

New employees often require significant training and, in many cases, take significant time before they achieve full productivity. As a result, we may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and we may lose new employees to our competitors or other companies before we realize the benefit of our investment in recruiting and training them. Moreover, new employees may not be or become as productive as we expect, as we may face challenges in adequately or appropriately integrating them into our workforce and culture. In addition, as we move into new geographies, we will need to attract and recruit skilled employees in those areas.

Even if we are successful in hiring qualified new employees, we may be subject to allegations that we have improperly solicited such employees while they remained employed by our competitors, that such employees have improperly solicited other colleagues of theirs employed by the same competitors or that such employees have divulged proprietary or other confidential information to us in violation of their agreements with such competitors. If we are unable to attract, integrate and retain suitably qualified individuals, our business, financial position and results of operations would be harmed.

Our corporate culture has contributed to our success. If we cannot maintain a strong corporate culture, we could lose the innovation, creativity and teamwork fostered by our culture, and our business could be harmed.

We believe our corporate culture has been a critical component of our success as we believe it fosters innovation, teamwork, passion for partners and clients and focus on execution, while facilitating knowledge sharing across our organization. As we grow and change, we may find it difficult to preserve our corporate culture, which could reduce our ability to innovate and operate effectively. In turn, the failure to preserve our culture could negatively affect our ability to attract, recruit, integrate and retain employees, continue to perform at current levels and effectively execute our business strategy.

Many Advertisers typically spend less in the first quarter and more in the fourth quarter of each calendar year. Our historical revenue growth has mitigated the impact of these seasonal fluctuations in advertising activity. If our growth declines or these typical advertising patterns become more pronounced, seasonality could have a material impact on our revenue, cash flows and operating results.

Our revenue, cash flow and other key operating and performance metrics may vary from quarter to quarter due to the seasonal nature of our Advertiser clients' spending on advertising campaigns. For example, many Advertisers tend to devote more of their advertising budgets to the fourth calendar quarter to coincide with consumer holiday spending and correspondingly to spend less in the first quarter. Moreover, advertising inventory in the fourth quarter may be more expensive due to increased demand for it. Our historical revenue growth has masked the impact of seasonality in the past, but if our growth rate declines or seasonal spending becomes more pronounced, seasonality could have a more significant impact on our revenue, cash flow and results of operations from period to period.

We usually incur the cost of an Advertiser's campaign before we bill for services. Such Advertisers may have or develop high-risk credit profiles, which may result in credit risk.

We usually incur the cost of an Advertiser's campaign before we bill for services. A portion of our Advertiser-side business is sourced through advertising agencies, and we contract with these agencies as agent for a disclosed principal, which is the Advertiser. Typically, the advertising agency pays for our services once it has received payment from the Advertiser for our services. Our agreements with these agencies typically provide that if the Advertiser does not pay the agency, the agency is not liable to us, and we must seek payment solely from the advertiser.

In addition, contracting with Advertisers who have or develop high-risk credit profiles, subjects us to credit risk. This credit risk may vary depending on the nature of the Advertiser's business and the Advertiser's monetization of the traffic generated. Any inability to collect costs we have advanced or other amounts due to us, including write-offs of accounts receivable, could have a materially negative effect on our results of operations.

We often pay our digital properties their share of the revenue generated by an Advertiser's campaigns whether or not we have received payment from the Advertisers and even if we never receive payment from such Advertiser. In addition, we agree with digital properties on a fixed cost for the digital space but a large portion of our revenue from Advertisers is tied to the performance of the campaign. As a result, our results of operations and financial condition could be adversely impacted if we do not receive timely payment from our Advertisers or if our campaigns do not perform as expected.

Risks Related to Laws and Regulations

We are a multinational organization faced with complex and changing laws and regulations regarding privacy, data protection, content, competition, consumer protection, and other matters. Many of these laws and regulations are subject to change and uncertain interpretation, and

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could result in claims, changes to our business practices, monetary penalties, increased cost of operations, or declines in user engagement, or otherwise harm our business.

We are subject to a variety of laws and regulations in the United States and other countries that involve matters central to our business, including privacy, data protection, content, competition, consumer protection, and other matters. The expansion of our activities in certain jurisdictions, or other actions that we may take may subject us to additional laws, regulations, or other government scrutiny. In addition, foreign privacy, data protection, content, competition, and other laws and regulations can impose different obligations or be more restrictive than those in the United States. For additional discussion of privacy and data protection laws and regulations applicable to our business,see "Risk *"RiskFactors—Risks Related to Laws and Regulations—Legislation and regulation of online businesses, including privacy and data protection regimes, could create unexpected costs, subject us to enforcement actions for compliance failures, or cause us to change our technology platform or business model, which could have a material adverse effect on our business."*

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Laws and regulations of the countries and their legal subdivisions in which we operate or conduct business or in which our employees reside, which in some cases can be enforced by private parties in addition to government entities, are constantly evolving and can be subject to significant change. As a result, the application, interpretation, and enforcement of these laws and regulations are often uncertain, particularly in the new and rapidly evolving industry in which we operate, and may be interpreted and applied inconsistently from country to country and inconsistently with our current policies and practices. For example, regulatory or legislative actions affecting the manner in which we display content to our users could adversely affect user growth and engagement. Such actions could affect the manner in which we provide access to our platform or adversely affect our financial results.

These laws and regulations, as well as any associated claims, inquiries, or investigations or any other government actions, have in the past led to, and may in the future lead to, unfavorable outcomes including increased compliance costs, delays or impediments in the development of new products, negative publicity and reputational harm, increased operating costs, diversion of management time and attention, and remedies that harm our business, including fines or demands or orders that we modify or cease existing business practices.

Legislation and regulation of online businesses, including privacy and data protection regimes, could create unexpected costs, subject us to enforcement actions for compliance failures, or cause us to change our technology platform or business model, which could have a material adverse effect on our business.

Government regulation could increase the costs of doing business online. U.S. and many international governments have enacted, or are considering enacting, legislation and regulation related to online advertising to which we are or may become subject, and we expect to see an increase in legislation and regulation related to digital advertising, the collection and use of Internet user data and unique device identifiers, such as IP address or unique mobile device identifiers, and other privacy and data protection legislation and regulation. The regulatory environment related to privacy and data protection is increasingly rigorous, with new and constantly changing requirements applicable to our business, and enforcement practices are likely to remain uncertain for the foreseeable future. Such legislation and regulation could affect the costs of doing business online, and could reduce the demand for our solutions or otherwise harm our business, financial condition, and results of operations. These laws and regulations may be interpreted and applied differently over time and from jurisdiction to jurisdiction, and it is possible that they will be interpreted and applied in ways that may have a material adverse effect on our results of operations, financial condition and cash flows. For example, a wide variety of provincial, state, national, and international laws and regulations apply to the collection, use, retention, protection, disclosure, transfer and other processing of personal data. While we generally have not collected data from Internet users that is traditionally considered to be personal personally identifiable data, such as name, email address, address, phone numbers, social security numbers, credit card numbers, financial, or health data, we typically do collect and store IP addresses, cookie IDs, and other device identifiers that are or may be considered personal data in some jurisdictions or otherwise may be the subject of legislation or regulation. Legislation or regulation that reduces the data we can collect may cause us to not be able to track advertising conversions as efficiently or target campaigns as effectively, which may negatively impact our revenue.

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For example, in the United States, various federal and state regulators, including governmental agencies like the Federal Trade Commission, or the FTC, have adopted, or are considering adopting, laws and regulations concerning privacy and data protection. Certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to data than federal, international, or other state laws, which may differ from one other, complicating compliance efforts. For example, the California Consumer Privacy Act of 2018 (as amended by the California Privacy Rights Act), or CCPA, increases privacy rights for California consumers and imposes obligations on companies that process their personal data (including device identifiers, IP addresses, cookies and geo-location). Among other things, the CCPA requires covered companies to provide new disclosures to California consumers and provide such consumers new data protection and privacy rights, including the ability to opt-out of certain sales or shares of personal data and the ability to limit the processing of certain sensitive personal data. The CCPA provides for civil penalties for violations, as well as a private right of action for certain data breaches that result in the loss of personal data. Other states have enacted, or are considering enacting, similar legislation with at least four such laws (in Virginia, Connecticut, Colorado and Utah) having taken effect, or scheduled to take effect, in 2023. Such laws offer a range of new privacy rights, including the ability to opt-out of sales of personal data and uses of personal data for "targeted advertising." They may also obligate covered companies to (1) conduct data protection assessments before engaging in certain processing activities including targeted advertising, sales of personal data, and processing of sensitive personal data and other data that presents heightened risks of harm to consumers; and/or (2) enter into contracts with third-party processors and their subprocessors. State laws continue to change rapidly, all while discussions continue in Congress about a new comprehensive U.S. federal data privacy law,

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to which Taboola would become subject, if it is enacted. In addition, laws in all 50 U.S. states generally require businesses to provide notice under certain circumstances to consumers whose personal data has been disclosed as a result of a data breach. These laws are not consistent, and compliance in the event of a widespread data breach is difficult and may be costly.

Internationally, laws, regulations and standards in many jurisdictions apply broadly to the collection, use, retention, security, disclosure, transfer and other processing of personal data. For example, the GDPR, which became effective in May 2018, greatly increased the European Commission's jurisdictional reach of its laws and adds a broad array of requirements for handling personal data (including online identifiers and location data). EU member states are tasked under the GDPR to enact, and have enacted, certain implementing legislation that adds to and/or further interprets the GDPR requirements and potentially extends our obligations and potential liability for failing to meet such obligations. The GDPR, together with national legislation, regulations and guidelines of the EU member states governing the processing of personal data, impose strict obligations and restrictions on the ability to collect, use, retain, protect, disclose, transfer and otherwise process personal data. In particular, the GDPR includes obligations and restrictions concerning the consent and rights of individuals to whom the personal data relates, the transfer of personal data out of the European Economic Area, or the EEA, security breach notifications and the security and confidentiality of personal data. The GDPR authorizes fines for certain violations of up to 4% of global annual revenue or €20 million, whichever is greater. In addition, some countries are considering or have passed legislation implementing data protection requirements or requiring local storage and processing of data or similar requirements that could increase the cost and complexity of delivering our services.

For the transfer of personal data from the EEA to the U.S., we rely upon direct contractual agreements between Taboola's European corporate entity, Taboola Europe Limited, and Taboola's U.S. corporate entity, Taboola, Inc., based on the EU's standard contractual clauses. These contractual agreements obligate Taboola's U.S. operations to uphold adequate data protection measures (including appropriate safeguards, enforceable data subject rights, and effective legal remedies for data subjects) on all personal data that Taboola transfers to the U.S. from the EEA on its own behalf and on behalf of its clients and partners. However, standard contractual clauses have been subjected to regulatory and judicial scrutiny and the legal bases for cross-border data transfers are constantly evolving. A recent decision of the Court of Justice of the European Union ("Schrems II") ruled that standard contractual clauses are not sufficient, on their own, to provide appropriate safeguards for transfers of personal data from the EU to the U.S. (and other non-EEA countries) and that companies that engage in these transfers, like Taboola, need to undertake data transfer risk assessments and implement any "supplementary measures" necessary to address any risks identified in order to ensure that the data they transfer continues to be protected to a standard that is essentially equivalent with the GDPR.

The withdrawal of the United Kingdom, or UK, from the EU also has created uncertainty with regard to the regulation of privacy and data protection in the UK. Since January 1, 2021, when the transitional period following Brexit expired, we have been required to comply with the GDPR as well as the UK GDPR (combining the GDPR and the UK's Data Protection Act of 2018), which exposes us to two parallel regimes, each of which currently authorizes similar fines and may subject us to increased compliance risk based on differing, and potentially inconsistent or conflicting, interpretation and enforcement by regulators and authorities (particularly, if the laws are amended in the future in divergent ways). With respect to transfers of personal data from the EEA, on June 28, 2021, the European Commission issued an adequacy decision in respect of the UK's data protection framework, enabling data transfers from EU member states to the UK to continue without requiring organizations to put in place contractual or other measures in order to lawfully transfer personal data between the territories. This adequacy determination will automatically expire in June 2025 unless the European Commission renews or extends it. Further, the European Commission may unilaterally revoke the adequacy decision at any point, and if this occurs, it could lead to additional costs and increase our overall risk exposure.

The privacy and data protection landscape in Asia and the Pacific has undergone a dramatic transformation in the past decade, with strong indication that the region's privacy regulations will continue to rapidly evolve. Most recently, in 2021, China strengthened its commitment to protect personal data by adopting the new Personal Information Protection Law, or PIPL, which gives data subjects the power to control and determine how, with whom, and for what purposes their personal data can be shared, analyzed, or handled. While the PIPL establishes a regime that is largely similar to the GDPR, it also imposes some stricter requirements. For instance, the PIPL has heightened disclosure requirements and specific consents for processing sensitive personal data and transferring personal data outside of China. The PIPL also mandates security impact assessments under a number of processing scenarios and imposes a data localization requirement on both operators of critical information infrastructure and covered companies that process large volumes of personal data. The PIPL also creates penalties for organizations that fail to fulfill their obligations to protect personal data, with potential fines up to 5% of annual revenue.

Evolving and changing definitions of personal data, within the EU, EEA, the UK, Asia, the United States, and elsewhere, especially relating to classification of IP addresses, machine or device identifiers, and other information, have in the past and could in the future, cause us to change our business practices, expend significant costs to modify our data processing practices or policies, preoccupy management, divert resources from other initiatives and projects, or limit or inhibit our ability to operate or expand our business. Evolving data protection and privacy-related laws and regulations could embolden regulatory and public scrutiny, increase levels of enforcement, and pose risk of sanctions for noncompliance. While we currently take steps to avoid collecting personal data that would enable the direct identification of Internet users, we may inadvertently receive this information from Advertisers or advertising agencies or through the process of delivering our service. Additionally, while we take measures to protect the security of information that we collect, use, disclose and otherwise process in the operation of our business, and to offer certain privacy protections with respect to such information, such measures may not always be effective. Our advertising clients or digital property partners have imposed, or may in the future impose, new restrictions relating to the quickly evolving privacy and data protection laws and regulations with which we must adapt and comply. Our failure to comply with applicable laws and regulations, or to protect personal data, could result in enforcement or litigation action against us, including fines, sanctions, penalties, judgments, imprisonment of our officers and public censure, claims for damages by consumers and other affected individuals, obligations to notify regulators and affected individuals, damage

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to our reputation and loss of goodwill, any of which could have a material adverse impact on our business, financial condition and results of operations. Even the perception of privacy concerns, whether or not valid, could harm our reputation and inhibit adoption of our solutions by current and future clients and partners.

40 For more information on the privacy and data protection laws and regulations to which we are subject, see the sections titled "Part I, Item 1—Business—"Privacy Regulation in the U.S.", "Part I, Item 1—Business—"Privacy Regulation in Europe" and "Part I, Item 1—Business—"Privacy Regulation in the Asia-Pacific Region."

Potential "Do Not Track" standards or government regulation could negatively impact our business by limiting our access to the user data that informs the advertising campaigns we run, and as a result could degrade our performance for our digital properties and Advertisers.

As the use of cookies has received ongoing media attention in recent years, some government regulators and privacy advocates have suggested creating a "Do Not Track" standard that would allow Internet users to express a preference, independent of cookie settings in their web browser, not to have their website browsing recorded. All the major Internet browsers have implemented some version of a "Do Not Track" setting. Microsoft's Internet Explorer includes a "Do Not Track" setting that is selected "on" by default. However, there is limited guidance, consensus and industry standards regarding the definition of "tracking," what message is conveyed by a "Do Not Track" setting and how to respond to a "Do Not Track" preference. We could face competing policy standards, or standards that put our business model at a competitive disadvantage to other companies that collect data from Internet users, standards that reduce the effectiveness of our solutions, or standards that require us to make costly changes to our solutions. For example, the FTC has stated that it will pursue a legislative solution if the industry cannot agree upon a standard. "Do Not Track" has seen renewed emphasis from proponents of the CCPA, which, in certain circumstances, requires browser-based or similar "do not sell" signals. If a standard is imposed by international federal or state legislation, or agreed upon by standard setting groups, that requires us to recognize a "Do Not Track" signal and prohibits us from using data as we currently do, then that could hinder growth of advertising and content production on the web generally, and limit the quality and amount of data we are able to store and use, which would cause us to change our business practices and adversely affect our business.

On May 16, 2023, the EU Interactive Advertising Bureau (IAB), a digital marketing trade association, released an updated version of the IAB Transparency & Consent Framework, or TCF, to reflect updated regulator guidance and decisions. While Taboola is a registered vendor on the latest version of the TCF, the TCF remains under review by European courts after the IAB appealed a February 2022 decision by the Belgian data protection authority that the TCF violates the GDPR. The TCF is currently a key tool in the EU ad tech ecosystem for passing on consent and "do not sell" signals, and in turn, facilitating compliance with the GDPR. If the TCF is found to be unlawful under the GDPR, the ad tech industry will need to determine new mechanisms for GDPR compliance, which could affect our ability to serve targeted ads and consequently impact our revenue.

User growth and engagement depends upon effective interoperation with devices, platforms and standards set by third parties across the entire ad tech ecosystem that we do not control.

Technology companies in the Internet browsers and operating systems spaces have announced intentions to discontinue the use of cookies, and to develop alternative methods and mechanisms for tracking users. The most commonly used Internet browsers allow users to modify their browser settings to block first-party cookies (placed directly by the media partner or website owner that the user intends to interact with) or third-party cookies, and some browsers block third-party cookies by default. For example, Apple previously released an update to its Safari browser that limits the use of third-party cookies, which reduces our ability to provide the most relevant ads to our users and impacts monetization, and also released changes to iOS, requiring users to voluntarily choose (opt-in) to permit app developers to track them across applications and websites, that limit our ability to target and measure ads effectively. In January 2020, addition , Google has announced its intention to limit disable the use of third-party cookies and potentially across its Google Chrome web browser. Based on public announcements from Google, the phase out will be in effect for all users in the near future, Google's Chrome web browser will no longer support third-party cookies or allow users second half of 2024 subject to be tracked across the Internet. While this isn't expected to be in full effect until 2023 or later, the depreciation of third-party cookies in Google Chrome will regulatory compliance. This change may force many businesses to reevaluate their marketing strategies.

In addition,

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Furthermore, mobile devices using Android and iOS operating systems limit the ability of cookies to track users while they are using applications other than their web browser on the device. As a consequence, fewer of our cookies or media partners' cookies may be set in browsers or be accessible in mobile devices, which can adversely affect our business.

As technology companies in such sectors replace cookies, it is possible that such companies may rely on proprietary algorithms or statistical methods to track users without cookies, or may utilize log-in credentials entered by users into other web properties owned by these companies, such as their email services, to track web usage, including usage across multiple devices. Alternatively, such companies may build different and potentially proprietary user tracking methods into their widely-used web browsers. Although we believe we are well positioned to adapt and continue to provide key data insights to our media partners without cookies, this transition could be more disruptive, slower, or more expensive than we currently anticipate, and could materially affect the accuracy of our recommendations and ads and thus our ability to serve our Advertisers, including through our data marketplace product, adversely affecting our business, results of operations, and financial condition.

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Potential regulation or oversight over native advertising disclosure standards could negatively impact our business by affecting click through rates, which in turn affects the profitability of our digital properties and Advertisers.

As "native" We are subject to complex and changing advertising or regulations in many jurisdictions in which we operate, including regulatory and self-regulatory requirements to comply with native advertising content designed to blend regulations in connection with editorial content, increases our native advertising offering. For example, in popularity among Advertisers, digital properties, marketers and regulators are still considering varying approaches and guidelines relating to the labeling of such content. In the United States, the FTC Federal Trade Commission requires that all online advertising must meet a few basic principles: it must be truthful and not misleading, it must substantiate any express or implied claims, it cannot be unfair or deceptive, and any disclosures necessary to make an ad accurate must be certain principles, including the clear and conspicuous. The FTC clarified those requirements in March 2013 with a document titled "Dot Com Disclosures: Information about Online Advertising." Although open to interpretation, those guidelines suggested paid online ads must be disclosed and adequately labeled to users. In December 2013, the FTC held a workshop to discuss whether media outlets are adequately identifying sponsored stories. No clear answers were derived from the workshop, as the FTC did not offer specific guidance on exactly how that content should be labeled. However, failing to clearly disclose something material in an advertisement would, in the views conspicuous disclosure of some participants, be a violation of Section 5 of the Federal Trade Commission Act of 1914. Also, in May 2019, the Interactive Advertising Bureau (IAB), a self-regulatory agency, released its "Native Advertising Playbook 2.0" with the aim of providing a framework for native advertising, including how to clearly and prominently disclose the material as an advertisement. The playbook explains that native advertising must plainly disclose that the ad has been paid for in a conspicuous manner, but does not provide much in the way of additional disclosure guidance. Similarly, self-regulatory bodies such as the National Advertising Division ("NAD"), the investigative unit of the advertising industry's system of self-regulation administered by the Council of Better Business Bureaus, which has in the past year investigated several Advertisers for their native advertising practices in the print and digital space as part of its routine monitoring program, has not provided specific guidance to digital properties and marketers. The NAD's guidance has relied on the FTC's advice to search engine companies, which emphasizes the need for visual cues, labels advertisements. If we, or other techniques to effectively distinguish advertisements in order to avoid misleading consumers, but does not specify what cues, labels or techniques should be used. In the past, both NAD and Advertising Standards Authority, the UK's independent regulator of advertising, have handled complaints filed against us with respect to our labeling. While those complaints have since been resolved and we seek to comply with respect to the clear labeling rules and guidance issued by NAD and ASA, it is possible that the FTC or one of these self-regulatory bodies could disagree and find that our disclosures are not sufficiently clear or conspicuous to avoid misleading consumers and should be modified. Similar or more stringent standards and self-regulatory principals have been or could be implemented in other countries as well.

If we advertisers, make mistakes in the implementation of such implementing this varied and evolving guidance, or our commitments with respect to these principles, we could be subject to negative publicity, government investigation, government or private litigation, or investigation by self-regulatory bodies such as the Interactive Advertising Bureau (IAB), the National Advertising Division (NAD) as well as the Advertising Standards Authority (ASA) in the UK or other accountability groups. Any such action against us could be costly and time consuming and may require us to change our business practices, cause us to divert management's attention and our resources and be damaging to our reputation and our business. Moreover, additional or different disclosures may lead to a reduction in end-user's interaction with sponsored content we distribute resulting in reduced profitability to user engagement, which could have an adverse effect on our digital properties business, results of operations, and ourselves. financial condition.

We are a multinational organization faced with complex and changing advertising regulation in many jurisdictions in which we operate, and we are obligated to comply with such advertising regulations in connection with the advertising we distribute on behalf of our Advertiser clients. If we fail to comply with these advertising regulations we or our Advertisers could be subject to liability or forced to reduce or suspend operations until we are able to comply, which could reduce our revenues.

We are subject to complex and changing advertising regulations in many jurisdictions in which we operate, and we are obligated to comply with such advertising regulations in connection with the advertising we distribute on behalf of our Advertiser clients. For example, much of the federal oversight on digital advertising in the U.S. currently comes from the FTC, which has primarily relied upon Section 5 of the Federal Trade Commission Act, which prohibits companies from engaging in "unfair" or "deceptive" acts or practices in or affecting commerce, including alleged violations of representations concerning privacy and data security protections and acts that allegedly violate individuals' privacy and data protection interests. If we or our Advertiser clients are not able to comply with these laws or regulations or if we become liable under these laws or regulations, we could be directly harmed, and we may be forced to implement new measures to reduce our exposure to this liability. This may require us to expend substantial resources or to alter our business strategy, which would negatively affect our business, financial condition and results of operations.

From time to time we are subject to litigation, administrative inquiries and similar governmental procedures, which may be extremely costly to defend, could result in substantial judgment or settlement costs or subject us to other remedies. Litigation and other disputes can also divert management's attention from our operations and hurt our reputation.

From time to time we are involved in various legal proceedings or government investigations, including, but not limited to, actions relating to breach of contract, intellectual property infringement, competition law or other issues. For example, in April 2021, we became aware that the Antitrust Division of the U.S. Department of Justice is conducting a criminal investigation of hiring activities in our industry, including us. We are cooperating with the Antitrust Division. While there can be no assurances as to the ultimate outcome, we do not believe that our conduct violated applicable law. Claims may be expensive to defend, may divert management's time away from our operations, and may affect the availability and premiums of our liability insurance coverage, regardless of whether they are meritorious or ultimately lead to a judgment against us. We cannot assure you we will be able to successfully defend or resolve any current or future

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litigation matters, in which case those litigation matters could have a material and adverse effect on our business, financial condition, operating results, cash flows, reputation and prospects.

We are a multinational organization faced with increasingly complex tax issues in many jurisdictions, and we could be obligated to pay additional taxes in various jurisdictions as a result of new taxes and related laws, which may materially affect our business and results of operations.

As a multinational organization, operating in multiple jurisdictions, including Brazil, China, European Union, India, Israel, Japan, South Korea, Taiwan, Thailand, Turkey, the United Kingdom and the United States, among others, we may be subject to taxation in several jurisdictions around the world with increasingly complex tax laws, the application of which may be uncertain. The amount of taxes we pay in these jurisdictions could increase substantially as a result of changes in the applicable tax principles, including increased tax rates, new tax laws or revised interpretations of existing tax laws and precedents, which could have a material adverse effect on our liquidity and results of operations. In addition, as internet commerce and globalization continue to evolve, increasing regulation by government authorities becomes more likely. Our business could be negatively impacted by the application of existing laws and regulations or the enactment of new laws applicable to digital advertising. The cost to comply with such laws or regulations could be significant, and we may be unable to pass along those costs to our clients in the form of increased fees, which may negatively affect our business and results of operation. We are subject to regular review and audit by Israeli, U.S. and other foreign tax authorities. Although we believe our tax estimates are reasonable, the authorities in these jurisdictions could review our tax returns and impose additional taxes, interest and penalties, and the authorities could claim that various withholding requirements apply to us or our subsidiaries or assert that benefits of tax treaties are not available to us or our subsidiaries, any of which could materially affect our income tax provision, net income, or cash flows in the period or periods for which such determination and settlement is made.

Our operations may expose us to greater than anticipated tax liabilities, which could harm our financial condition and results of operations. operations, and increase the costs our clients would have to pay for our products.

There is heightened scrutiny by fiscal authorities in many jurisdictions on the potential taxation of digital services, including but not limited to, online advertising, search engine and e-commerce businesses (referred to as DST or alike). The Organization for Economic Co-operation and Development (OECD) has issued guidelines, referred to as the Base Erosion and Profit Shifting project (BEPS), to its member-nations aimed at encouraging broad-based legislative initiatives intended to prevent perceived base erosion transactions and income shifting in a tax-advantaged manner. Further, for the past several years, the OECD has had a specific focus on the taxation implications of digital services including online advertising, search engine and e-commerce businesses, generally referred by the OECD as the “digital economy.” In the fourth quarter of 2019, the OECD released details on its proposed approach which would, among other changes, create a new right to tax certain “digital economy” income not necessarily based on traditional nexus concepts nor on the “arm’s length principle.” As there has been a lack of consensus among the key members, particularly the United States, several jurisdictions legislated digital tax provisions in an uncoordinated and unilateral manner that could result in greater or even double taxation that companies may not have sufficient means to remedy. For example, a number of jurisdictions, including the U.K., France, Italy, Spain, Austria, Turkey, India and other countries have already adopted or have formally proposed legislation to affect the taxation of digital services based on differing criteria and metrics.

The taxation by multiple jurisdictions of digital services including online advertising and e-commerce could increase our tax burdens and compliance obligations as well as our costs of doing business internationally and our worldwide effective tax rate which may lead to adverse impact on our financial position and results of operations.

Further, the taxation by multiple jurisdictions of digital businesses could subject us to exposure to withholding, sales, VAT, value added taxes (VAT), levies, and/or other taxes, including transaction taxes on our past and future transactions in such jurisdictions where we currently or in the future may be required to report taxable transactions. A successful assertion by any jurisdiction that we failed to pay such withholding, sales, VAT, levies or other taxes, or the imposition of new laws requiring the registration for, collection of, and payment of such taxes, could result in substantial tax liabilities related to past, current and future transactions, create increased administrative burdens and costs, discourage customers from purchasing content from us, or otherwise substantially harm our business and results of operations. We are currently subject to and in the future may become subject to additional compliance requirements for certain of these taxes. A successful assertion by one or more U.S. states or foreign countries or change of law requiring us to pay or collect taxes where we presently do not do so, or to pay or collect more taxes in a jurisdiction in which we currently do pay or collect some taxes, could result in substantial liabilities, including taxes on past sales, as well as interest and penalties. Any such assertion could also create significant administrative burdens for us, discourage potential customers from subscribing to our platform due to the incremental cost of any such sales or other related taxes, or otherwise harm our business. Changes in our exposure to withholding, sales, VAT, levies and/or other taxes could have an adverse impact on our financial condition in the future.

In addition, in October 2021, the OECD released an outline that describes the conceptual agreement between 136 countries on fundamental reforms to international tax rules. The outline provides for two primary “Pillars.” Pillar One is aimed to apply to the largest multinational corporations and replace DST, though the time of its introduction is still unknown. As the Pillar Two model, which provides for a global minimum corporate tax rate of 15%, has partially taken effect in some, but not all, countries for the taxable year beginning on January 1, 2024, with some additional provisions taking effect in 2025, there is still uncertainty as to how the Pillar Two model will be applied evenly during this transition period. While Pillar One is not expected to apply to us, Pillar Two could increase our effective tax rate and adversely affect our financial results.

Our effective tax rate may vary significantly depending on our stock price.

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The tax effects of the accounting for stock-based share-based compensation may significantly impact our effective tax rate from period to period. In periods in which our stock price is higher than the grant price of the stock-based share-based compensation vesting in that period, we will recognize excess tax benefits that will decrease our effective tax rate, while in periods in which our stock price is lower than the grant price of the stock-based share-based compensation vesting in that period, our effective tax rate may increase. The amount and value of stock-based share-based compensation issued relative to our earnings in a particular period will also affect the magnitude of the impact of stock-based share-based compensation on our effective tax rate. These tax effects are dependent on our stock price, which we do not control, and a decline in our stock price could significantly increase our effective tax rate and adversely affect our financial results.

We could be required to collect additional sales, use, value added, digital services or other similar taxes or be subject to other liabilities that may increase the costs our clients would have to pay for our products and adversely affect our results of operations.

We collect value added and other similar taxes in a number of jurisdictions. One or more countries or U.S. states may seek to impose incremental or new sales, use, value added, digital services, or other tax collection obligations on us. A successful assertion by one or more U.S. states or foreign countries or change of law requiring us to collect taxes where we presently do not do so, or to collect more taxes in a jurisdiction in which we currently do collect some taxes, could result in substantial liabilities, including taxes on past sales, as well as interest and penalties. Furthermore, certain jurisdictions, such as the United Kingdom, France, India and Italy have recently introduced a digital services tax, which is generally a tax on gross revenue generated from users or customers located in those jurisdictions, and other jurisdictions have enacted or are considering enacting similar laws. A successful assertion by a U.S. state or local government, or other country or jurisdiction that we should have been or should be collecting additional sales, use, value added, digital services or other similar taxes could, among other things, result in substantial tax payments, create significant administrative burdens for us, discourage potential customers from subscribing to our platform due to the incremental cost of any such sales or other related taxes, or otherwise harm our business.

Furthermore, for the past several years, the OECD has had a specific focus on the taxation implications of e-commerce business, generally referred to by the OECD as the “digital economy." A number of jurisdictions, including the UK, France, Italy, Spain, Austria, Turkey and more have already adopted legislation to effect the taxation of certain e-commerce business based on differing criteria and metrics which could have a material adverse impact on our business operations. In addition, in October 2021, the OECD released an outline that describes the conceptual agreement between 136 countries on fundamental reforms to international tax rules. The outline provides for two primary “Pillars.” Pillar Two, which provides for a global minimum corporate tax rate of 15%, is expected to be applicable to us. The OECD outline suggests that these reforms be implemented by 2024, but is contingent upon the independent actions of participating countries to enact law changes. If enacted into law, in whole or in part, this proposed change to international tax rules could have a negative impact on Taboola’s effective tax rate and this could have a material adverse impact on our business operations.

The Israeli tax benefits we currently receive require us to meet several conditions and may be terminated or reduced in the future, which would likely increase our taxes, possibly with a retroactive effect.

Some of our operations in Israel, referred to as “Benefited Enterprise” for 2018 and 2019 and “Preferred Technological Enterprise” commencing with 2020 (in case of taxable income position) carry certain tax benefits under the Law for the Encouragement of Capital Investments, 5719-1959, or the Investment Law. In order to be eligible for tax benefits under the Investment Law, our Benefited/Preferred Technological Enterprises must comply with various conditions set forth in the Investment Law, as well as periodic reporting obligations. If we do not meet the requirements for maintaining these benefits or if our assumptions regarding the key elements affecting our tax rates are rejected by the Israeli tax authorities, they may be reduced or canceled and the relevant operations would be subject to Israeli corporate tax at the standard rate, which is 23% in 2018 and thereafter.

In addition to being subject to the standard corporate tax rate, we could be required to refund any tax benefits we have already received, plus interest and penalties thereon under this program or similar programs we have utilized in the past. Even if we continue to meet the relevant requirements, the tax benefits our current “Preferred Technological Enterprise” receive may not be continued in the future at their current levels or at all. If these tax benefits were reduced or eliminated, the amount of taxes we pay would likely increase, as all of our Israeli operations would consequently be subject to corporate tax at the standard rate, which could adversely affect our results of operations. Additionally, if we increase our activities outside of Israel, for example, by way of acquisitions, our increased activities may not be eligible for inclusion in Israeli tax benefit programs. If the Israeli government discontinues or modifies these programs and potential tax benefits, our business, financial condition and results of operations could be adversely affected.

On November 15, 2021, the Encouragement of Capital Investments Law was amended in order, inter alia, to encourage companies to voluntarily elect for an immediate payment of corporate tax on previously tax-exempted earnings which were earned pursuant to Approved and Privileged Benefited Enterprises (the “Amendment”). The Amendment provides a reduced corporate tax payment on Exempt Earnings accumulated until December 31, 2020 that were not yet distributed as a dividend, all subject to certain qualifying terms and conditions. The Company implemented the Amendment and as a result, paid the reduced corporate income tax subject to the dividend distribution in an amount of approximately $4.3 million.

Transfer pricing rules may adversely affect our corporate income tax expense.

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Many of the jurisdictions in which we conduct business have detailed transfer pricing rules, which require contemporaneous documentation establishing that all transactions with non-resident related parties be priced using arm's length pricing principles. The tax authorities in these jurisdictions could challenge our related party transfer pricing policies and as a consequence the tax treatment of corresponding expenses and income. International transfer pricing is an area of taxation that depends heavily on the underlying facts and circumstances and generally involves a significant degree of judgment. If any of these tax authorities were to be successful in challenging our transfer pricing policies, we may be liable for additional corporate income tax, and penalties and interest related thereto, which may have a significant impact on our results of operations and financial condition.

We may be exposed to liabilities under the U.S. Foreign Corrupt Practices Act and other U.S. and foreign anti-corruption, anti-money laundering, export control, sanctions and other trade laws and regulations, and any determination that we violated these laws could have a material adverse effect on our business.

We are subject to export control and import laws and regulations, including the U.S. Export Administration Regulations, U.S. Customs regulations and various economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control. We are also subject to the U.S. Foreign Corrupt Practices Act of 1977, as amended, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act, the United Kingdom Bribery Act 2010, the Proceeds of Crime Act 2002, Chapter 9 (sub-chapter 5) of the Israeli Penal Law, 1977, the Israeli Prohibition on Money Laundering Law—2000 and possibly other anti-bribery and anti-money laundering laws in countries outside of the United States in which we conduct our activities. Compliance with these laws has been the subject of increasing focus and activity by regulatory authorities, both in the United States and elsewhere, in recent years. Anti-corruption laws are interpreted broadly and prohibit companies and their employees and third-party intermediaries from authorizing, promising, offering, providing, soliciting or accepting, directly or indirectly, improper payments or benefits to or from any person whether in the public or private sector. Although we endeavor to conduct our business in accordance with applicable laws and regulations, we cannot guarantee compliance.

Noncompliance with anti-corruption, anti-money laundering, export control, sanctions and other trade laws could subject us to whistleblower complaints, investigations, sanctions, settlements, prosecution, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, suspension and/or debarment from contracting with certain persons, the loss of export privileges, reputational harm, adverse media coverage and other collateral consequences. If subpoenas or investigations are launched, or governmental or other sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business, results of operations and financial condition could be materially harmed. Responding to any action will likely result in a materially significant diversion of management's attention and resources and significant defense and compliance costs and other professional fees. In addition, regulatory authorities may seek to hold us liable for successor liability for violations committed by companies in which we invest or that we acquire. As a general matter, enforcement actions and sanctions could harm our business, results of operations and financial condition.

Although we do not believe that we were a "passive foreign investment company," or a PFIC, for U.S. federal income tax purposes for 2022, 2023, if we are a PFIC in 20232024 or in any future year, a U.S. investor in our Ordinary Shares shares or Warrants may be subject to adverse U.S. federal income tax consequences.

Under the Internal Revenue Code of 1986, as amended, or the Code, we will be classified as a PFIC for any taxable year in which, either (i) at least 75% of our gross income in a taxable year, including our pro rata share of the gross income of any corporation in which we are considered to own at least 25% of the shares by value, is passive income or (ii) at least 50% of our assets in a taxable year (ordinarily determined based on fair market value and averaged quarterly over the year), including our pro rata share of the assets of any corporation in which we are considered to own at least 25% of the shares by value, are held for the production of, or produce, passive income. Passive income generally includes, among other things, dividends, interest, rents and royalties (other than rents or royalties derived from the active conduct of a trade or business) and gains from the disposition of passive assets. The Company believes that it was not a PFIC for U.S. federal income tax purposes for its 2022 2023 taxable year and it does not expect to become one in the foreseeable future. However, PFIC status is determined annually and depends on the composition of a company's income and assets and the fair market value of its assets and no assurance can be given that we were not a PFIC in 2022, 2023, or as to whether we will be a PFIC in 20234 or for any future taxable years.

If we are a PFIC for any taxable year during which a U.S. investor holds our Ordinary Shares shares or Warrants, we would continue to be treated as a PFIC with respect to that U.S. investor for all succeeding years during which the U.S. investor holds our Ordinary Shares shares or Warrants, even if we ceased to meet the threshold requirements for PFIC status, unless certain exceptions apply. Such a U.S. investor may be subject to adverse U.S. federal income tax consequences, including (i) the treatment of all or a portion of any gain on the disposition of our Ordinary Shares shares or Warrants as ordinary income (and therefore ineligible for the preferential rates that apply to capital gains with respect to some U.S. investors), (ii) the application of a deferred interest charge on such gain and the receipt of certain dividends on our Ordinary Shares shares, (iii) the ineligibility to claim the preferential tax rate afforded to certain non-corporate U.S. investors on "qualified dividend income" with respect to dividends on our Ordinary Shares shares and (iv) compliance with certain reporting requirements.

It may be difficult to enforce a U.S. judgment against Taboola or its respective directors and officers outside the United States, or to assert U.S. securities law claims outside of the United States.

A number of Taboola directors and executive officers are not residents of the United States, and the majority of Taboola's assets and the assets of these persons are located outside the United States. As a result, it may be difficult or impossible for investors to effect service of process upon Taboola within the

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United States or other jurisdictions, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States. Additionally, it may be difficult to assert U.S. securities law claims in actions originally instituted outside of the United States. Foreign courts may refuse to hear a U.S. securities law claim because foreign courts may not be the most appropriate forum in which to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the law of the jurisdiction in which the foreign court resides, and not U.S. law, is applicable to the claim. Further, if U.S. law is found to be applicable, the content of applicable U.S. law must be proved as a fact, which can be a time-consuming and costly process, and certain matters of procedure would still be governed by the law of the jurisdiction in which the foreign court resides.

Risks Related to Our Intellectual Property and Technology

Our intellectual property and proprietary rights may be difficult to enforce, particularly because in many instances we rely on trade secrets rather than patents or similar registered legal protections. This could enable others to copy or use aspects of our platform without compensating us, which could erode our competitive advantages and harm our business.

Our success depends, in part, on our ability to protect proprietary methods and technologies that we develop under the intellectual property laws of Israel, the United States and other countries, so that we can prevent others from using our intellectual property and proprietary information. If we fail to protect our intellectual property and proprietary rights adequately, our competitors might gain access to our technology and proprietary information, and our business could be adversely affected. We rely on trademark, copyright, trade secret, patent and confidentiality procedures and contractual provisions to protect our proprietary methods and technologies.

Unauthorized parties may attempt to copy aspects of our technology or obtain and use information we regard as proprietary. We generally enter into confidentiality and/or license agreements with our employees, consultants, vendors and Advertisers, and generally limit access to and distribution of our proprietary information. However, any steps taken by us may not prevent infringement, misappropriation or other violation of our intellectual property, technology and proprietary information. Policing unauthorized use of our technology is difficult. In addition, the laws of some foreign countries may not be as protective of intellectual property and proprietary rights as those of the U.S, and mechanisms for enforcement of our intellectual property and proprietary rights in such countries may be inadequate. From time to time, legal action by us may be necessary to enforce our intellectual property and proprietary rights, to protect our trade secrets, to determine the validity and scope of the intellectual property and proprietary rights of others, or to defend against claims of infringement, misappropriation or other violation. Although we generally rely on trade secret laws to protect our intellectual property, we may encounter difficulties enforcing our rights where we lack patent protection. Such litigation could result in substantial costs and the diversion of limited resources and could negatively affect our business, financial condition and results of operations. If we are unable to protect our intellectual property and proprietary rights, including aspects of our technology platform, we may find ourselves at a competitive disadvantage to others who have not incurred the same level of expense, time and effort to create and protect their intellectual property.

We may be subject to intellectual property rights claims by third parties, which are extremely costly to defend, could require us to pay significant damages and could limit our ability to use certain technologies.

Third parties may assert claims of infringement, misappropriation or other violation of intellectual property rights, including in proprietary technology, against us or against our digital properties or Advertisers for which we may be held liable or have an indemnification obligation. Our risk of third-party claims may be increased to the extent we rely on unaffiliated persons or firms, over whom we have less control than we would have over our own employees, to develop code. Any claim of infringement, misappropriation or other violation of intellectual property rights by a third party, even those without merit, could cause us to incur substantial costs defending against the claim and could distract our management from operating our business.

Although third parties may offer a license to their technology or other intellectual property, the terms of any offered license may not be acceptable and the failure to obtain a license or the costs associated with any license could cause our business, financial condition and results of operations to be materially and adversely affected. In addition, some licenses may be non-exclusive, and therefore our competitors may have access to the same technology licensed to us. Alternatively, we may be required to develop non-infringing technology, which could require significant effort and expense and ultimately may not be successful. Furthermore, a successful claimant could secure a judgment or we may agree to a settlement that prevents us from distributing certain products or performing certain services or that requires us to pay substantial damages, including treble damages if we are found to have willfully infringed such claimant's patents or copyrights, royalties or other fees. Any of these events could seriously harm our business financial condition and results of operations.

Legal claims against us resulting from the actions of our ***Advertisers or digital properties could damage our reputation and be costly to defend.***

We receive representations from Advertisers that the content we place on their behalf does not infringe on any third-party rights. We also rely on representations from our digital properties that their content does not infringe on any third-party rights and that they maintain adequate privacy policies that allow us to place pixels on their properties and collect data from users that visit those websites to aid in delivering our solutions. However, we do not independently verify whether we are permitted to deliver advertising to our digital properties' Internet users or that the content we deliver is legally permitted. If any of our

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Advertisers' or digital properties' representations are untrue and our Advertisers or digital properties do not abide by foreign, federal, state or local laws or regulations governing their content or privacy practices, we could become subject to legal claims against us, we could be exposed to potential liability (for which we may or may not be indemnified by our Advertisers or digital properties), and our reputation could be damaged. Even in those instances where our Advertisers and digital properties do indemnify us, it is possible these entities may not be willing or able to cover the claims and we will be responsible for the cost of litigation or required to pay substantial damages.

Indemnity provisions in various agreements potentially expose us to substantial liability for intellectual property infringement and other losses.

Our agreements with digital properties, Advertiser and other third parties may include indemnification provisions under which we agree to indemnify them for losses suffered or incurred as a result of claims of intellectual property infringement, damages caused by us to property or persons, or other liabilities relating to or arising from our products, services, or other contractual obligations. The term of these indemnity provisions generally survives termination or expiration of the applicable agreement. Large indemnity payments would harm our business, financial condition and results of operations.

Our solution relies on third-party open-source software components, and failure to comply with the terms of the underlying open-source software licenses could restrict our ability to sell our platform.

Our platform, including our computational infrastructure, relies on software licensed to us by third-party authors under "open-source" licenses. The use of open-source software may entail greater risks than the use of third-party commercial software, as open-source licensors generally do not provide warranties, indemnities or other contractual protections regarding infringement claims or the quality of the code. Some open-source licenses contain requirements that we make available source code for modifications or derivative works of the open-source code on unfavorable terms or at no cost. If we combine our proprietary software with open-source software in a certain manner, we could, under certain open-source licenses, be required to release the source code of our proprietary software to the public. This would allow our competitors to create similar solutions with less development effort and time and ultimately put us at a competitive disadvantage.

Although we monitor our use of open-source software to avoid subjecting our products to conditions we do not intend, the terms of many open-source licenses have not been interpreted by United States courts, and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to commercialize our services. Moreover, we cannot guarantee our processes for controlling our use of open-source software will be effective. If we face claims from third parties seeking to enforce the terms of an open-source software license, or if we are held to have breached the terms of an open-source software license, we could be required to seek licenses from third parties to continue operating our platform on terms that are not economically feasible, to re-engineer our platform or the supporting computational infrastructure to discontinue use of certain code, or to make generally available, in source code form, portions of our proprietary code, any of which could adversely affect our business, financial condition and results of operations.

We face risks related to cybersecurity breaches, attacks or threats, or other outages or disruptions of our services, including scheduled or unscheduled downtime, which could harm our brand and reputation and negatively impact our revenue and results of operations.

As we grow our business, we expect to continue to invest in technology services, hardware and software, including data centers, network services, storage and database technologies. Creating the appropriate support for our technology platform, including large-scale serving infrastructure and big data transmission, storage and computation infrastructure, is expensive and complex, and our execution can result in inefficiencies or operational failures and increased vulnerability to cybersecurity breaches, attacks and threats which, in turn, could diminish the quality of our services and our performance for our digital properties and our Advertisers. Cyberbreaches, attacks and threats could include denial-of-service attacks impacting service availability (including the ability to deliver ads) and reliability; the exploitation of software vulnerabilities in Internet facing applications; phishing attacks or social engineering attacks (such as tricking company employees into releasing control of their systems to a hacker); or the introduction of computer viruses, software bugs, ransomware or malware into our systems, including with a view to steal, access, modify, destroy or disclose personal, confidential, sensitive or proprietary data. In December 2021, a vulnerability named "Log4Shell" was reported for the widely used Java logging library, Apache Log4j 2. We have reviewed the use of this library within our software product portfolio and in our IT environment and determined that an unknown entity exploited this vulnerability. We have taken steps to mitigate the vulnerability. To date, this and other we have not identified cybersecurity incidents have not that resulted in a material adverse impact to our business or operations, but there can be no guarantee we will not experience such an impact in the future due to this incident or other incidents. future. Cybersecurity breaches, attacks and threats of increasing sophistication may be difficult to detect and could result in the theft of our intellectual property and our data or our digital properties' or Advertisers' data, including our or our digital properties' or Advertisers' personal data. In addition, we are vulnerable to unintentional errors as well as malicious actions by persons with authorized access to our systems that exceed the scope of their access rights, or unintentionally or intentionally alter parameters or otherwise interfere with the intended operations of our platform.

A cybersecurity breach or attack, or a technology glitch, with respect to our systems, may cause a catastrophic effect where a large number of digital properties will stop using our service in a short period of time. While we take measures to protect the security of the systems and information used in the operation of our business, and to implement certain privacy protections with respect to such information, such measures may not always be effective. The steps

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we take to increase the reliability, integrity and security of our systems as they scale may be expensive and may not prevent system failures, unintended vulnerabilities or other cybersecurity incidents, including those resulting from the increasing number of persons with access to our systems, complex interactions within our technology platform and the increasing number of connections with third party partners and vendors' technology. Furthermore, because the methods of cyber-attack and deception change frequently, are increasingly complex and sophisticated, and can originate from a wide variety of sources, including traditional computer hackers, organized crime groups, nation-state actors and nation-state supported actors. Despite our reasonable efforts to ensure the integrity of our systems, we may not be able to anticipate, detect, appropriately react and respond to, or implement effective preventative measures against, all cybersecurity incidents. Additionally, due to the recent Russia-Ukraine conflict, there have been publicized threats to increase cyber-attack activity against the critical infrastructure of any nation or organization that retaliates against Russia for its invasion of Ukraine. Any such increase in such attacks on our third-party service providers or other systems could adversely affect our network systems or other operations. In addition to our own systems, we use third-party vendors to store, transmit and otherwise process certain of our personal, confidential, sensitive or proprietary data on our behalf. Due to applicable laws and regulations or contractual obligations, we may be held responsible for any cybersecurity incident attributed to our service providers as they relate to the information we share with them. Although we contractually typically require contractual commitments from these service providers to implement and use reasonable security measures, we cannot control third parties and cannot guarantee a security breach will not occur in their systems.

We may be required to expend significant capital and other resources to protect against, respond to, and recover from any potential, attempted, or existing cybersecurity incidents. As cybersecurity incidents continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any information security vulnerabilities. In addition, our remediation efforts may not be successful. The inability to implement, maintain and upgrade adequate safeguards could have a material adverse effect on our results of operations, financial condition and cash flow. Operational errors or failures or successful cyber-attacks, media reports about such an incident, whether accurate or not, or our failure to make adequate or timely disclosures to the public or law enforcement agencies following any such event, whether due to delayed discovery or a failure to follow existing protocols, could result in violation of applicable privacy and data security laws and regulations, notification obligations, damage to our reputation, loss of current and new digital properties or Advertisers and other partners and clients, the disclosure of personal, confidential, sensitive or proprietary data, interruptions to our operations and distraction to our management, and significant legal, regulatory and financial liabilities and lost revenues, which could harm our business.

While we currently maintain cybersecurity insurance, such insurance may not be sufficient in type or amount to cover us against claims related to breaches, failures or other cybersecurity-related incidents, and we cannot be certain that cyber insurance will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our results of operations, financial condition and cash flows.

Defects, errors or failures in our technology platform, including our software and systems, could adversely affect our business, operating results and growth prospects.

We depend upon the sustained and uninterrupted performance of our technology platform to operate fundamental aspects of our business. If our technology platform cannot scale to meet demand, or if there are defects or errors in our execution of any of these functions on our platform, then our business could be harmed. Our software and systems are complex and may contain defects or errors, or may experience failures when implemented or when new functionality is released, as we may modify, enhance, upgrade and implement new software, systems, procedures and controls to reflect changes in our business, technological advancements and changing industry trends. Undetected defects, errors and failures may occur, especially when new versions or updates are made. Despite testing by us, defects, errors or bugs in our software have in the past, and may in the future, not be found until the software is in our live operating environment. Any defects, errors, failures or other similar performance problems or disruptions in our software or systems could materially and adversely affect our business, financial condition and results of operations. Defects, errors, failures or other similar performance problems or disruptions, whether in connection with day-to-day operations or otherwise, could damage our clients' businesses and result in negative publicity, damage to our brand and reputation, loss of or delay in market acceptance of our solutions, increased costs or loss of revenue, loss of competitive position or claims by Advertisers for losses sustained by them. In such an event, we may be required or choose to expend additional resources to help mitigate any problems resulting from defects, errors or failures in our software or systems. Alleviating problems resulting from defects, errors or failures in our software or systems could require significant expenditures of capital and other resources and could cause interruptions, delays or the cessation of our business, any of which would adversely impact our financial position, results of operations and growth prospects. In addition, if we experience any defects, errors, failures or other performance problems, our partners could seek to terminate or elect not to renew their contracts, delay or withhold payment or make claims against us. Any of these actions could result in liability, lost business, increased insurance costs, difficulty in collecting accounts receivable, costly litigation or adverse publicity, which could materially and adversely affect our business, financial condition and results of operations. Additionally, our software utilizes open-source software and any defects or errors in such open-source software could materially and adversely affect our business, financial condition and results of operations.

We rely on third-party service providers for many aspects of our business, and any disruption of service experienced by such third-party service providers or our failure to manage and maintain existing relationships or identify other high-quality, third-party service providers could harm our business, results of operations and growth prospects.

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We rely on a variety of third-party service providers in connection with the operation of our solutions. Any performance issues, errors, bugs, defects or failures with respect to third-party software or services could result in performance issues, errors, bugs, defects or failures with respect to our solutions, which could materially and adversely affect our business, financial condition and results of operations. Many of our third-party service providers attempt to impose limitations on their liability for such performance issues, errors, bugs, defects or failures, and if enforceable, we may have additional liability to our clients or to other third parties that could harm our reputation and increase our operating costs. Additionally, in the future, we might need to license other software or services to enhance our solutions and meet evolving client demands and requirements, which may not be available to us on commercially reasonable terms or at all. Any limitations in our ability to use or obtain third-party software or services could significantly increase our expenses and otherwise result in delays, a reduction in functionality, or performance issues, errors, bugs, defects or failures with respect to our solutions until equivalent technology or content is either developed by us or, if available, identified, obtained through purchase or licensed and integrated into our solutions, which could adversely affect our business. In addition, third-party software and services may expose us to increased risks, including risks associated with the integration of new technology, the diversion of resources from the development of our own proprietary technology and our inability to generate revenue from new technology sufficient to offset associated acquisition and maintenance costs, all of which may increase our expenses and materially and adversely affect our business, financial condition and results of operations. We will need to maintain our relationships with third-party service providers and obtain software and services from such providers that do not contain any errors, bugs or defects. Any failure to do so could adversely affect our ability to deliver effective solutions to our clients and adversely affect our business.

Risks Related to Being a Public Company

Our management team has limited experience managing a public company.

Most members of our management team have limited experience managing a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws, rules and regulations that govern public companies. As a public company, we are subject to significant obligations relating to reporting, procedures and internal controls, and our management team may not successfully or efficiently manage such obligations. These obligations and scrutiny require significant attention from our management and could divert their attention away from the day-to-day management of our business, which could adversely affect our business, financial condition and results of operations.

In this Annual Report for the first time we We are providing required to provide management's assessment on the effectiveness of our internal control over financial reporting. If we are unable to maintain appropriate internal financial reporting controls and procedures, it could cause us to fail to meet our reporting obligations on a timely basis, result in material misstatements in our consolidated financial statements and adversely affect our operating results.

As a public company, we have significant requirements for enhanced financial reporting and internal controls. The process of designing, implementing, testing and maintaining effective internal controls is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants, adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing whether such controls are functioning as documented, and maintain a continuous reporting and improvement process for internal control over financial reporting.

In this Annual Report for the year ended December 31, 2022, we are required for the first time, pursuant

Pursuant to Section 404(a) of the Sarbanes-Oxley Act, we are required to file a report with the SEC by our management on, among other things, the effectiveness of our internal control over financial reporting. This assessment is required to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. The rules governing the standards that must be met for our management to assess our internal control over financial reporting are complex and require significant documentation and testing. Testing and maintaining internal controls may divert our management's attention from other matters that are important to our business. In addition, pursuant to Section 404(b), we are required to include in the annual reports that we file with the SEC an attestation report on our internal control over financial reporting issued by our independent registered public accounting firm. It is possible in the future that our internal control over financial reporting will not be effective because it cannot detect or prevent material errors at a reasonable level of assurance. If we are unable to maintain appropriate internal financial reporting controls and procedures, it could cause us to fail to meet our reporting obligations on a timely basis, result in material misstatements in our consolidated financial statements and adversely affect our operating results.

Furthermore, we may, during the course of our annual testing of our internal controls or during the related testing by our independent registered public accounting firm, identify deficiencies which would have to be remediated to satisfy the SEC rules for certification of our internal controls over financial reporting. As a consequence, we may have to disclose in periodic reports we file with the SEC significant deficiencies or material weaknesses in our system of internal controls. The existence of a material weakness would preclude management from concluding that our internal controls over financial reporting are effective, and would preclude our independent auditors from issuing an unqualified opinion that our internal controls over financial reporting are effective. In addition, disclosures of this type in our SEC reports could cause investors to lose confidence in the accuracy and completeness of our financial reporting and may negatively affect the trading price of our Ordinary Shares shares, and we could be subject to sanctions or investigations by regulatory authorities. Moreover, effective internal controls are necessary to produce reliable financial reports and to prevent fraud. If we have deficiencies in our disclosure controls and procedures or internal controls over financial reporting, it could negatively impact our business, results of operations and reputation.

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In 2023, the Company became subject to U.S. domestic issuer filing requirements and any failure to meet the enhanced disclosure and filing deadlines could adversely affect the trading price of our Ordinary Shares and subject us to regulatory investigations and penalties.

Effective January 1, 2023, the Company no longer qualified as a "foreign private issuer" as defined in Rule 405 under the Securities Act of 1933, as amended, and became subject to U.S. domestic issuer filing requirements as an "accelerated filer." As a U.S. domestic issuer, the Company is required to file periodic reports, registration statements and proxy statements on U.S. domestic issuer forms with the SEC, which are more detailed and extensive in certain respects and which must be filed more promptly than the forms available to foreign private issuers. Due to our current designation as an "accelerated filer," we are required to file our annual report on Form 10-K within 75 days after the end of each fiscal year and our quarterly reports on Form 10-Q within 40 days after the end of each fiscal quarter. We expect that the enhanced disclosures and filing deadlines associated with U.S. domestic issuer filing requirements may increase our legal, accounting and financial compliance costs, make some activities more difficult, time-consuming and costly and place significant strain on our personnel, systems and resources. The Company's directors and certain officers are also now subject to beneficial ownership reporting under Section 16 of Exchange Act. If we are unable to timely and accurately meet our reporting obligations as a U.S. domestic issuer this could cause investors to lose confidence in our reported financial and other information, subject us to regulatory investigations and penalties and adversely affect the trading price of our Ordinary Shares.

We incur increased costs as a result of operating as a public company, and our management is required to devote substantial time to compliance initiatives and corporate governance practices.

As a public company, we incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of Nasdaq and other applicable securities rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management and other personnel continue to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations will continue to increase our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we expect that these rules and regulations The risks associated with non-compliance may make it more difficult and more expensive for us to obtain director and officer liability insurance, and could also make it more difficult for us to attract and retain qualified members directors and may increase costs of our board of directors.director and officer liability insurance.

We continue to evaluate these rules and regulations and cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. These rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

We are required to comply with the SEC's rules implementing Sections 302 and 404 of the Sarbanes-Oxley Act, which requires management to certify financial and other information in our annual reports and provide an annual management report on the effectiveness of control over financial reporting. In 2022, we were required to make our first annual assessment of our internal control over financial reporting pursuant to Section 404(a). In addition, pursuant to Section 404(b), we are required to include in the annual reports that we file with the SEC an attestation report on our internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with Section 404, we engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. To maintain compliance, we will need to continue to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting.

If we identify one or more material weaknesses, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements. As a result, the market price of our Ordinary Shares shares could be negatively affected, and we could become subject to litigation including shareholder suits or investigations by the stock exchange on which our securities are listed, the SEC or other regulatory authorities, which could require additional financial and management resources.

Risks Related to Our Ordinary Shares shares

Our share price may be volatile, and you may lose all or part of your investment.

The market price of our Ordinary Shares shares could be highly volatile and may fluctuate substantially as a result of many factors, including:

- actual or anticipated fluctuations in our results of operations;
- variance in our financial performance from the expectations of market analysts or others;

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- announcements by us or our competitors of significant business developments, changes in significant customers, acquisitions or expansion plans;
- our involvement in litigation;
- our sale of Ordinary Shares shares or other securities in the future;
- market conditions in our industry;
- changes in key personnel;
- the trading volume of our Ordinary Shares; shares;
- changes in the estimation of the future size and growth rate of our markets; and
- general economic and market conditions.

In addition, the stock markets have experienced extreme price and volume fluctuations. Broad market and industry factors may materially harm the market price of our Ordinary Shares shares, regardless of our operating performance. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted against that company. If we were involved in any similar litigation we could incur substantial costs and our management's attention and resources could be diverted.

An active trading market for our Ordinary Shares shares may not be sustained to provide adequate liquidity.

An active trading market may not be sustained for our Ordinary Shares shares. The lack of an active market may impair your ability to sell your shares at the time you wish to sell them or at a price that you consider reasonable. An inactive market may also impair our ability to raise capital by selling Ordinary Shares shares and may impair our ability to acquire other companies by using our shares as consideration.

The market price of our Ordinary Shares shares could be negatively affected by future issuances or sales of our Ordinary Shares shares.

As of December 31, 2022 3, we have 254,133,863 295,670,620 Ordinary Shares shares outstanding. Sales by us or our shareholders of a substantial number of Ordinary Shares shares, the issuance of Ordinary Shares shares as consideration for acquisitions, or the perception that these sales might occur, could cause the market price of our Ordinary Shares shares to decline or could impair our ability to raise capital through a future sale of, or pay for acquisitions using, our equity securities.

As of December 31, 2022, we had 30,529,249 shares available for future grant under our share option plans, 12,349,990 Warrants to purchase Ordinary Shares and 59,009,188 Ordinary Shares that were subject to share options and restricted share units. Of this amount, 30,796,350 are vested and/or exercisable.

If any of our large shareholders or members of our management were to sell substantial amounts of our Ordinary Shares shares and/or Warrants in the public markets, or the market perceives that such sales may occur, this could have the effect of increasing the volatility in, and put significant downward pressure on, the trading price of our Ordinary Shares shares and/or Warrants. Any such volatility or decrease in the trading price of our Ordinary Shares shares and/or Warrants could also adversely affect our ability to raise capital through an issue of equity securities in the future.

We do not expect to pay any dividends in the foreseeable future.

We have never declared or paid any dividends on our Ordinary Shares shares. We do not anticipate paying any dividends in the foreseeable future. We currently intend to retain future earnings, if any, to finance operations and expand our business.

Our board of directors has sole discretion over whether to pay dividends. If our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our directors may deem relevant. In addition, the Israeli Companies Law, 5759-1999, or Companies Law, imposes restrictions on our ability to declare and pay dividends. Payment of dividends may also be subject to Israeli withholding taxes.

If securities or industry analysts cease to publish research or reports about our business, or if they issue an adverse or misleading opinion regarding our stock, our stock price and trading volume could decline.

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The trading market for our Ordinary Shares shares is influenced by the research and reports that industry or securities analysts publish about us or our business. If any of the analysts who cover us issue an adverse or misleading opinion regarding us, our business model, our intellectual property or our share performance, or if our results of operations fail to meet the expectations of analysts, our share price would likely decline. If one or more of these analysts cease coverage of our Company or fail to publish reports on us regularly, our visibility in the financial markets could decrease, which in turn could cause our Ordinary Share price or trading volume to decline.

We may issue additional Ordinary Shares shares or other equity securities without your approval, which would dilute your ownership interests and may depress the market price of our Ordinary Shares shares.

We may issue additional Ordinary Shares shares or other equity securities in the future in connection with, among other things, future capital raising and transactions and future acquisitions, without your approval in many circumstances. Such issuance of additional Ordinary Shares shares or other equity securities would have the following effects:

- Our existing shareholders' proportionate ownership interest in Taboola may decrease;
- the amount of cash available per share, including for payment of dividends in the future, may decrease;
- the relative voting strength of each previously outstanding ordinary share may be diminished; and
    - the trading price of our Ordinary Shares shares may decline.

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Risks Related to the Warrants

We may redeem your unexpired Warrants prior to their exercise at a time that is disadvantageous to you, thereby making your Warrants worth less.

Under the terms of the public Warrants, we may exercise the redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws. Redemption of the outstanding Warrants could force holders (i) to exercise the Warrants and pay the exercise price therefor at a time when it may be disadvantageous to do so, (ii) to sell the Warrants at the then-current market price when the holder might otherwise wish to hold its Warrants or (iii) to accept the nominal redemption price which, at the time the outstanding Warrants are called for redemption, is likely to be substantially less than the market value of the Warrants. The Warrants exchanged for ION warrants that were issued in a private placement, as part of the Business Combination, are not expected to be redeemable by Taboola so long as they are held by the Sponsors or their permitted transferees.

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There can be no assurance that our ***Warrants received by holders of ION warrants in the Business Combination will be in the money at the time they become exercisable or otherwise, and they may expire worthless.***

The exercise price of our Warrants issued in exchange for the outstanding ION warrants is $11.50 per ordinary share. There can be no assurance that our Warrants will be in the money following the time they become exercisable and prior to their expiration, and as such, the Warrants may expire worthless.

Risks Relating to Our Incorporation and Location in Israel

Conditions in Israel, including the war in Israel, could adversely affect have a material adverse effect on our business. business and operations.

We are incorporated under the laws of the State of Israel, and our principal research and development facilities, including our major data centers, are located in Israel. Accordingly, political, economic and military conditions in Israel directly affect our business. Since the State of Israel was established in 1948, a number of armed conflicts have occurred between Israel and its Arab neighbors.

As has been widely publicly reported, in October 2023 war was declared in Israel. Although we are a company formed under the laws of the State of Israel and have a significant presence there, we are a global company with operations in multiple countries. We maintain a business continuity plan and have taken the steps designed to maintain our operations in light of the war in Israel. As of the date of this Annual Report, our operations have not been materially adversely affected by the war.

We cannot predict the duration or severity of the war in Israel or how it will evolve, including any possible escalation or expansion of the war or other hostilities with other countries or groups, any of which could exacerbate geopolitical tensions and have economic implications. In connection with the event that war in Israel, several hundred thousand Israeli military reservists were called to immediate service. Certain of our employees and consultants in Israel have been called, and additional ones may be called, for service. Although some military reservists have since been released, they may be called up for additional reserve duty, depending on developments in the war and those persons may be absent for an extended period of time. In addition, due to the war or other hostilities our facilities are could be damaged as a result of hostile action or hostilities and our operations could be otherwise disrupt the ongoing operation of its facilities, disrupted, which can impact our ability to deliver products and services in a timely manner to Advertisers meet our contractual obligations towards customers. Any of the foregoing and related risks and uncertainties could be materially have a material adverse effect on our business and operations.

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Further, the State of Israel and Israeli companies have been from time to time subjected to economic boycotts. Several countries, principally in the Middle East, still restrict doing business with Israel and Israeli companies, and additional countries may impose restrictions on doing business with Israel and Israeli companies if hostilities in Israel or political instability in the region continues or increases. Any hostilities involving Israel or the interruption or curtailment of trade between Israel and its present trading partners, or significant downturn in the economic or financial condition of Israel, could adversely affected. affect our operations and product development, and could cause our sales to decrease.

Furthermore, Prior to the outbreak of war in October 2023, the Israeli government has recently been pursuing legislative pursued extensive changes which, if adopted, may alter the current state of separation of powers among the three branches of government and, as a result, have sparked a considerable political debate. to Israel's judicial system. In response to the foregoing developments, many individuals, organizations and institutions, within and outside of Israel, have voiced concerns over the potential negative impacts of such changes and the controversy surrounding them on the business and financial environment in Israel. Such negative impacts may include, among others, a downgrade in Israel's sovereign credit rating, increased interest rates, currency fluctuations, inflation, civil unrest and volatility in securities markets, which could adversely affect the conditions in which we operate in Israel and potentially deter foreign investors and organizations from investing or transacting business in Israel. If any of the foregoing risks were to materialize, it may have an adverse effect on our business, our results of operations and our ability to raise additional funds.

Further, in the past, the State of Israel and Israeli companies have been subjected to economic boycotts. Several countries, principally in the Middle East, still restrict doing business with Israel and Israeli companies, and additional countries may impose restrictions on doing business with Israel and Israeli companies if hostilities in Israel or political instability in the region continues or increases. Any hostilities involving Israel or the interruption or curtailment of trade between Israel and its present trading partners, or significant downturn in the economic or financial condition of Israel, could adversely affect our operations and product development, and could cause our sales to decrease.

In addition, many Israeli citizens are obligated to perform several days, and in some cases more, of annual military reserve duty each year until they reach the age of 40 (or older, for reservists who are military officers or who have certain occupations) and, in the event of a military conflict, may be called to active duty. In response to increases in terrorist activity, there have been periods of significant call-ups of military reservists. It is possible that there will be military reserve duty call-ups in the future. Our operations could be disrupted by such call-ups, particularly if such call-ups include the call-up of members of our management. Such disruption could materially adversely affect our business, financial condition and results of operations.

Competition for highly skilled technical and other personnel in Israel is intense, and as a result we may fail to attract, recruit, retain and develop qualified employees, which could materially and adversely impact our business, financial condition and results of operations.

We compete in a market marked by rapidly changing technologies and an evolving competitive landscape. In order for us to successfully compete and grow, we must attract, recruit, retain and develop personnel with requisite qualifications to provide expertise across the entire spectrum of our intellectual capital and business needs.

Our principal research and development as well as significant elements of our general and administrative activities are conducted in Israel, and we face significant competition for suitably skilled employees in Israel. While there has been intense competition for qualified human resources in the Israeli high-tech industry historically, the industry experienced record growth and activity in 2021, both at the earlier stages of venture capital and growth equity financings, and at the exit stage of initial public offerings and mergers and acquisitions. The flurry of growth and activity in 2021 caused a sharp increase in job openings in both Israeli high-tech companies and Israeli research and development centers of foreign companies, and intensification of competition between these employers to attract qualified employees in Israel. Many of the companies with which we compete for qualified personnel have greater resources than we do, and we may not succeed in recruiting additional experienced or professional personnel, retaining personnel or effectively replacing current personnel who may depart with qualified or effective successors.

In addition, as a result of the intense competition for qualified human resources, the Israeli high-tech market has also experienced and may continue to experience significant wage inflation. Accordingly, our efforts to attract, retain and develop personnel may also result in significant additional expenses, which could adversely affect our profitability. Furthermore, in making employment decisions, particularly in the high-technology industry, job candidates often consider the value of the equity they are to receive in connection with their employment. Employees may be more likely to leave us if the shares they own or the shares underlying their equity incentive awards have significantly appreciated or significantly decreased in value. Many of our employees may receive significant proceeds from sales of our equity in the public markets, which may reduce their motivation to continue to work for us and could heighten the risk of employee attrition.

While we utilize non-competition agreements with our employees as a means of improving our employee retention, those agreements may not be effective towards that goal. These agreements prohibit our employees, if they cease working for us, from competing directly with us or working for our competitors for a limited period. We may be unable to enforce these agreements under Israeli law, and it may be difficult for us to restrict our competitors from benefiting from the expertise our former employees developed while working for us.

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In light of the foregoing, there can be no assurance that qualified employees will remain in our employ or that we will be able to attract and retain qualified personnel in the future. Failure to retain or attract qualified personnel could have a material adverse effect on our business, financial condition and results of operations.

Investors' rights and responsibilities as our shareholders will be governed by Israeli law, which may differ in some respects from the rights and responsibilities of shareholders of non-Israeli companies.

We were incorporated under Israeli law and the rights and responsibilities of our shareholders are governed by our articles of association and Israeli law. These rights and responsibilities differ in some respects from the rights and responsibilities of shareholders of U.S. and other non-Israeli corporations. In particular, a shareholder of an Israeli company has a duty to act in good faith and in a customary manner in exercising its rights and performing its obligations towards the company and other shareholders and to refrain from abusing its power in the company, including, among other things, in voting at the general meeting of shareholders on certain matters, such as an amendment to the company's articles of association, an increase of the company's authorized share capital, a merger of the company and approval of related party transactions that require shareholder approval. A shareholder also has a general duty to refrain from discriminating against other shareholders. In addition, a controlling shareholder or a shareholder who knows that it possesses the power to determine the outcome of a shareholders' vote or to appoint or prevent the appointment of an office holder in the company has a duty to act in fairness towards the company. These provisions may be interpreted to impose additional obligations and liabilities on our shareholders that are not typically imposed on shareholders of U.S. corporations.

Provisions of Israeli law and our amended and restated articles of association may delay, prevent or make undesirable an acquisition of all or a significant portion of our shares or assets.

Provisions of Israeli law and our amended and restated articles of association could have the effect of delaying or preventing a change in control and may make it more difficult for a third-party to acquire us or our shareholders to elect different individuals to our board of directors, even if doing so would be considered to be beneficial by some of our shareholders, and may limit the price that investors may be willing to pay in the future for our Ordinary Shares shares. Among other things:

- Israeli corporate law regulates mergers and requires that a tender offer be effected when more than a specified percentage of shares in a company are purchased;
- Israeli corporate law requires special approvals for certain transactions involving directors, officers or significant shareholders and regulates other matters that may be relevant to these types of transactions;

- Israeli corporate law does not provide for shareholder action by written consent for public companies, thereby requiring all shareholder actions to be taken at a general meeting of shareholders;

- our amended and restated articles of association divide our directors into three classes, each of which is elected once every three years;
- our amended and restated articles of association generally requires that 33⅓% of our outstanding shares entitled to vote to be present in person or by proxy to constitute a quorum;
- our amended and restated articles of association generally require a vote of the holders of a majority of our outstanding Ordinary Shares shares entitled to vote present and voting on the matter at a general meeting of shareholders (referred to as simple majority), and the amendment of a limited number of provisions, such as the provision empowering our board of directors to determine the size of the board, the provision dividing our directors into three classes, the provision that sets forth the procedures and the requirements that must be met in order for a shareholder to require the Company to include a matter on the agenda for a general meeting of the shareholders and the provisions relating to the election and removal of members of our board of directors and empowering our board of directors to fill vacancies on the board, require a vote of the holders of 65% of our outstanding Ordinary Shares shares entitled to vote at a general meeting;
- our amended and restated articles of association do not permit a director to be removed except by a vote of the holders of at least 65% of our outstanding shares entitled to vote at a general meeting of shareholders; and our amended and restated articles of association provide that director vacancies may be filled by our board of directors.

Further, Israeli tax considerations may make potential transactions undesirable to us or some of our shareholders whose country of residence does not have a tax treaty with Israel granting tax relief to such shareholders from Israeli tax. For example, Israeli tax law does not recognize tax-free share exchanges to the same extent as U.S. tax law. With respect to mergers, Israeli tax law allows for tax deferral in certain circumstances but makes the deferral contingent on the fulfillment of numerous conditions, including, a holding period of two years from the date of the transaction during which certain sales and dispositions of shares

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of the participating companies are restricted. Moreover, with respect to certain share swap transactions, the tax deferral is limited in time, and when such time expires, the tax becomes payable even if no disposition of the shares has occurred.

Our amended and restated articles of association provide that unless we consent otherwise, the competent courts of Tel Aviv, Israel shall be the sole and exclusive forum for substantially all disputes between Taboola and its shareholders under the Companies Law and the Israeli Securities Law, which could limit its shareholders ability to brings claims and proceedings against, as well as obtain favorable judicial forum for disputes with Taboola, its directors, officers and other employees.

Unless we agree otherwise, the competent courts of Tel Aviv, Israel shall be the exclusive forum for (i) any derivative action or proceeding brought on behalf of Taboola, (ii) any action asserting a claim of breach of fiduciary duty owed by any our director, officer or other employee to Taboola or our shareholders, or (iii) any action asserting a claim arising pursuant to any provision of the Companies Law or the Israeli Securities Law, 1968, or Israeli Securities Law. Such exclusive forum provision in our amended and restated articles of association will not relieve Taboola of its duties to comply with federal securities laws and the rules and regulations thereunder, and our shareholders will not be deemed to have waived Taboola's compliance with these laws, rules and regulations. This exclusive forum provision may limit a shareholders' ability to bring a claim in a judicial forum of its choosing for disputes with Taboola or its directors or other employees which may discourage lawsuits against Taboola, its directors, officers and employees. The foregoing exclusive forum provision is intended to apply to claims arising under Israeli Law and would not apply to claims for which the federal courts of the United States would have exclusive jurisdiction, whether by law or pursuant to our amended and restated articles of association, including claims under the Securities Act for which there is a separate exclusive forum provision in our amended and restated articles of association.

General Risks

Fluctuations in the exchange rates of foreign currencies could result in currency transaction losses that negatively impact our financial results.

We currently have sales denominated in currencies other than the US dollar. In addition, we incur a portion of our operating expenses in Brazilian Reals, British pounds, Euro, Israeli shekels, Turkish lira, Japanese Yen and Thai baht, among others. Any fluctuation in the exchange rates of these foreign currencies could negatively impact our business, financial condition and results of operations. In 2022, we instituted a foreign currency cash flow hedging program to address possible exposure arising from expected expenses to be paid in NIS. We hedged a portion of our anticipated NIS denominated payroll of Israeli employees for a period of one to twelve months with forward contracts and other derivative instruments. In the future we may pursue additional currency hedging, and may modify or terminate those arrangements from time to time. We intend to enter into these transactions only to hedge underlying risk reasonably related to our business and not for speculative purposes. There can be no assurance that any such activities will be effective or beneficial to us in whole or in part for several reasons including lack of experience, costs or illiquid markets. In addition, it is difficult to predict the effect hedging activities would have on our results of operations, and hedging activities can themselves result in losses.

In periods of economic uncertainty, businesses may delay or reduce their spending on advertising, we are exposed to the credit risk of some of our clients and customers as well as increased cost of operation in Israel, any of which could materially harm our business.

Inflation, which continued to increase significantly during 2022, persisted throughout 2023, has adversely affected us by increasing the costs of equipment and labor needed to operate our business and could continue to adversely affect us in future periods. Unstable inflation conditions make it difficult for us and our clients to accurately forecast and plan future business activities, and could cause our clients to reduce or delay their advertising spending with us. Historically, economic downturns, including conditions such as inflation, recessions, or other changes in economic conditions have resulted in overall reductions in advertising spending, and businesses may curtail spending both on advertising in general and on solutions such as ours. We cannot predict the timing, strength or duration of any economic slowdown or recovery. Any macroeconomic deterioration in the future could impair our revenue and results of operations.

Our exposure to credit risks relating to our financing activities may increase if our customers are adversely affected by periods of economic uncertainty, including inflation, recession, pandemic, or other changes in economic conditions, or a global economic downturn. These may significantly impact our operating results and financial condition

Historically, credit losses with respect to accounts receivable have generally not been significant. However, we do not require collateral from Advertisers and our normal practice is to allow a period of time before an Advertiser is required to pay us for our services. In addition, although we may seek to reduce the credit exposures of our accounts receivable by credit limits and credit insurance for certain customers, there can be no assurance that any of our efforts to mitigate credit risks will be successful.

Economic downturns and political and market conditions beyond our control could adversely affect our business, financial condition and results of operations.

Our business depends on the overall demand for advertising and on the economic health of our current and prospective Advertisers. Economic downturns or instability in political or market conditions may cause current or new Advertisers to reduce their advertising budgets. Adverse economic conditions and general uncertainty about economic recovery are likely to affect our business prospects. This could expose us to increased credit risk on Advertiser insertion orders, which, in turn, could negatively impact our business, financial condition and results of operations.

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In addition, continued geopolitical turmoil in many parts of the world have, and may continue to, put pressure on global economic conditions, which could lead to reduced spending on advertising. The Russian invasion of Ukraine has significantly amplified existing geopolitical tensions among Russia, Ukraine, Europe, the West and China. We cannot predict how the war in Ukraine will evolve, but any escalation or expansion of the conflict into other countries, particularly in Europe, would exacerbate geopolitical tensions and could lead to political and/or economic response from the U.S., the E.U. and other countries, which may adversely impact economic conditions. In particular, Russia's military incursion and the resulting sanctions have and could continue to adversely affect global energy and financial markets and thus could adversely impact our operations and the price of our Ordinary Shares. shares. The extent and duration of the military action, the response thereto, including resulting sanctions, and resulting future market disruptions, are impossible to predict, but could be significant. Additionally, any such disruptions, resulting sanctions or other actions (including cyberattacks) may magnify the impact of other risk factors discussed in this Annual Report.

We may require additional capital to support growth, and such capital might not be available on terms acceptable to us, if at all. This could hamper our growth and adversely affect our business.

We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new features or enhance our platform, improve our operating infrastructure or acquire complementary businesses and technologies. Accordingly, we may need to engage in public or private equity, equity-linked or debt financings to secure additional funds. If we raise additional funds through future issuances of equity or convertible debt securities, our existing shareholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of our existing shareholders. Any debt financing that we secure in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, including the ability to pay dividends. This may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. We may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and respond to business challenges could be significantly impaired, and our business could be adversely affected.

We are exposed to the risk of natural disasters, political events, war, terrorism and the emergence of another pandemic, each of which could disrupt our business and adversely affect our results of operations.

Events beyond our control could have an adverse effect on our business, financial condition, results of operations and cash flows. Disruption to our platform resulting from natural disasters, political events, war, terrorism, pandemics or other reasons could impair our ability to continue to provide uninterrupted platform service to our Advertisers and digital properties. For example, Russia's invasion of Ukraine, and the responses taken and which may be taken by the U.S., NATO, other countries, multinational companies and others have created global security concerns that could have a lasting adverse impact on regional and global economies, and in turn, may lead to reduced spending on advertising and adversely affect our results of operations. Similarly, disruptions in the operations of our key third-parties, such as data centers, servers or other technology providers, could have a material adverse effect on our business.

While we have disaster recovery arrangements in place, they have not been tested under actual disasters or similar events and may not effectively permit us to continue to provide our platform. If any of these events were to occur to our business, our business, results of operations, or financial condition could be adversely affected.

Expansion of current and new partners and clients in our existing international markets is important to our long-term success, and our limited experience in operating our business in certain locations increases the risk that our international operations will not be successful.

As of December 31, 2022 3, we have offices in Israel, the United States, the United Kingdom, Brazil, Turkey, Thailand, India, Japan, China, South Korea, Taiwan, Australia, Mexico, Germany, Spain, France, Italy, and Hungary. Expansion into new international markets requires additional management attention and resources in order to tailor our solutions to the unique aspects of each country. In addition, we face the following additional risks associated with our expansion into international locations:

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- challenges caused by distance, language and cultural differences;
- longer payment cycles in some countries;
- credit risk and higher levels of payment fraud;
- compliance with applicable foreign laws and regulations, including laws and regulations with respect to privacy, data protection, consumer protection, spam and content, and the risk of penalties to our users and individual members of management if our practices are deemed to be out of compliance;

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- unique or different market dynamics or business practices;
- currency exchange rate fluctuations or inflation;
- foreign exchange controls;
- political and economic instability and export restrictions;
- potentially adverse tax consequences; and
- higher costs associated with doing business internationally.

These risks could harm our international expansion efforts, which could have a materially adverse effect on our business, financial condition or results of operations.

ITEM 1B: UNRESOLVED STAFF COMMENTS

None.

ITEM 1C: CYBERSECURITY

Cybersecurity Risk Management

At Taboola, cybersecurity risk management is an integral part of our overall enterprise risk management program. We have developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity, and availability of our critical systems and information.

Our cybersecurity risk management program is based on ISO 27001 standards, which provide a framework and guidelines for implementing and managing an information security system, handling cybersecurity threats and incidents, including threats and incidents relevant to our business, and facilitates coordination across different departments of our Company. Since 2019, Taboola has held an ISO 27001 certification which is audited annually. This framework includes steps for assessing the severity of a cybersecurity threat, identifying the source of a cybersecurity threat including whether the cybersecurity threat is associated with a third-party service provider, implementing cybersecurity countermeasures and mitigation strategies and informing management and our board of directors, as appropriate, of material risks from cybersecurity threats and incidents. As part of this framework, we've incorporated third-party service provider cyber qualification processes and supply chain risk management. Our cybersecurity team regularly engages external cybersecurity consultants for risk assessment, security testing and system enhancements. In addition, we provide employees annual cybersecurity training and also provide cybersecurity training for new hires.

Our board of directors has overall oversight responsibility for our risk management and is charged with oversight of our cybersecurity risk management program. The board of directors is responsible for ensuring that management has processes in place designed to identify and evaluate cybersecurity risks to which the Company is exposed and implement processes and programs to manage cybersecurity risks and mitigate cybersecurity incidents.

Management is responsible for identifying, considering and assessing material cybersecurity risks on an ongoing basis, establishing processes to ensure that such potential cybersecurity risk exposures are monitored, putting in place appropriate mitigation measures and maintaining cybersecurity programs. Our cybersecurity programs are under the direction of our Vice President, Information Technology & Cybersecurity, or VP Cybersecurity, who together with our cybersecurity team, monitors the prevention, detection, mitigation, and remediation of cybersecurity incidents. Our VP Cybersecurity and members of the cyber security team hold multiple industry recognized cyber security certifications and together have decades of experience, including industry, military and government cyber experience. The Company's VP Cybersecurity updates the board of directors on the Company's cybersecurity programs, material cybersecurity risks and mitigation strategies and provides cyber security reports at least annually that cover, among other topics, third-party assessments of the Company's cybersecurity programs, developments in cybersecurity and updates to the Company's cybersecurity programs and mitigation strategies.

In 2023, we did not identify any cybersecurity threats that have materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition. However, despite our efforts, we cannot eliminate all risks from cybersecurity threats, or provide assurances that we have not experienced any undetected cybersecurity incidents. For more information about these risks, refer to Part 1, Item 1A, "*Risk Factors*" in this Annual Report.

ITEM 2: PROPERTIES

Our corporate headquarters is in New York City and our core research and development team is in Tel Aviv. We maintain offices in major cities around the world to serve our geographically diverse client base. Additionally, we operate data centers in the United States, Israel, Germany, Hong Kong, Singapore and Netherlands and have ten twelve data centers which are operated under collocation agreements with seven nine third-party data center providers. Certain of our real property and other leases are further described in Notes 9, 12, 18 and 1920 of Notes to Consolidated Financial Statements elsewhere in this Annual Report.

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We lease all of our facilities. We do not own any real property. We believe our current facilities are adequate to meet our immediate needs.

ITEM 3: LEGAL PROCEEDINGS

From time to time we are a party to various litigation matters incidental to the conduct of our business. We are not presently party to any legal proceedings the resolution of which we believe would have a material adverse effect on our consolidated business prospects, financial condition, liquidity, results of operation, cash flows or capital levels.

ITEM 4: MINE SAFETY DISCLOSURES

Not applicable.

PART II ION Merger Agreement

On January 25, 2021, we and one of our subsidiaries entered into a Merger Agreement with ION Acquisition Corp. 1 Ltd. Under that agreement, our subsidiary merged with and into ION, with ION continuing as the surviving company and becoming our direct, wholly-owned subsidiary. The Merger Agreement and the related transactions were unanimously approved by both the ION board of directors and the Board. The Business Combination and other transactions contemplated by the Merger Agreement, closed on June 29, 2021 after receipt of the required approval by our shareholders and ION's shareholders and the fulfillment of certain other conditions. In connection with the Merger Agreement, we also obtained commitments for the purchase in private transactions that closed concurrently with the Business Combination of approximately $285 million of our Ordinary shares, of which approximately $150 million was purchased directly from certain of our existing shareholders, primarily from early investors.

Industry Trends

Taboola's opportunity is to offer advertisers easy access to a curated supply of Open Web publisher inventory in a way that offers significant scale, reach and frequency with better user experience and monetization performance than what they are seeing today.

Advertising Budgets Shift to Digital Marketing. As we have witnessed over the last decade, advertising budgets continue to shift from traditional media, such as print newspapers, magazines and television, to digital channels. No longer a trend, a change in consumer attention to digital properties has become a lasting movement, giving Advertisers an opportunity to reach increasing numbers of consumers at scale with relevant content and precise targeting, thereby driving a higher return on their investment.

Walled Gardens Dominate Digital Advertising Spend. According to eMarketer, more than half of digital advertising budgets are spent within the closed ecosystems of tech giants like Google, Facebook and Amazon, which we refer to as "walled gardens." With the proliferation of these walled gardens and the time spent by consumers within them, the Open Web is fighting for user attention and as a result for advertising dollars.

Highly Fragmented Open Web. According to our estimates, Advertisers spent approximately $80 billion advertising on the Open Web in 2023. Because the Open Web is, by definition, highly fragmented, it is harder for Advertisers to access than the walled gardens.

The Technology behind Digital Advertising has become Increasingly Complex. Technologies for more automated and efficient buying and selling of digital advertising have been gaining traction for several years with both advertising buyers and digital properties. The ability to collect, collate and analyze intent data points using AI and machine-learning technology is a key differentiator for Advertisers, digital properties and advertising intermediaries. Data insights can now be used to optimize digital advertising campaigns in ways that were not previously possible. This means that advertising intermediaries who do not have access to data or are not using AI to power their platforms may be at a disadvantage.

*Shift from Offline Shopping to Online Shopping and e-Commerce.*Online shopping saw significant acceleration during the Covid-19 pandemic and growth is expected to continue ~8% annually through 2027 doubling the growth of physical retail over that same period.

Native Format Proliferation. According to eMarketer, native ads - ads that match the look, feel and function of the media format in which they appear, such as those used by Taboola - accounted for approximately 66% of total U.S. display ad spending in 2023. Native advertising is a format that has been popularized by social media and is now familiar to consumers.

Increasing Focus on Privacy and the Disappearance of Third Party Cookies. Government regulators, consumers, and technology companies recently turned their attention toward the use of personal data and related privacy practices. This has led to increased regulation, such as the European Union's General Data Protection Regulation, or GDPR, its equivalent in the United Kingdom (commonly referred to as the UK GDPR), and the California Consumer Privacy Act (as modified by the California Privacy Rights Act), or CCPA. In parallel, major Internet browsers, such as Safari and Firefox are already blocking third party cookies

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and Google has announced plans to completely phase out third-party cookies in Google Chrome during the second half of 2024. These changes pose a challenge for the digital marketing landscape, which currently relies extensively on third-party cookie data for personalization and must adapt to comply with increasing regulation of personal data.

Our Market Opportunity

We believe the Open Web needs a technology partner that enables digital properties to compete effectively with the scale and technological advantages of the tech giants. We believe our recommendation technology is applicable to a wide range of digital properties, including websites, apps, devices, and in the future, connected TVs and other mediums.

Unlike walled gardens, we are a B2B company with no competing consumer interests. We do not compete with our digital property partners for users' attention. Our motivations are aligned: when our partners win, we win, and we grow together. This win-win mentality applies to our relationships with digital property partners and our Advertiser clients. Our Advertiser clients typically utilize a performance-based pricing model, which means they only pay us after a desired event, most commonly a click, occurs. In addition, our deep relationships with digital properties offer a compelling value for Advertisers, granting consolidated access to Open Web audiences and, thus, reducing the effects of fragmentation. In the fourth quarter of 2023, we worked with approximately 17,000Advertisers to serve ads to users across the Open Web and reached nearly 600 million daily active users, which, for this figure, we calculated as the average daily number of users that have been exposed to Taboola content recommendations at least twice in the preceding seven days. We and our digital property partners both benefit when users stay engaged with content on the digital property. To that end, we share advertising revenue as well as content-consumption data with digital properties, which they can use to make editorial decisions that best accommodate their audiences' interests and increase user engagement.

What We Do: Our Recommendation Platform

At the core of the Taboola platform is our AI-powered predictive recommendation engine, which predicts what people may find interesting by employing unique Deep Learning technology and utilizing a broad range of inputs.

In Taboola's core business, we serve two types of recommendations: (1) editorial, or "organic," content from the site that the user is currently visiting, in order to engage the user and increase their chances of staying on the site longer; and (2) third-party ads paid for by our Advertiser partners. Our recommendations support text, image and video formats.

We generate revenue by enabling Advertisers to place bids for the right to serve their ads to targeted audiences across the Taboola network of digital properties, including some of the most premium sites in the world. As part of our e-Commerce offerings, we also syndicate our retailer Advertisers' monetized product listings and links (clickable advertisements) into commerce content-oriented consumer experiences on both the Open Web and within the dominant traditional ad platforms.

Representative Product Implementation

graphic

Our Platform for Digital Properties

Through our technology, data and Advertiser relationships, we help digital properties achieve three key goals:

- *Engagement*: We keep users engaged with the digital property they are currently visiting, helping digital properties grow their business and not lose users to walled gardens. Digital properties work extremely hard to create engaging content and rely, in part, on Taboola to surface that content to the right user at the right time. To that end, the more content people read, the more time they spend on that digital property's site, and the greater the opportunity for the digital property to monetize their business by, among other things, serving ads and offering subscriptions. In 2023, people clicked on Taboola recommendations tens of billions of times and approximatelyone-third of those clicks were on editorial content, keeping users on the site that they were on.

- *Audience*: Digital properties using our platform can grow their audience in seven main ways: (1) using our Taboola Newsroom product, they can use the readership data we compile from across the Taboola network to inform editorial decisions and optimize their content strategy, ultimately bringing new users to their property; (2) creating audience exchange programs between their own sites and those of other digital properties on our network, diversifying their audiences and introducing their content to new users; (3) acquiring new quality audiences from across the Taboola network of digital properties; (4) driving subscriptions to newsletters and paid subscriptions which, help bring loyal readers again and again to their site; (5) distributing their editorial content onto devices, OEMs, mobile carriers and more; (6) providing access to structured product content that can be used to create compelling consumer experiences; and (7) delivering insights and real-time analytics that enable the optimization of e-Commerce content strategy to increase engagement and organic traffic generation.

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- *Monetization*: We enable digital properties to monetize their content with seamlessly integrated native ads, typically displayed in a feed format appearing at the end of an article, as well as other prime locations such as homepages, section fronts and middle of the articles. When people click on these ads or make a purchase, and in certain cases when they view the ads, Advertisers pay us and we then share in this revenue with the digital property on which the click or impression occurred. With the addition of Taboola's new offerings through its acquisition of e-Commerce focused Connexity, Inc., we also offer cost-per-click and cost-per-action monetization of both product listings and links to retailers that reside directly within editorial content.

Our Platform for Advertisers

Advertisers utilize Taboola's platform and leverage our AI-powered recommendation engine to reach their audiences throughout the buyer journey, from building brand awareness to increasing customer loyalty. Using Taboola's predictive engine, Advertisers can engage consumers at the right time with the right content, using text, image or video formats. Taboola allows Advertisers to run campaigns either directly through Taboola, using Taboola's campaign management dashboard, or programmatically.

We believe we offer Advertisers a complement to the walled gardens:

- *Massive reach*: With an average of nearly 600 million daily active users in the fourth quarter of 2023, our platform creates opportunities to reach people on the Open Web when they're most receptive to brand messages and new content.
- *Targeting*: Our recommendation platform allows Advertisers to target their campaigns according to multiple parameters, such as context, user location, device and network connection type. Additionally, we use the Advertiser's own data to target demographics, interests, "lookalike audiences" and more. Our predictive engine and large readership dataset enable Advertisers to reach their target audiences with the right message, at the right time and in the right context. In contrast with social networks, where Advertisers reach users based on carefully curated personas as well as other signals, our Advertisers reach users based on signals from what people are reading on the Open Web, which we believe is a more authentic representation of their true interests.
- *Impactful Native Ad Formats*: Our close partnerships with premium digital properties allow us to develop highly impactful ad experiences that support a variety of ad formats and achieve diverse Advertiser goals, from awareness, to consideration, to purchase.

- *Brand Safe*: Ads distributed by Taboola are typically served on pages that display editorial content rather than the ubiquitous user-generated content of platforms such as YouTube or Facebook. In addition, our ad platform allows Advertisers to control the properties and topics on which their content appears, ensuring that their ads are displayed within suitable environments.
- Measurable Performance-Based Advertising: Performance-based Advertisers only pay when a consumer has actually engaged with the ad unit and in some cases only when a transaction is completed which is typically on a cost per click or cost per action basis. This is a particularly strong proposition for the retailer client advertising because it is a tangible return on the retailer client's media investment.

Our Recommendation Technology

Our Research and development team has spent over a decade developing our proprietary AI-based recommendation technology used in our core product, solving an incredibly complex problem — how to construct a personalized recommendation feed from millions of available articles, videos and ads, in real-time, when you have nearly 600 million daily active users and need to optimize for diverse outcomes and support multiple pricing models.

Rather than rely on knowledge of what people are searching for or what they share on social media, our predictive algorithms employ unique Deep Learning technology to develop a powerful model of people's interests across the Open Web. Our technology performs exceptionally well on diverse types of input data, such as text, images and video, and is designed to discover non-trivial relations between content and users in a specific context. We predict which recommendations users are most likely to engage with based on a broad set of 'signals' that fall into the following categories:

- *User Behavior*. We are experts in analyzing pseudonymized user behavior across the Open Web. We gather a massive amount of content consumption data from users who visit our partners' digital properties, which our Deep Learning engines then ingest.
- *Context*. Our algorithms ingest contextual signals, such as geographic location of the user, what device the user is using, time of day, day of week, page layout, page language and more.
- *Analysis of Recommended Items*. We analyze recommended items, including paid advertisements, editorial articles, images and videos, to identify signals such as topic, title, thumbnail image, semantics and sentiment.

Generating a Rich Recommendation Feed

We serve the majority of our recommendations within a feed that was modeled after widely popular social media feeds and adapted for the Open Web. While the feed format provides a good user experience, it requires technological expertise that is an order of magnitude more complex than optimizing a single ad.

This is both a competitive advantage and a technological challenge that requires our algorithms to optimize multiple placements simultaneously across an entire web page, while also supporting the unique objectives of our various partners. Indeed, any recommendation we generate takes into consideration the other advertisements and editorial content recommendations that we display in the same feed. The effect of the sum of these parts allows us to predict the user engagement in different contexts, and make algorithmic decisions concerning the content we serve the user next.

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In order to populate recommendations within a feed, our technology must consider the whole page, and recommend content or ads within the context of that page. This has implications both on the algorithms to predict engagement, as well as on how ad auctions are conducted. We have built an efficient algorithm to estimate the incrementality of new items based on what is already in the feed, and taking into account both how strong the item is standalone, as well as how similar it is to the other items already in the feed.

Additionally, our Deep Learning engine allows us to optimize for multiple objectives simultaneously, which delivers efficacy to Advertisers, increases user engagement and supports the achievement of many other business goals 6in tandem. As opposed to other digital ad intermediaries who optimize the placements of a single ad unit in an environment they do not control, we influence, and more often create, the setting in which ads appear as we control the entire feed of content and ads, and optimize across the entire feed, page or session.

Lastly, we have built a robust ability to conform our recommendation feeds to the design of our digital property partners' pages and layouts. Presenting a variable mix of both editorial and paid content in this native format also mitigates the risk of user fatigue, commonly referred to as "banner blindness," that has been noted in traditional display ads.

How We Recommend Editorial Content

Recommending editorial, or organic, content produced by digital properties enables us to help our publisher partners keep users active on their site for a longer period of time, increasing their exposure to more personalized editorial content — thus increasing overall satisfaction and loyalty.

To successfully recommend editorial content items, we developed algorithms that extract and analyze content consumption patterns from our entire network of digital properties. Our recommendations also rely on our deep understanding of reading habits based on our analysis of redundancy, recency, vertical, longevity, relevance device type and other factors.

In order to refine our ability to recommend editorial content even further, we have built multiple crawlers to ingest editorial content, categorize it, and extract named entities and topics using our Natural Language Understanding platform, which transforms human language into a machine-readable format. We also automated the assimilation, classification and generation of creatives, including images, videos, titles and descriptions.

We also take into consideration the optimization of recommendations to support our publishers' goals, including subscriptions, pages per session, session duration, subscriptions to newsletters and more.

How We Recommend Ads

Recommending ads is particularly complex because the process requires accurately predicting multiple facets of the user's interaction:

- The probability the user will interact (click on an ad, or go to an Advertiser's site/app after seeing an ad), given a specific user and context.
- The probability a user will convert (into a lead, sales or other KPIs the Advertiser wishes to optimize) after she clicked/viewed an ad, given a specific user and context.
- The price of a specific item (we support cost per click (CPC) and cost per thousand impressions (CPM)).

Our ultimate measure of success in recommending ads is achieving the Advertiser's goals. In order to do so, Taboola's algorithms are designed to select the right opportunity to engage the right user with the right ad, while at the same time optimizing pricing and selecting the best creative assets to use. Our technology is designed to predict the value of each item and optimize both the advertising creatives and the format mix in each auction.

As described above, in order to make effective recommendations, our technology must first predict a user's engagement with a given advertisement. When combined with the bid for each item, and the prediction of the conversion, this allows us to calculate the relative value of each item available for recommendation. To create an efficient marketplace, our algorithms support diverse pricing models, including CPC and CPM, and are able to conduct efficient auctions between them in order to maximize available inventory for Advertisers with diverse marketing objectives. We optimize bids for a particular ad, Advertiser, user and context, while factoring in constraints, such as geographic location targeting or audience segment targeting, regardless of pricing model.

In order to assist Advertisers in executing efficient and effective campaigns, we developed a pricing automation tool called Smart Bid. Smart Bid is an automated campaign bidding strategy that utilizes platform data to bid effectively in real-time on impressions that are most likely to lead to conversions.

To maximize the probability of a user engaging with an ad, we support flexible native ad formats that include images, videos, text and interactive elements; we also support specialized elements, such as product price, discount, number of items left in stock, mobile app rating and more. Selecting the optimal ad also involves determining the best version and format of the ad from a very large number of combinations; Taboola does so by running a scalable infrastructure of multi-variant testing, which in turn allows the algorithm to choose the best creative combination efficiently.

How we Enable Digital Properties to make e-Commerce Recommendations

With our acquisition of Connexity, our solutions have expanded to include e-Commerce focused content and monetization solutions for publishers. From a content point of view, we provide publishers with access to over 500 million product listings that are structured into product categories and enriched with product

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attributes. We syndicate those enriched offers to publishers, thereby enabling them to create consumer shopping or editorial experiences by embedding those product listings as native content within their websites, apps or social media feeds.

There are a variety of implementations in terms of how publishers can access and engage with the content. Technology-savvy enterprise publishers will ingest the entire product listings feed and use their own search engine or content management system to choose how, when and which content to display. Less tech-enabled publishers will call Connexity's search engine API to retrieve product listing results based on a search query, and then they will publish those product listings within their consumer experience in real-time. Lastly, professional editors or social influencers can use a browser-based editorial tool to hand-pick a specific product to display within their editorial content experience.

In each of those cases, from a monetization perspective, we enable the publisher to seamlessly earn revenue on either a CPC or cost-per-action (CPA) for clicks and conversions that are generated by consumer engagement with the product listings or other retail-oriented editorial content.

To enable these publishers to maximize the success of the commerce content initiatives, the company provides a suite of analytics dashboards that showcase real-time feedback on the performance of each of their product listing or editorial placements. In addition, the company also provides insights into industry trends including visibility into the type of content and products that are converting well across the entire network. These real-time feedback loops and insights are critical inputs that drive publishers' content strategy and decisions about which products to promote. They accrue significant benefits to both publishers and the company in the form of increased yield and significantly differentiate the solution as the network effect is difficult to replicate.

We are Built for the Open Web as a Complement to the Walled Gardens

In support of our win-win approach to partnerships, our recommendation technology is built to operate differently. Because we power editorial recommendations, digital properties typically embed our code directly on their web page. This means we can serve our own first-party cookie, much like what digital properties do on their own sites and applications.

Our recommendation platform allows both digital properties and Advertisers to control their brand identity within Taboola's network. For example, digital properties can set "acceptance profiles" to determine which types of Advertisers we will recommend, and Advertisers can target or block selected digital properties. To consistently regulate the quality of our network, we also maintain a public content policy and employ a content review team that reviewed over ten million items in the fourth quarter of 2023. This combination of technology and human review is designed to create a consistently high level of brand safety and quality content within our network.

While developing our recommendation technology, privacy is always at the top of our mind. We have long established and adopted privacy-by-design as a central element of our technology, and product design and development cycles, with a strong commitment to ensuring best practices in privacy, security and safety for our partners and users. Since 2017, we have had a designated Data Privacy Officer along with a team of privacy specialists. These specialists are integrated within our Research and development and Product organizations and processes, and consider all facets of user privacy as key elements in the design of any new technology, solution or feature of our recommendation platform. We also perform ongoing privacy impact assessments to monitor potential risks during the product lifecycle and proactively mitigate those risks.

Infrastructure

To successfully deliver optimized recommendations to nearly 600 million daily active users, and 500,000 recommendation related requests every second, we developed powerful software and hardware infrastructures from the ground up.

Our data infrastructure was designed and implemented with several principles to ensure both very high accuracy and high speed to process and ingest every new data input at a very high scale and throughput. This infrastructure continuously "feeds" the predictive Deep Learning models, granting access to rich user history and enabling enrichment of data.

In order to support the massive amount of text analysis, processing, named entities and general semantic understanding, we have built a Natural Language Understanding platform with a large scale knowledge graph. Designed to recognize multiple languages, topics, concepts, named entities and categories for the entire Taboola platform, this platform is built using Deep Learning technologies.

The ability to control the entire feed across multiple canvases is enabled by building state of the art client-side technologies to render and serve a rich feed of content across billions of devices, canvases and user touch points. This process operates within strict SLA and performance constraints, which requires us to develop our technology to work efficiently on low-end and high-end devices and canvases.

As of December 31, 2023, we utilized approximately 12,000 servers; four back-end data centers processing over 100TB of data per day to train our AI engine; and nine front-end global data centers that, together, have served up to one trillion recommendations monthly. We use around 500,000 CPU cores, 2.5PB of memory and around 71,000PB of storage overall.

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Deployment of our code to the production environment is fully automated and includes execution of tens of thousands of automated tests for each code change, using AI to locate anomalies in the code to prevent errors. This allows our Research and development to develop software quickly and enables us to continuously deliver reliable code and AI models to production. To address the extreme complexity of operating at such a massive scale, we use cutting-edge technologies, such as Tensorflow, Spark, Cassandra and Kafka, as well as highly sophisticated code we developed to allow these tools to meet our scale and reliability requirements.

Our Team

We have assembled a world class team of engineers and data scientists with a business-focused, innovative engineering culture. We have access to top talent in Asia, Europe, Israel, and the U.S., including very strong talent in AI, Deep Learning, high-scale infrastructure and browser-based technologies. We believe our engineering culture plays a key role in our success: we assign business KPIs to Research and development teams so technological decisions and priorities are aligned with business needs; we empower engineers to own features end-to-end, from ideation to full adoption; and we put special emphasis on collaboration. Our engineering culture relies strongly on experimentation and multi-variants testing. We continuously deploy and run hundreds of different AI models, UI variations and optimizations, in effect measuring hundreds of KPIs. We build our infrastructure such that it enables this culture of continuous improvement.

Our Competitive Strengths

We believe the following key strengths provide us with competitive advantages:

- *Performance of our AI Technology*. We have spent over 15 years developing our AI-powered recommendation technology to drive high yield for digital properties, high returns on advertising spend for Advertisers, and relevant recommendations to consumers, who spend more time consuming content on digital properties. Similarly Connexity, our e-Commerce solution, uses AI powered technology to drive optimized performance for Advertisers and digital properties.
- *More than Monetization*. The value we provide to digital properties goes beyond monetization. Our technology helps digital properties grow their audience by optimizing audience exchange programs; recommending content created by the digital properties to increase the time consumers spend on these properties; helping editorial teams make data-driven decisions, and more. We work daily with our extensive network of global digital properties to improve our platform and create more value for the entire Taboola network.
- *Exclusive, Multi-Year Partnerships with Premium Digital Properties*. We have established long-standing, and in many cases exclusive relationships with digital properties on the Open Web. They have chosen to work with Taboola across all types of platforms, including desktop, mobile and tablet devices. This provides Taboola and Taboola Advertisers with predictable access to audiences and supply.
- *Direct Relationships with Advertisers*. We work directly with the majority of the Advertisers that use our platform. This allows us to build strong relationships, help Advertisers succeed on our platform, and evolve our technology based on direct feedback.
- *High Reach and Scale*. We have nearly600 million daily active users across the globe, enabling Advertisers to run campaigns at scale.
- *Network Effect*. As more digital properties use our platform, we gather more content consumption data. More data makes our AI-driven algorithms more effective in making predictions, which in turn enables us to deliver better performance for Advertisers, which drives higher yields for digital properties. These higher yields make it easier to retain digital properties and acquire new partners.
- *Founder-led Experienced Management Team*. Our founder, Adam Singolda, has successfully led Taboola as CEO since we began operations in 2007. Most of Taboola's senior management has worked together with our founder for many years: the average tenure of our senior management is over nine years, demonstrating strong execution and achieving rapid growth.

- *Strong Financial Profile*. We designed our business to be highly scalable, with a focus on sustainable long-term development. Since we began operations in 2007, we have demonstrated a track record over time of growth in revenue, gross profit and ex-TAC Gross Profit.
- *Not Dependent on Third Party Cookies*. Our direct integration with many digital properties has helped us navigate changes in the industry. Our engineers continue to work closely with industry stakeholders to ensure we will be prepared in the likely event that third-party cookies are fully blocked and we continue to invest in innovative solutions that deliver relevant and engaging discovery experiences for our users.

Our Growth Opportunities

We drive revenue by growing users and user engagement, and by driving yield, which represents the revenue we can generate per user. We do this by focusing on the following key areas:

- *Continued Investment in AI*. Continuously investing in our AI technology is at the heart of what we do. We believe AI is critical to engaging Open Web users and will ultimately provide better service and greater monetization to Advertisers and digital properties, increasing our yields and accelerating our growth.
- *Grow our Core Digital Property and Advertiser Client Base*. While we already have an extensive network of global digital properties and Advertisers, we believe the efficacy of our recommendation platform gives us the opportunity to expand our partnerships and client base even further, as demonstrated by our 30-year partnership with Yahoo which closed in January 2023. We expect to continue investing in our technology, expanding our global presence, and growing our sales and client service teams to support further growth.

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- *Add User Touchpoints*. At our core, Taboola is a recommendation engine. We believe many types of digital properties need a recommendation engine to engage their consumers, find new audiences and monetize. This includes e-Commerce websites, connected TVs, devices and more. In 2018, we launched Taboola News, an offering which seamlessly integrates premium content from our digital properties into connected devices. We believe our existing partnerships with leading device manufacturers and mobile carriers, as well as potential future partnerships with connected TV vendors and others, presents a substantial growth opportunity for both Taboola and our partners.
- *Add New Types of Recommendations*. From experience, we know recommendation engines become better when they are able to recommend a greater variety of content. For example, in 2016, we predicted that video content presented a huge opportunity for Advertisers to reach their audiences in a highly impactful way, for digital properties to drive better monetization and for users to engage with suggested videos, similar to how they are used on social networks such as Instagram. To that end, we added support for video formats in our recommendation platform and saw significant returns from doing so. Similarly, we believe there is opportunity to further diversify our recommendation offerings and intend to invest in new formats and advertising partnerships to improve both consumer experience and yield. The ability to display a variety of media formats in novel combinations is key to preventing “banner blindness” that plagues traditional display formats and making our recommendation engine even better.

- *E-Commerce*. We have expanded into the e-Commerce market through our acquisition of Connexity, which strengthens our data, pairing our readership data with purchasing data that can make our AI better, grow yield and make our advertising partners more successful. Our expansion into e-Commerce aligns with Taboola’s overall business strategy, which is about working directly with both Advertisers and publishers, serving high quality advertising experiences that do not depend on cookies. E-Commerce is also the way for us to diversify what we recommend - to recommend products - and to grow our yield for publishers, which helps us become even more competitive. These new capabilities will provide merchants, and publishers, large and small, more opportunities to scale outside of the walled gardens, making the open web thrive.
- *PursueValue-Enhancing Acquisition Opportunities*. The Open Web remains highly fragmented, which may present attractive opportunities for us to grow through strategic and value-enhancing acquisitions. We will continue to evaluate potential acquisition opportunities in light of changing industry trends and competitive conditions. However, given the level of effort we anticipate in launching our partnership with Yahoo, we would expect any acquisitions that we consider to either be small and very simple to integrate or dramatically value-enhancing.

Our Business Partners

We primarily have two types of business partners: digital properties that use Taboola to drive new audiences, engagement and monetization; and Advertisers, and their agencies, that use Taboola to achieve a variety of marketing objectives.

Digital Properties

Taboola had approximately 12,000 digital property partners in the fourth quarter of 2023, including many premium properties such as Microsoft, NBCUniversal, CBSi, The Independent and El Mundo. These partners value our ability to drive new audiences to their sites, engage their users, and monetize their digital properties, while our data insights assist them in making informed editorial decisions. Our value is evidenced by our many multi-year, exclusive partnerships. As of December 31, 2023, our average contract term length with our digital properties was over two years as measured by contract duration at inception; some of our largest partners have even longer-term agreements. Microsoft is our largest partner. Other than Microsoft, no other digital property partner accounted for 5% or more of our Revenues generated from Advertisers on digital properties in 2023.

Advertisers

We had approximately 17,000 Advertisers working with us directly, or through advertising agencies, worldwide during the fourth quarter of 2023. The vast majority of our Revenues comes from Advertisers working with us directly, rather than via an agency. We support the leading programmatic channels via integrations with leading demand side platforms, or DSPs. Thanks to the effectiveness of our recommendation engine, many of our Advertiser clients are considered “always on,” which means they continuously invest on our platform, rather than running finite campaigns.

Our Advertiser customer base is highly diverse. Some of the verticals we have seen strong adoption in are health & fitness, finance, hobbies & interests, technology & computing, home & garden, shopping and automotive. Our ten largest Advertisers accounted for less than 13% of total Revenues on our network in 2023, with none larger than 3%.

Sales and Marketing

To support our “win-win” approach to working with both digital properties and Advertisers, we employ a global sales team tasked with signing new partners and growing existing implementations. Our team is deployed around the world with sales hubs in Bangkok, London, Los Angeles, New York, and Sao Paulo, supported by regional satellite offices in order to best serve our geographically diverse client base.

Selling to Digital Properties

Our sales teams are responsible for adding new partnerships with digital properties. Once a digital property joins our network, our account management team works with the digital property’s stakeholders to understand their goals, help them reach those goals, and identify new opportunities for mutual growth on an ongoing basis.

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Selling to Advertisers

We sell to Advertisers through our global sales team and a “self-service” website. Our sales team onboards new customers, mostly large Advertisers, through direct outreach from one of our international sales offices. Our account management teams provide ongoing guidance and data insights that inform campaign strategies and help Advertisers learn how to maximize their return on investment with Taboola. Advertisers can also choose our self-service platform to launch and manage campaigns. Outside of account managers, we support Advertisers through our online Help Center, in-product instructions, and a large number of video tutorials.

Marketing

To support our global sales force, our marketing team presents at industry conferences and hosts webinars and customer events. In addition, our marketing team invests in public relations, advertises online to build brand awareness and acquire new customers, creates case studies, sponsors third-party research, authors data insight reports, creates marketing collateral, publishes blog posts and creates and sponsors events online and in-person.

Competition

We operate in a highly competitive industry. Our main competition for advertising budgets and digital property partnerships are walled gardens and advertising intermediaries:

Walled Gardens. We compete for advertising dollars with the closed ecosystems of technology companies such as Google, Meta/Facebook and Amazon. In many cases we also compete with those companies, in particular Google, for real estate on digital properties. As described above, unlike the walled gardens, our business is based on a “win-win” model of partnership, where we do not compete with our partners and our goals are aligned.

Advertising Intermediaries. A large number of companies provide a solution to one or more of the steps involved in the buying and selling of advertisements online. These include The Trade Desk, Magnite, PubMatic, Xandr, Outbrain, Plista, TripleLift, RevContent, Teads and others. While these companies may be in competition with us, some are also partners of ours.

When competing for Advertiser business, we compete for budgets based on price, reach, speed, brand safety and performance. When competing for digital properties’ business, we are measured on our ability to generate revenue and support other business goals, such as audience development.

Intellectual Property

Our proprietary recommendation engine and associated algorithms and technologies are key to our success, and we rely upon a combination of trade secret, trademark, copyright, and patent laws in the United States and abroad as well as confidentiality agreements and technical measures to establish, maintain and protect our intellectual property and protect our proprietary recommendation engine and associated algorithms and technologies.

Historically, we have not patented our proprietary technology in order to keep our technology architecture, trade secrets, and engineering roadmap private; however, as of December 31, 2023, we own approximately twenty issued patents. We also own registrations for certain domain names, trademarks and service marks in the United States and in certain locations outside the United States. Additionally, we rely upon common law protection for certain trademarks. We generally enter into confidentiality and invention assignment agreements with our employees and contractors, and confidentiality agreements with our partners and clients with whom we conduct business, in order to limit access to, and disclosure and use of, our proprietary information.

Our proprietary, internally developed know-how is also an important element of our intellectual property portfolio. The development and management of our platform requires sophisticated coordination among many specialized employees. To protect our technology, we implement multiple layers of security and our data protection measures are ISO 27001 certified.

Taboola’s General Privacy Practices

Taboola is committed to protecting personal data and providing users transparency and control over the use of their data in online advertising. We seek to strictly enforce our privacy and data protection policies, knowing this is important to our partners, clients, users and vendors.

Historically, we have not collected data that would enable the direct identification of Internet users. As of December 31, 2023, we used only pseudonymous data about Internet users on our platform to manage and execute digital advertising campaigns. We either collect this data directly from users’ devices or it is passed to us by third parties. We provide consumers with notice about our use of cookies and our collection and use of data in connection with the delivery of targeted advertising and allow them to opt-out from the use of data we collect for the delivery of targeted advertising.

We are members of, or participants, in industry self-regulatory organizations, including the Digital Advertising Alliance, the Digital Advertising Alliance Canada, and the European Interactive Digital Advertising Alliance. Taboola also adheres to the Interactive Advertising Bureau’s Self-Regulatory Principles for

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Online Behavioral Advertising, and the IAB Europe OBA Framework. In addition, Taboola is a proud member in good standing of the Network Advertising Initiative, an association dedicated to responsible data collection use in digital advertising, and we adhere to the NAI Code of Conduct for Web and Mobile.

Our privacy team delivers company-wide privacy training, enforces our privacy policies and is integral to ensuring that we consider the privacy implications in all aspects of our proprietary platform. We regularly review and document our internal privacy policies, amend existing policies as necessary, and seek to enforce these policies with our clients, publisher partners and vendors. Our privacy team is also actively involved in negotiations with our customers on data and privacy terms to ensure compliance with relevant laws.

Privacy and data protection laws and regulations play a significant role in our business. Our ability to collect, augment, analyze, use, share and otherwise process data relies upon the ability to uniquely identify devices across websites, and applications, and to collect data about user interactions with those devices for purposes such as serving relevant ads and measuring the effectiveness of ads. Federal, state and international laws and regulations regarding the collection, use and other processing of personal data by advertising networks, Advertisers and digital properties is frequently evolving. This includes those related to the level of consumer notice and consent required before a company can employ cookies or other electronic tools to collect data about interactions with users online. Taboola's operation of its platform and services is subject to numerous U.S. and global privacy regulations, including, without limitation, the following: the European Union's General Data Protection Regulation and ePrivacy Directive, the United Kingdom's General Data Protection Regulation, the California Consumer Privacy Act (as amended by the California Privacy Rights Act), China's Personal Information Protection Law, South Korea's Personal Information Protection Act, Turkey's Law on the Protection of Personal Data, and New Zealand's Privacy Act 2020.

Privacy Regulation in the U.S.

In the United States, at both the federal and state level, there are laws that govern activities such as the collection, use and other processing of personal data by covered companies. At the federal level, online advertising activities and data processing activities are subject to regulation by the Federal Trade Commission, which has regularly relied upon Section 5 of the Federal Trade Commission Act to enforce against unfair and deceptive acts and practices, including alleged violations of consumer privacy interests. The Federal Trade Commission has also started enforcing HIPAA in relation to disclosure of online identifiers by covered entities to adtech companies. In addition, some proposed and recently enacted legislation concerning privacy and data protection has affected and will continue to affect our operations and those of our industry partners. Certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to personal data than federal, international, or other state laws, which may differ from one other, complicating compliance efforts.

For example, the California Consumer Privacy Act (as amended by the California Privacy Rights Act), or CCPA, increases privacy rights for California consumers and imposes obligations on companies that process their personal data (including device identifiers, IP addresses, cookies and geo-location). Among other things, the CCPA requires covered companies to provide disclosures to California consumers and provide such consumers with data protection and privacy rights, including the ability to opt-out of certain sales or sharing of personal data, including for targeted advertising, and the ability to limit the processing of certain sensitive personal data. The CCPA provides for civil penalties for violations, as well as a private right of action for certain data breaches that result in the loss of personal data. Numerous other states have enacted, or are considering enacting, similar legislation. State laws continue to change rapidly, all while discussions continue in Congress about a new comprehensive U.S. federal data privacy law to which Taboola would become subject, if it is enacted. In addition, laws in all 50 U.S. states generally require businesses to provide notice under certain circumstances to consumers whose personal data has been disclosed as a result of a data breach. These laws are not consistent, and compliance in the event of a widespread data breach is difficult and may be costly.

Moreover, there has been a rise in enforcement action and regulation for data privacy in various sectors. For example, Washington state has passed the first comprehensive state health data law, the Washington My Health My Data Act, or MHMD, which, starting in March 2024, will require Taboola to obtain opt-in consent for processing health data in Washington or of Washington consumers. MHMD broadly defines health data to include data that is inferred from nonhealth data when that information is used by a covered entity, or its processor, to associate or identify a consumer with health data. This broad definition means that Taboola will be limited with what advertising services it can provide in Washington to customers in the health and wellness field. MHMD also provides a private right of action for consumers to sue entities that process their data in violation of the MHMD. Further, the FTC has issued substantial fines to HIPAA covered entities for sharing protected health information with third parties like Taboola for advertising purposes and has released guidance around what kind of online tracking activity constitutes sharing protected health information. This new guidance on the scope of HIPAA applicability reduces the data we can collect on users.

Privacy Regulation in Europe

Our business activities are also subject to foreign legislation and regulation. For example, we are required to comply with the General Data Protection Regulation, or GDPR, in the European Economic Area, or EEA, and the GDPR's equivalent in the United Kingdom, or UK GDPR, which impose strict obligations and restrictions on the ability to collect, use, retain, protect, disclose, transfer and otherwise process personal data (including online identifiers and location data). The GDPR and UK GDPR enhance data protection obligations for "controllers" of such data and for service providers, called "processors," processing the data. They also provide certain rights, such as access and deletion, to the individuals about whom the personal data relates and we have adapted our services to accommodate such rights. The digital advertising industry has collaborated to create a user-facing framework, which we use as of December 31, 2023, for establishing and managing legal bases under the GDPR and other EEA privacy laws including the EU Directive 2002/58/EC (as amended by Directive 2009/136/EC).

While the UK GDPR currently imposes substantially the same obligations as the GDPR, the UK GDPR will not automatically incorporate changes to the GDPR going forward (which would need to be specifically incorporated by the United Kingdom, or UK, government). Moreover, the UK government has publicly

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announced plans to reform the UK GDPR in ways that, if formalized, are likely to deviate from the GDPR, all of which creates a risk of divergent parallel regimes and related uncertainty, along with the potential for increased compliance costs and risks for affected businesses. Failure to comply with the GDPR or UK GDPR can result in fines of up to 4% of global annual revenue or €20 million (or £17 million under the UK GDPR), whichever is greater. In addition, some EU countries are considering or have passed legislation implementing data protection requirements or requiring local storage and processing of data or similar requirements that could increase the cost and complexity of delivering our services.

Moreover, legal developments in the EEA have created complexity and uncertainty regarding transfers of personal data from the EEA to the U.S. and other so-called third countries outside the EEA. Similar complexities and uncertainties also apply to transfers from the UK to third countries. For the transfer of personal data from the EEA to the U.S. and from the UK to the U.S., we rely upon the EU's standard contractual clauses, or SCCs, and the UK's international data transfer agreement (or the UK's international data transfer addendum that can be used with the EU's SCCs). However, SCCs have been subjected to regulatory and judicial scrutiny and the legal bases for cross-border data transfers are constantly evolving. On July 10, 2023, the European Commission adopted an adequacy decision concluding that the U.S. ensures an adequate level of protection for personal data transferred from the EU to the U.S. under the EU-U.S. Data Privacy Framework (followed on October 12, 2023 with the adoption of an adequacy decision in the UK for the U.S.-UK Data Bridge). While Taboola is working to participate in the EU-U.S. Data Privacy Framework and the U.S.-UK Data Bridge, such adequacy decision by the European Commission has been challenged in EU courts, and is likely to face additional challenges. Moreover, although the European Commission has issued an adequacy decision in respect of the UK's data protection framework, enabling data transfers from the EEA to the UK to continue without requiring organizations to put in place contractual or other measures in order to lawfully transfer personal data between the territories, this adequacy determination will automatically expire in June 2025 unless extended. Further, the European Commission may unilaterally revoke the adequacy decision at any point.

Further, EU Directive 2009/136/EC, commonly referred to as the "Cookie Directive," directs European Union, or EU, member states to ensure that accessing information on an Internet user's device, such as through a cookie, is allowed only if the Internet user has given his or her consent. As there were different transpositions of the Cookie Directive in domestic laws across the EU Member States, there are currently different interpretations of what constitutes valid consent (e.g., explicit versus implied consent) across the EU, posing a risk of regulatory divergence and creating legal uncertainty for businesses. The EU also has released a proposed replacement to the Cookie Directive, commonly known as the "ePrivacy Regulation," to, among other things, better align EU member states and the rules governing online tracking technologies and electronic communications, such as unsolicited marketing and cookies, with the requirements of the GDPR. While the ePrivacy Regulation was originally intended to be adopted alongside the GDPR, it is currently going through the European legislative process, and commentators now expect it to be adopted in the coming years. Like the GDPR, the proposed ePrivacy Regulation has extra-territorial application as it applies to businesses established outside the EU which provide publicly-available electronic communications services to, or gather data from the devices of, users in the EU. The ePrivacy Regulation may impose burdensome requirements around obtaining consent and impose fines for violations that are materially higher than those imposed under the EU's current ePrivacy Directive and related EU member state legislation.

Privacy Regulation in the Asia-Pacific Region

Our business activities are also subject to legislation and regulation in the Asia-Pacific region. Following the implementation of the GDPR, many jurisdictions have moved to amend, release, review and strengthen their existing data privacy and cybersecurity laws, and there has been a progressive effort in the region to work towards coordination of their otherwise disparate laws. For example, many countries have also sought out adequacy decisions from the EU. New Zealand's updated Privacy Act and South Korea's amendments to its Personal Information Protection Act, which went into effect in 2020, and China's Personal Information Protection Law (PIPL), which went into effect in 2021, largely align with requirements of the GDPR. Thailand and Japan's new similar updates and regulations also became effective in 2021 and 2022, respectively.

While China's PIPL establishes a regime that is largely similar to the GDPR, it also imposes some stricter requirements. For instance, the PIPL has heightened disclosure requirements and specific consents for processing sensitive personal data and transferring personal data outside of China. The PIPL also mandates security impact assessments under a number of processing scenarios and imposes a data localization requirement on both operators of critical information infrastructure and covered companies that process large volumes of personal data. The PIPL also creates penalties for organizations that fail to fulfill their obligations to protect personal data, with potential fines up to 5% of annual revenue.

In August 2023, India passed the Digital Personal Data Protection Act, or DPDP Act, a comprehensive privacy law with extra-territorial effect that mirrors other privacy laws like the GDPR and puts requirements on data fiduciaries for when and how they can process data and gives data subjects rights to their data. Penalties for violating the DPDP Act can be up to INR 250 crores (approximately $30 million). Taboola will be subject to the DPDP Act upon its effective date, which has not yet been set.

Other jurisdictions, such as Singapore, Malaysia and Hong Kong, are reviewing their existing privacy regimes, with an eye toward similar privacy and data protection developments.

To address this range of developments, Taboola's privacy and data protection program is largely rooted in the GDPR and ISO 27001 security standards, and any international data transfers from the Asia-Pacific region are governed by direct contractual agreements between the regional entities and Taboola's Israeli parent corporate entity, Taboola.com Ltd. Otherwise, our privacy team works to oversee compliance with these Asia-Pacific regional requirements and to address compliance with our region-specific clients and business teams.

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Human Capital

We strive to create a diverse, inclusive and ambitious environment where every employee can discover and unleash their potential to achieve individual and collective success. Our employees are our most valuable asset.

Employees

On December 31, 2023, we had approximately 1,900 employees, the majority of which have been employed by Taboola for over two years (including service periods of persons employed by Connexity prior to Taboola's acquisition of Connexity). We have approximately 500 employees working in research and development, with an average tenure of four years.

As of December 31, 2023, our employees are not covered by a collective bargaining agreement, except as required by law under arrangements in France, Spain, and Brazil, covering a total of approximately 80 employees. We have never experienced a general strike or similar work stoppage.

Transparency

The ability to be transparent and share and discuss our business challenges and opportunities openly and broadly with all our employees is important to our success. We promote an open dialogue with our employees through all-hands meetings, usually twice a month, which include Q&A sessions with senior leadership. We conduct annual and topic-specific employee feedback surveys which consistently receive 80% or higher response rate. Survey results are shared publicly with our managers and employees. We continue to adjust our investment in human capital based on the feedback from our employees.

Talent Acquisition and Development

We are focused on recruiting and retaining talented employees across the organization, with a particular focus on unique talent in algorithms, product, customer relationship management and many other areas that are critical to our success. We continue to invest to hire and retain top talent in all of our offices, and provide competitive compensation for our employees and a range of flexible benefits, including an industry-leading parental leave policy. We have been consistently recognized by Dun &Bradstreet as a top high-tech company to work for in Israel in 2023, by UK Campaigns as a 100 Best Places to Work and by Built In as one of the 100 best large companies to work for in all four of our major U.S. officers in 2023: New York, Los Angeles, Chicago and Atlanta. Our strong external reputation led to a quarterly average of over 20,000 candidatesapplying to work at Taboola in 2023. For new hires, we developed an onboarding program tailored towards their roles and responsibilities. On an ongoing basis, we invest in training and development programs that help our employees achieve their career goals, build management skills and lead their organizations. We have two formal career feedback discussions per year where managers and their employees discuss progress and feedback for each other. We believe in developing and promoting top talent from within: in 2023, approximately 15% of our employees were offered an opportunity for career advancement within the company.

Performance and Alignment

We seek to implement a "pay for performance" culture that we believe drives superior results. We invest in our workforce by offering competitive salaries, incentives, and benefits. We align the interests of our employees with those of Taboola through a broad-based equity award program, generally with a four-year vesting schedule. Typically, employee bonus plans are based on both personal and company goals.

Wellness and Diversity

In 2020, we launched a global taskforce that is focused on promoting wellness and diversity within our organization. The task force works with our senior management team to address global wellness and diversity topics and develop relevant initiatives to ensure we continue to build a culture where every employee feels valued, seen, and heard. We continue to have a mechanism for employees to anonymously voice concerns.

Throughout 2023, we continued to see the results of our initiatives. With respect to finding top diverse talent, we began by assessing our current workforce demographics by region and business unit, and established goals and guidelines in efforts of diversifying our recruitment funnel at the first assessment stage. We committed to wellness and diversity in recruiting by starting a Diverse Interview Slate Campaign to promote diversity in the interview process and reduce biases, which led to hiring more women managers in technical roles. We further invested in strategic partnerships with employment platforms that provide us multi-pronged access to highly skilled underrepresented talent, who may not currently be on our platform, such as Built-In, Ivy Research Council, and Jopwell. As a result, in 2023, we saw that 45% of our new hires were women and 16% of those women were hired into technical positions.

Within the organization, in 2023 we increased the number of Employee Resource Groups from seven to nine, and each has an annual budget to sponsor programming and events. We also have a mentorship program connecting Black, Indigenous and People of Color (BIPOC) talent to senior leaders. We continue to have a number of global and region-specific initiatives held to promote a culture of inclusion and belonging - such as, workshops, panels, networking events and communities for various interest groups. We also partner with Gold Enterprises to create robust programming for our multi-year wellness and diversity training plan.

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We are committed to building a long-term plan that will help foster a community that is diverse and inclusive, both internally and externally.

Available Information

The mailing address of Taboola's principal executive office is 16 Madison Square West, 7th fl., New York, NY, 10010 and its telephone number is (212) 206-7663. Our agent for service of process in the United States is Taboola, Inc., 16 Madison Square West, 7th fl., New York, NY, 10010.

We recognize that in today's environment, our current and potential investors, the media and others interested in us look to social media and other online sources for information about us. We believe that these sources represent important communications channels for disseminating information about us, including information that could be deemed to constitute material non-public information. As a result, in addition to our investor relations website (https://investors.taboola.com), filings made with the SEC, press releases we issue from time to time, and public webcasts and conference calls, we have used and intend to continue to use various social media and other online sources to disseminate information about us and, without limitation, our general business developments; financial performance; product and service offerings; research, development and other technical updates; relationships with customers, platform providers and other partners; and market and industry developments. We intend to use the following social media and other websites for the dissemination of information:

Our blog: https://blog.taboola.com/
Our X feed: https://twitter.com/taboola
Our CEO, Adam Singolda's X feed: https://twitter.com/AdamSingolda
Our Facebook page: https://www.facebook.com/Taboola/
Our corporate LinkedIn page: https://www.linkedin.com/company/taboola/

We invite our current and potential investors, the media and others interested in us to visit these sources for information related to us. Please note that this list of social media and other websites may be updated from time to time on our investor relations website and/or filings we make with the SEC.We have included our web address and social media and other web addresses in this Annual Report solely for informational purposes and the information on our website and those social media channels is not incorporated by reference into this Annual Report.

The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers, such as we, that file electronically, with the SEC at www.sec.gov.

Executive Officers

Adam Singolda (42) has been the Chief Executive Officer, as well as a director, of Taboola since it began operations in 2007. He also serves as a member of the board of directors of K Health, the healthcare startup he co-founded in 2016. Prior to that Mr. Singolda studied Computer Science at The Open University of Israel and spent 6½ years serving in an advanced cyber technology unit of the Israel Defense Forces, or IDF, serving as a research and development engineer and manager. He graduated from the IDF officers' academy with honors. Mr. Singolda's experience as the founder and Chief Executive Officer of Taboola makes him exceptionally well qualified to serve on our board of directors.

Eldad Maniv(55) has been the President and Chief Operating Officer of Taboola since 2012. Mr. Maniv leads Taboola's worldwide operations including Taboola's sales, professional services, and human resources organizations. Mr. Maniv has spent approximately two decades building technology companies in the United States and Israel, having previously served in executive positions at BMC Software, Zend Technologies, and Identify Software. Earlier in his career, he founded NextNine which was acquired by Honeywell. Mr. Maniv currently serves as a director on the board of directors of Verbit.ai. Mr. Maniv holds a B.S. degree from the Talpiot program at the Hebrew University in Jerusalem, and served five years as a systems engineering officer in an intelligence unit of the Israel Defense Forces.

Lior Golan (53) has been Chief Technology Officer of Taboola since 2009 and is responsible for Taboola's product and technical strategy worldwide. Prior to joining Taboola, Mr. Golan was co-founder, Chief Technology Officer, and Vice President of Research & Development of Cyota, a leader in consumer Internet security. After Cyota was acquired by RSA Security in 2005, Mr. Golan spent two years as Chief Technology Officer and Vice President of Strategy of the RSA Security Consumer Division and was responsible for leading the product and business direction of its consumer business. Mr. Golan holds a B.S. degree from the Talpiot program at the Hebrew University in Jerusalem and served eight years in an intelligence unit of the Israel Defense Forces.

Stephen Walker(54) has been Chief Financial Officer of Taboola since June 2020. Prior to that, he served as Taboola's Senior Vice President of Worldwide Sales Operations from 2015 to 2020 and as the General Manager of Taboola-X product between 2014 and 2015. From 2007 until 2014, he served as President and Chief Operating Officer of Perfect Market, until it was acquired by Taboola. Earlier, Mr. Walker held positions in Idealab's New Ventures Group and led several of Idealab's portfolio companies. Mr. Walker has a B.S. degree in Computer Science and Finance from Boston College and an M.B.A degree from Harvard Business School.

Kristy Sundjaja(46) has been Chief People Officer since February 2022. Prior to that she served as Senior Vice President of People Operations for Taboola from 2019 to 2022. Prior to joining Taboola in 2019, she co-founded Exceptional Artists Foundation in 2017, a non-profit organization empowering the disabled community, and remains as its President. From 2012 to 2017, Ms. Sundjaja was the Chief of Staff and the Global Head of People at LivePerson. Between 2009 and 2012, Ms. Sundjaja was the Head of Industry TransformationTeams at New York City Economic Development Corporation. Prior to that, Ms. Sundjaja was

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an Associate Partner at Oliver Wyman where she worked between 1999 and 2009. Ms. Sundjaja graduated from the University of Pennsylvania with a B.S. degree in Economics from the Wharton School and a B.S. degree and an M.S. degree in Engineering. She also holds an M.B.A degree from Columbia University.

ITEM 5: MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

ITEM 1A. RISK FACTORS

Risks Related to Our Business and Industry

If we are unable to attract new digital properties and Advertisers, sell additional offerings to our existing digital properties and Advertisers, or maintain enough business with our existing digital properties and Advertisers, our revenue growth prospects will be adversely affected.

We must add new digital properties and Advertisers, and encourage existing digital properties and Advertisers to add additional offerings from us, in order to sustain or increase our revenue. As the digital advertising industry matures and as competitors introduce more competitive pricing or differentiated products or services that compete with or are perceived to compete with ours, our ability to sell our solutions to new and existing digital properties and Advertisers could be impaired. In addition, we may reach a point of saturation at which we cannot continue to grow our revenue from existing digital properties and Advertisers because of internal limits they may place on the allocation of space on their sites, allocation of their advertising budgets to digital media, to particular campaigns, to a particular provider, or other reasons. We may also lose revenues if our existing digital properties and Advertisers reduce the amount of business they do with us for any reason, including nonrenewal of their agreements with us or renewal on less favorable terms. If we are unable to attract new digital properties and Advertisers or obtain new business from existing digital properties and Advertisers or maintain enough business with our existing digital properties and Advertisers, our revenue, our revenue growth prospects and business will be adversely affected.

If our performance under contracts with digital properties, where we are obligated to pay a specified minimum guaranteed amount per thousand impressions, do not meet the minimum guarantee requirements, our gross profit could be negatively impacted and our results of operations and financial condition could be harmed.

A significant amount of our revenue comes from contracts with digital properties where we are obligated to pay a specified minimum guaranteed amount per thousand impressions to the digital property. In each of the years ended December 31, 2022 through 2023, our guarantee costs, which we calculate as total payments due under guarantee arrangements in excess of amounts we otherwise would have been required to pay under revenue sharing arrangements, as a percentage of our total payments to digital properties, or TAC, was approximately 19% or less. Although we focus on achieving sufficient revenue per impression through the improvement of our algorithms and using our scale to exceed the minimum guarantees made to digital properties, we may not succeed in doing so. In addition, due to unfavorable macroeconomic, competitive or other conditions, we may be unable to perform as expected under arrangements that provide for such minimum guarantees, in which case our gross profit could be negatively impacted and our results of operation and financial condition could be adversely affected.

We may not be able to compete successfully against current and future competitors because competition in our industry is intense and many competitors, such as Google and Facebook, have substantially more resources than we do. Our competitors may also offer solutions that are perceived by our digital properties and Advertisers to be more attractive than our platform. These factors could result in declining revenue or inhibit our ability to grow our business.

Competition for our clients' advertising budgets is intense. We compete for a share of total advertising budgets with online search and display advertising, including large "walled garden" advertising platforms such as Google and Facebook, and with traditional advertising media, such as direct mail, television, radio, cable and print. Many current and potential competitors have competitive advantages relative to us, such as longer operating histories, greater name recognition, larger client bases, greater access to advertising inventory on premium websites and significantly greater financial, technical, sales and marketing resources. Thus, increased competition may result in the loss of business or the inability to win new business, which could negatively affect our revenue and future operating results and our ability to grow our business.

We also expect competition on the digital property side to continue increasing as the industry grows. Increased competition may require us to increase the revenue share with our digital properties, charge less for our solutions, or offer other pricing models that are less attractive to us, any of which could decrease our revenues and margins and harm our results of operations.

If the Yahoo partnership and our ability to transition and fully launch the native advertising service with Yahoo is not successful or implemented on the currently projected timeframe the partnership may not be as financially accretive as we are projecting and our business, operating results, financial condition and reputation could be adversely affected.

Our ability to transition and fully launch the native advertising service with Yahoo is dependent on several factors, including the need to achieve key technological milestones and to efficiently manage the integration of our solution with Yahoo. Adapting our technology and successfully integrating our solution with Yahoo is complex, difficult, time-consuming, and costly and may place significant strain on our personnel, systems and resources. If we are unable to integrate our solution with Yahoo in a timely manner, or if Yahoo Advertisers terminate their existing contracts and decline to move to the new Taboola service or if there is otherwise inadequate market acceptance of the new service (or a combination of the foregoing) it could result in the failure to meet our projected financial targets. We may also experience attrition from Yahoo employees resulting in the loss of critical institutional knowledge needed to successfully integrate

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the partnership. The financial accretion we expect to generate from the Yahoo partnership may not be realized until we successfully integrate our platform with Yahoo which may be later than we currently project, or at all, and requires significant upfront expenditures which may exceed our current estimates. These factors, including the size and complexity of the integration, if not implemented and managed successfully, may result in a deterioration of our client relationships, increased costs of integration, harm to our reputation, any of which could materially adversely affect our business, operating results and financial condition.

Our future growth and success depends on our ability to continue to scale our existing offerings and to introduce new solutions that gain acceptance from digital properties and Advertisers and that differentiate us from our competitors.

Our future success depends on our ability to effectively scale our offerings as our business grows to keep pace with demand for our solutions, and achieve long-term profitability. If we fail to implement these changes on a timely basis, or if we are unable to implement them effectively or at all due to factors beyond our control or other reasons, our business may suffer. We may not be successful in addressing these and other challenges we may face in the future. As a growing company in a rapidly evolving industry, our business prospects depend in large part on our ability to:

- develop and offer a competitive technology platform and offerings that meet our digital properties' and Advertisers' needs as they change;
- continuously innovate and improve on the algorithms underlying our technology in order to deliver positive results for our Advertisers and digital properties;
- build a reputation for superior solutions and create trust and long-term relationships with digital properties and Advertisers;

- Market for Registrants Ordinary Shares distinguish ourselves from strong competitors in our industry;
  - maintain and expand our relationships with Advertisers who can provide quality content and advertisements;
  - respond to evolving industry and government oversight, standards and regulations that impact ourbusiness, particularly in the areas of native advertising, data collection, privacy and data protection;
- prevent or otherwise mitigate failures or breaches of security or privacy; and Warrants

- attract, hire, integrate and retain qualified and motivated employees.

If we are unable to meet one or more of these objectives or otherwise adequately address the risks and difficulties that we face, our business may suffer, our revenue may decline and we may not be able to achieve further growth or long-term profitability.

If we do not manage our growth effectively, the quality of our platform or our relationships with our digital properties and Advertisers may suffer, and our operating results may be negatively affected.

Our business has historically grown rapidly. We rely heavily on information technology, or IT, systems to manage critical functions such as content recommendation, campaign management and operations, payment from Advertisers and to digital properties, data storage and retrieval, revenue recognition, budgeting, forecasting, financial reporting and other administrative functions. To manage our growth effectively, we must continue to improve and expand our infrastructure, including our IT, financial and administrative systems and controls. We must also continue to manage our employees, operations, finances, research and development and capital investments efficiently. Our productivity and the quality of our platform may be adversely affected if we do not integrate and train our new employees, particularly our research and development, sales and account management personnel, quickly and effectively and if we fail to appropriately coordinate across our executive, finance, human resources, legal, marketing, sales, operations and Advertiser support teams. If we continue to experience rapid growth, we will incur additional expenses, and our growth may place a strain on our resources, infrastructure and ability to maintain the quality of our platform. If we do not adapt to meet these evolving growth challenges, and if the current and future members of our management team do not effectively scale with our growth, the quality of our platform may suffer and our corporate culture may be harmed. Failure to manage our future growth effectively could cause our business to suffer, which, in turn, could have an adverse impact on our financial condition and results of operations.

If we fail to make the right investment decisions in our offerings and technology platform, or if we are unable to generate or otherwise obtain sufficient funds to invest in them, we may not attract and retain digital properties and Advertisers and our revenue and results of operations may decline.

Our industry is subject to rapid changes in standards, regulations, technologies, products and service offerings, as well as in digital property and Advertiser demands and expectations. We continuously need to make decisions regarding which offerings and technology to invest in to meet such demands and evolving industry standards and regulatory requirements. We may make wrong decisions regarding these investments. If new or existing competitors offer more attractive offerings, we may lose digital property and/or Advertisers, or Advertisers may decrease their spending on our platform. New digital property or Advertiser demands, superior competitive offerings, new industry standards or regulations could render our existing solutions unattractive, unmarketable or obsolete and require us to make substantial unanticipated changes to our technology platform or business model. Our failure to adapt to a rapidly changing market or to anticipate digital property and/or Advertiser demands could harm our business and our financial performance.

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We have had, and may in the future continue to have, significant fluctuations in our operating results, which make our future results difficult to predict and could cause our operating results to fall below investors' expectations.

Our quarterly and annual operating results have fluctuated significantly in the past. Similarly, we expect our future operating results to fluctuate for the foreseeable future due to a variety of factors, many of which are beyond our control. Our fluctuating results could cause our performance to fall below the expectations of investors, and adversely affect the price of our Ordinary Shares shares. Because our business is changing and Warrants began trading evolving rapidly, our historical operating results may not be useful in predicting our future operating results and it is difficult for us to accurately predict future results. In addition, our rapid growth has limited our ability to reliably track key business metrics and so we have limited understanding of certain aspects of our operations. For example, we do not have good visibility into the seasonality of our business due to the fact that our rapid growth may have masked seasonality. Factors that may increase the volatility of our operating results include the following:

- the addition or loss of new digital properties;
- changes in demand and pricing for our platform;

  - the seasonal nature of Advertisers' spending on digital advertising campaigns;
- changes in our pricing policies or the pricing policies of our competitors;
- the introduction of new technologies, product or service offerings by our competitors;
  - changes in Advertisers' budget allocations or marketing strategies;
  - changes and uncertainty in the regulatory environment for us or Advertisers;
  - changes in the economic prospects of our digital properties and Advertisers or the economy generally, which could alter current or prospective Advertisers' spending priorities, or could increase the time or costs required to complete sales with digital properties or Advertisers;
- changes in the availability of advertising inventory or in the cost to reach end consumers through digital advertising;
  - changes in our capital expenditures as we acquire the hardware, equipment and other assets required to support our business and potential supply issues in acquiring that hardware and assets;
- costs related to acquisitions of people, businesses or technologies; and traffic patterns.

Based upon all of the factors described above and others that we may not anticipate, including those beyond our control, we have a limited ability to forecast our future revenue, costs and expenses. As a result, our operating results may from time to time fall below our estimates or the expectations of investors.

If the use of cookies is rejected by Internet users, subject to unfavorable legislation or regulation, restricted, blocked or limited by technical changes on end users' devices or Internet browsers, or our ability to use cookie data is otherwise restricted and we are unable to track users in some other way, our performance could decline and we could lose digital properties and Advertisers and, as a result, revenue.

We use "cookies" (small text files) to gather important data to help deliver our solutions. These cookies are placed through an Internet browser on an Internet user's device and correspond to a data set that we keep on our servers. Some of our cookies are "third party" cookies where we do not have a direct relationship with the Internet user. Our cookies collect information, such as when an Internet user views an Internet site, clicks on an ad, or visits one of our digital properties. We use these cookies to help us achieve our digital property or Advertisers' campaign goals, to help us ensure that the same Internet user does not unintentionally see the same recommendations too frequently, to report aggregate information to our Advertisers regarding the performance of their campaigns, and to detect and prevent fraudulent activity. We also use data from cookies to help us decide on an opportunity to place a recommendation in a certain location, at a given time, in front of a particular Internet user. A lack of data associated with cookies may detract from our ability to make decisions about an Advertiser's campaign and undermine the effectiveness of our solutions.

Recently, there has been a general trend among Internet users to refuse to accept cookies on their Internet browsers. All of the most commonly used Internet browsers (including Chrome, Firefox, Internet Explorer, Edge and Safari) allow Internet users to prevent cookies from being accepted by their browsers. Internet users can also delete cookies from their devices at any time. Some Internet users also download "ad blocking" software that prevents cookies from being stored on a user's device. If more Internet users block or delete cookies more frequently than they currently do, our business could be harmed.

Moreover, technology companies in the Internet browser and operating system spaces, including Google, have announced intentions to discontinue the use of cookies, and to develop alternative methods and mechanisms for tracking users. These web browser and operating system developers have significant resources at their disposal and command substantial market share, and any restrictions they impose could foreclose our ability to understand the preferences of a substantial number of consumers. The Safari, Firefox, and Edge browsers currently block cookies by default, and other browsers may do so in the future. On January 4, 2024, Google started restricting third-party cookies by default for 1% of global Google Chrome users. Unless such default settings in browsers are adjusted by Internet users, our ability to set our cookies in browsers will be more limited, which could adversely affect our business. Google also has announced plans to completely phase out third-party cookies in Google Chrome during the second half of 2024. Moreover, mobile devices using Android and iOS operating systems limit the ability of cookies to track users while they are using applications other than their web browser on the Nasdaq Global Market under device. As a consequence, fewer of our cookies or media partners' cookies may be set in browsers or be accessible in mobile devices, which can adversely affect our ability to target and measure ads effectively.

Additionally, the symbols "TBLA" use of cookies, as well as the use of the data collected using cookies, is subject to legislation and "TBLAW," respectively, regulation, and may be subject to further legislation or regulation in the future. The EU, the UK, the U.S. and other governments have enacted or are considering legislation that regulate the level of consumer notice and consent required before a company can employ cookies or other electronic tracking tools.

Although we believe we are well positioned to adapt and continue to provide key data insights to our media partners without cookies, this transition could be more disruptive, slower, or more expensive than we currently anticipate, and could materially affect the accuracy of our recommendations and ads and thus our

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ability to serve our Advertisers, including through our data marketplace product, adversely affecting our business, results of operations, and financial condition. Limitations on June 30, 2021. Prior the use or effectiveness of cookies, or other limitations on our ability to this, no public market existed collect and use data for advertising, may impact the performance of our platform. We may be required to, or otherwise may determine that it is advisable to, make significant changes in our business operations and product and services to obtain user opt-in for cookies and use of cookie data, or develop or obtain additional tools and technologies to compensate for a lack of cookie data. We may not be able to make the necessary changes in our business operations and products and services to obtain user opt-in for cookies and use of cookie data, or develop, implement or acquire additional tools that compensate for the lack of data associated with cookies. Moreover, even if we are able to do so, such additional products and tools may be subject to further legislation or regulation, time consuming to develop or costly to obtain, or less effective than our current use of cookies.

For information on the regulation of cookies in the EU, see the section titled “Part I, Item 1—Business—“Privacy Regulation in Europe.”

If Taboola’s ability to personalize its advertisements and content to users is restricted or prohibited due to various privacy laws or regulations or industry changes, we could lose digital properties and Advertisers, which could cause our financial condition, results of operations, and revenues to decline.

The efficacy of our platform for both Advertisers and digital properties relies, in part, on our ability to personalize the recommendations that we serve to Internet users. If we are unable to personalize due to changes in various privacy laws or regulations, the preferences of our publisher clients, or for some other reason beyond our control, the efficacy of our platform may be negatively affected causing our business to suffer, which, in turn, could have an adverse impact on our financial condition, results of operations and revenues.

Our use of AI, and the integration of AI with our products and services, may not be successful, including for predicting what ads and content would be of most interest to our users and for improving on our ability to further predict or optimize user engagement or conversion rates for our Ordinary Shares. Advertiser, and may present business, compliance and reputational challenges, which could lead to a decline in our performance, a loss of digital properties and Advertisers, operational or reputational damage, legal and regulatory risk, and additional costs, any of which could cause our results of operations and revenues to decline.

We utilize AI in connection with our business, including in our platform. The effective delivery of our solution depends on the ability of Taboola’s AI powered platform to predict what ads and content would be of most interest to users so that our Advertisers can achieve desirable returns on their advertising spend. We need to continuously deliver satisfactory results for our Advertisers and digital properties in terms of predicting user engagement and conversion rates in order to maintain and increase revenue, which in turn depends in part on the optimal functioning of Taboola’s AI powered platform. In addition, as we have increased the number of Advertisers and digital properties that use our offerings on a global basis, we have experienced significant growth in the amount and complexity of data processed by Taboola’s AI and the number of ad and content impressions we deliver. Beyond the use of AI in our recommendation engine, in 2023, we launched a new tool for Advertisers to create personalized ads using generative AI. We also may incorporate AI in our business and operations in new and more significant ways over time.

There are significant risks involved in utilizing AI and no assurance can be provided that our use of AI will produce the intended results. For example, AI algorithms may be flawed, insufficient, of poor quality, reflect unwanted forms of bias, or contain other errors or inadequacies, any of which may not be easily detectable; AI has been known to produce false or “hallucinatory” inferences or outputs; AI can present ethical issues and may subject us to new or heightened legal, regulatory, ethical or other challenges; and inappropriate or controversial data practices by developers and end-users, or other factors adversely affecting public opinion of AI, could impair the acceptance of AI solutions, including those incorporated in our products and services.

Based In particular, errors and defects in Taboola’s AI powered platform may have a significant adverse impact on our business. As the amount of data and number of variables processed by Taboola’s AI powered platform increase, the risk of errors in the type of data collected, stored, generated or accessed also increases. In addition, the calculations that the algorithms must compute become increasingly complex and the likelihood of any defects or errors increases. If we were to experience significant errors or defects in Taboola’s AI powered platform, our solution could be impaired or stop working altogether, which could prevent us from generating any revenue until the errors or defects were detected and corrected. Other negative consequences from significant errors or defects in Taboola’s AI powered platform could include:

- a loss of Advertisers and digital properties;
- fewer user visits to our digital properties;
- lower click-through rates;
- lower conversion rates;
- lower profitability per impression, up to and including negative margins;
- lower return on advertising spend for Advertisers;
- lower price for the advertising inventory we are able to offer to digital properties;
- delivery of advertisements that are less relevant or irrelevant to users;

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- liability for damages or regulatory inquiries or lawsuits; and

- harm to our reputation.

Furthermore, the ability of Taboola's AI powered platform to accurately predict engagement by a user depends in part on our ability to continuously innovate and improve the algorithms underlying Taboola's AI powered platform in order to deliver positive results for our Advertisers and digital properties that can be clearly attributed to the services we provide. The failure to do so could result in delivering poor performance for our Advertisers and a reduced ability to secure advertising inventory. If failures in Taboola's AI powered platform or our inability to innovate and improve the algorithms underlying Taboola's AI powered platform result in Advertisers and digital properties ceasing to partner with us, we cannot guarantee that we will be able to replace, in a timely or effective manner, departing Advertisers with new Advertisers that generate comparable revenue or departing digital properties with new digital properties. As a result, the failure by Taboola's AI powered platform to accurately predict user engagement or conversion rates and to continue to do so over time could result in significant costs to us and our results of operation and financial condition could be adversely affected.

In addition, the use of generative AI, a relatively new and emerging technology in the early stages of commercial use, exposes us to additional risks. For example, our generative AI-based tool for ad creation, while made available through the Taboola platform, uses software tools provided by third parties and, while we are not aware of any infringement, we do not independently verify whether the content generated using such tools infringes third-party intellectual property or other rights. Further, any content created using generative AI tools may not be subject to copyright protection, which may adversely affect Advertisers' intellectual property rights in, or ability to commercialize or use, any such content. If we or our Advertisers do not have sufficient rights to use the data or other material or content on which the AI tools we use or offer rely, or the output of such AI tools, we or our Advertisers also may incur liability through the violation of applicable laws and regulations, third-party intellectual property, privacy or other rights, or contracts to which we are party. Any such liability incurred by Advertisers in connection with the use of our generative AI-based tools may also lead to harm to our reputation and a decrease in the use of such tools or our platform by Advertisers.

Regulation of AI is rapidly evolving as legislators and regulators are increasingly focused on these powerful technologies. The technologies underlying AI and its uses are subject to a variety of laws and regulations, including intellectual property, data privacy and cybersecurity, consumer protection, competition, and equal opportunity laws, and are expected to be subject to increased regulation and new laws or new applications of existing laws and regulations. AI is also the subject of ongoing review by various U.S. and foreign governmental and regulatory agencies, and certain jurisdictions are applying, or are considering applying, their platform moderation, data privacy and cybersecurity laws and regulations to AI or are considering general legal frameworks for AI. We may not be able to anticipate how to respond to these rapidly evolving frameworks, and we may need to expend resources to adjust our operations or offerings in certain jurisdictions if the legal frameworks are inconsistent across jurisdictions. Further, because AI itself is highly complex and rapidly developing, it is not possible to predict all of the legal, operational or technological risks that may arise relating to the use of AI.

Our business depends on continued engagement by users who interact with our platform on various digital properties. If users begin to ignore our platform or direct their attention to other elements on the digital property, our performance could decline and we could lose digital properties and Advertisers, which could cause our results of operations and revenues to decline.

Our ability to sustain continued engagement by users who interact with our platform on various digital properties depends on our ability to continue to provide attractive content to users. If users begin to ignore our platform or direct their attention to other elements on the digital property, our performance could decline and digital property and Advertiser satisfaction with our platform may decrease. Technological and other developments may also cause changes in consumer behavior that could affect the attractiveness of our content and ads to users.

While we have adopted a number of strategies and initiatives to address these challenges, there can be no guarantee that our efforts will be successful. If we are unable to demonstrate the continuing value of our platform to Advertisers and digital properties, our results may suffer. A decrease in advertising expenditures by our Advertisers could lead to a reduction in our ability to obtain high-quality content from digital properties, which in turn could have an adverse effect on our results of operations and revenues.

We have historically relied, and expect to continue to rely, on a review small number of partners and their respective affiliates for a significant percentage of our revenue. The loss of all or a significant part of their business or an adverse change in the terms of our agreements could significantly harm our reputation, business, financial condition and results of operations.

In 2023, our largest digital property, Microsoft and affiliates, accounted for approximately 10% of our gross revenues generated from Advertisers on digital properties, and our top five digital properties accounted for approximately 23% of our gross revenues. We have long-term contracts with our large digital properties, which, in general, contain minimum guarantee requirements. The typical contract length with our large digital properties is over two years (without any right by these properties to terminate earlier than that absent cause).

The loss of all or a significant part of our business with our largest partners or unfavorable changes in the terms of our agreements with these partners could significantly harm our reputation, business, financial condition and results of operations.

We do not have long-term commitments from our Advertisers, and we may not be able to retain Advertisers or attract new Advertisers that provide us with revenue that is comparable to the revenue generated by any Advertisers we may lose.

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Most of our Advertisers do business with us by placing insertion orders for particular advertising campaigns. If we perform well on a particular campaign, then the Advertiser may place new insertion orders with us for additional advertising campaigns. We do not always get written commitment from an Advertiser beyond the campaign-specific insertion order and, even then, each particular insertion order may not be completed since Advertisers can typically terminate a campaign at any time on twenty-four hours' notice. As a result, our success is dependent upon our ability to outperform our competitors and win repeat business from existing Advertisers, while continually expanding the number of Advertisers for whom we provide services. In addition, it is relatively easy for Advertisers to seek an alternative provider for their campaigns because there are no significant switching costs. In addition, advertising agencies, with whom we do business, often have relationships with many different providers, each of whom may be running portions of the information same campaign. Because we generally do not have long-term contracts, it may be difficult for us to accurately predict future revenue streams. We cannot provide assurance that our current Advertisers will continue to use our solutions, or that we will be able to replace departing Advertisers with new Advertisers that provide us with comparable revenue.

We may not be able to retain digital properties or attract new digital properties that provide us with digital space that is sufficient for our volume of sponsored content or comparable to the digital space provided by any digital properties we may lose.

We do business with our partners by allowing them to share in the revenues we receive from Advertisers from campaigns that are placed on their digital properties. If the content we place on the digital property is successful, and the partner is satisfied with our performance and ability to generate revenue, the digital property partner may continue to want us to place content on their website. Alternatively, if we cannot maintain the quality of the content, digital property satisfaction with our platform may decrease. As our Advertiser content may appear on multiple digital properties, any decrease in quality may rapidly affect many digital properties in a short period of time. Our commitments from digital properties are for various periods of time, but our success is dependent upon our ability to successfully execute campaigns using available digital space and maintaining partner satisfaction, while continually expanding the number of digital properties from whom we purchase digital space as needed to meet content volume. In addition, leading up to the expiration of our agreements, it is easy for digital properties to seek an alternative supplier of content for their digital space because there are no fees tied to switching providers. We also face a risk that digital property contract renewals decrease our margins as digital properties may seek to negotiate a higher revenue share. Thus, we cannot provide assurance that our current partners will continue to want us to place content on their digital properties, or that we will be able to replace departing digital properties with new digital properties that provide us with sufficient or comparable digital space. In addition, certain trends in the industry designed to achieve a different user experience may significantly impact our business. For example, a partner may redesign its digital property causing us to have less real estate for our content or placing us in less profitable locations of the website.

If our access to quality digital properties or content from Advertisers is diminished or if we fail to acquire new content, our revenue could decline and our growth prospects could be impeded.

We must maintain a consistent supply of attractive content and quality digital properties on which we place content. If our access to attractive content diminishes, our ability to pay digital properties will diminish, and if access to quality digital properties diminishes then Advertisers may not want to work with us. Thus, our success depends both on our ability to secure quality content and digital real estate.

The amount, quality and cost of supply available to us can change over time. Our digital properties' contracts are for various periods. As a result, we cannot provide any assurance that we will have ongoing access to a consistent supply of quality digital real estate. Moreover, the number of competitors in our industry is substantial and continues to increase, which could negatively affect the terms of doing business with our digital property partners and ultimately our gross margin. If we are unable to compete favorably for digital properties, we may not be able to place content at competitive rates or find alternative sources of supply with comparable traffic patterns and consumer demographics in a timely manner. Similarly, if we are unable to maintain a consistent supply of quality content from Advertisers for any reason, our business, digital property partners retention and loyalty, financial condition and results of operations would be harmed.

If we are successful in attracting more advertising inventory from digital properties than we can satisfy with demand from Advertisers, our relationship with certain digital properties, our revenues and our business could be adversely impacted.

Our business model depends on our ability to coordinate the supply of advertising inventory from our digital property partners with demand for that inventory from Advertisers. Any material failure to effectively maintain a sufficient number of Advertisers relative to the inventory we have available could cause digital properties not to utilize our platform or impair Taboola's AI's ability to accurately predict user engagement. As a result, our relationships with certain digital properties, our revenues and our business could be adversely impacted.

If Taboola fails to maintain the quality of content or to prevent low quality, offensive or other non-compliant content from appearing on the digital properties, we could lose digital properties and Advertisers, which could cause our results of operations and revenues to decline.

Advertiser and digital property satisfaction with our solution depends on our ability to place high quality Advertiser content with content from digital properties that is well-suited to the Advertiser's product or service. If we are unable to keep our Advertisers' content from being placed with low quality, offensive or other non-compliant editorial content, or if we are unable to keep low quality, offensive or other non-compliant ads from appearing in our network of digital properties, our reputation and business may suffer. As we grow our business to serve a larger number of Advertisers and digital properties, it could become more challenging to prevent low quality, offensive or other non-compliant content from being shown. In addition, the categories of content that our digital properties accept may change over time and as these categories are removed from our inventory, we could suffer a decrease in cost-per-click and overall revenue. If we

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are unable to maintain the quality of our Advertiser and digital properties, our reputation and business may suffer and we may not be able to retain or secure additional Advertiser or digital property relationships.

Historically, the majority of our agreements with digital properties have typically required them to provide us with exclusivity for the term of the agreement. To the extent that such exclusivity is reduced or eliminated for any reason, including due to changes in market practice or changes in or in response to laws, rules or regulations, digital properties could elect to implement competitive platforms or services that could be detrimental to our performance, thereby reducing our revenues and harming our business.

Although the majority of our agreements with digital properties have historically required digital properties to provide us with exclusivity for the term of the agreement, there is no guarantee that we will be able to continue to obtain such exclusive arrangements or to renew existing arrangements on similar terms in the future. To the extent that such exclusivity is reduced or eliminated for any reason, including due to changes in market practice or changes in or in response to laws, rules or regulations, our partners could elect to implement other platforms or services on their digital properties, develop their own, or to seek out other third parties with which to do business, which could be detrimental to our performance, thereby reducing our revenues and having an adverse effect on our business.

If we fail to detect fraudulent clicks, including non-human traffic, serve advertisements on undesirable websites, or serve content that is inappropriate to certain of our digital properties, our reputation will suffer, which would harm our brand and reputation and negatively impact our business, financial condition and results of operations.

Our business depends in part on providing our Advertisers and digital properties with a service that they trust, and we have contractual commitments to take reasonable measures to prevent click fraud or distributing content on undesirable digital properties. We use proprietary technology to detect click fraud and block inventory that we know or suspect to be fraudulent. Preventing and combating fraud requires constant vigilance, and we may not always be successful in our efforts to do so. In addition, as we continue to improve our click fraud detection mechanisms, we may find that a portion of our traffic is the result of click fraud, and eliminating this fraudulent traffic would reduce our revenues. We also use proprietary technology to prevent our Advertisers' content from appearing on undesirable digital properties, but we may not be successful in doing so, which would harm our relationship with Advertisers. Any of these things would harm our brand and reputation and negatively impact our business, financial condition and results of operations.

Our platform and business are subject to a wide variety of risks from individuals from inside and outside our company. Our policies and procedures may be inadequate to protect us from material losses or other harm caused by these bad actors, which could negatively impact our business, results of operations and reputation.

Our platform and business are subject to a wide variety of risks from individuals both inside and outside our company. We have established policies and procedures to manage our exposure to risk, including risks arising from the actions of our employees. These policies may not be adequate or effective in managing our future risk exposure or protecting us against unidentified or unanticipated risks. Although we regularly update our policies and procedures, including with respect to sanctions, bribery, money laundering and insider trading, we may fail to predict future risks due to rapid changes in the market and regulatory conditions and in new markets we enter. Although we have established internal controls to ensure our risk management policies and procedures are adhered to by our transfer agent, employees as of February 28, 2023, there were 40 registered holders we conduct our business, our internal controls may not effectively prevent or detect any non-compliance of our Ordinary Shares. The policies and procedures. In particular, these measures may not adequately address or prevent all illegal, improper, or otherwise inappropriate activity from occurring and such conduct could expose us to liability, including through litigation, or adversely affect our brand or reputation. Further, any negative publicity related to the foregoing, could adversely affect public perception of our industry as a whole, which could negatively affect demand for platforms like ours, and potentially lead to increased regulatory or other legal exposure. Any of the foregoing risks could negatively impact our business, results of operations and reputation.

Our business depends on strong brands and well-known digital properties, and failing to maintain and enhance our brands and well-known digital properties would hurt our ability to expand our number of registered holders does not represent the actualAdvertisers and digital properties.

Building and maintaining market awareness, brand recognition and goodwill in a cost-effective manner is important to our overall success in achieving widespread acceptance of our existing and future solutions. In particular, our business depends on access to strong brands and well-known digital properties, such as prominent media outlets, and failing to maintain and enhance our relationships with such brands and digital properties would hurt our ability to strengthen our own brand and to expand our current number of beneficialAdvertisers and digital properties. Our efforts in developing our brand may be hindered by the marketing efforts of our competitors, to the degree our competitors are able to decrease the number of high-profile digital properties we are able to work with. Alternatively, if a significant number of well-known digital properties ceased to do business with us due to changing market conditions or for other reasons, our own brand image and reputation could suffer and our business and results of operations could be adversely affected.

The widespread use of technologies that can block or limit the display of our ads could adversely affect our financial results and business.

Technologies have been developed, and will likely continue to be developed, that can block the display of our ads or content or block our ad measurement tools, particularly for advertising displayed on personal computers. We generate substantially all of our revenue from advertising, including revenue resulting from the display of ads via our platform on personal computers. Revenue generated from the display of ads on personal computers has been impacted by these

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technologies from time to time. As a result, these technologies may have an adverse effect on our financial results and, if such technologies continue to proliferate, in particular with respect to mobile platforms, our future financial results may be harmed.

Our business depends on continued and unimpeded access to the Internet and digital properties by us and our users. Internet access providers, device manufacturers, browser developers or owners of digital properties may be able to restrict, block, degrade, or charge for access to certain of our Ordinary Shares because products and services, which could lead to significant degradation of our service or additional expenses and the shares loss of Ordinary Shares users and Advertisers.

Our products and services depend on the ability of consumers to access the Internet. Currently, this access is provided by companies that have significant market power in the broadband and internet access marketplace, including incumbent telephone companies, cable companies, mobile communications companies, and government-owned service providers. Some of these providers may take measures that could degrade, disrupt, or increase the cost of user access by restricting or prohibiting the use of their infrastructure to support our platform, by charging increased fees to us or our users, or by providing our competitors preferential access. Some jurisdictions have adopted regulations prohibiting certain forms of discrimination by internet access providers; however, substantial uncertainty exists in the United States and elsewhere regarding such protections. For example, in 2018 the United States Federal Communications Commission repealed net neutrality rules, which could permit internet access providers to restrict, block, degrade, or charge for access. In addition, our platform may be subject to government-initiated restrictions or blockages. These could result in a decrease of users interacting with our platform, and could impair our ability to attract new Advertisers and digital properties.

In addition, we rely on data signals from user activity on websites that we do not control in order to deliver relevant and effective ads on behalf of our Advertisers. Our advertising revenue is dependent on targeting and measurement tools that incorporate these signals, and any changes in our ability to use such signals will adversely affect our business. For example, legislative and regulatory changes, such as the GDPR and CCPA, may impact our ability to use such signals in our ad products. In addition, mobile operating system and browser providers, such as Apple and Google, have announced product changes as well as future plans to limit the ability of application developers to use these signals to target and measure advertising on their platforms. These developments may limit our ability to target and measure the effectiveness of ads on our platform, and any additional loss of such signals in the future will adversely affect our targeting and measurement capabilities and negatively impact our advertising revenue.

Large and established internet and technology companies may be able to independently transform the marketplace for data and native advertising and significantly impair our ability to operate.

Large and established internet and technology companies such as Amazon, Apple, Facebook and Google may have the power to significantly change the very nature of the internet display advertising marketplace, and these changes could materially disadvantage us. For example, Amazon, Apple, Facebook and Google have substantial resources and have a significant share of widely adopted industry platforms such as web browsers, mobile operating systems and advertising exchanges and networks. In addition, these or other companies may bundle other services alongside the services that compete with our solutions, thus potentially creating a more competitive platform than ours. Therefore, these companies could leverage their position to make changes to their web browsers, mobile operating systems, platforms, exchanges, networks or other products or services that could be significantly harmful to our business and results of operations.

From time to time certain of our digital properties, typically small and medium digital properties, have, and in the future may continue to, violate the terms of their agreements with us by depriving us of their contractually required advertising inventory.

If a significant number of these digital properties violate their agreements, it could be impractical for us to pursue remedies against all of them and as a result we may lack sufficient or timely advertising inventory for our Advertiser clients. As a result, Advertisers may be less likely to contract with us in the future. The combined effect of this disruption to our anticipated advertising inventory, and related supply and demand dynamics, could have an adverse effect on our revenue, business operations and reputation.

We have already and may in the future invest in or acquire other businesses, which could require significant management attention, disrupt our business, dilute shareholder value and adversely affect our financial condition and results of operations.

As part of our business strategy, we have made and may make future investments in or acquisitions of complementary companies, products or technologies. These activities, including the Connexity acquisition in September 2021, involve significant risks to our business. We may not be able to find other suitable acquisition candidates, and we may not be able to complete such acquisitions on favorable terms, if at all. If we do complete acquisitions, they may not ultimately strengthen our competitive position. Any acquisitions we complete could be viewed negatively by our partners and clients, which could have an adverse impact on our business. In addition, if we are frequently held unsuccessful at integrating employees or technologies acquired, our financial condition and results of operations, including revenue growth, could be adversely affected. Any acquisition and subsequent integration will require significant time and resources. We may not be able to successfully evaluate and use the acquired technology or employees, or otherwise manage the acquisition and integration processes successfully. We will be required to pay cash, incur debt and/or issue equity securities to pay for any such acquisition, each of which could adversely affect our financial condition. Our use of cash to pay for acquisitions would limit other potential uses of our cash, including investments in “street name” our sales

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and marketing and product development organizations, and in infrastructure to support scalability. The issuance or sale of equity or convertible debt securities to finance any such acquisitions would result in dilution to our shareholders. If we incur debt, it would result in increased fixed obligations and could also impose covenants or other restrictions that could impede our ability to manage our operations.

If we do not effectively grow and train our sales team and account managers, we may be unable to add new digital properties and Advertisers or increase sales to our existing digital properties and Advertisers, and our business would be adversely affected.

We continue to be substantially dependent on our sales team and account managers to obtain new digital properties and Advertisers and to drive sales from our existing digital properties and Advertisers. We believe that there is significant competition for sales personnel with the skills and technical knowledge that we require. Our ability to achieve significant revenue growth will depend, in large part, on our success in recruiting, training, integrating and retaining sufficient numbers of sales personnel to support our growth. New hires require significant training and it may take significant time before they achieve full productivity. Our recent hires and planned hires may not become productive as quickly as we expect, and we may be unable to hire or retain sufficient numbers of qualified individuals in the markets where we do business or plan to do business. In addition, if we continue to grow rapidly, a large percentage of our sales team will be new to the company and our solutions. If we are unable to hire and train sufficient numbers of effective sales personnel, or the sales personnel are not successful in obtaining new digital properties and Advertisers or increasing sales to our existing digital property and Advertiser base, our business would be adversely affected. Finally, managing our sales team and account managers, particularly in light of our growth, and enforcing compliance with our sales policies is a challenge for us.

If we do not effectively maintain and grow our research and development team with top talent, including employees who are trained in artificial intelligence, machine learning and advanced algorithms, we may be unable to continue to improve on our artificial intelligence, our performance could decline and we could lose digital properties and Advertisers, which could cause our results of operations and revenues to decline.

Our future success depends on our ability to continue to attract, retain and motivate highly skilled employees, software engineers and other employees with the technical skills in artificial intelligence, machine learning and advanced algorithms that will enable us to deliver effective advertising and content solutions. Competition for highly skilled employees in our industry is intense, particularly in the fields of artificial intelligence and data science. We expect certain of our key competitors, who generally are larger than us and have access to more substantial resources, to pursue top talent even more aggressively.

We may be unable to attract or retain such highly skilled personnel who are critical to our success, which could hinder our ability to keep pace with innovation and technological change in our industry or result in harm to our key Advertiser and digital property relationships, loss of key information, expertise or proprietary knowledge and unanticipated recruitment and training costs. The loss of the services of such key employees could make it more difficult to successfully operate our business and pursue our business goals.

Our growth depends, in part, on the success of our strategic relationships with third parties, including ready access to hardware in key locations to facilitate the delivery of our platform and reliable management of Internet traffic. Supply disruptions can impede our operations, ability to grow and financial performance and also result in significant cost increases.

We anticipate that we will continue to depend on various third-party relationships in order to grow our business. We continue to pursue additional relationships with third parties, such as technology and content providers, content delivery networks, data partnerships, co-location facilities and other strategic partners. Identifying, negotiating and documenting relationships with third parties requires significant time and resources, as does integrating third-party data and services. Our agreements with providers of technology, computer hardware, co-location facilities, and content are typically non-exclusive, do not prohibit them from working with our competitors or from offering competing services and do not typically have minimum purchase commitments. Our competitors may be effective in providing incentives to third parties to favor their products or services over ours or to otherwise prevent or reduce purchases of our solutions. In addition, these third parties may go out of business, no longer offer their services to us or not perform as expected under our agreements with them, and we may have disagreements or disputes with such third parties, which could negatively affect our brand and reputation.

In particular, our continued growth depends on our ability to source computer hardware, including servers built to our specifications, and the ability to locate those servers and related hardware in co-location facilities in the most desirable locations to facilitate the timely delivery of our services. Disruptions in the services provided at co-location facilities that we rely upon can degrade the level of services that we can provide, which could harm our business. We also rely on our integration with many third-party technology providers to execute our business on a daily basis. We rely on a third-party domain name service, or DNS, to direct traffic to our closest data center for efficient processing. If our DNS provider experiences disruptions or performance problems, this could result in inefficient balancing of traffic across our servers as well as impairing or preventing web browser connectivity to our site, which could harm our business.

Supply disruptions could materially impede our growth and our ability to maintain our existing platform. Disruptions in supply can be caused by securities dealers many factors, including decreases in manufacturing output and others labor shortages; the availability of one or more components including semiconductors which are currently in short supply; the impacts of pent up demand; transportation and delivery issues; geopolitical issues; and other circumstances. Such disruptions can result in the delay or inability to obtain necessary hardware, or significant cost increases, any of which could have a material adverse effect on our existing business, our ability to grow and our financial performance.

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Our future success depends on the continuing efforts of our key employees, including our founder, and on our ability to hire, train, motivate and retain additional employees, including key employees.

Our future success depends heavily upon the continuing services of our key employees, including our founder and CEO, Adam Singolda, and on our ability to attract and retain members of our management team and other highly skilled employees, including software engineers, analytics and operations employees and sales professionals. The market for talent in our key areas of operations, including Bangkok, California, New York, Sao Paulo, Tel Aviv, and London, is intensely competitive. Our competitors may provide more generous benefits, more diverse opportunities and better chances for career advancement than we do. Some of these advantages may be more appealing to high-quality candidates than those we have to offer. Any of our employees may terminate his or her employment with us at any time.

New employees often require significant training and, in many cases, take significant time before they achieve full productivity. As a result, we may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and we may lose new employees to our competitors or other companies before we realize the benefit of individual owners our investment in recruiting and training them. Moreover, new employees may not be or become as productive as we expect, as we may face challenges in adequately or appropriately integrating them into our workforce and culture. In addition, as we move into new geographies, we will need to attract and recruit skilled employees in those areas.

Even if we are successful in hiring qualified new employees, we may be subject to allegations that we have improperly solicited such employees while they remained employed by our competitors, that such employees have improperly solicited other colleagues of theirs employed by the same competitors or that such employees have divulged proprietary or other confidential information to us in violation of their agreements with such competitors. If we are unable to attract, integrate and retain suitably qualified individuals, our business, financial position and results of operations would be harmed.

Our corporate culture has contributed to our success. If we cannot maintain a strong corporate culture, we could lose the innovation, creativity and teamwork fostered by our culture, and our business could be harmed.

We believe our corporate culture has been a critical component of our success as we believe it fosters innovation, teamwork, passion for partners and clients and focus on execution, while facilitating knowledge sharing across our organization. As we grow and change, we may find it difficult to preserve our corporate culture, which could reduce our ability to innovate and operate effectively. In turn, the failure to preserve our culture could negatively affect our ability to attract, recruit, integrate and retain employees, continue to perform at current levels and effectively execute our business strategy.

Many Advertisers typically spend less in the first quarter and more in the fourth quarter of each calendar year. Our historical revenue growth has mitigated the impact of these seasonal fluctuations in advertising activity. If our growth declines or these typical advertising patterns become more pronounced, seasonality could have a material impact on our revenue, cash flows and operating results.

Our revenue, cash flow and other key operating and performance metrics may vary from quarter to quarter due to the seasonal nature of our Advertiser clients' spending on advertising campaigns. For example, many Advertisers tend to devote more of their advertising budgets to the fourth calendar quarter to coincide with consumer holiday spending and correspondingly to spend less in the first quarter. Moreover, advertising inventory in the fourth quarter may be more expensive due to increased demand for it. Our historical revenue growth has masked the impact of seasonality in the past, but if our growth rate declines or seasonal spending becomes more pronounced, seasonality could have a more significant impact on our revenue, cash flow and results of operations from period to period.

We usually incur the cost of an Advertiser's campaign before we bill for services. Such Advertisers may have or develop high-risk credit profiles, which may result in credit risk.

We usually incur the cost of an Advertiser's campaign before we bill for services. A portion of our Advertiser-side business is sourced through advertising agencies, and we contract with these agencies as agent for a disclosed principal, which is the Advertiser. Typically, the advertising agency pays for our services once it has received payment from the Advertiser for our services. Our agreements with these agencies typically provide that if the Advertiser does not pay the agency, the agency is not liable to us, and we must seek payment solely from the advertiser.

In addition, contracting with Advertisers who have or develop high-risk credit profiles, subjects us to credit risk. This credit risk may vary depending on the right nature of the Advertiser's business and the Advertiser's monetization of the traffic generated. Any inability to vote and/ collect costs we have advanced or dispositive power with respect other amounts due to their shares. us, including write-offs of accounts receivable, could have a materially negative effect on our results of operations.

Dividend PolicyWe often pay our digital properties their share of the revenue generated by an Advertiser's campaigns whether or not we have received payment from the Advertisers and even if we never receive payment from such Advertiser. In addition, we agree with digital properties on a fixed cost for the digital space but a large portion of our revenue from Advertisers is tied to the performance of the campaign. As a result, our results of operations and financial condition could be adversely impacted if we do not receive timely payment from our Advertisers or if our campaigns do not perform as expected.

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Risks Related to Laws and Regulations

We are a multinational organization faced with complex and changing laws and regulations regarding privacy, data protection, content, competition, consumer protection, and other matters. Many of these laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to our business practices, monetary penalties, increased cost of operations, or declines in user engagement, or otherwise harm our business.

We are subject to a variety of laws and regulations in the United States and other countries that involve matters central to our business, including privacy, data protection, content, competition, consumer protection, and other matters. The expansion of our activities in certain jurisdictions, or other actions that we may take may subject us to additional laws, regulations, or other government scrutiny. In addition, foreign privacy, data protection, content, competition, and other laws and regulations can impose different obligations or be more restrictive than those in the United States. For additional discussion of privacy and data protection laws and regulations applicable to our business,see *"RiskFactors—Risks Related to Laws and Regulations—Legislation and regulation of online businesses, including privacy and data protection regimes, could create unexpected costs, subject us to enforcement actions for compliance failures, or cause us to change our technology platform or business model, which could have a material adverse effect on our business."*

Laws and regulations of the countries and their legal subdivisions in which we operate or conduct business or in which our employees reside, which in some cases can be enforced by private parties in addition to government entities, are constantly evolving and can be subject to significant change. As a result, the application, interpretation, and enforcement of these laws and regulations are often uncertain, particularly in the new and rapidly evolving industry in which we operate, and may be interpreted and applied inconsistently from country to country and inconsistently with our current policies and practices. For example, regulatory or legislative actions affecting the manner in which we display content to our users could adversely affect user growth and engagement. Such actions could affect the manner in which we provide access to our platform or adversely affect our financial results.

These laws and regulations, as well as any associated claims, inquiries, or investigations or any other government actions, have in the past led to, and may in the future lead to, unfavorable outcomes including increased compliance costs, delays or impediments in the development of new products, negative publicity and reputational harm, increased operating costs, diversion of management time and attention, and remedies that harm our business, including fines or demands or orders that we modify or cease existing business practices.

Legislation and regulation of online businesses, including privacy and data protection regimes, could create unexpected costs, subject us to enforcement actions for compliance failures, or cause us to change our technology platform or business model, which could have a material adverse effect on our business.

Government regulation could increase the costs of doing business online. U.S. and many international governments have enacted, or are considering enacting, legislation and regulation related to online advertising to which we are or may become subject, and we expect to see an increase in legislation and regulation related to digital advertising, the collection and use of Internet user data and unique device identifiers, such as IP address or unique mobile device identifiers, and other privacy and data protection legislation and regulation. The regulatory environment related to privacy and data protection is increasingly rigorous, with new and constantly changing requirements applicable to our business, and enforcement practices are likely to remain uncertain for the foreseeable future. Such legislation and regulation could affect the costs of doing business online, and could reduce the demand for our solutions or otherwise harm our business, financial condition, and results of operations. These laws and regulations may be interpreted and applied differently over time and from jurisdiction to jurisdiction, and it is possible that they will be interpreted and applied in ways that may have a material adverse effect on our results of operations, financial condition and cash flows. For example, a wide variety of provincial, state, national, and international laws and regulations apply to the collection, use, retention, protection, disclosure, transfer and other processing of personal data. While we generally have not collected data from Internet users that is traditionally considered to be personally identifiable data, such as name, email address, address, phone numbers, social security numbers, credit card numbers, financial, or health data, we typically do collect and store IP addresses, cookie IDs, and other device identifiers that are or may be considered personal data in some jurisdictions or otherwise may be the subject of legislation or regulation. Legislation or regulation that reduces the data we can collect may cause us to not be able to track advertising conversions as efficiently or target campaigns as effectively, which may negatively impact our revenue.

Evolving and changing definitions of personal data, within the EEA, the UK, Asia, the United States, and elsewhere, especially relating to classification of IP addresses, machine or device identifiers, and other information, have in the past and could in the future, cause us to change our business practices, expend significant costs to modify our data processing practices or policies, preoccupy management, divert resources from other initiatives and projects, or limit or inhibit our ability to operate or expand our business. Evolving data protection and privacy-related laws and regulations could embolden regulatory and public scrutiny, increase levels of enforcement, and pose risk of sanctions for noncompliance. While we currently take steps to avoid collecting personal data that would enable the direct identification of Internet users, we may inadvertently receive this information from Advertisers or advertising agencies or through the process of delivering our service. Additionally, while we take measures to protect the security of information that we collect, use, disclose and otherwise process in the operation of our business, and to offer certain privacy protections with respect to such information, such measures may not always be effective. Our advertising clients or digital property partners have imposed, or may in the future impose, new restrictions relating to the quickly evolving privacy and data protection laws and regulations with which we must adapt and comply. Our failure to comply with applicable laws and regulations, or to protect personal data, could result in enforcement or litigation action against us, including fines, sanctions, penalties, judgments, imprisonment of our officers and public censure,

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claims for damages by consumers and other affected individuals, obligations to notify regulators and affected individuals, damage to our reputation and loss of goodwill, any of which could have a material adverse impact on our business, financial condition and results of operations. Even the perception of privacy concerns, whether or not valid, could harm our reputation and inhibit adoption of our solutions by current and future clients and partners.

For more information on the privacy and data protection laws and regulations to which we are subject, see the sections titled “Part I, Item 1—Business—“Privacy Regulation in the U.S.”, “Part I, Item 1—Business—“Privacy Regulation in Europe” and “Part I, Item 1—Business—“Privacy Regulation in the Asia-Pacific Region.”

Potential “Do Not Track” standards or government regulation could negatively impact our business by limiting our access to the user data that informs the advertising campaigns we run, and as a result could degrade our performance for our digital properties and Advertisers.

As the use of cookies has received ongoing media attention in recent years, some government regulators and privacy advocates have suggested creating a “Do Not Track” standard that would allow Internet users to express a preference, independent of cookie settings in their web browser, not to have their website browsing recorded. All the major Internet browsers have implemented some version of a “Do Not Track” setting. However, there is limited guidance, consensus and industry standards regarding the definition of “tracking,” what message is conveyed by a “Do Not Track” setting and how to respond to a “Do Not Track” preference. We could face competing policy standards, or standards that put our business model at a competitive disadvantage to other companies that collect data from Internet users, standards that reduce the effectiveness of our solutions, or standards that require us to make costly changes to our solutions. For example, the FTC has stated that it will pursue a legislative solution if the industry cannot agree upon a standard. “Do Not Track” has seen renewed emphasis from proponents of the CCPA, which, in certain circumstances, requires browser-based or similar “do not sell” signals. If a standard is imposed by international federal or state legislation, or agreed upon by standard setting groups, that requires us to recognize a “Do Not Track” signal and prohibits us from using data as we currently do, then that could hinder growth of advertising and content production on the web generally, and limit the quality and amount of data we are able to store and use, which would cause us to change our business practices and adversely affect our business.

On May 16, 2023, the EU Interactive Advertising Bureau (IAB), a digital marketing trade association, released an updated version of the IAB Transparency & Consent Framework, or TCF, to reflect updated regulator guidance and decisions. While Taboola is a registered vendor on the latest version of the TCF, the TCF remains under review by European courts after the IAB appealed a February 2022 decision by the Belgian data protection authority that the TCF violates the GDPR. The TCF is currently a key tool in the EU ad tech ecosystem for passing on consent and “do not sell” signals, and in turn, facilitating compliance with the GDPR. If the TCF is found to be unlawful under the GDPR, the ad tech industry will need to determine new mechanisms for GDPR compliance, which could affect our ability to serve targeted ads and consequently impact our revenue.

User growth and engagement depends upon effective interoperation with devices, platforms and standards set by third parties across the entire ad tech ecosystem that we do not control.

Technology companies in the Internet browsers and operating systems spaces have announced intentions to discontinue the use of cookies, and to develop alternative methods and mechanisms for tracking users. The most commonly used Internet browsers allow users to modify their browser settings to block first-party cookies (placed directly by the media partner or website owner that the user intends to interact with) or third-party cookies, and some browsers block third-party cookies by default. For example, Apple previously released an update to its Safari browser that limits the use of third-party cookies, which reduces our ability to provide the most relevant ads to our users and impacts monetization, and also released changes to iOS, requiring users to voluntarily choose (opt-in) to permit app developers to track them across applications and websites, that limit our ability to target and measure ads effectively. In addition , Google has announced its intention to disable the use of third-party cookies across its Google Chrome web browser. Based on public announcements from Google, the phase out will be in effect for all users in the second half of 2024 subject to regulatory compliance. This change may force many businesses to reevaluate their marketing strategies.

Furthermore, mobile devices using Android and iOS operating systems limit the ability of cookies to track users while they are using applications other than their web browser on the device. As a consequence, fewer of our cookies or media partners’ cookies may be set in browsers or be accessible in mobile devices, which can adversely affect our business.

As technology companies in such sectors replace cookies, it is possible that such companies may rely on proprietary algorithms or statistical methods to track users without cookies, or may utilize log-in credentials entered by users into other web properties owned by these companies, such as their email services, to track web usage, including usage across multiple devices. Alternatively, such companies may build different and potentially proprietary user tracking methods into their widely-used web browsers. Although we believe we are well positioned to adapt and continue to provide key data insights to our media partners without cookies, this transition could be more disruptive, slower, or more expensive than we currently anticipate, and could materially affect the accuracy of our recommendations and ads and thus our ability to serve our Advertisers, including through our data marketplace product, adversely affecting our business, results of operations, and financial condition.

Potential regulation or oversight over native advertising disclosure standards could negatively impact our business by affecting click through rates, which in turn affects the profitability of our digital properties and Advertisers.

We are subject to complex and changing advertising regulations in many jurisdictions in which we operate, including regulatory and self-regulatory requirements to comply with native advertising regulations in connection with our native advertising offering. For example, in the United States, the Federal Trade Commission requires that all online advertising meet certain principles, including the clear and conspicuous disclosure of advertisements. If we, or our advertisers, make mistakes in implementing this varied and evolving guidance, or our commitments with respect to these principles, we could be subject to

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negative publicity, government investigation, government or private litigation, or investigation by self-regulatory bodies such as the Interactive Advertising Bureau (IAB), the National Advertising Division (NAD) as well as the Advertising Standards Authority (ASA) in the UK or other accountability groups. Any such action against us could be costly and time consuming and may require us to change our business practices, cause us to divert management's attention and our resources and be damaging to our reputation and our business. Moreover, additional or different disclosures may lead to a reduction in user engagement, which could have an adverse effect on our business, results of operations, and financial condition.

We are a multinational organization faced with complex and changing advertising regulation in many jurisdictions in which we operate, and we are obligated to comply with such advertising regulations in connection with the advertising we distribute on behalf of our Advertiser clients. If we fail to comply with these advertising regulations we or our Advertisers could be subject to liability or forced to reduce or suspend operations until we are able to comply, which could reduce our revenues.

We are subject to complex and changing advertising regulations in many jurisdictions in which we operate, and we are obligated to comply with such advertising regulations in connection with the advertising we distribute on behalf of our Advertiser clients. For example, much of the federal oversight on digital advertising in the U.S. currently comes from the FTC, which has primarily relied upon Section 5 of the Federal Trade Commission Act, which prohibits companies from engaging in "unfair" or "deceptive" acts or practices in or affecting commerce, including alleged violations of representations concerning privacy and data security protections and acts that allegedly violate individuals' privacy and data protection interests. If we or our Advertiser clients are not able to comply with these laws or regulations or if we become liable under these laws or regulations, we could be directly harmed, and we may be forced to implement new measures to reduce our exposure to this liability. This may require us to expend substantial resources or to alter our business strategy, which would negatively affect our business, financial condition and results of operations.

From time to time we are subject to litigation, administrative inquiries and similar governmental procedures, which may be extremely costly to defend, could result in substantial judgment or settlement costs or subject us to other remedies. Litigation and other disputes can also divert management's attention from our operations and hurt our reputation.

From time to time we are involved in various legal proceedings or government investigations, including, but not limited to, actions relating to breach of contract, intellectual property infringement, competition law or other issues. Claims may be expensive to defend, may divert management's time away from our operations, and may affect the availability and premiums of our liability insurance coverage, regardless of whether they are meritorious or ultimately lead to a judgment against us. We cannot assure you we will be able to successfully defend or resolve any current or future litigation matters, in which case those litigation matters could have a material and adverse effect on our business, financial condition, operating results, cash flows, reputation and prospects.

We are a multinational organization faced with increasingly complex tax issues in many jurisdictions, and we could be obligated to pay additional taxes in various jurisdictions as a result of new taxes and related laws, which may materially affect our business and results of operations.

As a multinational organization, operating in multiple jurisdictions, including Brazil, China, European Union, India, Israel, Japan, South Korea, Taiwan, Thailand, Turkey, the United Kingdom and the United States, among others, we may be subject to taxation in several jurisdictions around the world with increasingly complex tax laws, the application of which may be uncertain. The amount of taxes we pay in these jurisdictions could increase substantially as a result of changes in the applicable tax principles, including increased tax rates, new tax laws or revised interpretations of existing tax laws and precedents, which could have a material adverse effect on our liquidity and results of operations. In addition, as internet commerce and globalization continue to evolve, increasing regulation by government authorities becomes more likely. Our business could be negatively impacted by the application of existing laws and regulations or the enactment of new laws applicable to digital advertising. The cost to comply with such laws or regulations could be significant, and we may be unable to pass along those costs to our clients in the form of increased fees, which may negatively affect our business and results of operation. We are subject to regular review and audit by Israeli, U.S. and other foreign tax authorities. Although we believe our tax estimates are reasonable, the authorities in these jurisdictions could review our tax returns and impose additional taxes, interest and penalties, and the authorities could claim that various withholding requirements apply to us or our subsidiaries or assert that benefits of tax treaties are not available to us or our subsidiaries, any of which could materially affect our income tax provision, net income, or cash flows in the period or periods for which such determination and settlement is made.

Our operations may expose us to greater than anticipated tax liabilities, which could harm our financial condition and results of operations, and increase the costs our clients would have to pay for our products.

There is heightened scrutiny by fiscal authorities in many jurisdictions on the potential taxation of digital services, including but not limited to, online advertising, search engine and e-commerce businesses (referred to as DST or alike). The Organization for Economic Co-operation and Development (OECD) has issued guidelines, referred to as the Base Erosion and Profit Shifting project (BEPS), to its member-nations aimed at encouraging broad-based legislative initiatives intended to prevent perceived base erosion transactions and income shifting in a tax-advantaged manner. Further, for the past several years, the OECD has had a specific focus on the taxation implications of digital services including online advertising, search engine and e-commerce businesses, generally referred by the OECD as the "digital economy." In the fourth quarter of 2019, the OECD released details on its proposed approach which would, among other changes, create a new right to tax certain "digital economy" income not necessarily based on traditional nexus concepts nor on the "arm's length principle." As there has been a lack of consensus among the key members, particularly the United States, several jurisdictions legislated digital tax provisions in an uncoordinated and unilateral manner that could result in greater or even double taxation that companies may not have sufficient means to remedy. For example,

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a number of jurisdictions, including the U.K., France, Italy, Spain, Austria, Turkey, India and other countries have already adopted or have formally proposed legislation to affect the taxation of digital services based on differing criteria and metrics.

The taxation by multiple jurisdictions of digital services including online advertising and e-commerce could increase our tax burdens and compliance obligations as well as our costs of doing business internationally and our worldwide effective tax rate which may lead to adverse impact on our financial position and results of operations.

Further, the taxation by multiple jurisdictions of digital businesses could subject us to exposure to withholding, sales, value added taxes (VAT), levies, and/or other taxes, including transaction taxes on our past and future transactions in such jurisdictions where we currently or in the future may be required to report taxable transactions. We are currently subject to and in the future may become subject to additional compliance requirements for certain of these taxes. A successful assertion by one or more U.S. states or foreign countries or change of law requiring us to pay or collect taxes where we presently do not do so, or to pay or collect more taxes in a jurisdiction in which we currently do pay or collect some taxes, could result in substantial liabilities, including taxes on past sales, as well as interest and penalties. Any such assertion could also create significant administrative burdens for us, discourage potential customers from subscribing to our platform due to the incremental cost of any such sales or other related taxes, or otherwise harm our business. Changes in our exposure to withholding, sales, VAT, levies and/or other taxes could have an adverse impact on our financial condition in the future.

In addition, in October 2021, the OECD released an outline that describes the conceptual agreement between 136 countries on fundamental reforms to international tax rules. The outline provides for two primary “Pillars.” Pillar One is aimed to apply to the largest multinational corporations and replace DST, though the time of its introduction is still unknown. As the Pillar Two model, which provides for a global minimum corporate tax rate of 15%, has partially taken effect in some, but not all, countries for the taxable year beginning on January 1, 2024, with some additional provisions taking effect in 2025, there is still uncertainty as to how the Pillar Two model will be applied evenly during this transition period. While Pillar One is not expected to apply to us, Pillar Two could increase our effective tax rate and adversely affect our financial results.

Our effective tax rate may vary significantly depending on our stock price.

The tax effects of the accounting for share-based compensation may significantly impact our effective tax rate from period to period. In periods in which our stock price is higher than the grant price of the share-based compensation vesting in that period, we will recognize excess tax benefits that will decrease our effective tax rate, while in periods in which our stock price is lower than the grant price of the share-based compensation vesting in that period, our effective tax rate may increase. The amount and value of share-based compensation issued relative to our earnings in a particular period will also affect the magnitude of the impact of share-based compensation on our effective tax rate. These tax effects are dependent on our stock price, which we do not control, and a decline in our stock price could significantly increase our effective tax rate and adversely affect our financial results.

The Israeli tax benefits we currently receive require us to meet several conditions and may be terminated or reduced in the future, which would likely increase our taxes, possibly with a retroactive effect.

Some of our operations in Israel, referred to as “Benefited Enterprise” for 2018 and 2019 and “Preferred Technological Enterprise” commencing with 2020 (in case of taxable income position) carry certain tax benefits under the Law for the Encouragement of Capital Investments, 5719-1959, or the Investment Law. In order to be eligible for tax benefits under the Investment Law, our Benefited/Preferred Technological Enterprises must comply with various conditions set forth in the Investment Law, as well as periodic reporting obligations. If we do not meet the requirements for maintaining these benefits or if our assumptions regarding the key elements affecting our tax rates are rejected by the Israeli tax authorities, they may be reduced or canceled and the relevant operations would be subject to Israeli corporate tax at the standard rate, which is 23% in 2018 and thereafter.

In addition to being subject to the standard corporate tax rate, we could be required to refund any tax benefits we have already received, plus interest and penalties thereon under this program or similar programs we have utilized in the past. Even if we continue to meet the relevant requirements, the tax benefits our current “Preferred Technological Enterprise” receive may not be continued in the future at their current levels or at all. If these tax benefits were reduced or eliminated, the amount of taxes we pay would likely increase, as all of our Israeli operations would consequently be subject to corporate tax at the standard rate, which could adversely affect our results of operations. Additionally, if we increase our activities outside of Israel, for example, by way of acquisitions, our increased activities may not be eligible for inclusion in Israeli tax benefit programs. If the Israeli government discontinues or modifies these programs and potential tax benefits, our business, financial condition and results of operations could be adversely affected.

On November 15, 2021, the Encouragement of Capital Investments Law was amended in order, inter alia, to encourage companies to voluntarily elect for an immediate payment of corporate tax on previously tax-exempted earnings which were earned pursuant to Approved and Benefited Enterprises (the “Amendment”). The Amendment provides a reduced corporate tax payment on Exempt Earnings accumulated until December 31, 2020 that were not yet distributed as a dividend, all subject to certain qualifying terms and conditions. The Company implemented the Amendment and as a result, paid the reduced corporate income tax subject to the dividend distribution in an amount of approximately $4.3 million.

Transfer pricing rules may adversely affect our corporate income tax expense.

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Many of the jurisdictions in which we conduct business have detailed transfer pricing rules, which require contemporaneous documentation establishing that all transactions with non-resident related parties be priced using arm's length pricing principles. The tax authorities in these jurisdictions could challenge our related party transfer pricing policies and as a consequence the tax treatment of corresponding expenses and income. International transfer pricing is an area of taxation that depends heavily on the underlying facts and circumstances and generally involves a significant degree of judgment. If any of these tax authorities were to be successful in challenging our transfer pricing policies, we may be liable for additional corporate income tax, and penalties and interest related thereto, which may have a significant impact on our results of operations and financial condition.

We may be exposed to liabilities under the U.S. Foreign Corrupt Practices Act and other U.S. and foreign anti-corruption, anti-money laundering, export control, sanctions and other trade laws and regulations, and any determination that we violated these laws could have a material adverse effect on our business.

We are subject to export control and import laws and regulations, including the U.S. Export Administration Regulations, U.S. Customs regulations and various economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control. We are also subject to the U.S. Foreign Corrupt Practices Act of 1977, as amended, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act, the United Kingdom Bribery Act 2010, the Proceeds of Crime Act 2002, Chapter 9 (sub-chapter 5) of the Israeli Penal Law, 1977, the Israeli Prohibition on Money Laundering Law—2000 and possibly other anti-bribery and anti-money laundering laws in countries outside of the United States in which we conduct our activities. Compliance with these laws has been the subject of increasing focus and activity by regulatory authorities, both in the United States and elsewhere, in recent years. Anti-corruption laws are interpreted broadly and prohibit companies and their employees and third-party intermediaries from authorizing, promising, offering, providing, soliciting or accepting, directly or indirectly, improper payments or benefits to or from any person whether in the public or private sector. Although we endeavor to conduct our business in accordance with applicable laws and regulations, we cannot guarantee compliance.

Noncompliance with anti-corruption, anti-money laundering, export control, sanctions and other trade laws could subject us to whistleblower complaints, investigations, sanctions, settlements, prosecution, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, suspension and/or debarment from contracting with certain persons, the loss of export privileges, reputational harm, adverse media coverage and other collateral consequences. If subpoenas or investigations are launched, or governmental or other sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business, results of operations and financial condition could be materially harmed. Responding to any action will likely result in a materially significant diversion of management's attention and resources and significant defense and compliance costs and other professional fees. In addition, regulatory authorities may seek to hold us liable for successor liability for violations committed by companies in which we invest or that we acquire. As a general matter, enforcement actions and sanctions could harm our business, results of operations and financial condition.

Although we do not believe that we were a "passive foreign investment company," or a PFIC, for U.S. federal income tax purposes for 2023, if we are a PFIC in 2024 or in any future year, a U.S. investor in our Ordinary shares or Warrants may be subject to adverse U.S. federal income tax consequences.

Under the Internal Revenue Code of 1986, as amended, or the Code, we will be classified as a PFIC for any taxable year in which, either (i) at least 75% of our gross income in a taxable year, including our pro rata share of the gross income of any corporation in which we are considered to own at least 25% of the shares by value, is passive income or (ii) at least 50% of our assets in a taxable year (ordinarily determined based on fair market value and averaged quarterly over the year), including our pro rata share of the assets of any corporation in which we are considered to own at least 25% of the shares by value, are held for the production of, or produce, passive income. Passive income generally includes, among other things, dividends, interest, rents and royalties (other than rents or royalties derived from the active conduct of a trade or business) and gains from the disposition of passive assets. The Company believes that it was not a PFIC for U.S. federal income tax purposes for its 2023 taxable year and it does not expect to become one in the foreseeable future. However, PFIC status is determined annually and depends on the composition of a company's income and assets and the fair market value of its assets and no assurance can be given that we were not a PFIC in 2023, oras to whether we will be a PFIC in 2024 or for any future taxable years.

If we are a PFIC for any taxable year during which a U.S. investor holds our Ordinary shares or Warrants, we would continue to be treated as a PFIC with respect to that U.S. investor for all succeeding years during which the U.S. investor holds our Ordinary shares or Warrants, even if we ceased to meet the threshold requirements for PFIC status, unless certain exceptions apply. Such a U.S. investor may be subject to adverse U.S. federal income tax consequences, including (i) the treatment of all or a portion of any gain on the disposition of our Ordinary shares or Warrants as ordinary income (and therefore ineligible for the preferential rates that apply to capital gains with respect to some U.S. investors), (ii) the application of a deferred interest charge on such gain and the receipt of certain dividends on our Ordinary shares, (iii) the ineligibility to claim the preferential tax rate afforded to certain non-corporate U.S. investors on "qualified dividend income" with respect to dividends on our Ordinary shares and (iv) compliance with certain reporting requirements.

It may be difficult to enforce a U.S. judgment against Taboola or its respective directors and officers outside the United States, or to assert U.S. securities law claims outside of the United States.

A number of Taboola directors and executive officers are not residents of the United States, and the majority of Taboola's assets and the assets of these persons are located outside the United States. As a result, it may be difficult or impossible for investors to effect service of process upon Taboola within the United States or other jurisdictions, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States. Additionally, it may be difficult to assert U.S. securities law claims in actions originally instituted outside of the United States. Foreign courts may refuse to hear a

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U.S. securities law claim because foreign courts may not be the most appropriate forum in which to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the law of the jurisdiction in which the foreign court resides, and not U.S. law, is applicable to the claim. Further, if U.S. law is found to be applicable, the content of applicable U.S. law must be proved as a fact, which can be a time-consuming and costly process, and certain matters of procedure would still be governed by the law of the jurisdiction in which the foreign court resides.

Risks Related to Our Intellectual Property and Technology

Our intellectual property and proprietary rights may be difficult to enforce, particularly because in many instances we rely on trade secrets rather than patents or similar registered legal protections. This could enable others to copy or use aspects of our platform without compensating us, which could erode our competitive advantages and harm our business.

Our success depends, in part, on our ability to protect proprietary methods and technologies that we develop under the intellectual property laws of Israel, the United States and other countries, so that we can prevent others from using our intellectual property and proprietary information. If we fail to protect our intellectual property and proprietary rights adequately, our competitors might gain access to our technology and proprietary information, and our business could be adversely affected. We rely on trademark, copyright, trade secret, patent and confidentiality procedures and contractual provisions to protect our proprietary methods and technologies.

Unauthorized parties may attempt to copy aspects of our technology or obtain and use information we regard as proprietary. We generally enter into confidentiality and/or license agreements with our employees, consultants, vendors and Advertisers, and generally limit access to and distribution of our proprietary information. However, any steps taken by us may not prevent infringement, misappropriation or other violation of our intellectual property, technology and proprietary information. Policing unauthorized use of our technology is difficult. In addition, the laws of some foreign countries may not be as protective of intellectual property and proprietary rights as those of the U.S, and mechanisms for enforcement of our intellectual property and proprietary rights in such countries may be inadequate. From time to time, legal action by us may be necessary to enforce our intellectual property and proprietary rights, to protect our trade secrets, to determine the validity and scope of the intellectual property and proprietary rights of others, or to defend against claims of infringement, misappropriation or other violation. Although we generally rely on trade secret laws to protect our intellectual property, we may encounter difficulties enforcing our rights where we lack patent protection. Such litigation could result in substantial costs and the diversion of limited resources and could negatively affect our business, financial condition and results of operations. If we are unable to protect our intellectual property and proprietary rights, including aspects of our technology platform, we may find ourselves at a competitive disadvantage to others who have not incurred the same level of expense, time and effort to create and protect their intellectual property.

We may be subject to intellectual property rights claims by third parties, which are extremely costly to defend, could require us to pay significant damages and could limit our ability to use certain technologies.

Third parties may assert claims of infringement, misappropriation or other violation of intellectual property rights, including in proprietary technology, against us or against our digital properties or Advertisers for which we may be held liable or have an indemnification obligation. Our risk of third-party claims may be increased to the extent we rely on unaffiliated persons or firms, over whom we have less control than we would have over our own employees, to develop code. Any claim of infringement, misappropriation or other violation of intellectual property rights by a third party, even those without merit, could cause us to incur substantial costs defending against the claim and could distract our management from operating our business.

Although third parties may offer a license to their technology or other intellectual property, the terms of any offered license may not be acceptable and the failure to obtain a license or the costs associated with any license could cause our business, financial condition and results of operations to be materially and adversely affected. In addition, some licenses may be non-exclusive, and therefore our competitors may have access to the same technology licensed to us. Alternatively, we may be required to develop non-infringing technology, which could require significant effort and expense and ultimately may not be successful. Furthermore, a successful claimant could secure a judgment or we may agree to a settlement that prevents us from distributing certain products or performing certain services or that requires us to pay substantial damages, including treble damages if we are found to have willfully infringed such claimant's patents or copyrights, royalties or other fees. Any of these events could seriously harm our business financial condition and results of operations.

Legal claims against us resulting from the actions of our Advertisers or digital properties could damage our reputation and be costly to defend.

We receive representations from Advertisers that the content we place on their behalf does not infringe on any third-party rights. We also rely on representations from our digital properties that their content does not infringe on any third-party rights and that they maintain adequate privacy policies that allow us to place pixels on their properties and collect data from users that visit those websites to aid in delivering our solutions. However, we do not independently verify whether we are permitted to deliver advertising to our digital properties' Internet users or that the content we deliver is legally permitted. If any of our Advertisers' or digital properties' representations are untrue and our Advertisers or digital properties do not abide by foreign, federal, state or local laws or regulations governing their content or privacy practices, we could become subject to legal claims against us, we could be exposed to potential liability (for which we may or may not be indemnified by our Advertisers or digital properties), and our reputation could be damaged. Even in those instances where our Advertisers and digital properties do indemnify us, it is possible these entities may not be willing or able to cover the claims and we will be responsible for the cost of litigation or required to pay substantial damages.

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Indemnity provisions in various agreements potentially expose us to substantial liability for intellectual property infringement and other losses.

Our agreements with digital properties, Advertiser and other third parties may include indemnification provisions under which we agree to indemnify them for losses suffered or incurred as a result of claims of intellectual property infringement, damages caused by us to property or persons, or other liabilities relating to or arising from our products, services, or other contractual obligations. The term of these indemnity provisions generally survives termination or expiration of the applicable agreement. Large indemnity payments would harm our business, financial condition and results of operations.

Our solution relies on third-party open-source software components, and failure to comply with the terms of the underlying open-source software licenses could restrict our ability to sell our platform.

Our platform, including our computational infrastructure, relies on software licensed to us by third-party authors under "open-source" licenses. The use of open-source software may entail greater risks than the use of third-party commercial software, as open-source licensors generally do not provide warranties, indemnities or other contractual protections regarding infringement claims or the quality of the code. Some open-source licenses contain requirements that we make available source code for modifications or derivative works of the open-source code on unfavorable terms or at no cost. If we combine our proprietary software with open-source software in a certain manner, we could, under certain open-source licenses, be required to release the source code of our proprietary software to the public. This would allow our competitors to create similar solutions with less development effort and time and ultimately put us at a competitive disadvantage.

Although we monitor our use of open-source software to avoid subjecting our products to conditions we do not intend, the terms of many open-source licenses have not been interpreted by United States courts, and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to commercialize our services. Moreover, we cannot guarantee our processes for controlling our use of open-source software will be effective. If we face claims from third parties seeking to enforce the terms of an open-source software license, or if we are held to have breached the terms of an open-source software license, we could be required to seek licenses from third parties to continue operating our platform on terms that are not economically feasible, to re-engineer our platform or the supporting computational infrastructure to discontinue use of certain code, or to make generally available, in source code form, portions of our proprietary code, any of which could adversely affect our business, financial condition and results of operations.

We face risks related to cybersecurity breaches, attacks or threats, or other outages or disruptions of our services, including scheduled or unscheduled downtime, which could harm our brand and reputation and negatively impact our revenue and results of operations.

As we grow our business, we expect to continue to invest in technology services, hardware and software, including data centers, network services, storage and database technologies. Creating the appropriate support for our technology platform, including large-scale serving infrastructure and big data transmission, storage and computation infrastructure, is expensive and complex, and our execution can result in inefficiencies or operational failures and increased vulnerability to cybersecurity breaches, attacks and threats which, in turn, could diminish the quality of our services and our performance for our digital properties and our Advertisers. Cyberbreaches, attacks and threats could include denial-of-service attacks impacting service availability (including the ability to deliver ads) and reliability; the exploitation of software vulnerabilities in Internet facing applications; phishing attacks or social engineering attacks (such as tricking company employees into releasing control of their systems to a hacker); or the introduction of computer viruses, software bugs, ransomware or malware into our systems, including with a view to steal, access, modify, destroy or disclose personal, confidential, sensitive or proprietary data. To date, we have not identified cybersecurity incidents that resulted in a material adverse impact to our business or operations, but there can be no guarantee we will not experience such an impact in the future. Cybersecurity breaches, attacks and threats of increasing sophistication may be difficult to detect and could result in the theft of our intellectual property and our data or our digital properties' or Advertisers' data, including our or our digital properties' or Advertisers' personal data. In addition, we are vulnerable to unintentional errors as well as malicious actions by persons with authorized access to our systems that exceed the scope of their access rights, or unintentionally or intentionally alter parameters or otherwise interfere with the intended operations of our platform.

A cybersecurity breach or attack, or a technology glitch, with respect to our systems, may cause a catastrophic effect where a large number of digital properties will stop using our service in a short period of time. While we take measures to protect the security of the systems and information used in the operation of our business, and to implement certain privacy protections with respect to such information, such measures may not always be effective. The steps we take to increase the reliability, integrity and security of our systems as they scale may be expensive and may not prevent system failures, unintended vulnerabilities or other cybersecurity incidents, including those resulting from the increasing number of persons with access to our systems, complex interactions within our technology platform and the increasing number of connections with third party partners and vendors' technology. Furthermore, because the methods of cyber-attack and deception change frequently, are increasingly complex and sophisticated, and can originate from a wide variety of sources, including traditional computer hackers, organized crime groups, nation-state actors and nation-state supported actors. Despite our reasonable efforts to ensure the integrity of our systems, we may not be able to anticipate, detect, appropriately react and respond to, or implement effective preventative measures against, all cybersecurity incidents. Additionally, due to the Russia-Ukraine conflict, there have been publicized threats to increase cyber-attack activity against the critical infrastructure of any nation or organization that retaliates against Russia for its invasion of Ukraine. Any such increase in such attacks on our third-party service providers or other systems could adversely affect our network systems or other operations. In addition to our own systems, we use third-party vendors to store, transmit and otherwise process certain of our personal, confidential, sensitive or proprietary data on our behalf. Due to applicable laws and regulations or contractual obligations, we may be held responsible for any cybersecurity incident attributed to our service providers as they relate to the information we share

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with them. Although we typically require contractual commitments from these service providers to implement and use reasonable security measures, we cannot control third parties and cannot guarantee a security breach will not occur in their systems.

We may be required to expend significant capital and other resources to protect against, respond to, and recover from any potential, attempted, or existing cybersecurity incidents. As cybersecurity incidents continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any information security vulnerabilities. In addition, our remediation efforts may not be successful. The inability to implement, maintain and upgrade adequate safeguards could have a material adverse effect on our results of operations, financial condition and cash flow. Operational errors or failures or successful cyber-attacks, media reports about such an incident, whether accurate or not, or our failure to make adequate or timely disclosures to the public or law enforcement agencies following any such event, whether due to delayed discovery or a failure to follow existing protocols, could result in violation of applicable privacy and data security laws and regulations, notification obligations, damage to our reputation, loss of current and new digital properties or Advertisers and other partners and clients, the disclosure of personal, confidential, sensitive or proprietary data, interruptions to our operations and distraction to our management, and significant legal, regulatory and financial liabilities and lost revenues, which could harm our business.

While we currently maintain cybersecurity insurance, such insurance may not be sufficient in type or amount to cover us against claims related to breaches, failures or other cybersecurity-related incidents, and we cannot be certain that cyber insurance will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our results of operations, financial condition and cash flows.

Defects, errors or failures in our technology platform, including our software and systems, could adversely affect our business, operating results and growth prospects.

We depend upon the sustained and uninterrupted performance of our technology platform to operate fundamental aspects of our business. If our technology platform cannot scale to meet demand, or if there are defects or errors in our execution of any of these functions on our platform, then our business could be harmed. Our software and systems are complex and may contain defects or errors, or may experience failures when implemented or when new functionality is released, as we may modify, enhance, upgrade and implement new software, systems, procedures and controls to reflect changes in our business, technological advancements and changing industry trends. Undetected defects, errors and failures may occur, especially when new versions or updates are made. Despite testing by us, defects, errors or bugs in our software have in the past, and may in the future, not be found until the software is in our live operating environment. Any defects, errors, failures or other similar performance problems or disruptions in our software or systems could materially and adversely affect our business, financial condition and results of operations. Defects, errors, failures or other similar performance problems or disruptions, whether in connection with day-to-day operations or otherwise, could damage our clients' businesses and result in negative publicity, damage to our brand and reputation, loss of or delay in market acceptance of our solutions, increased costs or loss of revenue, loss of competitive position or claims by Advertisers for losses sustained by them. In such an event, we may be required or choose to expend additional resources to help mitigate any problems resulting from defects, errors or failures in our software or systems. Alleviating problems resulting from defects, errors or failures in our software or systems could require significant expenditures of capital and other resources and could cause interruptions, delays or the cessation of our business, any of which would adversely impact our financial position, results of operations and growth prospects. In addition, if we experience any defects, errors, failures or other performance problems, our partners could seek to terminate or elect not to renew their contracts, delay or withhold payment or make claims against us. Any of these actions could result in liability, lost business, increased insurance costs, difficulty in collecting accounts receivable, costly litigation or adverse publicity, which could materially and adversely affect our business, financial condition and results of operations. Additionally, our software utilizes open-source software and any defects or errors in such open-source software could materially and adversely affect our business, financial condition and results of operations.

We rely on third-party service providers for many aspects of our business, and any disruption of service experienced by such third-party service providers or our failure to manage and maintain existing relationships or identify other high-quality, third-party service providers could harm our business, results of operations and growth prospects.

We rely on a variety of third-party service providers in connection with the operation of our solutions. Any performance issues, errors, bugs, defects or failures with respect to third-party software or services could result in performance issues, errors, bugs, defects or failures with respect to our solutions, which could materially and adversely affect our business, financial condition and results of operations. Many of our third-party service providers attempt to impose limitations on their liability for such performance issues, errors, bugs, defects or failures, and if enforceable, we may have additional liability to our clients or to other third parties that could harm our reputation and increase our operating costs. Additionally, in the future, we might need to license other software or services to enhance our solutions and meet evolving client demands and requirements, which may not be available to us on commercially reasonable terms or at all. Any limitations in our ability to use or obtain third-party software or services could significantly increase our expenses and otherwise result in delays, a reduction in functionality, or performance issues, errors, bugs, defects or failures with respect to our solutions until equivalent technology or content is either developed by us or, if available, identified, obtained through purchase or licensed and integrated into our solutions, which could adversely affect our business. In addition, third-party software and services may expose us to increased risks, including risks associated with the integration of new technology, the diversion of resources from the development of our own proprietary technology and our inability to generate revenue from new technology sufficient to offset associated acquisition and maintenance costs, all of which may increase our expenses and materially and adversely affect our business, financial condition and results of operations. We

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will need to maintain our relationships with third-party service providers and obtain software and services from such providers that do not contain any errors, bugs or defects. Any failure to do so could adversely affect our ability to deliver effective solutions to our clients and adversely affect our business.

Risks Related to Being a Public Company

Our management team has limited experience managing a public company.

Most members of our management team have limited experience managing a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws, rules and regulations that govern public companies. As a public company, we are subject to significant obligations relating to reporting, procedures and internal controls, and our management team may not successfully or efficiently manage such obligations. These obligations and scrutiny require significant attention from our management and could divert their attention away from the day-to-day management of our business, which could adversely affect our business, financial condition and results of operations.

We are required to provide management's assessment on the effectiveness of our internal control over financial reporting. If we are unable to maintain appropriate internal financial reporting controls and procedures, it could cause us to fail to meet our reporting obligations on a timely basis, result in material misstatements in our consolidated financial statements and adversely affect our operating results.

As a public company, we have significant requirements for enhanced financial reporting and internal controls. The process of designing, implementing, testing and maintaining effective internal controls is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants, adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing whether such controls are functioning as documented, and maintain a continuous reporting and improvement process for internal control over financial reporting.

Pursuant to Section 404(a) of the Sarbanes-Oxley Act, we are required to file a report with the SEC by our management on, among other things, the effectiveness of our internal control over financial reporting. This assessment is required to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. The rules governing the standards that must be met for our management to assess our internal control over financial reporting are complex and require significant documentation and testing. Testing and maintaining internal controls may divert our management's attention from other matters that are important to our business. In addition, pursuant to Section 404(b), we are required to include in the annual reports that we file with the SEC an attestation report on our internal control over financial reporting issued by our independent registered public accounting firm. It is possible in the future that our internal control over financial reporting will not be effective because it cannot detect or prevent material errors at a reasonable level of assurance. If we are unable to maintain appropriate internal financial reporting controls and procedures, it could cause us to fail to meet our reporting obligations on a timely basis, result in material misstatements in our consolidated financial statements and adversely affect our operating results.

Furthermore, we may, during the course of our annual testing of our internal controls or during the related testing by our independent registered public accounting firm, identify deficiencies which would have to be remediated to satisfy the SEC rules for certification of our internal controls over financial reporting. As a consequence, we may have to disclose in periodic reports we file with the SEC significant deficiencies or material weaknesses in our system of internal controls. The existence of a material weakness would preclude management from concluding that our internal controls over financial reporting are effective, and would preclude our independent auditors from issuing an unqualified opinion that our internal controls over financial reporting are effective. In addition, disclosures of this type in our SEC reports could cause investors to lose confidence in the accuracy and completeness of our financial reporting and may negatively affect the trading price of our Ordinary shares, and we could be subject to sanctions or investigations by regulatory authorities. Moreover, effective internal controls are necessary to produce reliable financial reports and to prevent fraud. If we have deficiencies in our disclosure controls and procedures or internal controls over financial reporting, it could negatively impact our business, results of operations and reputation.

We incur increased costs as a result of operating as a public company, and our management is required to devote substantial time to compliance initiatives and corporate governance practices.

As a public company, we incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of Nasdaq and other applicable securities rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management and other personnel continue to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations will continue to increase our legal and financial compliance costs and will make some activities more time-consuming and costly. The risks associated with non-compliance may make it more difficult for us to attract and retain qualified directors and may increase costs of director and officer liability insurance.

We continue to evaluate these rules and regulations and cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. These rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

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We are required to comply with the SEC's rules implementing Sections 302 and 404 of the Sarbanes-Oxley Act, which requires management to certify financial and other information in our annual reports and provide an annual management report on the effectiveness of control over financial reporting. In 2022, we were required to make our first annual assessment of our internal control over financial reporting pursuant to Section 404(a). In addition, pursuant to Section 404(b), we are required to include in the annual reports that we file with the SEC an attestation report on our internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with Section 404, we engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. To maintain compliance, we will need to continue to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting.

If we identify one or more material weaknesses, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements. As a result, the market price of our Ordinary shares could be negatively affected, and we could become subject to litigation including shareholder suits or investigations by the stock exchange on which our securities are listed, the SEC or other regulatory authorities, which could require additional financial and management resources.

Risks Related to Our Ordinary shares

Our share price may be volatile, and you may lose all or part of your investment.

The market price of our Ordinary shares could be highly volatile and may fluctuate substantially as a result of many factors, including:

- actual or anticipated fluctuations in our results of operations;
- variance in our financial performance from the expectations of market analysts or others;
- announcements by us or our competitors of significant business developments, changes in significant customers, acquisitions or expansion plans;
- our involvement in litigation;
- our sale of Ordinary shares or other securities in the future;
- market conditions in our industry;
- changes in key personnel;
- the trading volume of our Ordinary shares;
- changes in the estimation of the future size and growth rate of our markets; and
- general economic and market conditions.

In addition, the stock markets have experienced extreme price and volume fluctuations. Broad market and industry factors may materially harm the market price of our Ordinary shares, regardless of our operating performance. In the past, following periods of volatility in the market price of a company's securities, securities classaction litigation has often been instituted against that company. If we were involved in any similar litigation we could incur substantial costs and our management's attention and resources could be diverted.

An active trading market for our Ordinary shares may not be sustained to provide adequate liquidity.

An active trading market may not be sustained for our Ordinary shares. The lack of an active market may impair your ability to sell your shares at the time you wish to sell them or at a price that you consider reasonable. An inactive market may also impair our ability to raise capital by selling Ordinary shares and may impair our ability to acquire other companies by using our shares as consideration.

The market price of our Ordinary shares could be negatively affected by future issuances or sales of our Ordinary shares.

As of December 31, 2023, we have 295,670,620Ordinary shares outstanding. Sales by us or our shareholders of a substantial number of Ordinary shares, the issuance of Ordinary shares as consideration for acquisitions, or the perception that these sales might occur, could cause the market price of our Ordinary shares to decline or could impair our ability to raise capital through a future sale of, or pay for acquisitions using, our equity securities.

If any of our large shareholders or members of our management were to sell substantial amounts of our Ordinary shares and/or Warrants in the public markets, or the market perceives that such sales may occur, this could have the effect of increasing the volatility in, and put significant downward pressure on, the trading price of our Ordinary shares and/or Warrants. Any such volatility or decrease in the trading price of our Ordinary shares and/or Warrants could also adversely affect our ability to raise capital through an issue of equity securities in the future.

We do not expect to pay any dividends in the foreseeable future.

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We have never declared or paid any dividends on our Ordinary Shares shares. We do not anticipate paying any dividends in the foreseeable future. We currently intend to retain future earnings, if any, to finance operations and expand our business.

Our board of directors has sole discretion over whether to pay dividends. If our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our directors may deem relevant. The In addition, the Israeli Companies Law, 5759-1999, or Companies Law, imposes restrictions on our ability to declare and pay dividends and paymentdividends. Payment of dividends may also be subject to Israeli withholding taxes.

If securities or industry analysts cease to publish research or reports about our business, or if they issue an adverse or misleading opinion regarding our stock, our stock price and trading volume could decline.

The trading market for our Ordinary shares is influenced by the research and reports that industry or securities analysts publish about us or our business. If any of the analysts who cover us issue an adverse or misleading opinion regarding us, our business model, our intellectual property or our share performance, or if our results of operations fail to meet the expectations of analysts, our share price would likely decline. If one or more of these analysts cease coverage of our Company or fail to publish reports on us regularly, our visibility in the financial markets could decrease, which in turn could cause our Ordinary Share price or trading volume to decline.

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We may issue additional Ordinary shares or other equity securities without your approval, which would dilute your ownership interests and may depress the market price of our Ordinary shares.

We may issue additional Ordinary shares or other equity securities in the future in connection with, among other things, future capital raising and transactions and future acquisitions, without your approval in many circumstances. Such issuance of additional Ordinary shares or other equity securities would have the following effects:

- Our existing shareholders' proportionate ownership interest in Taboola may decrease;
- the amount of cash available per share, including for payment of dividends in the future, may decrease;
- the relative voting strength of each previously outstanding ordinary share may be diminished; and
    - the trading price of our Ordinary shares may decline.

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Shareholder Return Performance Presentation Risks Related to the Warrants

This performance graph shallWe may redeem your unexpired Warrants prior to their exercise at a time that is disadvantageous to you, thereby making your Warrants worth less.

Under the terms of the public Warrants, we may exercise the redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws. Redemption of the outstanding Warrants could force holders (i) to exercise the Warrants and pay the exercise price therefor at a time when it may be disadvantageous to do so, (ii) to sell the Warrants at the then-current market price when the holder might otherwise wish to hold its Warrants or (iii) to accept the nominal redemption price which, at the time the outstanding Warrants are called for redemption, is likely to be substantially less than the market value of the Warrants. The Warrants exchanged for ION warrants that were issued in a private placement, as part of the Business Combination, are not expected to be deemed "soliciting material" redeemable by Taboola so long as they are held by the Sponsors or their permitted transferees.

There can be no assurance that our Warrants received by holders of ION warrants in the Business Combination will be in the money at the time they become exercisable or otherwise, and they may expire worthless.

The exercise price of our Warrants issued in exchange for the outstanding ION warrants is $11.50 per ordinary share. There can be no assurance that our Warrants will be in the money following the time they become exercisable and prior to their expiration, and as such, the Warrants may expire worthless.

Risks Relating to Our Incorporation and Location in Israel

Conditions in Israel, including the war in Israel, could have a material adverse effect on our business and operations.

We are incorporated under the laws of the State of Israel, and our principal research and development facilities, including our major data centers, are located in Israel. Accordingly, political, economic and military conditions in Israel directly affect our business. Since the State of Israel was established in 1948, a number of armed conflicts have occurred between Israel and its Arab neighbors.

As has been widely publicly reported, in October 2023 war was declared in Israel. Although we are a company formed under the laws of the State of Israel and have a significant presence there, we are a global company with operations in multiple countries. We maintain a business continuity

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plan and have taken the steps designed to maintain our operations in light of the war in Israel. As of the date of this Annual Report, our operations have not been materially adversely affected by the war.

We cannot predict the duration or severity of the war in Israel or how it will evolve, including any possible escalation or expansion of the war or other hostilities with other countries or groups, any of which could exacerbate geopolitical tensions and have economic implications. In connection with the war in Israel, several hundred thousand Israeli military reservists were called to immediate service. Certain of our employees and consultants in Israel have been called, and additional ones may be called, for service. Although some military reservists have since been released, they may be called up for additional reserve duty, depending on developments in the war and those persons may be absent for an extended period of time. In addition, due to the war or other hostilities our facilities could be damaged and our operations could be otherwise disrupted, which can impact our ability to deliver products and services in a timely manner to meet our contractual obligations towards customers. Any of the foregoing and related risks and uncertainties could have a material adverse effect on our business and operations.

Further, the State of Israel and Israeli companies have been from time to time subjected to economic boycotts. Several countries, principally in the Middle East, still restrict doing business with Israel and Israeli companies, and additional countries may impose restrictions on doing business with Israel and Israeli companies if hostilities in Israel or political instability in the region continues or increases. Any hostilities involving Israel or the interruption or curtailment of trade between Israel and its present trading partners, or significant downturn in the economic or financial condition of Israel, could adversely affect our operations and product development, and could cause our sales to decrease.

Prior to the outbreak of war in October 2023, the Israeli government pursued extensive changes to Israel's judicial system. In response to the foregoing developments, many individuals, organizations and institutions, within and outside of Israel, have voiced concerns over the potential negative impacts of such changes and the controversy surrounding them on the business and financial environment in Israel. Such negative impacts may include, among others, a downgrade in Israel's sovereign credit rating, increased interest rates, currency fluctuations, inflation, civil unrest and volatility in securities markets, which could adversely affect the conditions in which we operate in Israel and potentially deter foreign investors and organizations from investing or transacting business in Israel. If any of the foregoing risks were to materialize, it may have an adverse effect on our business, our results of operations and our ability to raise additional funds.

Investors' rights and responsibilities as our shareholders will be governed by Israeli law, which may differ in some respects from the rights and responsibilities of shareholders of non-Israeli companies.

We were incorporated under Israeli law and the rights and responsibilities of our shareholders are governed by our articles of association and Israeli law. These rights and responsibilities differ in some respects from the rights and responsibilities of shareholders of U.S. and other non-Israeli corporations. In particular, a shareholder of an Israeli company has a duty to act in good faith and in a customary manner in exercising its rights and performing its obligations towards the company and other shareholders and to refrain from abusing its power in the company, including, among other things, in voting at the general meeting of shareholders on certain matters, such as an amendment to the company's articles of association, an increase of the company's authorized share capital, a merger of the company and approval of related party transactions that require shareholder approval. A shareholder also has a general duty to refrain from discriminating against other shareholders. In addition, a controlling shareholder or a shareholder who knows that it possesses the power to determine the outcome of a shareholders' vote or to appoint or prevent the appointment of an office holder in the company has a duty to act in fairness towards the company. These provisions may be "filed" interpreted to impose additional obligations and liabilities on our shareholders that are not typically imposed on shareholders of U.S. corporations.

Provisions of Israeli law and our amended and restated articles of association may delay, prevent or make undesirable an acquisition of all or a significant portion of our shares or assets.

Provisions of Israeli law and our amended and restated articles of association could have the effect of delaying or preventing a change in control and may make it more difficult for a third-party to acquire us or our shareholders to elect different individuals to our board of directors, even if doing so would be considered to be beneficial by some of our shareholders, and may limit the price that investors may be willing to pay in the future for our Ordinary shares. Among other things:

- Israeli corporate law regulates mergers and requires that a tender offer be effected when more than a specified percentage of shares in a company are purchased;
- Israeli corporate law requires special approvals for certain transactions involving directors, officers or significant shareholders and regulates other matters that may be relevant to these types of transactions;
- Israeli corporate law does not provide for shareholder action by written consent for public companies, thereby requiring all shareholder actions to be taken at a general meeting of shareholders;

- our amended and restated articles of association divide our directors into three classes, each of which is elected once every three years;
- our amended and restated articles of association generally requires that 33⅓% of our outstanding shares entitled to vote to be present in person or by proxy to constitute a quorum;
- our amended and restated articles of association generally require a vote of the holders of a majority of our outstanding Ordinary shares entitled to vote present and voting on the matter at a general meeting of shareholders (referred to as simple majority), and the amendment of a limited number of provisions, such as the provision empowering our board of directors to determine the size of the board, the provision dividing our directors into three classes, the provision that sets forth the procedures and the requirements that must be met in order for a shareholder to require the Company to include a matter on the agenda for a general meeting of the shareholders and the provisions relating to the election and

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removal of members of our board of directors and empowering our board of directors to fill vacancies on the board, require a vote of the holders of 65% of our outstanding Ordinary shares entitled to vote at a general meeting;

- our amended and restated articles of association do not permit a director to be removed except by a vote of the holders of at least 65% of our outstanding shares entitled to vote at a general meeting of shareholders; and our amended and restated articles of association provide that director vacancies may be filled by our board of directors.

Further, Israeli tax considerations may make potential transactions undesirable to us or some of our shareholders whose country of residence does not have a tax treaty with Israel granting tax relief to such shareholders from Israeli tax. For example, Israeli tax law does not recognize tax-free share exchanges to the same extent as U.S. tax law. With respect to mergers, Israeli tax law allows for tax deferral in certain circumstances but makes the deferral contingent on the fulfillment of numerous conditions, including, a holding period of two years from the date of the transaction during which certain sales and dispositions of shares of the participating companies are restricted. Moreover, withrespect to certain share swap transactions, the tax deferral is limited in time, and when such time expires, the tax becomes payable even if no disposition of the shares has occurred.

Our amended and restated articles of association provide that unless we consent otherwise, the competent courts of Tel Aviv, Israel shall be the sole and exclusive forum for substantially all disputes between Taboola and its shareholders under the Companies Law and the Israeli Securities Law, which could limit its shareholders ability to brings claims and Exchange Commission, proceedings against, as well as obtain favorable judicial forum for disputes with Taboola, its directors, officers and other employees.

Unless we agree otherwise, the competent courts of Tel Aviv, Israel shall be the exclusive forum for (i) any derivative action or proceeding brought on behalf of Taboola, (ii) any action asserting a claim of breach of fiduciary duty owed by any our director, officer or other employee to Taboola or our shareholders, or (iii) any action asserting a claim arising pursuant to any provision of the Companies Law or the SEC, for purposes Israeli Securities Law, 1968, or Israeli Securities Law. Such exclusive forum provision in our amended and restated articles of Section 18 association will not relieve Taboola of its duties to comply with federal securities laws and the Exchange Act, or otherwise subject to the liabilities under that Section, rules and shall regulations thereunder, and our shareholders will not be deemed to have waived Taboola's compliance with these laws, rules and regulations. This exclusive forum provision may limit a shareholders' ability to bring a claim in a judicial forum of its choosing for disputes with Taboola or its directors or other employees which may discourage lawsuits against Taboola, its directors, officers and employees. The foregoing exclusive forum provision is intended to apply to claims arising under Israeli Law and would not apply to claims for which the federal courts of the United States would have exclusive jurisdiction, whether by law or pursuant to our amended and restated articles of association, including claims under the Securities Act for which there is a separate exclusive forum provision in our amended and restated articles of association.

General Risks

Fluctuations in the exchange rates of foreign currencies could result in currency transaction losses that negatively impact our financial results.

We currently have sales denominated in currencies other than the US dollar. In addition, we incur a portion of our operating expenses in Brazilian Reals, British pounds, Euro, Israeli shekels, Japanese Yen and Thai baht, among others. Any fluctuation in the exchange rates of these foreign currencies could negatively impact our business, financial condition and results of operations. In 2022, we instituted a foreign currency cash flow hedging program to address possible exposure arising from expected expenses to be incorporated paid in NIS. We hedged a portion of our anticipated NIS denominated payroll of Israeli employees for a period of one to twelve months with forward contracts and other derivative instruments. In the future we may pursue additional currency hedging, and may modify or terminate those arrangements from time to time. We intend to enter into these transactions only to hedge underlying risk reasonably related to our business and not for speculative purposes. There can be no assurance that any such activities will be effective or beneficial to us in whole or in part for several reasons including lack of experience, costs or illiquid markets. In addition, it is difficult to predict the effect hedging activities would have on our results of operations, and hedging activities can themselves result in losses.

***In periods of economic uncertainty, businesses may delay or reduce their spending on advertising, we are exposed to the credit risk of some of our clients and customers as well as increased cost of operation in Israel, any of which could materially harm our business*.**

Inflation, which persisted throughout 2023, has adversely affected us by reference into increasing the costs of equipment and labor needed to operate our business and could continue to adversely affect us in future periods. Unstable inflation conditions make it difficult for us and our clients to accurately forecast and plan future business activities, and could cause our clients to reduce or delay their advertising spending with us. Historically, economic downturns, including conditions such as inflation, recessions, or other changes in economic conditions have resulted in overall reductions in advertising spending, and businesses may curtail spending both on advertising in general and on solutions such as ours. We cannot predict the timing, strength or duration of any economic slowdown or recovery. Any macroeconomic deterioration in the future could impair our revenue and results of operations.

Our exposure to credit risks relating to our financing activities may increase if our customers are adversely affected by periods of economic uncertainty, including inflation, recession, pandemic, or other changes in economic conditions, or a global economic downturn. These may

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significantly impact our operating results and financial condition

Historically, credit losses with respect to accounts receivable have generally not been significant. However, we do not require collateral from Advertisers and our normal practice is to allow a period of time before an Advertiser is required to pay us for our services. In addition, although we may seek to reduce the credit exposures of our accounts receivable by credit limits and credit insurance for certain customers, there can be no assurance that any of our filings efforts to mitigate credit risks will be successful.

Economic downturns and political and market conditions beyond our control could adversely affect our business, financial condition and results of operations.

Our business depends on the overall demand for advertising and on the economic health of our current and prospective Advertisers. Economic downturns or instability in political or market conditions may cause current or new Advertisers to reduce their advertising budgets. Adverse economic conditions and general uncertainty about economic recovery are likely to affect our business prospects. This could expose us to increased credit risk on Advertiser insertion orders, which, in turn, could negatively impact our business, financial condition and results of operations.

In addition, continued geopolitical turmoil in many parts of the world have, and may continue to, put pressure on global economic conditions, which could lead to reduced spending on advertising. The Russian invasion of Ukraine has significantly amplified existing geopolitical tensions among Russia, Ukraine, Europe, the West and China. We cannot predict how the war in Ukraine will evolve, but any escalation or expansion of the conflict into other countries, particularly in Europe, would exacerbate geopolitical tensions and could lead to political and/or economic response from the U.S., the E.U. and other countries, which may adversely impact economic conditions. In particular, Russia's military incursion and the resulting sanctions have and could continue to adversely affect global energy and financial markets and thus could adversely impact our operations and the price of our Ordinary shares. The extent and duration of the military action, the response thereto, including resulting sanctions, and resulting future market disruptions, are impossible to predict, but could be significant. Additionally, any such disruptions, resulting sanctions or other actions (including cyberattacks) may magnify the impact of other risk factors discussed in this Annual Report.

We may require additional capital to support growth, and such capital might not be available on terms acceptable to us, if at all. This could hamper our growth and adversely affect our business.

We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new features or enhance our platform, improve our operating infrastructure or acquire complementary businesses and technologies. Accordingly, we may need to engage in public or private equity, equity-linked or debt financings to secure additional funds. If we raise additional funds through future issuances of equity or convertible debt securities, our existing shareholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of our existing shareholders. Any debt financing that we secure in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, including the ability to pay dividends. This may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. We may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and respond to business challenges could be significantly impaired, and our business could be adversely affected.

We are exposed to the risk of natural disasters, political events, war, terrorism and the emergence of another pandemic, each of which could disrupt our business and adversely affect our results of operations.

Events beyond our control could have an adverse effect on our business, financial condition, results of operations and cash flows. Disruption to our platform resulting from natural disasters, political events, war, terrorism, pandemics or other reasons could impair our ability to continue to provide uninterrupted platform service to our Advertisers and digital properties. For example, Russia's invasion of Ukraine, and the responses taken and which may be taken by the U.S., NATO, other countries, multinational companies and others have created global security concerns that could have a lasting adverse impact on regional and global economies, and in turn, may lead to reduced spending on advertising and adversely affect our results of operations. Similarly, disruptions in the operations of our key third-parties, such as data centers, servers or other technology providers, could have a material adverse effect on our business.

While we have disaster recovery arrangements in place, they have not been tested under actual disasters or similar events and may not effectively permit us to continue to provide our platform. If any of these events were to occur to our business, our business, results of operations, or financial condition could be adversely affected.

Expansion of current and new partners and clients in our existing international markets is important to our long-term success, and our limited experience in operating our business in certain locations increases the Securities Act. risk that our international operations will not be successful.

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As of December 31, 2023, we have offices in Israel, the United States, the United Kingdom, Brazil, Turkey, Thailand, India, Japan, China, South Korea, Taiwan, Australia, Mexico, Germany, Spain, France, Italy, and Hungary. Expansion into new international markets requires additional management attention and resources in order to tailor our solutions to the unique aspects of each country. In addition, we face the following additional risks associated with our expansion into international locations:

- **challenges caused by distance, language and cultural differences;**

The graph below compares longer payment cycles in some countries;

- **credit risk and higher levels of payment fraud;**
- **compliance with applicable foreign laws and regulations, including laws and regulations with respect to privacy, data protection, consumer protection, spam and content, and the cumulative total shareholder return risk of penalties to our users and individual members of management if our practices are deemed to be out of compliance;**
- **unique or different market dynamics or business practices;**
- **currency exchange rate fluctuations or inflation;**
- **foreign exchange controls;**
- **political and economic instability and export restrictions;**
- **potentially adverse tax consequences; and higher costs associated with doing business internationally.**

These risks could harm our international expansion efforts, which could have a materially adverse effect on our Ordinary Shares from June 30, 2021 (the date our Ordinary Shares commenced trading on the NASDAQ) through December 31, 2022 with the cumulative total return on the NASDAQ Composite Index and S&P SmallCap 600 Communication Services Index. All values assume a $100 initial investment and data for the NASDAQ Composite Index and S&P SmallCap 600 Communication Services Index assume reinvestment business, financial condition or results of dividends. The comparisons are based on historical data and are not indicative of, nor intended to forecast, the future performance of our Ordinary Shares. operations.

ITEM 6: [RESERVED]

ITEM 1B: UNRESOLVED STAFF COMMENTS

None.

ITEM 7: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

You should read the following discussion and analysis

ITEM 1C: CYBERSECURITY

Cybersecurity Risk Management

At Taboola, cybersecurity risk management is an integral part of our financial condition overall enterprise risk management program. We have developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity, and availability of our critical systems and information.

Our cybersecurity risk management program is based on ISO 27001 standards, which provide a framework and guidelines for implementing and managing an information security system, handling cybersecurity threats and incidents, including threats and incidents relevant to our business, and facilitates coordination across different departments of our Company. Since 2019, Taboola has held an ISO 27001 certification which is audited annually. This framework includes steps for assessing the severity of a cybersecurity threat, identifying the source of a cybersecurity threat including whether the cybersecurity threat is associated with a third-party service provider, implementing cybersecurity countermeasures and mitigation strategies and informing management and our board of directors, as appropriate, of material risks from cybersecurity threats and incidents. As part of this framework, we've incorporated third-party service provider cyber qualification processes and supply chain risk management. Our cybersecurity team regularly engages external cybersecurity consultants for risk assessment, security testing and system enhancements. In addition, we provide employees annual cybersecurity training and also provide cybersecurity training for new hires.

Our board of directors has overall oversight responsibility for our risk management and is charged with oversight of our cybersecurity risk management program. The board of directors is responsible for ensuring that management has processes in place designed to identify and evaluate cybersecurity risks to which the Company is exposed and implement processes and programs to manage cybersecurity risks and mitigate cybersecurity incidents.

Management is responsible for identifying, considering and assessing material cybersecurity risks on an ongoing basis, establishing processes to ensure that such potential cybersecurity risk exposures are monitored, putting in place appropriate mitigation measures and maintaining cybersecurity programs. Our cybersecurity programs are under the direction of our Vice President, Information Technology & Cybersecurity, or VP Cybersecurity, who together with our cybersecurity team, monitors the prevention, detection, mitigation, and remediation of cybersecurity incidents. Our VP Cybersecurity and members of the cyber security team hold multiple industry recognized cyber security certifications and together have decades of experience, including industry, military and government cyber experience. The Company's VP Cybersecurity updates the board of directors on the Company's cybersecurity programs, material

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cybersecurity risks and mitigation strategies and provides cyber security reports at least annually that cover, among other topics, third-party assessments of the Company's cybersecurity programs, developments in cybersecurity and updates to the Company's cybersecurity programs and mitigation strategies.

In 2023, we did not identify any cybersecurity threats that have materially affected or are reasonably likely to materially affect our business strategy, results of operations, together or financial condition. However, despite our efforts, we cannot eliminate all risks from cybersecurity threats, or provide assurances that we have not experienced any undetected cybersecurity incidents. For more information about these risks, refer to Part 1, Item 1A, "*Risk Factors"* in this Annual Report.

ITEM 2: PROPERTIES

Our corporate headquarters is in New York City and our core research and development team is in Tel Aviv. We maintain offices in major cities around the world to serve our geographically diverse client base. Additionally, we operate data centers in the United States, Israel, Hong Kong, Singapore and Netherlands and have twelve data centers which are operated under collocation agreements with Taboola's audited consolidated financial statements nine third-party data center providers. Certain of our real property and the related notes appearing other leases are further described in Notes 9, 12, 18 and 20 of Notes to Consolidated Financial Statements elsewhere in this Annual Report. Some of the information contained in this discussion and analysis is set forth elsewhere in this Annual Report, including information with respect to Taboola's plans and strategy for Taboola's business, and includes forward-looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth in the section titled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements," Taboola's actual results could differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis. Throughout this section, unless otherwise noted or the context requires otherwise, "we," "us," "our" and the "Company" refer to Taboola and its consolidated subsidiaries, and in references to monetary amounts, "dollars" and "$" refer to U.S. Dollars, and "NIS" refers to New Israeli Shekels

Overview We lease all of our facilities. We do not own any real property. We believe our current facilities are adequate to meet our immediate needs.

ITEM 3: LEGAL PROCEEDINGS

Taboola is a technology company that powers recommendations across the Open Web with an artificial intelligence, or AI-based, algorithmic engine that we have developed over the past 15 years. Taboola has also recently expanded more directly into e-Commerce, allowing its partners with digital properties the ability From time to use its platforms to display advertising suited to the audiences of those partners' web sites or other digital services.

We think of ourselves as a search engine, but in reverse — instead of expecting people to search for information, we recommend information to people or enable our partners to use our technology. You've seen us before: we partner with websites, devices, and mobile apps, which we collectively refer to as digital properties, to recommend editorial content and advertisements on the Open Web, outside of the closed ecosystems of the walled gardens such as Facebook, Google, and Amazon.

Digital properties use our technology platforms to achieve their business goals, such as driving new audiences to their sites and apps, or increasing engagement on site — and we don't charge them for these services. We also provide a meaningful monetization opportunity to digital properties by surfacing paid recommendations by Advertisers. Unlike walled gardens, time we are a business-to-business, party to various litigation matters incidental to the conduct of our business. We are not presently party to any legal proceedings the resolution of which we believe would have a material adverse effect on our consolidated business prospects, financial condition, liquidity, results of operation, cash flows or B2B, company with no competing consumer interests. We only interact with consumers through our partners' digital properties, hence we do not compete with our partners for user attention. Our motivations are aligned. When our partners win, we win, and we grow together. capital levels.

ITEM 4: MINE SAFETY DISCLOSURES

Not applicable.

We empower Advertisers to leverage our proprietary AI-powered recommendation platform to reach targeted audiences utilizing effective, native ad formats across digital properties. We generate revenues primarily when people (consumers) click on, purchase from or, in some cases, view the ads that appear within our partners' digital experiences via our recommendation platform. Advertisers pay us for those clicks, purchases or impressions, and we share the resulting revenue with the digital properties who display those ads and generate those clicks and downstream consumer actions.

Our powerful recommendation platform was built to address a technology challenge of significant complexity: predicting which recommendations users would be interested in, without explicit intent data or social media profiles. Search advertising platforms have access, at a minimum, to users' search queries which indicate intent, while social media advertising platforms have access to rich personal profiles created by users. In contrast, we base our recommendations on an extensive dataset of context and user behavior derived from the intersection of thousands of digital properties and millions of recommended items, including ads and editorial content.

Our annual Revenues grew to $1,401.2 million in 2022, from $1,378.5 million in 2021 and $1,188.9 million in 2020. Over the same three years, our Gross profit grew to $464.3 million, from $441.1 million and $319.5 million, and our ex-TAC Gross Profit grew to $569.6 million, from $518.9 million and $382.4 million, respectively. Our Net income (loss) for the same three years was $(12.0) million, $(24.9) million and $8.5 million, respectively, while our Adjusted EBITDA was $156.7 million, $179.5 million and $106.2 million, respectively, and our Non-GAAP Net Income was $91.4 million, $113.6 million and $59.2 million, respectively.

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For more information about ex-TAC Gross Profit, Adjusted EBITDA and Non-GAAP Net Income, see *"Operating and Financial Review and Prospects —Non-GAAP Financial Measures."*

ION Merger Agreement

On January 25, 2021, we and one of our subsidiaries entered into a Merger Agreement with ION Acquisition Corp. 1 Ltd. Under that agreement, our subsidiary merged with and into ION, with ION continuing as the surviving company and becoming our direct, wholly-owned subsidiary. The Merger Agreement and the related transactions were unanimously approved by both our the ION board of directors and the Board. The Business Combination and other transactions contemplated by the Merger Agreement, closed on June 29, 2021 after receipt of the required approval by our shareholders and ION's shareholders and the fulfillment of certain other conditions. In connection with the Merger Agreement, we also obtained commitments for the purchase in private transactions that closed concurrently with the Business Combination of approximately $285 million of our Ordinary Shares, shares, of which approximately $150 million was purchased directly from certain of our existing shareholders, primarily from early investors.

Connexity Acquisition Industry Trends

On September 1, 2021 Taboola's opportunity is to offer advertisers easy access to a curated supply of Open Web publisher inventory in a way that offers significant scale, reach and frequency with better user experience and monetization performance than what they are seeing today.

Advertising Budgets Shift to Digital Marketing. As we completed our previously announced acquisition have witnessed over the last decade, advertising budgets continue to shift from traditional media, such as print newspapers, magazines and television, to digital channels. No longer a trend, a change in consumer attention to digital properties has become a lasting movement, giving Advertisers an opportunity to reach increasing numbers of Shop Holding Corporation, consumers at scale with relevant content and precise targeting, thereby driving a higher return on their investment.

Walled Gardens Dominate Digital Advertising Spend. According to eMarketer, more than half of digital advertising budgets are spent within the closed ecosystems of tech giants like Google, Facebook and Amazon, which we refer to as Connexity. The total consideration amount "walled gardens." With the proliferation of approximately $800 million included retention incentives these walled gardens and the time spent by consumers within them, the Open Web is subject to customary purchase price adjustments fighting for working capital user attention and indebtedness. as a result for advertising dollars.

At closing, we issued 17,328,049 of*Highly Fragmented Open Web*. According to our Ordinary Shares based estimates, Advertisers spent approximately $80 billion advertising on a fair value of shares at the closing date of $157.7 million and paid approximately $593.9 million Open Web in cash with an additional $1.6 million, subject 2023. Because the Open Web is, by definition, highly fragmented, it is harder for Advertisers to adjustment, paid in January 2022. access than the walled gardens.

An additional 3,681,030 shares are deliverable to Connexity employees in installments over three years following the closing as part*The Technology behind Digital Advertising has become Increasingly Complex.* Technologies for more automated and efficient buying and selling of holdback arrangements, subject to continued employment with Taboola. Separately, certain employees of Connexity digital advertising have been granted incentive equity awards of approximately $40 million gaining traction for several years with both advertising buyers and digital properties. The ability to collect, collate and analyze intent data points using AI and machine-learning technology is a key differentiator for Advertisers, digital properties and advertising intermediaries. Data insights can now be used to optimize digital advertising campaigns in ways that will settle in our Ordinary Shares and will vest subject were not previously possible. This means that advertising intermediaries who do not have access to data or are not using AI to power their continued employment with Taboola over the next approximately five years. platforms may be at a disadvantage.

At*Shift from Offline Shopping to Online Shopping and e-Commerce.*Online shopping saw significant acceleration during the closing we also entered into a $300 million senior secured term loan credit agreement Covid-19 pandemic and used growth is expected to continue ~8% annually through 2027 doubling the full proceeds growth of the loan, net of issuance cost to finance, in part, the Connexity acquisition.

See Notes 7, 10, and 13 of Notes to Audited Consolidated Financial Statements. physical retail over that same period.

Yahoo Partnership*Native Format Proliferation.* According to eMarketer, native ads - ads that match the look, feel and function of the media format in which they appear, such as those used by Taboola - accounted for approximately 66% of total U.S. display ad spending in 2023. Native advertising is a format that has been popularized by social media and is now familiar to consumers.

Increasing Focus on Privacy and the Disappearance of Third Party Cookies. Government regulators, consumers, and technology companies recently turned their attention toward the use of personal data and related privacy practices. This has led to increased regulation, such as the European Union's General Data Protection Regulation, or GDPR, its equivalent in the United Kingdom (commonly referred to as the UK GDPR), and the California Consumer Privacy Act (as modified by the California Privacy Rights Act), or CCPA. In parallel, major Internet browsers, such as Safari and Firefox are already blocking third party cookies and Google has announced plans to completely phase out third-party cookies in Google Chrome during the second half of 2024. These changes pose a challenge for the digital marketing landscape, which currently relies extensively on third-party cookie data for personalization and must adapt to comply with increasing regulation of personal data.

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Our Market Opportunity

We believe the Open Web needs a technology partner that enables digital properties to compete effectively with the scale and technological advantages of the tech giants. We believe our recommendation technology is applicable to a wide range of digital properties, including websites, apps, devices, and in the future, connected TVs and other mediums.

Unlike walled gardens, we are a B2B company with no competing consumer interests. We do not compete with our digital property partners for users' attention. Our motivations are aligned: when our partners win, we win, and we grow together. This win-win mentality applies to our relationships with digital property partners and our Advertiser clients. Our Advertiser clients typically utilize a performance-based pricing model, which means they only pay us after a desired event, most commonly a click, occurs. In addition, our deep relationships with digital properties offer a compelling value for Advertisers, granting consolidated access to Open Web audiences and, thus, reducing the effects of fragmentation. In the fourth quarter of 2023, we worked with approximately 17,000Advertisers to serve ads to users across the Open Web and reached nearly 600 million daily active users, which, for this figure, we calculated as the average daily number of users that have been exposed to Taboola content recommendations at least twice in the preceding seven days. We and our digital property partners both benefit when users stay engaged with content on the digital property. To that end, we share advertising revenue as well as content-consumption data with digital properties, which they can use to make editorial decisions that best accommodate their audiences' interests and increase user engagement.

What We Do: Our Recommendation Platform

At the core of the Taboola platform is our AI-powered predictive recommendation engine, which predicts what people may find interesting by employing unique Deep Learning technology and utilizing a broad range of inputs.

In Taboola's core business, we serve two types of recommendations: (1) editorial, or "organic," content from the site that the user is currently visiting, in order to engage the user and increase their chances of staying on the site longer; and (2) third-party ads paid for by our Advertiser partners. Our recommendations support text, image and video formats.

We generate revenue by enabling Advertisers to place bids for the right to serve their ads to targeted audiences across the Taboola network of digital properties, including some of the most premium sites in the world. As part of our e-Commerce offerings, we also syndicate our retailer Advertisers' monetized product listings and links (clickable advertisements) into commerce content-oriented consumer experiences on both the Open Web and within the dominant traditional ad platforms.

Representative Product Implementation

Our Platform for Digital Properties

Through our technology, data and Advertiser relationships, we help digital properties achieve three key goals:

- *Engagement*: We keep users engaged with the digital property they are currently visiting, helping digital properties grow their business and not lose users to walled gardens. Digital properties work extremely hard to create engaging content and rely, in part, on Taboola to surface that content to the right user at the right time. To that end, the more content people read, the more time they spend on that digital property's site, and the greater the opportunity for the digital property to monetize their business by, among other things, serving ads and offering subscriptions. In 2023, people clicked on Taboola recommendations tens of billions of times and approximatelyone-third of those clicks were on editorial content, keeping users on the site that they were on.

- *Audience*: Digital properties using our platform can grow their audience in seven main ways: (1) using our Taboola Newsroom product, they can use the readership data we compile from across the Taboola network to inform editorial decisions and optimize their content strategy, ultimately bringing new users to their property; (2) creating audience exchange programs between their own sites and those of other digital properties on our network, diversifying their audiences and introducing their content to new users; (3) acquiring new quality audiences from across the Taboola network of digital properties; (4) driving subscriptions to newsletters and paid subscriptions which, help bring loyal readers again and again to their site; (5) distributing their editorial content onto devices, OEMs, mobile carriers and more; (6) providing access to structured product content that can be used to create compelling consumer experiences; and (7) delivering insights and real-time analytics that enable the optimization of e-Commerce content strategy to increase engagement and organic traffic generation.
- *Monetization*: We enable digital properties to monetize their content with seamlessly integrated native ads, typically displayed in a feed format appearing at the end of an article, as well as other prime locations such as homepages, section fronts and middle of the articles. When people click on these ads or make a purchase, and in certain cases when they view the ads, Advertisers pay us and we then share in this revenue with the digital property on which the click or impression occurred. With the addition of Taboola's new offerings through its acquisition of e-Commerce focused Connexity, Inc., we also offer cost-per-click and cost-per-action monetization of both product listings and links to retailers that reside directly within editorial content.

Our Platform for Advertisers

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Advertisers utilize Taboola's platform and leverage our AI-powered recommendation engine to reach their audiences throughout the buyer journey, from building brand awareness to increasing customer loyalty. Using Taboola's predictive engine, Advertisers can engage consumers at the right time with the right content, using text, image or video formats. Taboola allows Advertisers to run campaigns either directly through Taboola, using Taboola's campaign management dashboard, or programmatically.

We believe we offer Advertisers a complement to the walled gardens:

- *Massive reach*: With an average of nearly 600 million daily active users in the fourth quarter of 2023, our platform creates opportunities to reach people on the Open Web when they're most receptive to brand messages and new content.
- *Targeting*: Our recommendation platform allows Advertisers to target their campaigns according to multiple parameters, such as context, user location, device and network connection type. Additionally, we use the Advertiser's own data to target demographics, interests, "lookalike audiences" and more. Our predictive engine and large readership dataset enable Advertisers to reach their target audiences with the right message, at the right time and in the right context. In contrast with social networks, where Advertisers reach users based on carefully curated personas as well as other signals, our Advertisers reach users based on signals from what people are reading on the Open Web, which we believe is a more authentic representation of their true interests.
- *Impactful Native Ad Formats*: Our close partnerships with premium digital properties allow us to develop highly impactful ad experiences that support a variety of ad formats and achieve diverse Advertiser goals, from awareness, to consideration, to purchase.

- *Brand Safe*: Ads distributed by Taboola are typically served on pages that display editorial content rather than the ubiquitous user-generated content of platforms such as YouTube or Facebook. In addition, our ad platform allows Advertisers to control the properties and topics on which their content appears, ensuring that their ads are displayed within suitable environments.
- Measurable Performance-Based Advertising: Performance-based Advertisers only pay when a consumer has actually engaged with the ad unit and in some cases only when a transaction is completed which is typically on a cost per click or cost per action basis. This is a particularly strong proposition for the retailer client advertising because it is a tangible return on the retailer client's media investment.

Our Recommendation Technology

Our Research and development team has spent over a decade developing our proprietary AI-based recommendation technology used in our core product, solving an incredibly complex problem — how to construct a personalized recommendation feed from millions of available articles, videos and ads, in real-time, when you have nearly 600 million daily active users and need to optimize for diverse outcomes and support multiple pricing models.

Rather than rely on knowledge of what people are searching for or what they share on social media, our predictive algorithms employ unique Deep Learning technology to develop a powerful model of people's interests across the Open Web. Our technology performs exceptionally well on diverse types of input data, such as text, images and video, and is designed to discover non-trivial relations between content and users in a specific context. We predict which recommendations users are most likely to engage with based on a broad set of 'signals' that fall into the following categories:

- *User Behavior*. We are experts in analyzing pseudonymized user behavior across the Open Web. We gather a massive amount of content consumption data from users who visit our partners' digital properties, which our Deep Learning engines then ingest.
- *Context*. Our algorithms ingest contextual signals, such as geographic location of the user, what device the user is using, time of day, day of week, page layout, page language and more.
- *Analysis of Recommended Items*. We analyze recommended items, including paid advertisements, editorial articles, images and videos, to identify signals such as topic, title, thumbnail image, semantics and sentiment.

Generating a Rich Recommendation Feed

We serve the majority of our recommendations within a feed that was modeled after widely popular social media feeds and adapted for the Open Web. While the feed format provides a good user experience, it requires technological expertise that is an order of magnitude more complex than optimizing a single ad.

This is both a competitive advantage and a technological challenge that requires our algorithms to optimize multiple placements simultaneously across an entire web page, while also supporting the unique objectives of our various partners. Indeed, any recommendation we generate takes into consideration the other advertisements and editorial content recommendations that we display in the same feed. The effect of the sum of these parts allows us to predict the user engagement in different contexts, and make algorithmic decisions concerning the content we serve the user next.

In November order to populate recommendations within a feed, our technology must consider the whole page, and recommend content or ads within the context of that page. This has implications both on the algorithms to predict engagement, as well as on how ad auctions are conducted. We have built an efficient algorithm to estimate the incrementality of new items based on what is already in the feed, and taking into account both how strong the item is standalone, as well as how similar it is to the other items already in the feed.

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Additionally, our Deep Learning engine allows us to optimize for multiple objectives simultaneously, which delivers efficacy to Advertisers, increases user engagement and supports the achievement of many other business goals 6in tandem. As opposed to other digital ad intermediaries who optimize the placements of a single ad unit in an environment they do not control, we influence, and more often create, the setting in which ads appear as we control the entire feed of content and ads, and optimize across the entire feed, page or session.

Lastly, we have built a robust ability to conform our recommendation feeds to the design of our digital property partners' pages and layouts. Presenting a variable mix of both editorial and paid content in this native format also mitigates the risk of user fatigue, commonly referred to as "banner blindness," that has been noted in traditional display ads.

How We Recommend Editorial Content

Recommending editorial, or organic, content produced by digital properties enables us to help our publisher partners keep users active on their site for a longer period of time, increasing their exposure to more personalized editorial content — thus increasing overall satisfaction and loyalty.

To successfully recommend editorial content items, we developed algorithms that extract and analyze content consumption patterns from our entire network of digital properties. Our recommendations also rely on our deep understanding of reading habits based on our analysis of redundancy, recency, vertical, longevity, relevance device type and other factors.

In order to refine our ability to recommend editorial content even further, we have built multiple crawlers to ingest editorial content, categorize it, and extract named entities and topics using our Natural Language Understanding platform, which transforms human language into a machine-readable format. We also automated the assimilation, classification and generation of creatives, including images, videos, titles and descriptions.

We also take into consideration the optimization of recommendations to support our publishers' goals, including subscriptions, pages per session, session duration, subscriptions to newsletters and more.

How We Recommend Ads

Recommending ads is particularly complex because the process requires accurately predicting multiple facets of the user's interaction:

- The probability the user will interact (click on an ad, or go to an Advertiser's site/app after seeing an ad), given a specific user and context.
- The probability a user will convert (into a lead, sales or other KPIs the Advertiser wishes to optimize) after she clicked/viewed an ad, given a specific user and context.
- The price of a specific item (we support cost per click (CPC) and cost per thousand impressions (CPM)).

Our ultimate measure of success in recommending ads is achieving the Advertiser's goals. In order to do so, Taboola's algorithms are designed to select the right opportunity to engage the right user with the right ad, while at the same time optimizing pricing and selecting the best creative assets to use. Our technology is designed to predict the value of each item and optimize both the advertising creatives and the format mix in each auction.

As described above, in order to make effective recommendations, our technology must first predict a user's engagement with a given advertisement. When combined with the bid for each item, and the prediction of the conversion, this allows us to calculate the relative value of each item available for recommendation. To create an efficient marketplace, our algorithms support diverse pricing models, including CPC and CPM, and are able to conduct efficient auctions between them in order to maximize available inventory for Advertisers with diverse marketing objectives. We optimize bids for a particular ad, Advertiser, user and context, while factoring in constraints, such as geographic location targeting or audience segment targeting, regardless of pricing model.

In order to assist Advertisers in executing efficient and effective campaigns, we developed a pricing automation tool called Smart Bid. Smart Bid is an automated campaign bidding strategy that utilizes platform data to bid effectively in real-time on impressions that are most likely to lead to conversions.

To maximize the probability of a user engaging with an ad, we support flexible native ad formats that include images, videos, text and interactive elements; we also support specialized elements, such as product price, discount, number of items left in stock, mobile app rating and more. Selecting the optimal ad also involves determining the best version and format of the ad from a very large number of combinations; Taboola does so by running a scalable infrastructure of multi-variant testing, which in turn allows the algorithm to choose the best creative combination efficiently.

How we Enable Digital Properties to make e-Commerce Recommendations

With our acquisition of Connexity, our solutions have expanded to include e-Commerce focused content and monetization solutions for publishers. From a content point of view, we provide publishers with access to over 500 million product listings that are structured into product categories and enriched with product attributes. We syndicate those enriched offers to publishers, thereby enabling them to create consumer shopping or editorial experiences by embedding those product listings as native content within their websites, apps or social media feeds.

There are a variety of implementations in terms of how publishers can access and engage with the content. Technology-savvy enterprise publishers will ingest the entire product listings feed and use their own search engine or content management system to choose how, when and which content to display. Less

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tech-enabled publishers will call Connexity's search engine API to retrieve product listing results based on a search query, and then they will publish those product listings within their consumer experience in real-time. Lastly, professional editors or social influencers can use a browser-based editorial tool to hand-pick a specific product to display within their editorial content experience.

In each of those cases, from a monetization perspective, we enable the publisher to seamlessly earn revenue on either a CPC or cost-per-action (CPA) for clicks and conversions that are generated by consumer engagement with the product listings or other retail-oriented editorial content.

To enable these publishers to maximize the success of the commerce content initiatives, the company provides a suite of analytics dashboards that showcase real-time feedback on the performance of each of their product listing or editorial placements. In addition, the company also provides insights into industry trends including visibility into the type of content and products that are converting well across the entire network. These real-time feedback loops and insights are critical inputs that drive publishers' content strategy and decisions about which products to promote. They accrue significant benefits to both publishers and the company in the form of increased yield and significantly differentiate the solution as the network effect is difficult to replicate.

We are Built for the Open Web as a Complement to the Walled Gardens

In support of our win-win approach to partnerships, our recommendation technology is built to operate differently. Because we power editorial recommendations, digital properties typically embed our code directly on their web page. This means we can serve our own first-party cookie, much like what digital properties do on their own sites and applications.

Our recommendation platform allows both digital properties and Advertisers to control their brand identity within Taboola's network. For example, digital properties can set "acceptance profiles" to determine which types of Advertisers we will recommend, and Advertisers can target or block selected digital properties. To consistently regulate the quality of our network, we also maintain a public content policy and employ a content review team that reviewed over ten million items in the fourth quarter of 2023. This combination of technology and human review is designed to create a consistently high level of brand safety and quality content within our network.

While developing our recommendation technology, privacy is always at the top of our mind. We have long established and adopted privacy-by-design as a central element of our technology, and product design and development cycles, with a strong commitment to ensuring best practices in privacy, security and safety for our partners and users. Since 2017, we have had a designated Data Privacy Officer along with a team of privacy specialists. These specialists are integrated within our Research and development and Product organizations and processes, and consider all facets of user privacy as key elements in the design of any new technology, solution or feature of our recommendation platform. We also perform ongoing privacy impact assessments to monitor potential risks during the product lifecycle and proactively mitigate those risks.

Infrastructure

To successfully deliver optimized recommendations to nearly 600 million daily active users, and 500,000 recommendation related requests every second, we developed powerful software and hardware infrastructures from the ground up.

Our data infrastructure was designed and implemented with several principles to ensure both very high accuracy and high speed to process and ingest every new data input at a very high scale and throughput. This infrastructure continuously "feeds" the predictive Deep Learning models, granting access to rich user history and enabling enrichment of data.

In order to support the massive amount of text analysis, processing, named entities and general semantic understanding, we have built a Natural Language Understanding platform with a large scale knowledge graph. Designed to recognize multiple languages, topics, concepts, named entities and categories for the entire Taboola platform, this platform is built using Deep Learning technologies.

The ability to control the entire feed across multiple canvases is enabled by building state of the art client-side technologies to render and serve a rich feed of content across billions of devices, canvases and user touch points. This process operates within strict SLA and performance constraints, which requires us to develop our technology to work efficiently on low-end and high-end devices and canvases.

As of December 31, 2023, we utilized approximately 12,000 servers; four back-end data centers processing over 100TB of data per day to train our AI engine; and nine front-end global data centers that, together, have served up to one trillion recommendations monthly. We use around 500,000 CPU cores, 2.5PB of memory and around 71,000PB of storage overall.

Deployment of our code to the production environment is fully automated and includes execution of tens of thousands of automated tests for each code change, using AI to locate anomalies in the code to prevent errors. This allows our Research and development to develop software quickly and enables us to continuously deliver reliable code and AI models to production. To address the extreme complexity of operating at such a massive scale, we use cutting-edge technologies, such as Tensorflow, Spark, Cassandra and Kafka, as well as highly sophisticated code we developed to allow these tools to meet our scale and reliability requirements.

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Our Team

We have assembled a world class team of engineers and data scientists with a business-focused, innovative engineering culture. We have access to top talent in Asia, Europe, Israel, and the U.S., including very strong talent in AI, Deep Learning, high-scale infrastructure and browser-based technologies. We believe our engineering culture plays a key role in our success: we assign business KPIs to Research and development teams so technological decisions and priorities are aligned with business needs; we empower engineers to own features end-to-end, from ideation to full adoption; and we put special emphasis on collaboration. Our engineering culture relies strongly on experimentation and multi-variants testing. We continuously deploy and run hundreds of different AI models, UI variations and optimizations, in effect measuring hundreds of KPIs. We build our infrastructure such that it enables this culture of continuous improvement.

Our Competitive Strengths

We believe the following key strengths provide us with competitive advantages:

- *Performance of our AI Technology*. We have spent over 15 years developing our AI-powered recommendation technology to drive high yield for digital properties, high returns on advertising spend for Advertisers, and relevant recommendations to consumers, who spend more time consuming content on digital properties. Similarly Connexity, our e-Commerce solution, uses AI powered technology to drive optimized performance for Advertisers and digital properties.
- *More than Monetization*. The value we provide to digital properties goes beyond monetization. Our technology helps digital properties grow their audience by optimizing audience exchange programs; recommending content created by the digital properties to increase the time consumers spend on these properties; helping editorial teams make data-driven decisions, and more. We work daily with our extensive network of global digital properties to improve our platform and create more value for the entire Taboola network.
- *Exclusive, Multi-Year Partnerships with Premium Digital Properties*. We have established long-standing, and in many cases exclusive relationships with digital properties on the Open Web. They have chosen to work with Taboola across all types of platforms, including desktop, mobile and tablet devices. This provides Taboola and Taboola Advertisers with predictable access to audiences and supply.
- *Direct Relationships with Advertisers*. We work directly with the majority of the Advertisers that use our platform. This allows us to build strong relationships, help Advertisers succeed on our platform, and evolve our technology based on direct feedback.
- *High Reach and Scale*. We have nearly600 million daily active users across the globe, enabling Advertisers to run campaigns at scale.
- *Network Effect*. As more digital properties use our platform, we gather more content consumption data. More data makes our AI-driven algorithms more effective in making predictions, which in turn enables us to deliver better performance for Advertisers, which drives higher yields for digital properties. These higher yields make it easier to retain digital properties and acquire new partners.
- *Founder-led Experienced Management Team*. Our founder, Adam Singolda, has successfully led Taboola as CEO since we began operations in 2007. Most of Taboola's senior management has worked together with our founder for many years: the average tenure of our senior management is over nine years, demonstrating strong execution and achieving rapid growth.

- *Strong Financial Profile*. We designed our business to be highly scalable, with a focus on sustainable long-term development. Since we began operations in 2007, we have demonstrated a track record over time of growth in revenue, gross profit and ex-TAC Gross Profit.
- *Not Dependent on Third Party Cookies*. Our direct integration with many digital properties has helped us navigate changes in the industry. Our engineers continue to work closely with industry stakeholders to ensure we will be prepared in the likely event that third-party cookies are fully blocked and we continue to invest in innovative solutions that deliver relevant and engaging discovery experiences for our users.

Our Growth Opportunities

We drive revenue by growing users and user engagement, and by driving yield, which represents the revenue we can generate per user. We do this by focusing on the following key areas:

- *Continued Investment in AI*. Continuously investing in our AI technology is at the heart of what we do. We believe AI is critical to engaging Open Web users and will ultimately provide better service and greater monetization to Advertisers and digital properties, increasing our yields and accelerating our growth.
- *Grow our Core Digital Property and Advertiser Client Base*. While we already have an extensive network of global digital properties and Advertisers, we believe the efficacy of our recommendation platform gives us the opportunity to expand our partnerships and client base even further, as demonstrated by our 30-year partnership with Yahoo which closed in January 2023. We expect to continue investing in our technology, expanding our global presence, and growing our sales and client service teams to support further growth.
- *Add User Touchpoints*. At our core, Taboola is a recommendation engine. We believe many types of digital properties need a recommendation engine to engage their consumers, find new audiences and monetize. This includes e-Commerce websites, connected TVs, devices and more. In 2018, we launched Taboola News, an offering which seamlessly integrates premium content from our digital properties into connected devices. We believe our existing partnerships with leading device manufacturers and mobile carriers, as well as potential future partnerships with connected TV vendors and others, presents a substantial growth opportunity for both Taboola and our partners.

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- *Add New Types of Recommendations*. From experience, we know recommendation engines become better when they are able to recommend a greater variety of content. For example, in 2016, we predicted that video content presented a huge opportunity for Advertisers to reach their audiences in a highly impactful way, for digital properties to drive better monetization and for users to engage with suggested videos, similar to how they are used on social networks such as Instagram. To that end, we added support for video formats in our recommendation platform and saw significant returns from doing so. Similarly, we believe there is opportunity to further diversify our recommendation offerings and intend to invest in new formats and advertising partnerships to improve both consumer experience and yield. The ability to display a variety of media formats in novel combinations is key to preventing "banner blindness" that plagues traditional display formats and making our recommendation engine even better.

- *E-Commerce*. We have expanded into the e-Commerce market through our acquisition of Connexity, which strengthens our data, pairing our readership data with purchasing data that can make our AI better, grow yield and make our advertising partners more successful. Our expansion into e-Commerce aligns with Taboola's overall business strategy, which is about working directly with both Advertisers and publishers, serving high quality advertising experiences that do not depend on cookies. E-Commerce is also the way for us to diversify what we recommend - to recommend products - and to grow our yield for publishers, which helps us become even more competitive. These new capabilities will provide merchants, and publishers, large and small, more opportunities to scale outside of the walled gardens, making the open web thrive.
- *PursueValue-Enhancing Acquisition Opportunities*. The Open Web remains highly fragmented, which may present attractive opportunities for us to grow through strategic and value-enhancing acquisitions. We will continue to evaluate potential acquisition opportunities in light of changing industry trends and competitive conditions. However, given the level of effort we anticipate in launching our partnership with Yahoo, we would expect any acquisitions that we consider to either be small and very simple to integrate or dramatically value-enhancing.

Our Business Partners

We primarily have two types of business partners: digital properties that use Taboola to drive new audiences, engagement and monetization; and Advertisers, and their agencies, that use Taboola to achieve a variety of marketing objectives.

Digital Properties

Taboola had approximately 12,000 digital property partners in the fourth quarter of 2023, including many premium properties such as Microsoft, NBCUniversal, CBSi, The Independent and El Mundo. These partners value our ability to drive new audiences to their sites, engage their users, and monetize their digital properties, while our data insights assist them in making informed editorial decisions. Our value is evidenced by our many multi-year, exclusive partnerships. As of December 31, 2023, our average contract term length with our digital properties was over two years as measured by contract duration at inception; some of our largest partners have even longer-term agreements. Microsoft is our largest partner. Other than Microsoft, no other digital property partner accounted for 5% or more of our Revenues generated from Advertisers on digital properties in 2023.

Advertisers

We had approximately 17,000 Advertisers working with us directly, or through advertising agencies, worldwide during the fourth quarter of 2023. The vast majority of our Revenues comes from Advertisers working with us directly, rather than via an agency. We support the leading programmatic channels via integrations with leading demand side platforms, or DSPs. Thanks to the effectiveness of our recommendation engine, many of our Advertiser clients are considered "always on," which means they continuously invest on our platform, rather than running finite campaigns.

Our Advertiser customer base is highly diverse. Some of the verticals we have seen strong adoption in are health & fitness, finance, hobbies & interests, technology & computing, home & garden, shopping and automotive. Our ten largest Advertisers accounted for less than 13% of total Revenues on our network in 2023, with none larger than 3%.

Sales and Marketing

To support our "win-win" approach to working with both digital properties and Advertisers, we employ a global sales team tasked with signing new partners and growing existing implementations. Our team is deployed around the world with sales hubs in Bangkok, London, Los Angeles, New York, and Sao Paulo, supported by regional satellite offices in order to best serve our geographically diverse client base.

Selling to Digital Properties

Our sales teams are responsible for adding new partnerships with digital properties. Once a digital property joins our network, our account management team works with the digital property's stakeholders to understand their goals, help them reach those goals, and identify new opportunities for mutual growth on an ongoing basis.

Selling to Advertisers

We sell to Advertisers through our global sales team and a "self-service" website. Our sales team onboards new customers, mostly large Advertisers, through direct outreach from one of our international sales offices. Our account management teams provide ongoing guidance and data insights that inform

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campaign strategies and help Advertisers learn how to maximize their return on investment with Taboola. Advertisers can also choose our self-service platform to launch and manage campaigns. Outside of account managers, we support Advertisers through our online Help Center, in-product instructions, and a large number of video tutorials.

Marketing

To support our global sales force, our marketing team presents at industry conferences and hosts webinars and customer events. In addition, our marketing team invests in public relations, advertises online to build brand awareness and acquire new customers, creates case studies, sponsors third-party research, authors data insight reports, creates marketing collateral, publishes blog posts and creates and sponsors events online and in-person.

Competition

We operate in a highly competitive industry. Our main competition for advertising budgets and digital property partnerships are walled gardens and advertising intermediaries:

Walled Gardens. We compete for advertising dollars with the closed ecosystems of technology companies such as Google, Meta/Facebook and Amazon. In many cases we also compete with those companies, in particular Google, for real estate on digital properties. As described above, unlike the walled gardens, our business is based on a “win-win” model of partnership, where we do not compete with our partners and our goals are aligned.

Advertising Intermediaries. A large number of companies provide a solution to one or more of the steps involved in the buying and selling of advertisements online. These include The Trade Desk, Magnite, PubMatic, Xandr, Outbrain, Plista, TripleLift, RevContent, Teads and others. While these companies may be in competition with us, some are also partners of ours.

When competing for Advertiser business, we compete for budgets based on price, reach, speed, brand safety and performance. When competing for digital properties’ business, we are measured on our ability to generate revenue and support other business goals, such as audience development.

Intellectual Property

Our proprietary recommendation engine and associated algorithms and technologies are key to our success, and we rely upon a combination of trade secret, trademark, copyright, and patent laws in the United States and abroad as well as confidentiality agreements and technical measures to establish, maintain and protect our intellectual property and protect our proprietary recommendation engine and associated algorithms and technologies.

Historically, we have not patented our proprietary technology in order to keep our technology architecture, trade secrets, and engineering roadmap private; however, as of December 31, 2023, we own approximately twenty issued patents. We also own registrations for certain domain names, trademarks and service marks in the United States and in certain locations outside the United States. Additionally, we rely upon common law protection for certain trademarks. We generally enter into confidentiality and invention assignment agreements with our employees and contractors, and confidentiality agreements with our partners and clients with whom we conduct business, in order to limit access to, and disclosure and use of, our proprietary information.

Our proprietary, internally developed know-how is also an important element of our intellectual property portfolio. The development and management of our platform requires sophisticated coordination among many specialized employees. To protect our technology, we implement multiple layers of security and our data protection measures are ISO 27001 certified.

Taboola’s General Privacy Practices

Taboola is committed to protecting personal data and providing users transparency and control over the use of their data in online advertising. We seek to strictly enforce our privacy and data protection policies, knowing this is important to our partners, clients, users and vendors.

Historically, we have not collected data that would enable the direct identification of Internet users. As of December 31, 2023, we used only pseudonymous data about Internet users on our platform to manage and execute digital advertising campaigns. We either collect this data directly from users’ devices or it is passed to us by third parties. We provide consumers with notice about our use of cookies and our collection and use of data in connection with the delivery of targeted advertising and allow them to opt-out from the use of data we collect for the delivery of targeted advertising.

We are members of, or participants, in industry self-regulatory organizations, including the Digital Advertising Alliance, the Digital Advertising Alliance Canada, and the European Interactive Digital Advertising Alliance. Taboola also adheres to the Interactive Advertising Bureau’s Self-Regulatory Principles for Online Behavioral Advertising, and the IAB Europe OBA Framework. In addition, Taboola is a proud member in good standing of the Network Advertising Initiative, an association dedicated to responsible data collection use in digital advertising, and we adhere to the NAI Code of Conduct for Web and Mobile.

Our privacy team delivers company-wide privacy training, enforces our privacy policies and is integral to ensuring that we consider the privacy implications in all aspects of our proprietary platform. We regularly review and document our internal privacy policies, amend existing policies as necessary, and seek to

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enforce these policies with our clients, publisher partners and vendors. Our privacy team is also actively involved in negotiations with our customers on data and privacy terms to ensure compliance with relevant laws.

Privacy and data protection laws and regulations play a significant role in our business. Our ability to collect, augment, analyze, use, share and otherwise process data relies upon the ability to uniquely identify devices across websites, and applications, and to collect data about user interactions with those devices for purposes such as serving relevant ads and measuring the effectiveness of ads. Federal, state and international laws and regulations regarding the collection, use and other processing of personal data by advertising networks, Advertisers and digital properties is frequently evolving. This includes those related to the level of consumer notice and consent required before a company can employ cookies or other electronic tools to collect data about interactions with users online. Taboola's operation of its platform and services is subject to numerous U.S. and global privacy regulations, including, without limitation, the following: the European Union's General Data Protection Regulation and ePrivacy Directive, the United Kingdom's General Data Protection Regulation, the California Consumer Privacy Act (as amended by the California Privacy Rights Act), China's Personal Information Protection Law, South Korea's Personal Information Protection Act, Turkey's Law on the Protection of Personal Data, and New Zealand's Privacy Act 2020.

Privacy Regulation in the U.S.

In the United States, at both the federal and state level, there are laws that govern activities such as the collection, use and other processing of personal data by covered companies. At the federal level, online advertising activities and data processing activities are subject to regulation by the Federal Trade Commission, which has regularly relied upon Section 5 of the Federal Trade Commission Act to enforce against unfair and deceptive acts and practices, including alleged violations of consumer privacy interests. The Federal Trade Commission has also started enforcing HIPAA in relation to disclosure of online identifiers by covered entities to adtech companies. In addition, some proposed and recently enacted legislation concerning privacy and data protection has affected and will continue to affect our operations and those of our industry partners. Certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to personal data than federal, international, or other state laws, which may differ from one other, complicating compliance efforts.

For example, the California Consumer Privacy Act (as amended by the California Privacy Rights Act), or CCPA, increases privacy rights for California consumers and imposes obligations on companies that process their personal data (including device identifiers, IP addresses, cookies and geo-location). Among other things, the CCPA requires covered companies to provide disclosures to California consumers and provide such consumers with data protection and privacy rights, including the ability to opt-out of certain sales or sharing of personal data, including for targeted advertising, and the ability to limit the processing of certain sensitive personal data. The CCPA provides for civil penalties for violations, as well as a private right of action for certain data breaches that result in the loss of personal data. Numerous other states have enacted, or are considering enacting, similar legislation. State laws continue to change rapidly, all while discussions continue in Congress about a new comprehensive U.S. federal data privacy law to which Taboola would become subject, if it is enacted. In addition, laws in all 50 U.S. states generally require businesses to provide notice under certain circumstances to consumers whose personal data has been disclosed as a result of a data breach. These laws are not consistent, and compliance in the event of a widespread data breach is difficult and may be costly.

Moreover, there has been a rise in enforcement action and regulation for data privacy in various sectors. For example, Washington state has passed the first comprehensive state health data law, the Washington My Health My Data Act, or MHMD, which, starting in March 2024, will require Taboola to obtain opt-in consent for processing health data in Washington or of Washington consumers. MHMD broadly defines health data to include data that is inferred from nonhealth data when that information is used by a covered entity, or its processor, to associate or identify a consumer with health data. This broad definition means that Taboola will be limited with what advertising services it can provide in Washington to customers in the health and wellness field. MHMD also provides a private right of action for consumers to sue entities that process their data in violation of the MHMD. Further, the FTC has issued substantial fines to HIPAA covered entities for sharing protected health information with third parties like Taboola for advertising purposes and has released guidance around what kind of online tracking activity constitutes sharing protected health information. This new guidance on the scope of HIPAA applicability reduces the data we can collect on users.

Privacy Regulation in Europe

Our business activities are also subject to foreign legislation and regulation. For example, we are required to comply with the General Data Protection Regulation, or GDPR, in the European Economic Area, or EEA, and the GDPR's equivalent in the United Kingdom, or UK GDPR, which impose strict obligations and restrictions on the ability to collect, use, retain, protect, disclose, transfer and otherwise process personal data (including online identifiers and location data). The GDPR and UK GDPR enhance data protection obligations for "controllers" of such data and for service providers, called "processors," processing the data. They also provide certain rights, such as access and deletion, to the individuals about whom the personal data relates and we have adapted our services to accommodate such rights. The digital advertising industry has collaborated to create a user-facing framework, which we use as of December 31, 2023, for establishing and managing legal bases under the GDPR and other EEA privacy laws including the EU Directive 2002/58/EC (as amended by Directive 2009/136/EC).

While the UK GDPR currently imposes substantially the same obligations as the GDPR, the UK GDPR will not automatically incorporate changes to the GDPR going forward (which would need to be specifically incorporated by the United Kingdom, or UK, government). Moreover, the UK government has publicly announced plans to reform the UK GDPR in ways that, if formalized, are likely to deviate from the GDPR, all of which creates a risk of divergent parallel regimes and related uncertainty, along with the potential for increased compliance costs and risks for affected businesses. Failure to comply with the GDPR or UK GDPR can result in fines of up to 4% of global annual revenue or €20 million (or £17 million under the UK GDPR), whichever is greater. In addition, some EU countries are considering or have passed legislation implementing data protection requirements or requiring local storage and processing of data or similar requirements that could increase the cost and complexity of delivering our services.

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Moreover, legal developments in the EEA have created complexity and uncertainty regarding transfers of personal data from the EEA to the U.S. and other so-called third countries outside the EEA. Similar complexities and uncertainties also apply to transfers from the UK to third countries. For the transfer of personal data from the EEA to the U.S. and from the UK to the U.S., we rely upon the EU's standard contractual clauses, or SCCs, and the UK's international data transfer agreement (or the UK's international data transfer addendum that can be used with the EU's SCCs). However, SCCs have been subjected to regulatory and judicial scrutiny and the legal bases for cross-border data transfers are constantly evolving. On July 10, 2023, the European Commission adopted an adequacy decision concluding that the U.S. ensures an adequate level of protection for personal data transferred from the EU to the U.S. under the EU-U.S. Data Privacy Framework (followed on October 12, 2023 with the adoption of an adequacy decision in the UK for the U.S.-UK Data Bridge). While Taboola is working to participate in the EU-U.S. Data Privacy Framework and the U.S.-UK Data Bridge, such adequacy decision by the European Commission has been challenged in EU courts, and is likely to face additional challenges. Moreover, although the European Commission has issued an adequacy decision in respect of the UK's data protection framework, enabling data transfers from the EEA to the UK to continue without requiring organizations to put in place contractual or other measures in order to lawfully transfer personal data between the territories, this adequacy determination will automatically expire in June 2025 unless extended. Further, the European Commission may unilaterally revoke the adequacy decision at any point.

Further, EU Directive 2009/136/EC, commonly referred to as the "Cookie Directive," directs European Union, or EU, member states to ensure that accessing information on an Internet user's device, such as through a cookie, is allowed only if the Internet user has given his or her consent. As there were different transpositions of the Cookie Directive in domestic laws across the EU Member States, there are currently different interpretations of what constitutes valid consent (e.g., explicit versus implied consent) across the EU, posing a risk of regulatory divergence and creating legal uncertainty for businesses. The EU also has released a proposed replacement to the Cookie Directive, commonly known as the "ePrivacy Regulation," to, among other things, better align EU member states and the rules governing online tracking technologies and electronic communications, such as unsolicited marketing and cookies, with the requirements of the GDPR. While the ePrivacy Regulation was originally intended to be adopted alongside the GDPR, it is currently going through the European legislative process, and commentators now expect it to be adopted in the coming years. Like the GDPR, the proposed ePrivacy Regulation has extra-territorial application as it applies to businesses established outside the EU which provide publicly-available electronic communications services to, or gather data from the devices of, users in the EU. The ePrivacy Regulation may impose burdensome requirements around obtaining consent and impose fines for violations that are materially higher than those imposed under the EU's current ePrivacy Directive and related EU member state legislation.

Privacy Regulation in the Asia-Pacific Region

Our business activities are also subject to legislation and regulation in the Asia-Pacific region. Following the implementation of the GDPR, many jurisdictions have moved to amend, release, review and strengthen their existing data privacy and cybersecurity laws, and there has been a progressive effort in the region to work towards coordination of their otherwise disparate laws. For example, many countries have also sought out adequacy decisions from the EU. New Zealand's updated Privacy Act and South Korea's amendments to its Personal Information Protection Act, which went into effect in 2020, and China's Personal Information Protection Law (PIPL), which went into effect in 2021, largely align with requirements of the GDPR. Thailand and Japan's new similar updates and regulations also became effective in 2021 and 2022, we announced respectively.

While China's PIPL establishes a regime that is largely similar to the GDPR, it also imposes some stricter requirements. For instance, the PIPL has heightened disclosure requirements and specific consents for processing sensitive personal data and transferring personal data outside of China. The PIPL also mandates security impact assessments under a number of processing scenarios and imposes a data localization requirement on both operators of critical information infrastructure and covered companies that process large volumes of personal data. The PIPL also creates penalties for organizations that fail to fulfill their obligations to protect personal data, with potential fines up to 5% of annual revenue.

In August 2023, India passed the Digital Personal Data Protection Act, or DPDP Act, a comprehensive privacy law with extra-territorial effect that mirrors other privacy laws like the GDPR and puts requirements on data fiduciaries for when and how they can process data and gives data subjects rights to their data. Penalties for violating the DPDP Act can be up to INR 250 crores (approximately $30 million). Taboola will be subject to the DPDP Act upon its effective date, which has not yet been set.

Other jurisdictions, such as Singapore, Malaysia and Hong Kong, are reviewing their existing privacy regimes, with an eye toward similar privacy and data protection developments.

To address this range of developments, Taboola's privacy and data protection program is largely rooted in the GDPR and ISO 27001 security standards, and any international data transfers from the Asia-Pacific region are governed by direct contractual agreements between the regional entities and Taboola's Israeli parent corporate entity, Taboola.com Ltd. Otherwise, our privacy team works to oversee compliance with these Asia-Pacific regional requirements and to address compliance with our region-specific clients and business teams.

Human Capital

We strive to create a diverse, inclusive and ambitious environment where every employee can discover and unleash their potential to achieve individual and collective success. Our employees are our most valuable asset.

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Employees

On December 31, 2023, we had entered approximately 1,900 employees, the majority of which have been employed by Taboola for over two years (including service periods of persons employed by Connexity prior to Taboola's acquisition of Connexity). We have approximately 500 employees working in research and development, with an average tenure of four years.

As of December 31, 2023, our employees are not covered by a collective bargaining agreement, except as required by law under arrangements in France, Spain, and Brazil, covering a total of approximately 80 employees. We have never experienced a general strike or similar work stoppage.

Transparency

The ability to be transparent and share and discuss our business challenges and opportunities openly and broadly with all our employees is important to our success. We promote an open dialogue with our employees through all-hands meetings, usually twice a month, which include Q&A sessions with senior leadership. We conduct annual and topic-specific employee feedback surveys which consistently receive 80% or higher response rate. Survey results are shared publicly with our managers and employees. We continue to adjust our investment in human capital based on the feedback from our employees.

Talent Acquisition and Development

We are focused on recruiting and retaining talented employees across the organization, with a particular focus on unique talent in algorithms, product, customer relationship management and many other areas that are critical to our success. We continue to invest to hire and retain top talent in all of our offices, and provide competitive compensation for our employees and a range of flexible benefits, including an industry-leading parental leave policy. We have been consistently recognized by Dun &Bradstreet as a top high-tech company to work for in Israel in 2023, by UK Campaigns as a 100 Best Places to Work and by Built In as one of the 100 best large companies to work for in all four of our major U.S. officers in 2023: New York, Los Angeles, Chicago and Atlanta. Our strong external reputation led to a quarterly average of over 20,000 candidatesapplying to work at Taboola in 2023. For new hires, we developed an onboarding program tailored towards their roles and responsibilities. On an ongoing basis, we invest in training and development programs that help our employees achieve their career goals, build management skills and lead their organizations. We have two formal career feedback discussions per year where managers and their employees discuss progress and feedback for each other. We believe in developing and promoting top talent from within: in 2023, approximately 15% of our employees were offered an opportunity for career advancement within the company.

Performance and Alignment

We seek to implement a "pay for performance" culture that we believe drives superior results. We invest in our workforce by offering competitive salaries, incentives, and benefits. We align the interests of our employees with those of Taboola through a broad-based equity award program, generally with a four-year vesting schedule. Typically, employee bonus plans are based on both personal and company goals.

Wellness and Diversity

In 2020, we launched a global taskforce that is focused on promoting wellness and diversity within our organization. The task force works with our senior management team to address global wellness and diversity topics and develop relevant initiatives to ensure we continue to build a culture where every employee feels valued, seen, and heard. We continue to have a mechanism for employees to anonymously voice concerns.

Throughout 2023, we continued to see the results of our initiatives. With respect to finding top diverse talent, we began by assessing our current workforce demographics by region and business unit, and established goals and guidelines in efforts of diversifying our recruitment funnel at the first assessment stage. We committed to wellness and diversity in recruiting by starting a Diverse Interview Slate Campaign to promote diversity in the interview process and reduce biases, which led to hiring more women managers in technical roles. We further invested in strategic partnerships with employment platforms that provide us multi-pronged access to highly skilled underrepresented talent, who may not currently be on our platform, such as Built-In, Ivy Research Council, and Jopwell. As a result, in 2023, we saw that 45% of our new hires were women and 16% of those women were hired into technical positions.

Within the organization, in 2023 we increased the number of Employee Resource Groups from seven to nine, and each has an annual budget to sponsor programming and events. We also have a 30-year exclusive commercial agreement mentorship program connecting Black, Indigenous and People of Color (BIPOC) talent to senior leaders. We continue to have a number of global and region-specific initiatives held to promote a culture of inclusion and belonging - such as, workshops, panels, networking events and communities for various interest groups. We also partner with Gold Enterprises to create robust programming for our multi-year wellness and diversity training plan.

We are committed to building a long-term plan that will help foster a community that is diverse and inclusive, both internally and externally.

Available Information

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The mailing address of Taboola's principal executive office is 16 Madison Square West, 7th fl., New York, NY, 10010 and its telephone number is (212) 206-7663. Our agent for service of process in the United States is Taboola, Inc., 16 Madison Square West, 7th fl., New York, NY, 10010.

We recognize that in today's environment, our current and potential investors, the media and others interested in us look to social media and other online sources for information about us. We believe that these sources represent important communications channels for disseminating information about us, including information that could be deemed to constitute material non-public information. As a result, in addition to our investor relations website (https://investors.taboola.com), filings made with the SEC, press releases we issue from time to time, and public webcasts and conference calls, we have used and intend to continue to use various social media and other online sources to disseminate information about us and, without limitation, our general business developments; financial performance; product and service offerings; research, development and other technical updates; relationships with customers, platform providers and other partners; and market and industry developments. We intend to use the following social media and other websites for the dissemination of information:

Our blog: https://blog.taboola.com/
Our X feed: https://twitter.com/taboola
Our CEO, Adam Singolda's X feed: https://twitter.com/AdamSingolda
Our Facebook page: https://www.facebook.com/Taboola/
Our corporate LinkedIn page: https://www.linkedin.com/company/taboola/

We invite our current and potential investors, the media and others interested in us to visit these sources for information related to us. Please note that this list of social media and other websites may be updated from time to time on our investor relations website and/or filings we make with the SEC.We have included our web address and social media and other web addresses in this Annual Report solely for informational purposes and the information on our website and those social media channels is not incorporated by reference into this Annual Report.

The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers, such as we, that file electronically, with the SEC at www.sec.gov.

Executive Officers

Adam Singolda (42) has been the Chief Executive Officer, as well as a director, of Taboola since it began operations in 2007. He also serves as a member of the board of directors of K Health, the healthcare startup he co-founded in 2016. Prior to that Mr. Singolda studied Computer Science at The Open University of Israel and spent 6½ years serving in an advanced cyber technology unit of the Israel Defense Forces, or IDF, serving as a research and development engineer and manager. He graduated from the IDF officers' academy with honors. Mr. Singolda's experience as the founder and Chief Executive Officer of Taboola makes him exceptionally well qualified to serve on our board of directors.

Eldad Maniv(55) has been the President and Chief Operating Officer of Taboola since 2012. Mr. Maniv leads Taboola's worldwide operations including Taboola's sales, professional services, and human resources organizations. Mr. Maniv has spent approximately two decades building technology companies in the United States and Israel, having previously served in executive positions at BMC Software, Zend Technologies, and Identify Software. Earlier in his career, he founded NextNine which was acquired by Honeywell. Mr. Maniv currently serves as a director on the board of directors of Verbit.ai. Mr. Maniv holds a B.S. degree from the Talpiot program at the Hebrew University in Jerusalem, and served five years as a systems engineering officer in an intelligence unit of the Israel Defense Forces.

Lior Golan (53) has been Chief Technology Officer of Taboola since 2009 and is responsible for Taboola's product and technical strategy worldwide. Prior to joining Taboola, Mr. Golan was co-founder, Chief Technology Officer, and Vice President of Research & Development of Cyota, a leader in consumer Internet security. After Cyota was acquired by RSA Security in 2005, Mr. Golan spent two years as Chief Technology Officer and Vice President of Strategy of the RSA Security Consumer Division and was responsible for leading the product and business direction of its consumer business. Mr. Golan holds a B.S. degree from the Talpiot program at the Hebrew University in Jerusalem and served eight years in an intelligence unit of the Israel Defense Forces.

Stephen Walker(54) has been Chief Financial Officer of Taboola since June 2020. Prior to that, he served as Taboola's Senior Vice President of Worldwide Sales Operations from 2015 to 2020 and as the General Manager of Taboola-X product between 2014 and 2015. From 2007 until 2014, he served as President and Chief Operating Officer of Perfect Market, until it was acquired by Taboola. Earlier, Mr. Walker held positions in Idealab's New Ventures Group and led several of Idealab's portfolio companies. Mr. Walker has a B.S. degree in Computer Science and Finance from Boston College and an M.B.A degree from Harvard Business School.

Kristy Sundjaja(46) has been Chief People Officer since February 2022. Prior to that she served as Senior Vice President of People Operations for Taboola from 2019 to 2022. Prior to joining Taboola in 2019, she co-founded Exceptional Artists Foundation in 2017, a non-profit organization empowering the disabled community, and remains as its President. From 2012 to 2017, Ms. Sundjaja was the Chief of Staff and the Global Head of People at LivePerson. Between 2009 and 2012, Ms. Sundjaja was the Head of Industry TransformationTeams at New York City Economic Development Corporation. Prior to that, Ms. Sundjaja was an Associate Partner at Oliver Wyman where she worked between 1999 and 2009. Ms. Sundjaja graduated from the University of Pennsylvania with a B.S. degree in Economics from the Wharton School and a B.S. degree and an M.S. degree in Engineering. She also holds an M.B.A degree from Columbia University.

ITEM 1A. RISK FACTORS

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Risks Related to Our Business and Industry

If we are unable to attract new digital properties and Advertisers, sell additional offerings to our existing digital properties and Advertisers, or maintain enough business with our existing digital properties and Advertisers, our revenue growth prospects will be adversely affected.

We must add new digital properties and Advertisers, and encourage existing digital properties and Advertisers to add additional offerings from us, in order to sustain or increase our revenue. As the digital advertising industry matures and as competitors introduce more competitive pricing or differentiated products or services that compete with or are perceived to compete with ours, our ability to sell our solutions to new and existing digital properties and Advertisers could be impaired. In addition, we may reach a point of saturation at which we cannot continue to grow our revenue from existing digital properties and Advertisers because of internal limits they may place on the allocation of space on their sites, allocation of their advertising budgets to digital media, to particular campaigns, to a particular provider, or other reasons. We may also lose revenues if our existing digital properties and Advertisers reduce the amount of business they do with us for any reason, including nonrenewal of their agreements with us or renewal on less favorable terms. If we are unable to attract new digital properties and Advertisers or obtain new business from existing digital properties and Advertisers or maintain enough business with our existing digital properties and Advertisers, our revenue, our revenue growth prospects and business will be adversely affected.

If our performance under contracts with digital properties, where we are obligated to pay a specified minimum guaranteed amount per thousand impressions, do not meet the minimum guarantee requirements, our gross profit could be negatively impacted and our results of operations and financial condition could be harmed.

A significant amount of our revenue comes from contracts with digital properties where we are obligated to pay a specified minimum guaranteed amount per thousand impressions to the digital property. In each of the years ended December 31, 2022 through 2023, our guarantee costs, which we calculate as total payments due under guarantee arrangements in excess of amounts we otherwise would have been required to pay under revenue sharing arrangements, as a percentage of our total payments to digital properties, or TAC, was approximately 19% or less. Although we focus on achieving sufficient revenue per impression through the improvement of our algorithms and using our scale to exceed the minimum guarantees made to digital properties, we may not succeed in doing so. In addition, due to unfavorable macroeconomic, competitive or other conditions, we may be unable to perform as expected under arrangements that provide for such minimum guarantees, in which case our gross profit could be negatively impacted and our results of operation and financial condition could be adversely affected.

We may not be able to compete successfully against current and future competitors because competition in our industry is intense and many competitors, such as Google and Facebook, have substantially more resources than we do. Our competitors may also offer solutions that are perceived by our digital properties and Advertisers to be more attractive than our platform. These factors could result in declining revenue or inhibit our ability to grow our business.

Competition for our clients' advertising budgets is intense. We compete for a share of total advertising budgets with online search and display advertising, including large "walled garden" advertising platforms such as Google and Facebook, and with traditional advertising media, such as direct mail, television, radio, cable and print. Many current and potential competitors have competitive advantages relative to us, such as longer operating histories, greater name recognition, larger client bases, greater access to advertising inventory on premium websites and significantly greater financial, technical, sales and marketing resources. Thus, increased competition may result in the loss of business or the inability to win new business, which could negatively affect our revenue and future operating results and our ability to grow our business.

We also expect competition on the digital property side to continue increasing as the industry grows. Increased competition may require us to increase the revenue share with our digital properties, charge less for our solutions, or offer other pricing models that are less attractive to us, any of which could decrease our revenues and margins and harm our results of operations.

If the Yahoo partnership and our ability to transition and fully launch the native advertising service with Yahoo under is not successful or implemented on the currently projected timeframe the partnership may not be as financially accretive as we are projecting and our business, operating results, financial condition and reputation could be adversely affected.

Our ability to transition and fully launch the native advertising service with Yahoo is dependent on several factors, including the need to achieve key technological milestones and to efficiently manage the integration of our solution with Yahoo. Adapting our technology and successfully integrating our solution with Yahoo is complex, difficult, time-consuming, and costly and may place significant strain on our personnel, systems and resources. If we are unable to integrate our solution with Yahoo in a timely manner, or if Yahoo Advertisers terminate their existing contracts and decline to move to the new Taboola service or if there is otherwise inadequate market acceptance of the new service (or a combination of the foregoing) it could result in the failure to meet our projected financial targets. We may also experience attrition from Yahoo employees resulting in the loss of critical institutional knowledge needed to successfully integrate the partnership. The financial accretion we expect to generate from the Yahoo partnership may not be realized until we successfully integrate our platform with Yahoo which may be later than we currently project, or at all, and requires significant upfront expenditures which may exceed our current estimates. These factors, including the size and complexity of the integration, if not implemented and managed successfully, may result in a deterioration of our client relationships, increased costs of integration, harm to our reputation, any of which could materially adversely affect our business, operating results and financial condition.

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Our future growth and success depends on our ability to continue to scale our existing offerings and to introduce new solutions that gain acceptance from digital properties and Advertisers and that differentiate us from our competitors.

Our future success depends on our ability to effectively scale our offerings as our business grows to keep pace with demand for our solutions, and achieve long-term profitability. If we fail to implement these changes on a timely basis, or if we are unable to implement them effectively or at all due to factors beyond our control or other reasons, our business may suffer. We may not be successful in addressing these and other challenges we may face in the future. As a growing company in a rapidly evolving industry, our business prospects depend in large part on our ability to:

- develop and offer a competitive technology platform and offerings that meet our digital properties' and Advertisers' needs as they change;
- continuously innovate and improve on the algorithms underlying our technology in order to deliver positive results for our Advertisers and digital properties;
- build a reputation for superior solutions and create trust and long-term relationships with digital properties and Advertisers;
- distinguish ourselves from strong competitors in our industry;
- maintain and expand our relationships with Advertisers who can provide quality content and advertisements;
- respond to evolving industry and government oversight, standards and regulations that impact ourbusiness, particularly in the areas of native advertising, data collection, privacy and data protection;
- prevent or otherwise mitigate failures or breaches of security or privacy; and attract, hire, integrate and retain qualified and motivated employees.

If we are unable to meet one or more of these objectives or otherwise adequately address the risks and difficulties that we face, our business may suffer, our revenue may decline and we may not be able to achieve further growth or long-term profitability.

If we do not manage our growth effectively, the quality of our platform or our relationships with our digital properties and Advertisers may suffer, and our operating results may be negatively affected.

Our business has historically grown rapidly. We rely heavily on information technology, or IT, systems to manage critical functions such as content recommendation, campaign management and operations, payment from Advertisers and to digital properties, data storage and retrieval, revenue recognition, budgeting, forecasting, financial reporting and other administrative functions. To manage our growth effectively, we must continue to improve and expand our infrastructure, including our IT, financial and administrative systems and controls. We must also continue to manage our employees, operations, finances, research and development and capital investments efficiently. Our productivity and the quality of our platform may be adversely affected if we do not integrate and train our new employees, particularly our research and development, sales and account management personnel, quickly and effectively and if we fail to appropriately coordinate across our executive, finance, human resources, legal, marketing, sales, operations and Advertiser support teams. If we continue to experience rapid growth, we will incur additional expenses, and our growth may place a strain on our resources, infrastructure and ability to maintain the quality of our platform. If we do not adapt to meet these evolving growth challenges, and if the current and future members of our management team do not effectively scale with our growth, the quality of our platform may suffer and our corporate culture may be harmed. Failure to manage our future growth effectively could cause our business to suffer, which, in turn, could have an adverse impact on our financial condition and results of operations.

If we fail to make the right investment decisions in our offerings and technology platform, or if we are unable to generate or otherwise obtain sufficient funds to invest in them, we may not attract and retain digital properties and Advertisers and our revenue and results of operations may decline.

Our industry is subject to rapid changes in standards, regulations, technologies, products and service offerings, as well as in digital property and Advertiser demands and expectations. We continuously need to make decisions regarding which offerings and technology to invest in to meet such demands and evolving industry standards and regulatory requirements. We may make wrong decisions regarding these investments. If new or existing competitors offer more attractive offerings, we may lose digital property and/or Advertisers, or Advertisers may decrease their spending on our platform. New digital property or Advertiser demands, superior competitive offerings, new industry standards or regulations could render our existing solutions unattractive, unmarketable or obsolete and require us to make substantial unanticipated changes to our technology platform or business model. Our failure to adapt to a rapidly changing market or to anticipate digital property and/or Advertiser demands could harm our business and our financial performance.

We have had, and may in the future continue to have, significant fluctuations in our operating results, which make our future results difficult to predict and could cause our operating results to fall below investors' expectations.

Our quarterly and annual operating results have fluctuated significantly in the past. Similarly, we expect our future operating results to fluctuate for the foreseeable future due to a variety of factors, many of which are beyond our control. Our fluctuating results could cause our performance to fall below the expectations of investors, and adversely affect the price of our Ordinary shares. Because our business is changing and evolving rapidly, our historical operating results may not be useful in predicting our future operating results and it is difficult for us to accurately predict future results. In addition, our rapid growth has limited our ability to reliably track key business metrics and so we have limited understanding of certain aspects of our operations. For example, we do not have good visibility into the seasonality of our business due to the fact that our rapid growth may have masked seasonality. Factors that may increase the volatility of our operating results include the following:

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- the addition or loss of new digital properties;
- changes in demand and pricing for our platform;

  - the seasonal nature of Advertisers' spending on digital advertising campaigns;
- changes in our pricing policies or the pricing policies of our competitors;
- the introduction of new technologies, product or service offerings by our competitors;
  - changes in Advertisers' budget allocations or marketing strategies;
  - changes and uncertainty in the regulatory environment for us or Advertisers;
  - changes in the economic prospects of our digital properties and Advertisers or the economy generally, which could alter current or prospective Advertisers' spending priorities, or could increase the time or costs required to complete sales with digital properties or Advertisers;
- changes in the availability of advertising inventory or in the cost to reach end consumers through digital advertising;
  - changes in our capital expenditures as we acquire the hardware, equipment and other assets required to support our business and potential supply issues in acquiring that hardware and assets;
- costs related to acquisitions of people, businesses or technologies; and traffic patterns.

Based upon all of the factors described above and others that we may not anticipate, including those beyond our control, we have a limited ability to forecast our future revenue, costs and expenses. As a result, our operating results may from time to time fall below our estimates or the expectations of investors.

If the use of cookies is rejected by Internet users, subject to unfavorable legislation or regulation, restricted, blocked or limited by technical changes on end users' devices or Internet browsers, or our ability to use cookie data is otherwise restricted and we are unable to track users in some other way, our performance could decline and we could lose digital properties and Advertisers and, as a result, revenue.

We use "cookies" (small text files) to gather important data to help deliver our solutions. These cookies are placed through an Internet browser on an Internet user's device and correspond to a data set that we keep on our servers. Some of our cookies are "third party" cookies where we do not have a direct relationship with the Internet user. Our cookies collect information, such as when an Internet user views an Internet site, clicks on an ad, or visits one of our digital properties. We use these cookies to help us achieve our digital property or Advertisers' campaign goals, to help us ensure that the same Internet user does not unintentionally see the same recommendations too frequently, to report aggregate information to our Advertisers regarding the performance of their campaigns, and to detect and prevent fraudulent activity. We also use data from cookies to help us decide on an opportunity to place a recommendation in a certain location, at a given time, in front of a particular Internet user. A lack of data associated with cookies may detract from our ability to make decisions about an Advertiser's campaign and undermine the effectiveness of our solutions.

Recently, there has been a general trend among Internet users to refuse to accept cookies on their Internet browsers. All of the most commonly used Internet browsers (including Chrome, Firefox, Internet Explorer, Edge and Safari) allow Internet users to prevent cookies from being accepted by their browsers. Internet users can also delete cookies from their devices at any time. Some Internet users also download "ad blocking" software that prevents cookies from being stored on a user's device. If more Internet users block or delete cookies more frequently than they currently do, our business could be harmed.

Moreover, technology companies in the Internet browser and operating system spaces, including Google, have announced intentions to discontinue the use of cookies, and to develop alternative methods and mechanisms for tracking users. These web browser and operating system developers have significant resources at their disposal and command substantial market share, and any restrictions they impose could foreclose our ability to understand the preferences of a substantial number of consumers. The Safari, Firefox, and Edge browsers currently block cookies by default, and other browsers may do so in the future. On January 4, 2024, Google started restricting third-party cookies by default for 1% of global Google Chrome users. Unless such default settings in browsers are adjusted by Internet users, our ability to set our cookies in browsers will be more limited, which could adversely affect our business. Google also has announced plans to completely phase out third-party cookies in Google Chrome during the second half of 2024. Moreover, mobile devices using Android and iOS operating systems limit the ability of cookies to track users while they are using applications other than their web browser on the device. As a consequence, fewer of our cookies or media partners' cookies may be set in browsers or be accessible in mobile devices, which can adversely affect our ability to target and measure ads effectively.

Additionally, the use of cookies, as well as the use of the data collected using cookies, is subject to legislation and regulation, and may be subject to further legislation or regulation in the future. The EU, the UK, the U.S. and other governments have enacted or are considering legislation that regulate the level of consumer notice and consent required before a company can employ cookies or other electronic tracking tools.

Although we believe we are well positioned to adapt and continue to provide key data insights to our media partners without cookies, this transition could be more disruptive, slower, or more expensive than we currently anticipate, and could materially affect the accuracy of our recommendations and ads and thus our ability to serve our Advertisers, including through our data marketplace product, adversely affecting our business, results of operations, and financial condition. Limitations on the use or effectiveness of cookies, or other limitations on our ability to collect and use data for advertising, may impact the performance of our platform. We may be required to, or otherwise may determine that it is advisable to, make significant changes in our business operations and product and services to obtain user opt-in for cookies and use of cookie data, or develop or obtain additional tools and technologies to compensate for a lack of cookie data. We may not be able to make the necessary changes in our business operations and products and services to obtain user opt-in for cookies and use of cookie data, or develop, implement or acquire additional tools that compensate for the lack of data associated with cookies. Moreover, even if we are able to do so, such additional products and tools may be subject to further legislation or regulation, time consuming to develop or costly to obtain, or less effective than our current use of cookies.

For information on the regulation of cookies in the EU, see the section titled "Part I, Item 1—Business—"Privacy Regulation in Europe."

If Taboola's ability to personalize its advertisements and content to users is restricted or prohibited due to various privacy laws or regulations or industry changes, we could lose digital properties and Advertisers, which could cause our financial condition, results of operations, and revenues to

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decline.

The efficacy of our platform for both Advertisers and digital properties relies, in part, on our ability to personalize the recommendations that we serve to Internet users. If we are unable to personalize due to changes in various privacy laws or regulations, the preferences of our publisher clients, or for some other reason beyond our control, the efficacy of our platform may be negatively affected causing our business to suffer, which, in turn, could have an adverse impact on our financial condition, results of operations and revenues.

Our use of AI, and the integration of AI with our products and services, may not be successful, including for predicting what ads and content would be of most interest to our users and for improving on our ability to further predict or optimize user engagement or conversion rates for our Advertiser, and may present business, compliance and reputational challenges, which could lead to a decline in our performance, a loss of digital properties and Advertisers, operational or reputational damage, legal and regulatory risk, and additional costs, any of which could cause our results of operations and revenues to decline.

We utilize AI in connection with our business, including in our platform. The effective delivery of our solution depends on the ability of Taboola's AI powered platform to predict what ads and content would be of most interest to users so that our Advertisers can achieve desirable returns on their advertising spend. We need to continuously deliver satisfactory results for our Advertisers and digital properties in terms of predicting user engagement and conversion rates in order to maintain and increase revenue, which in turn depends in part on the optimal functioning of Taboola's AI powered platform. In addition, as we have increased the number of Advertisers and digital properties that use our offerings on a global basis, we have experienced significant growth in the amount and complexity of data processed by Taboola's AI and the number of ad and content impressions we deliver. Beyond the use of AI in our recommendation engine, in 2023, we launched a new tool for Advertisers to create personalized ads using generative AI. We also may incorporate AI in our business and operations in new and more significant ways over time.

There are significant risks involved in utilizing AI and no assurance can be provided that our use of AI will produce the intended results. For example, AI algorithms may be flawed, insufficient, of poor quality, reflect unwanted forms of bias, or contain other errors or inadequacies, any of which may not be easily detectable; AI has been known to produce false or "hallucinatory" inferences or outputs; AI can present ethical issues and may subject us to new or heightened legal, regulatory, ethical or other challenges; and inappropriate or controversial data practices by developers and end-users, or other factors adversely affecting public opinion of AI, could impair the acceptance of AI solutions, including those incorporated in our products and services.

In particular, errors and defects in Taboola's AI powered platform may have a significant adverse impact on our business. As the amount of data and number of variables processed by Taboola's AI powered platform increase, the risk of errors in the type of data collected, stored, generated or accessed also increases. In addition, the calculations that the algorithms must compute become increasingly complex and the likelihood of any defects or errors increases. If we were to experience significant errors or defects in Taboola's AI powered platform, our solution could be impaired or stop working altogether, which could prevent us from generating any revenue until the errors or defects were detected and corrected. Other negative consequences from significant errors or defects in Taboola's AI powered platform could include:

- a loss of Advertisers and digital properties;
- fewer user visits to our digital properties;
- lower click-through rates;
- lower conversion rates;
- lower profitability per impression, up to and including negative margins;
- lower return on advertising spend for Advertisers;
- lower price for the advertising inventory we are able to offer to digital properties;
- delivery of advertisements that are less relevant or irrelevant to users;
- liability for damages or regulatory inquiries or lawsuits; and
- harm to our reputation.

Furthermore, the ability of Taboola's AI powered platform to accurately predict engagement by a user depends in part on our ability to continuously innovate and improve the algorithms underlying Taboola's AI powered platform in order to deliver positive results for our Advertisers and digital properties that can be clearly attributed to the services we provide. The failure to do so could result in delivering poor performance for our Advertisers and a reduced ability to secure advertising inventory. If failures in Taboola's AI powered platform or our inability to innovate and improve the algorithms underlying Taboola's AI powered platform result in Advertisers and digital properties ceasing to partner with us, we cannot guarantee that we will be able to replace, in a timely or effective manner, departing Advertisers with new Advertisers that generate comparable revenue or departing digital properties with new digital properties. As a result, the failure by Taboola's AI powered platform to accurately predict user engagement or conversion rates and to continue to do so over time could result in significant costs to us and our results of operation and financial condition could be adversely affected.

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In addition, the use of generative AI, a relatively new and emerging technology in the early stages of commercial use, exposes us to additional risks. For example, our generative AI-based tool for ad creation, while made available through the Taboola platform, uses software tools provided by third parties and, while we are not aware of any infringement, we do not independently verify whether the content generated using such tools infringes third-party intellectual property or other rights. Further, any content created using generative AI tools may not be subject to copyright protection, which may adversely affect Advertisers' intellectual property rights in, or ability to commercialize or use, any such content. If we or our Advertisers do not have sufficient rights to use the data or other material or content on which the AI tools we use or offer rely, or the output of such AI tools, we or our Advertisers also may incur liability through the violation of applicable laws and regulations, third-party intellectual property, privacy or other rights, or contracts to which we are party. Any such liability incurred by Advertisers in connection with the use of our generative AI-based tools may also lead to harm to our reputation and a decrease in the use of such tools or our platform by Advertisers.

Regulation of AI is rapidly evolving as legislators and regulators are increasingly focused on these powerful technologies. The technologies underlying AI and its uses are subject to a variety of laws and regulations, including intellectual property, data privacy and cybersecurity, consumer protection, competition, and equal opportunity laws, and are expected to be subject to increased regulation and new laws or new applications of existing laws and regulations. AI is also the subject of ongoing review by various U.S. and foreign governmental and regulatory agencies, and certain jurisdictions are applying, or are considering applying, their platform moderation, data privacy and cybersecurity laws and regulations to AI or are considering general legal frameworks for AI. We may not be able to anticipate how to respond to these rapidly evolving frameworks, and we may need to expend resources to adjust our operations or offerings in certain jurisdictions if the legal frameworks are inconsistent across jurisdictions. Further, because AI itself is highly complex and rapidly developing, it is not possible to predict all of the legal, operational or technological risks that may arise relating to the use of AI.

Our business depends on continued engagement by users who interact with our platform on various digital properties. If users begin to ignore our platform or direct their attention to other elements on the digital property, our performance could decline and we could lose digital properties and Advertisers, which could cause our results of operations and revenues to decline.

Our ability to sustain continued engagement by users who interact with our platform on various digital properties depends on our ability to continue to provide attractive content to users. If users begin to ignore our platform or direct their attention to other elements on the digital property, our performance could decline and digital property and Advertiser satisfaction with our platform may decrease. Technological and other developments may also cause changes in consumer behavior that could affect the attractiveness of our content and ads to users.

While we have adopted a number of strategies and initiatives to address these challenges, there can be no guarantee that our efforts will be successful. If we are unable to demonstrate the continuing value of our platform to Advertisers and digital properties, our results may suffer. A decrease in advertising expenditures by our Advertisers could lead to a reduction in our ability to obtain high-quality content from digital properties, which in turn could have an adverse effect on our results of operations and revenues.

We have historically relied, and expect to continue to rely, on a small number of partners and their respective affiliates for a significant percentage of our revenue. The loss of all or a significant part of their business or an adverse change in the terms of our agreements could significantly harm our reputation, business, financial condition and results of operations.

In 2023, our largest digital property, Microsoft and affiliates, accounted for approximately 10% of our gross revenues generated from Advertisers on digital properties, and our top five digital properties accounted for approximately 23% of our gross revenues. We have long-term contracts with our large digital properties, which, in general, contain minimum guarantee requirements. The typical contract length with our large digital properties is over two years (without any right by these properties to terminate earlier than that absent cause).

The loss of all or a significant part of our business with our largest partners or unfavorable changes in the terms of our agreements with these partners could significantly harm our reputation, business, financial condition and results of operations.

We do not have long-term commitments from our Advertisers, and we may not be able to retain Advertisers or attract new Advertisers that provide us with revenue that is comparable to the revenue generated by any Advertisers we may lose.

Most of our Advertisers do business with us by placing insertion orders for particular advertising campaigns. If we perform well on a particular campaign, then the Advertiser may place new insertion orders with us for additional advertising campaigns. We do not always get written commitment from an Advertiser beyond the campaign-specific insertion order and, even then, each particular insertion order may not be completed since Advertisers can typically terminate a campaign at any time on twenty-four hours' notice. As a result, our success is dependent upon our ability to outperform our competitors and win repeat business from existing Advertisers, while continually expanding the number of Advertisers for whom we provide services. In addition, it is relatively easy for Advertisers to seek an alternative provider for their campaigns because there are no significant switching costs. In addition, advertising agencies, with whom we do business, often have relationships with many different providers, each of whom may be running portions of the same campaign. Because we generally do not have long-term contracts, it may be difficult for us to accurately predict future revenue streams. We cannot provide assurance that our current Advertisers will continue to use our solutions, or that we will be able to replace departing Advertisers with new Advertisers that provide us with comparable revenue.

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We may not be able to retain digital properties or attract new digital properties that provide us with digital space that is sufficient for our volume of sponsored content or comparable to the digital space provided by any digital properties we may lose.

We do business with our partners by allowing them to share in the revenues we receive from Advertisers from campaigns that are placed on their digital properties. If the content we place on the digital property is successful, and the partner is satisfied with our performance and ability to generate revenue, the digital property partner may continue to want us to place content on their website. Alternatively, if we cannot maintain the quality of the content, digital property satisfaction with our platform may decrease. As our Advertiser content may appear on multiple digital properties, any decrease in quality may rapidly affect many digital properties in a short period of time. Our commitments from digital properties are for various periods of time, but our success is dependent upon our ability to successfully execute campaigns using available digital space and maintaining partner satisfaction, while continually expanding the number of digital properties from whom we purchase digital space as needed to meet content volume. In addition, leading up to the expiration of our agreements, it is easy for digital properties to seek an alternative supplier of content for their digital space because there are no fees tied to switching providers. We also face a risk that digital property contract renewals decrease our margins as digital properties may seek to negotiate a higher revenue share. Thus, we cannot provide assurance that our current partners will continue to want us to place content on their digital properties, or that we will be able to replace departing digital properties with new digital properties that provide us with sufficient or comparable digital space. In addition, certain trends in the industry designed to achieve a different user experience may significantly impact our business. For example, a partner may redesign its digital property causing us to have less real estate for our content or placing us in less profitable locations of the website.

If our access to quality digital properties or content from Advertisers is diminished or if we fail to acquire new content, our revenue could decline and our growth prospects could be impeded.

We must maintain a consistent supply of attractive content and quality digital properties on which we place content. If our access to attractive content diminishes, our ability to pay digital properties will diminish, and if access to quality digital properties diminishes then Advertisers may not want to work with us. Thus, our success depends both on our ability to secure quality content and digital real estate.

The amount, quality and cost of supply available to us can change over time. Our digital properties' contracts are for various periods. As a result, we cannot provide any assurance that we will have ongoing access to a consistent supply of quality digital real estate. Moreover, the number of competitors in our industry is substantial and continues to increase, which could negatively affect the terms of doing business with our digital property partners and ultimately our gross margin. If we are unable to compete favorably for digital properties, we may not be able to place content at competitive rates or find alternative sources of supply with comparable traffic patterns and consumer demographics in a timely manner. Similarly, if we are unable to maintain a consistent supply of quality content from Advertisers for any reason, our business, digital property partners retention and loyalty, financial condition and results of operations would be harmed.

If we are successful in attracting more advertising inventory from digital properties than we can satisfy with demand from Advertisers, our relationship with certain digital properties, our revenues and our business could be adversely impacted.

Our business model depends on our ability to coordinate the supply of advertising inventory from our digital property partners with demand for that inventory from Advertisers. Any material failure to effectively maintain a sufficient number of Advertisers relative to the inventory we have available could cause digital properties not to utilize our platform or impair Taboola's AI's ability to accurately predict user engagement. As a result, our relationships with certain digital properties, our revenues and our business could be adversely impacted.

If Taboola fails to maintain the quality of content or to prevent low quality, offensive or other non-compliant content from appearing on the digital properties, we could lose digital properties and Advertisers, which could cause our results of operations and revenues to decline.

Advertiser and digital property satisfaction with our solution depends on our ability to place high quality Advertiser content with content from digital properties that is well-suited to the Advertiser's product or service. If we are unable to keep our Advertisers' content from being placed with low quality, offensive or other non-compliant editorial content, or if we are unable to keep low quality, offensive or other non-compliant ads from appearing in our network of digital properties, our reputation and business may suffer. As we grow our business to serve a larger number of Advertisers and digital properties, it could become more challenging to prevent low quality, offensive or other non-compliant content from being shown. In addition, the categories of content that our digital properties accept may change over time and as these categories are removed from our inventory, we could suffer a decrease in cost-per-click and overall revenue. If we are unable to maintain the quality of our Advertiser and digital properties, our reputation and business may suffer and we may not be able to retain or secure additional Advertiser or digital property relationships.

Historically, the majority of our agreements with digital properties have typically required them to provide us with exclusivity for the term of the agreement. To the extent that such exclusivity is reduced or eliminated for any reason, including due to changes in market practice or changes in or in response to laws, rules or regulations, digital properties could elect to implement competitive platforms or services that could be detrimental to our performance, thereby reducing our revenues and harming our business.

Although the majority of our agreements with digital properties have historically required digital properties to provide us with exclusivity for the term of the agreement, there is no guarantee that we will be able to continue to obtain such exclusive arrangements or to renew existing arrangements on similar terms in the future. To the extent that such exclusivity is reduced or eliminated for any reason, including due to changes in market practice or changes in or in response

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to laws, rules or regulations, our partners could elect to implement other platforms or services on their digital properties, develop their own, or to seek out other third parties with which to do business, which could be detrimental to our performance, thereby reducing our revenues and having an adverse effect on our business.

If we fail to detect fraudulent clicks, including non-human traffic, serve advertisements on undesirable websites, or serve content that is inappropriate to certain of our digital properties, our reputation will suffer, which would harm our brand and reputation and negatively impact our business, financial condition and results of operations.

Our business depends in part on providing our Advertisers and digital properties with a service that they trust, and we have contractual commitments to take reasonable measures to prevent click fraud or distributing content on undesirable digital properties. We use proprietary technology to detect click fraud and block inventory that we know or suspect to be fraudulent. Preventing and combating fraud requires constant vigilance, and we may not always be successful in our efforts to do so. In addition, as we continue to improve our click fraud detection mechanisms, we may find that a portion of our traffic is the result of click fraud, and eliminating this fraudulent traffic would reduce our revenues. We also use proprietary technology to prevent our Advertisers' content from appearing on undesirable digital properties, but we may not be successful in doing so, which would harm our relationship with Advertisers. Any of these things would harm our brand and reputation and negatively impact our business, financial condition and results of operations.

Our platform and business are subject to a wide variety of risks from individuals from inside and outside our company. Our policies and procedures may be inadequate to protect us from material losses or other harm caused by these bad actors, which could negatively impact our business, results of operations and reputation.

Our platform and business are subject to a wide variety of risks from individuals both inside and outside our company. We have established policies and procedures to manage our exposure to risk, including risks arising from the actions of our employees. These policies may not be adequate or effective in managing our future risk exposure or protecting us against unidentified or unanticipated risks. Although we regularly update our policies and procedures, including with respect to sanctions, bribery, money laundering and insider trading, we may fail to predict future risks due to rapid changes in the market and regulatory conditions and in new markets we enter. Although we have established internal controls to ensure our risk management policies and procedures are adhered to by our employees as we conduct our business, our internal controls may not effectively prevent or detect any non-compliance of our policies and procedures. In particular, these measures may not adequately address or prevent all illegal, improper, or otherwise inappropriate activity from occurring and such conduct could expose us to liability, including through litigation, or adversely affect our brand or reputation. Further, any negative publicity related to the foregoing, could adversely affect public perception of our industry as a whole, which could negatively affect demand for platforms like ours, and potentially lead to increased regulatory or other legal exposure. Any of the foregoing risks could negatively impact our business, results of operations and reputation.

Our business depends on strong brands and well-known digital properties, and failing to maintain and enhance our brands and well-known digital properties would hurt our ability to expand our number of Advertisers and digital properties.

Building and maintaining market awareness, brand recognition and goodwill in a cost-effective manner is important to our overall success in achieving widespread acceptance of our existing and future solutions. In particular, our business depends on access to strong brands and well-known digital properties, such as prominent media outlets, and failing to maintain and enhance our relationships with such brands and digital properties would hurt our ability to strengthen our own brand and to expand our current number of Advertisers and digital properties. Our efforts in developing our brand may be hindered by the marketing efforts of our competitors, to the degree our competitors are able to decrease the number of high-profile digital properties we are able to work with. Alternatively, if a significant number of well-known digital properties ceased to do business with us due to changing market conditions or for other reasons, our own brand image and reputation could suffer and our business and results of operations could be adversely affected.

The widespread use of technologies that can block or limit the display of our ads could adversely affect our financial results and business.

Technologies have been developed, and will likely continue to be developed, that can block the display of our ads or content or block our ad measurement tools, particularly for advertising displayed on personal computers. We generate substantially all of our revenue from advertising, including revenue resulting from the display of ads via our platform on personal computers. Revenue generated from the display of ads on personal computers has been impacted by these technologies from time to time. As a result, these technologies may have an adverse effect on our financial results and, if such technologies continue to proliferate, in particular with respect to mobile platforms, our future financial results may be harmed.

Our business depends on continued and unimpeded access to the Internet and digital properties by us and our users. Internet access providers, device manufacturers, browser developers or owners of digital properties may be able to restrict, block, degrade, or charge for access to certain of our products and services, which could lead to significant degradation of our service or additional expenses and the loss of users and Advertisers.

Our products and services depend on the ability of consumers to access the Internet. Currently, this access is provided by companies that have significant market power in the broadband and internet access marketplace, including incumbent telephone companies, cable companies, mobile communications companies, and government-owned service providers. Some of these providers may take measures that could degrade, disrupt, or increase the cost of user

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access by restricting or prohibiting the use of their infrastructure to support our platform, by charging increased fees to us or our users, or by providing our competitors preferential access. Some jurisdictions have adopted regulations prohibiting certain forms of discrimination by internet access providers; however, substantial uncertainty exists in the United States and elsewhere regarding such protections. For example, in 2018 the United States Federal Communications Commission repealed net neutrality rules, which could permit internet access providers to restrict, block, degrade, or charge for access. In addition, our platform may be subject to government-initiated restrictions or blockages. These could result in a decrease of users interacting with our platform, and could impair our ability to attract new Advertisers and digital properties.

In addition, we rely on data signals from user activity on websites that we do not control in order to deliver relevant and effective ads on behalf of our Advertisers. Our advertising revenue is dependent on targeting and measurement tools that incorporate these signals, and any changes in our ability to use such signals will adversely affect our business. For example, legislative and regulatory changes, such as the GDPR and CCPA, may impact our ability to use such signals in our ad products. In addition, mobile operating system and browser providers, such as Apple and Google, have announced product changes as well as future plans to limit the ability of application developers to use these signals to target and measure advertising on their platforms. These developments may limit our ability to target and measure the effectiveness of ads on our platform, and any additional loss of such signals in the future will adversely affect our targeting and measurement capabilities and negatively impact our advertising revenue.

Large and established internet and technology companies may be able to independently transform the marketplace for data and native advertising across and significantly impair our ability to operate.

Large and established internet and technology companies such as Amazon, Apple, Facebook and Google may have the power to significantly change the very nature of the internet display advertising marketplace, and these changes could materially disadvantage us. For example, Amazon, Apple, Facebook and Google have substantial resources and have a significant share of widely adopted industry platforms such as web browsers, mobile operating systems and advertising exchanges and networks. In addition, these or other companies may bundle other services alongside the services that compete with our solutions, thus potentially creating a more competitive platform than ours. Therefore, these companies could leverage their position to make changes to their web browsers, mobile operating systems, platforms, exchanges, networks or other products or services that could be significantly harmful to our business and results of operations.

From time to time certain of our digital properties, typically small and medium digital properties, have, and in the future may continue to, violate the terms of their agreements with us by depriving us of their contractually required advertising inventory.

If a significant number of these digital properties violate their agreements, it could be impractical for us to pursue remedies against all of Yahoo's them and as a result we may lack sufficient or timely advertising inventory for our Advertiser clients. As a result, Advertisers may be less likely to contract with us in the future. The combined effect of this disruption to our anticipated advertising inventory, and related supply and demand dynamics, could have an adverse effect on our revenue, business operations and reputation.

We have already and may in the future invest in or acquire other businesses, which could require significant management attention, disrupt our business, dilute shareholder value and adversely affect our financial condition and results of operations.

As part of our business strategy, we have made and may make future investments in or acquisitions of complementary companies, products or technologies. These activities, including the Connexity acquisition in September 2021, involve significant risks to our business. We may not be able to find other suitable acquisition candidates, and we may not be able to complete such acquisitions on favorable terms, if at all. If we do complete acquisitions, they may not ultimately strengthen our competitive position. Any acquisitions we complete could be viewed negatively by our partners and clients, which could have an adverse impact on our business. In addition, if we are unsuccessful at integrating employees or technologies acquired, our financial condition and results of operations, including revenue growth, could be adversely affected. Any acquisition and subsequent integration will require significant time and resources. We may not be able to successfully evaluate and use the acquired technology or employees, or otherwise manage the acquisition and integration processes successfully. We will be required to pay cash, incur debt and/or issue equity securities to pay for any such acquisition, each of which could adversely affect our financial condition. Our use of cash to pay for acquisitions would limit other potential uses of our cash, including investments in our sales and marketing and product development organizations, and in infrastructure to support scalability. The issuance or sale of equity or convertible debt securities to finance any such acquisitions would result in dilution to our shareholders. If we incur debt, it would result in increased fixed obligations and could also impose covenants or other restrictions that could impede our ability to manage our operations.

If we do not effectively grow and train our sales team and account managers, we may be unable to add new digital properties expanding and Advertisers or increase sales to our existing digital properties and Advertisers, and our business would be adversely affected.

We continue to be substantially dependent on our sales team and account managers to obtain new digital properties and Advertisers and to drive sales from our existing digital properties and Advertisers. We believe that there is significant competition for sales personnel with the skills and technical knowledge that we require. Our ability to achieve significant revenue growth will depend, in large part, on our success in recruiting, training, integrating and retaining sufficient numbers of sales personnel to support our growth. New hires require significant training and it may take significant time before they achieve full productivity. Our recent hires and planned hires may not become productive as quickly as we expect, and we may be unable to hire or retain sufficient numbers of qualified individuals in the markets where we do business or plan to do business. In addition, if we continue to grow rapidly, a large percentage of our sales team will be

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new to the company and our solutions. If we are unable to hire and train sufficient numbers of effective sales personnel, or the sales personnel are not successful in obtaining new digital properties and Advertisers or increasing sales to our existing digital property and Advertiser base, our business would be adversely affected. Finally, managing our sales team and account managers, particularly in light of our growth, and enforcing compliance with our sales policies is a challenge for us.

If we do not effectively maintain and grow our research and development team with top talent, including employees who are trained in artificial intelligence, machine learning and advanced algorithms, we may be unable to continue to improve on our artificial intelligence, our performance could decline and we could lose digital properties and Advertisers, which could cause our results of operations and revenues to decline.

Our future success depends on our ability to continue to attract, retain and motivate highly skilled employees, software engineers and other employees with the technical skills in artificial intelligence, machine learning and advanced algorithms that will enable us to deliver effective advertising and content solutions. Competition for highly skilled employees in our industry is intense, particularly in the fields of artificial intelligence and data science. We expect certain of our key competitors, who generally are larger than us and have access to more substantial resources, to pursue top talent even more aggressively.

We may be unable to attract or retain such highly skilled personnel who are critical to our success, which could hinder our ability to keep pace with innovation and technological change in our industry or result in harm to our key Advertiser and digital property relationships, loss of key information, expertise or proprietary knowledge and unanticipated recruitment and training costs. The loss of the services of such key employees could make it more difficult to successfully operate our business and pursue our business goals.

Our growth depends, in part, on the success of our strategic relationships with third parties, including ready access to hardware in key locations to facilitate the delivery of our platform and reliable management of Internet traffic. Supply disruptions can impede our operations, ability to grow and financial performance and also result in significant cost increases.

We anticipate that we will continue to depend on various third-party relationships in order to grow our business. We continue to pursue additional relationships with third parties, such as technology and content providers, content delivery networks, data partnerships, co-location facilities and other strategic partners. Identifying, negotiating and documenting relationships with third parties requires significant time and resources, as does integrating third-party data and services. Our agreements with providers of technology, computer hardware, co-location facilities, and content are typically non-exclusive, do not prohibit them from working with our competitors or from offering competing services and do not typically have minimum purchase commitments. Our competitors may be effective in providing incentives to third parties to favor their products or services over ours or to otherwise prevent or reduce purchases of our solutions. In addition, these third parties may go out of business, no longer offer their services to us or not perform as expected under our agreements with them, and we may have disagreements or disputes with such third parties, which could negatively affect our brand and reputation.

In particular, our continued growth depends on our ability to source computer hardware, including servers built to our specifications, and the ability to locate those servers and related hardware in co-location facilities in the most desirable locations to facilitate the timely delivery of our services. Disruptions in the services provided at co-location facilities that we rely upon can degrade the level of services that we can provide, which could harm our business. We also rely on our integration with many third-party technology providers to execute our business on a daily basis. We rely on a third-party domain name service, or DNS, to direct traffic to our closest data center for efficient processing. If our DNS provider experiences disruptions or performance problems, this could result in inefficient balancing of traffic across our servers as well as impairing or preventing web browser connectivity to our site, which could harm our business.

Supply disruptions could materially impede our growth and our ability to maintain our existing platform. Disruptions in supply can be caused by many factors, including decreases in manufacturing output and labor shortages; the availability of one or more components including semiconductors which are currently in short supply; the impacts of pent up demand; transportation and delivery issues; geopolitical issues; and other circumstances. Such disruptions can result in the delay or inability to obtain necessary hardware, or significant cost increases, any of which could have a material adverse effect on our existing business, our ability to grow and our financial performance.

Our future success depends on the continuing efforts of our key employees, including our founder, and on our ability to hire, train, motivate and retain additional employees, including key employees.

Our future success depends heavily upon the continuing services of our key employees, including our founder and CEO, Adam Singolda, and on our ability to attract and retain members of our management team and other highly skilled employees, including software engineers, analytics and operations employees and sales professionals. The market for talent in our key areas of operations, including Bangkok, California, New York, Sao Paulo, Tel Aviv, and London, is intensely competitive. Our competitors may provide more generous benefits, more diverse opportunities and better chances for career advancement than we do. Some of these advantages may be more appealing to high-quality candidates than those we have to offer. Any of our employees may terminate his or her employment with us at any time.

New employees often require significant training and, in many cases, take significant time before they achieve full productivity. As a result, we may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and we may lose new employees to our competitors or other companies before we realize the benefit of our investment in recruiting and training them.

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Moreover, new employees may not be or become as productive as we expect, as we may face challenges in adequately or appropriately integrating them into our workforce and culture. In addition, as we move into new geographies, we will need to attract and recruit skilled employees in those areas.

Even if we are successful in hiring qualified new employees, we may be subject to allegations that we have improperly solicited such employees while they remained employed by our competitors, that such employees have improperly solicited other colleagues of theirs employed by the same competitors or that such employees have divulged proprietary or other confidential information to us in violation of their agreements with such competitors. If we are unable to attract, integrate and retain suitably qualified individuals, our business, financial position and results of operations would be harmed.

Our corporate culture has contributed to our success. If we cannot maintain a strong corporate culture, we could lose the innovation, creativity and teamwork fostered by our culture, and our business could be harmed.

We believe our corporate culture has been a critical component of our success as we believe it fosters innovation, teamwork, passion for partners and clients and focus on execution, while facilitating knowledge sharing across our organization. As we grow and change, we may find it difficult to preserve our corporate culture, which could reduce our ability to innovate and operate effectively. In turn, the failure to preserve our culture could negatively affect our ability to attract, recruit, integrate and retain employees, continue to perform at current levels and effectively execute our business strategy.

Many Advertisers typically spend less in the first quarter and more in the fourth quarter of each calendar year. Our historical revenue growth has mitigated the impact of these seasonal fluctuations in advertising activity. If our growth declines or these typical advertising patterns become more pronounced, seasonality could have a material impact on our revenue, cash flows and operating results.

Our revenue, cash flow and other key operating and performance metrics may vary from quarter to quarter due to the seasonal nature of our Advertiser clients' spending on advertising campaigns. For example, many Advertisers tend to devote more of their advertising budgets to the fourth calendar quarter to coincide with consumer holiday spending and correspondingly to spend less in the first quarter. Moreover, advertising inventory in the fourth quarter may be more expensive due to increased demand for it. Our historical revenue growth has masked the impact of seasonality in the past, but if our growth rate declines or seasonal spending becomes more pronounced, seasonality could have a more significant impact on our revenue, cash flow and results of operations from period to period.

We usually incur the cost of an Advertiser's campaign before we bill for services. Such Advertisers may have or develop high-risk credit profiles, which may result in credit risk.

We usually incur the cost of an Advertiser's campaign before we bill for services. A portion of our Advertiser-side business is sourced through advertising agencies, and we contract with these agencies as agent for a disclosed principal, which is the Advertiser. Typically, the advertising agency pays for our services once it has received payment from the Advertiser for our services. Our agreements with these agencies typically provide that if the Advertiser does not pay the agency, the agency is not liable to us, and we must seek payment solely from the advertiser.

In addition, contracting with Advertisers who have or develop high-risk credit profiles, subjects us to credit risk. This credit risk may vary depending on the nature of the Advertiser's business and the Advertiser's monetization of the traffic generated. Any inability to collect costs we have advanced or other amounts due to us, including write-offs of accounts receivable, could have a materially negative effect on our results of operations.

We often pay our digital properties their share of the revenue generated by an Advertiser's campaigns whether or not we have received payment from the Advertisers and even if we never receive payment from such Advertiser. In addition, we agree with digital properties on a fixed cost for the digital space but a large portion of our revenue from Advertisers is tied to the performance of the campaign. As a result, our results of operations and financial condition could be adversely impacted if we do not receive timely payment from our Advertisers or if our campaigns do not perform as expected.

Risks Related to Laws and Regulations

We are a multinational organization faced with complex and changing laws and regulations regarding privacy, data protection, content, competition, consumer protection, and other matters. Many of these laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to our business practices, monetary penalties, increased cost of operations, or declines in user engagement, or otherwise harm our business.

We are subject to a variety of laws and regulations in the United States and other countries that involve matters central to our business, including privacy, data protection, content, competition, consumer protection, and other matters. The expansion of our activities in certain jurisdictions, or other actions that we may take may subject us to additional laws, regulations, or other government scrutiny. In addition, foreign privacy, data protection, content, competition, and other laws and regulations can impose different obligations or be more restrictive than those in the United States. For additional discussion of privacy and data protection laws and regulations applicable to our business,see *"RiskFactors—Risks Related to Laws and Regulations—Legislation and regulation of online businesses, including privacy and data protection regimes, could create unexpected costs, subject us to enforcement actions for compliance failures, or cause us to change our technology platform or business model, which could have a material adverse effect on our business."*

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Laws and regulations of the countries and their legal subdivisions in which we operate or conduct business or in which our employees reside, which in some cases can be enforced by private parties in addition to government entities, are constantly evolving and can be subject to significant change. As a result, the application, interpretation, and enforcement of these laws and regulations are often uncertain, particularly in the new and rapidly evolving industry in which we operate, and may be interpreted and applied inconsistently from country to country and inconsistently with our current policies and practices. For example, regulatory or legislative actions affecting the manner in which we display content to our users could adversely affect user growth and engagement. Such actions could affect the manner in which we provide access to our platform or adversely affect our financial results.

These laws and regulations, as well as any associated claims, inquiries, or investigations or any other government actions, have in the past led to, and may in the future lead to, unfavorable outcomes including increased compliance costs, delays or impediments in the development of new products, negative publicity and reputational harm, increased operating costs, diversion of management time and attention, and remedies that harm our business, including fines or demands or orders that we modify or cease existing business practices.

Legislation and regulation of online businesses, including privacy and data protection regimes, could create unexpected costs, subject us to enforcement actions for compliance failures, or cause us to change our technology platform or business model, which could have a material adverse effect on our business.

Government regulation could increase the costs of doing business online. U.S. and many international governments have enacted, or are considering enacting, legislation and regulation related to online advertising to which we are or may become subject, and we expect to see an increase in legislation and regulation related to digital advertising, the collection and use of Internet user data and unique device identifiers, such as IP address or unique mobile device identifiers, and other privacy and data protection legislation and regulation. The regulatory environment related to privacy and data protection is increasingly rigorous, with new and constantly changing requirements applicable to our business, and enforcement practices are likely to remain uncertain for the foreseeable future. Such legislation and regulation could affect the costs of doing business online, and could reduce the demand for our solutions or otherwise harm our business, financial condition, and results of operations. These laws and regulations may be interpreted and applied differently over time and from jurisdiction to jurisdiction, and it is possible that they will be interpreted and applied in ways that may have a material adverse effect on our results of operations, financial condition and cash flows. For example, a wide variety of provincial, state, national, and international laws and regulations apply to the collection, use, retention, protection, disclosure, transfer and other processing of personal data. While we generally have not collected data from Internet users that is traditionally considered to be personally identifiable data, such as name, email address, address, phone numbers, social security numbers, credit card numbers, financial, or health data, we typically do collect and store IP addresses, cookie IDs, and other device identifiers that are or may be considered personal data in some jurisdictions or otherwise may be the subject of legislation or regulation. Legislation or regulation that reduces the data we can collect may cause us to not be able to track advertising conversions as efficiently or target campaigns as effectively, which may negatively impact our revenue.

Evolving and changing definitions of personal data, within the EEA, the UK, Asia, the United States, and elsewhere, especially relating to classification of IP addresses, machine or device identifiers, and other information, have in the past and could in the future, cause us to change our business practices, expend significant costs to modify our data processing practices or policies, preoccupy management, divert resources from other initiatives and projects, or limit or inhibit our ability to operate or expand our business. Evolving data protection and privacy-related laws and regulations could embolden regulatory and public scrutiny, increase levels of enforcement, and pose risk of sanctions for noncompliance. While we currently take steps to avoid collecting personal data that would enable the direct identification of Internet users, we may inadvertently receive this information from Advertisers or advertising agencies or through the process of delivering our service. Additionally, while we take measures to protect the security of information that we collect, use, disclose and otherwise process in the operation of our business, and to offer certain privacy protections with respect to such information, such measures may not always be effective. Our advertising clients or digital property partners have imposed, or may in the future impose, new restrictions relating to the quickly evolving privacy and data protection laws and regulations with which we must adapt and comply. Our failure to comply with applicable laws and regulations, or to protect personal data, could result in enforcement or litigation action against us, including fines, sanctions, penalties, judgments, imprisonment of our officers and public censure, claims for damages by consumers and other affected individuals, obligations to notify regulators and affected individuals, damage to our reputation and loss of goodwill, any of which could have a material adverse impact on our business, financial condition and results of operations. Even the perception of privacy concerns, whether or not valid, could harm our reputation and inhibit adoption of our solutions by current and future clients and partners.

For more information on the privacy and data protection laws and regulations to which we are subject, see the sections titled “Part I, Item 1—Business—“Privacy Regulation in the U.S.”, “Part I, Item 1—Business—“Privacy Regulation in Europe” and “Part I, Item 1—Business—“Privacy Regulation in the Asia-Pacific Region.”

Potential “Do Not Track” standards or government regulation could negatively impact our business by limiting our access to the user data that informs the advertising campaigns we run, and as a result could degrade our performance for our digital properties and Advertisers.

As the use of cookies has received ongoing media attention in recent years, some government regulators and privacy advocates have suggested creating a “Do Not Track” standard that would allow Internet users to express a preference, independent of cookie settings in their web browser, not to have their website browsing recorded. All the major Internet browsers have implemented some version of a “Do Not Track” setting. However, there is limited guidance, consensus and industry standards regarding the definition of “tracking,” what message is conveyed by a “Do Not Track” setting and how to respond to a “Do Not Track” preference. We could face competing policy standards, or standards that put our business model at a competitive disadvantage to other companies that collect

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data from Internet users, standards that reduce the effectiveness of our solutions, or standards that require us to make costly changes to our solutions. For example, the FTC has stated that it will pursue a legislative solution if the industry cannot agree upon a standard. “Do Not Track” has seen renewed emphasis from proponents of the CCPA, which, in certain circumstances, requires browser-based or similar “do not sell” signals. If a standard is imposed by international federal or state legislation, or agreed upon by standard setting groups, that requires us to recognize a “Do Not Track” signal and prohibits us from using data as we currently do, then that could hinder growth of advertising and content production on the web generally, and limit the quality and amount of data we are able to store and use, which would cause us to change our business practices and adversely affect our business.

On May 16, 2023, the EU Interactive Advertising Bureau (IAB), a digital marketing trade association, released an updated version of the IAB Transparency & Consent Framework, or TCF, to reflect updated regulator guidance and decisions. While Taboola is a registered vendor on the latest version of the TCF, the TCF remains under review by European courts after the IAB appealed a February 2022 decision by the Belgian data protection authority that the TCF violates the GDPR. The TCF is currently a key tool in the EU ad tech ecosystem for passing on consent and “do not sell” signals, and in turn, facilitating compliance with the GDPR. If the TCF is found to be unlawful under the GDPR, the ad tech industry will need to determine new mechanisms for GDPR compliance, which could affect our ability to serve targeted ads and consequently impact our revenue.

User growth and engagement depends upon effective interoperation with devices, platforms and standards set by third parties across the entire ad tech ecosystem that we do not control.

Technology companies in the Internet browsers and operating systems spaces have announced intentions to discontinue the use of cookies, and to develop alternative methods and mechanisms for tracking users. The most commonly used Internet browsers allow users to modify their browser settings to block first-party cookies (placed directly by the media partner or website owner that the user intends to interact with) or third-party cookies, and some browsers block third-party cookies by default. For example, Apple previously released an update to its Safari browser that limits the use of third-party cookies, which reduces our ability to provide the most relevant ads to our users and impacts monetization, and also released changes to iOS, requiring users to voluntarily choose (opt-in) to permit app developers to track them across applications and websites, that limit our ability to target and measure ads effectively. In addition , Google has announced its intention to disable the use of third-party cookies across its Google Chrome web browser. Based on public announcements from Google, the phase out will be in effect for all users in the second half of 2024 subject to regulatory compliance. This change may force many businesses to reevaluate their marketing strategies.

Furthermore, mobile devices using Android and iOS operating systems limit the ability of cookies to track users while they are using applications other than their web browser on the device. As a consequence, fewer of our cookies or media partners’ cookies may be set in browsers or be accessible in mobile devices, which can adversely affect our business.

As technology companies in such sectors replace cookies, it is possible that such companies may rely on proprietary algorithms or statistical methods to track users without cookies, or may utilize log-in credentials entered by users into other web properties owned by these companies, such as their email services, to track web usage, including usage across multiple devices. Alternatively, such companies may build different and potentially proprietary user tracking methods into their widely-used web browsers. Although we believe we are well positioned to adapt and continue to provide key data insights to our media partners without cookies, this transition could be more disruptive, slower, or more expensive than we currently anticipate, and could materially affect the accuracy of our recommendations and ads and thus our ability to serve our Advertisers, including through our data marketplace product, adversely affecting our business, results of operations, and financial condition.

Potential regulation or oversight over native advertising disclosure standards could negatively impact our business by affecting click through rates, which in turn affects the profitability of our digital properties and Advertisers.

We are subject to complex and changing advertising regulations in many jurisdictions in which we operate, including regulatory and self-regulatory requirements to comply with native advertising regulations in connection with our native advertising offering. For example, in the United States, the Federal Trade Commission requires that all online advertising meet certain principles, including the clear and conspicuous disclosure of advertisements. If we, or our advertisers, make mistakes in implementing this varied and evolving guidance, or our commitments with respect to these principles, we could be subject to negative publicity, government investigation, government or private litigation, or investigation by self-regulatory bodies such as the Interactive Advertising Bureau (IAB), the National Advertising Division (NAD) as well as the Advertising Standards Authority (ASA) in the UK or other accountability groups. Any such action against us could be costly and time consuming and may require us to change our business practices, cause us to divert management’s attention and our resources and be damaging to our reputation and our business. Moreover, additional or different disclosures may lead to a reduction in user engagement, which could have an adverse effect on our business, results of operations, and financial condition.

We are a multinational organization faced with complex and changing advertising regulation in many jurisdictions in which we operate, and we are obligated to comply with such advertising regulations in connection with the advertising we distribute on behalf of our Advertiser clients. If we fail to comply with these advertising regulations we or our Advertisers could be subject to liability or forced to reduce or suspend operations until we are able to comply, which could reduce our revenues.

We are subject to complex and changing advertising regulations in many jurisdictions in which we operate, and we are obligated to comply with such advertising regulations in connection with the advertising we distribute on behalf of our Advertiser clients. For example, much of the federal oversight on digital advertising in the U.S. currently comes from the FTC, which has primarily relied upon Section 5 of the Federal Trade Commission Act, which prohibits companies from engaging in “unfair” or “deceptive” acts or practices in or affecting commerce, including alleged violations of representations concerning privacy

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and data security protections and acts that allegedly violate individuals' privacy and data protection interests. If we or our Advertiser clients are not able to comply with these laws or regulations or if we become liable under these laws or regulations, we could be directly harmed, and we may be forced to implement new measures to reduce our exposure to this liability. This may require us to expend substantial resources or to alter our business strategy, which would negatively affect our business, financial condition and results of operations.

From time to time we are subject to litigation, administrative inquiries and similar governmental procedures, which may be extremely costly to defend, could result in substantial judgment or settlement costs or subject us to other remedies. Litigation and other disputes can also divert management's attention from our operations and hurt our reputation.

From time to time we are involved in various legal proceedings or government investigations, including, but not limited to, actions relating to breach of contract, intellectual property infringement, competition law or other issues. Claims may be expensive to defend, may divert management's time away from our operations, and may affect the availability and premiums of our liability insurance coverage, regardless of whether they are meritorious or ultimately lead to a judgment against us. We cannot assure you we will be able to successfully defend or resolve any current or future litigation matters, in which case those litigation matters could have a material and adverse effect on our business, financial condition, operating results, cash flows, reputation and prospects.

We are a multinational organization faced with increasingly complex tax issues in many jurisdictions, and we could be obligated to pay additional taxes in various jurisdictions as a result of new taxes and related laws, which may materially affect our business and results of operations.

As a multinational organization, operating in multiple jurisdictions, including Brazil, China, European Union, India, Israel, Japan, South Korea, Taiwan, Thailand, Turkey, the United Kingdom and the United States, among others, we may be subject to taxation in several jurisdictions around the world with increasingly complex tax laws, the application of which may be uncertain. The amount of taxes we pay in these jurisdictions could increase substantially as a result of changes in the applicable tax principles, including increased tax rates, new tax laws or revised interpretations of existing tax laws and precedents, which could have a material adverse effect on our liquidity and results of operations. In January 2023 addition, as internet commerce and globalization continue to evolve, increasing regulation by government authorities becomes more likely. Our business could be negatively impacted by the application of existing laws and regulations or the enactment of new laws applicable to digital advertising. The cost to comply with such laws or regulations could be significant, and we closed may be unable to pass along those costs to our clients in the form of increased fees, which may negatively affect our business and results of operation. We are subject to regular review and audit by Israeli, U.S. and other foreign tax authorities. Although we believe our tax estimates are reasonable, the authorities in these jurisdictions could review our tax returns and impose additional taxes, interest and penalties, and the authorities could claim that various withholding requirements apply to us or our subsidiaries or assert that benefits of tax treaties are not available to us or our subsidiaries, any of which could materially affect our income tax provision, net income, or cash flows in the period or periods for which such determination and settlement is made.

Our operations may expose us to greater than anticipated tax liabilities, which could harm our financial condition and results of operations, and increase the costs our clients would have to pay for our products.

There is heightened scrutiny by fiscal authorities in many jurisdictions on the potential taxation of digital services, including but not limited to, online advertising, search engine and e-commerce businesses (referred to as DST or alike). The Organization for Economic Co-operation and Development (OECD) has issued guidelines, referred to as the Base Erosion and Profit Shifting project (BEPS), to its member-nations aimed at encouraging broad-based legislative initiatives intended to prevent perceived base erosion transactions and income shifting in a tax-advantaged manner. Further, for the past several years, the OECD has had a specific focus on the taxation implications of digital services including online advertising, search engine and e-commerce businesses, generally referred by the OECD as the "digital economy." In the fourth quarter of 2019, the OECD released details on its proposed approach which would, among other changes, create a new right to tax certain "digital economy" income not necessarily based on traditional nexus concepts nor on the "arm's length principle." As there has been a lack of consensus among the key members, particularly the United States, several jurisdictions legislated digital tax provisions in an uncoordinated and unilateral manner that could result in greater or even double taxation that companies may not have sufficient means to remedy. For example, a number of jurisdictions, including the U.K., France, Italy, Spain, Austria, Turkey, India and other countries have already adopted or have formally proposed legislation to affect the taxation of digital services based on differing criteria and metrics.

The taxation by multiple jurisdictions of digital services including online advertising and e-commerce could increase our tax burdens and compliance obligations as well as our costs of doing business internationally and our worldwide effective tax rate which may lead to adverse impact on our financial position and results of operations.

Further, the taxation by multiple jurisdictions of digital businesses could subject us to exposure to withholding, sales, value added taxes (VAT), levies, and/or other taxes, including transaction taxes on our past and future transactions in such jurisdictions where we currently or in the future may be required to report taxable transactions. We are currently subject to and in the future may become subject to additional compliance requirements for certain of these taxes. A successful assertion by one or more U.S. states or foreign countries or change of law requiring us to pay or collect taxes where we presently do not do so, or to pay or collect more taxes in a jurisdiction in which we currently do pay or collect some taxes, could result in substantial liabilities, including taxes on past sales, as well as interest and penalties. Any such assertion could also create significant administrative burdens for us, discourage potential customers from subscribing

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to our platform due to the incremental cost of any such sales or other related taxes, or otherwise harm our business. Changes in our exposure to withholding, sales, VAT, levies and/or other taxes could have an adverse impact on our financial condition in the future.

In addition, in October 2021, the OECD released an outline that describes the conceptual agreement between 136 countries on fundamental reforms to international tax rules. The outline provides for two primary "Pillars." Pillar One is aimed to apply to the largest multinational corporations and replace DST, though the time of its introduction is still unknown. As the Pillar Two model, which provides for a global minimum corporate tax rate of 15%, has partially taken effect in some, but not all, countries for the taxable year beginning on January 1, 2024, with some additional provisions taking effect in 2025, there is still uncertainty as to how the Pillar Two model will be applied evenly during this transition period. While Pillar One is not expected to apply to us, Pillar Two could increase our effective tax rate and adversely affect our financial results.

Our effective tax rate may vary significantly depending on our stock price.

The tax effects of the accounting for share-based compensation may significantly impact our effective tax rate from period to period. In periods in which our stock price is higher than the grant price of the share-based compensation vesting in that period, we will recognize excess tax benefits that will decrease our effective tax rate, while in periods in which our stock price is lower than the grant price of the share-based compensation vesting in that period, our effective tax rate may increase. The amount and value of share-based compensation issued relative to our earnings in a particular period will also affect the magnitude of the impact of share-based compensation on our effective tax rate. These tax effects are dependent on our stock price, which we do not control, and a decline in our stock price could significantly increase our effective tax rate and adversely affect our financial results.

The Israeli tax benefits we currently receive require us to meet several conditions and may be terminated or reduced in the future, which would likely increase our taxes, possibly with a retroactive effect.

Some of our operations in Israel, referred to as "Benefited Enterprise" for 2018 and 2019 and "Preferred Technological Enterprise" commencing with 2020 (in case of taxable income position) carry certain tax benefits under the Law for the Encouragement of Capital Investments, 5719-1959, or the Investment Law. In order to be eligible for tax benefits under the Investment Law, our Benefited/Preferred Technological Enterprises must comply with various conditions set forth in the Investment Law, as well as periodic reporting obligations. If we do not meet the requirements for maintaining these benefits or if our assumptions regarding the key elements affecting our tax rates are rejected by the Israeli tax authorities, they may be reduced or canceled and the relevant operations would be subject to Israeli corporate tax at the standard rate, which is 23% in 2018 and thereafter.

In addition to being subject to the standard corporate tax rate, we could be required to refund any tax benefits we have already received, plus interest and penalties thereon under this program or similar programs we have utilized in the past. Even if we continue to meet the relevant requirements, the tax benefits our current "Preferred Technological Enterprise" receive may not be continued in the future at their current levels or at all. If these tax benefits were reduced or eliminated, the amount of taxes we pay would likely increase, as all of our Israeli operations would consequently be subject to corporate tax at the standard rate, which could adversely affect our results of operations. Additionally, if we increase our activities outside of Israel, for example, by way of acquisitions, our increased activities may not be eligible for inclusion in Israeli tax benefit programs. If the Israeli government discontinues or modifies these programs and potential tax benefits, our business, financial condition and results of operations could be adversely affected.

On November 15, 2021, the Encouragement of Capital Investments Law was amended in order, inter alia, to encourage companies to voluntarily elect for an immediate payment of corporate tax on previously tax-exempted earnings which were earned pursuant to Approved and Benefited Enterprises (the "Amendment"). The Amendment provides a reduced corporate tax payment on Exempt Earnings accumulated until December 31, 2020 that were not yet distributed as a dividend, all subject to certain qualifying terms and conditions. The Company implemented the Amendment and as a result, paid the reduced corporate income tax subject to the dividend distribution in an amount of approximately $4.3 million.

Transfer pricing rules may adversely affect our corporate income tax expense.

Many of the jurisdictions in which we conduct business have detailed transfer pricing rules, which require contemporaneous documentation establishing that all transactions with non-resident related parties be priced using arm's length pricing principles. The tax authorities in these jurisdictions could challenge our related party transfer pricing policies and as a consequence the tax treatment of corresponding expenses and income. International transfer pricing is an area of taxation that depends heavily on the underlying facts and circumstances and generally involves a significant degree of judgment. If any of these tax authorities were to be successful in challenging our transfer pricing policies, we may be liable for additional corporate income tax, and penalties and interest related thereto, which may have a significant impact on our results of operations and financial condition.

We may be exposed to liabilities under the U.S. Foreign Corrupt Practices Act and other U.S. and foreign anti-corruption, anti-money laundering, export control, sanctions and other trade laws and regulations, and any determination that we violated these laws could have a material adverse effect on our business.

We are subject to export control and import laws and regulations, including the U.S. Export Administration Regulations, U.S. Customs regulations and various economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control. We are also subject to the U.S. Foreign Corrupt Practices Act of 1977, as amended, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act, the United Kingdom Bribery Act 2010, the Proceeds of Crime Act 2002, Chapter 9 (sub-chapter 5) of the Israeli Penal Law, 1977, the Israeli Prohibition on

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Money Laundering Law—2000 and possibly other anti-bribery and anti-money laundering laws in countries outside of the United States in which we conduct our activities. Compliance with these laws has been the subject of increasing focus and activity by regulatory authorities, both in the United States and elsewhere, in recent years. Anti-corruption laws are interpreted broadly and prohibit companies and their employees and third-party intermediaries from authorizing, promising, offering, providing, soliciting or accepting, directly or indirectly, improper payments or benefits to or from any person whether in the public or private sector. Although we endeavor to conduct our business in accordance with applicable laws and regulations, we cannot guarantee compliance.

Noncompliance with anti-corruption, anti-money laundering, export control, sanctions and other trade laws could subject us to whistleblower complaints, investigations, sanctions, settlements, prosecution, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, suspension and/or debarment from contracting with certain persons, the loss of export privileges, reputational harm, adverse media coverage and other collateral consequences. If subpoenas or investigations are launched, or governmental or other sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business, results of operations and financial condition could be materially harmed. Responding to any action will likely result in a materially significant diversion of management's attention and resources and significant defense and compliance costs and other professional fees. In addition, regulatory authorities may seek to hold us liable for successor liability for violations committed by companies in which we invest or that we acquire. As a general matter, enforcement actions and sanctions could harm our business, results of operations and financial condition.

Although we do not believe that we were a "passive foreign investment company," or a PFIC, for U.S. federal income tax purposes for 2023, if we are a PFIC in 2024 or in any future year, a U.S. investor in our Ordinary shares or Warrants may be subject to adverse U.S. federal income tax consequences.

Under the Internal Revenue Code of 1986, as amended, or the Code, we will be classified as a PFIC for any taxable year in which, either (i) at least 75% of our gross income in a taxable year, including our pro rata share of the gross income of any corporation in which we are considered to own at least 25% of the shares by value, is passive income or (ii) at least 50% of our assets in a taxable year (ordinarily determined based on fair market value and averaged quarterly over the year), including our pro rata share of the assets of any corporation in which we are considered to own at least 25% of the shares by value, are held for the production of, or produce, passive income. Passive income generally includes, among other things, dividends, interest, rents and royalties (other than rents or royalties derived from the active conduct of a trade or business) and gains from the disposition of passive assets. The Company believes that it was not a PFIC for U.S. federal income tax purposes for its 2023 taxable year and it does not expect to become one in the foreseeable future. However, PFIC status is determined annually and depends on the composition of a company's income and assets and the fair market value of its assets and no assurance can be given that we were not a PFIC in 2023, oras to whether we will be a PFIC in 2024 or for any future taxable years.

If we are a PFIC for any taxable year during which a U.S. investor holds our Ordinary shares or Warrants, we would continue to be treated as a PFIC with respect to that U.S. investor for all succeeding years during which the U.S. investor holds our Ordinary shares or Warrants, even if we ceased to meet the threshold requirements for PFIC status, unless certain exceptions apply. Such a U.S. investor may be subject to adverse U.S. federal income tax consequences, including (i) the treatment of all or a portion of any gain on the disposition of our Ordinary shares or Warrants as ordinary income (and therefore ineligible for the preferential rates that apply to capital gains with respect to some U.S. investors), (ii) the application of a deferred interest charge on such gain and the receipt of certain dividends on our Ordinary shares, (iii) the ineligibility to claim the preferential tax rate afforded to certain non-corporate U.S. investors on "qualified dividend income" with respect to dividends on our Ordinary shares and (iv) compliance with certain reporting requirements.

It may be difficult to enforce a U.S. judgment against Taboola or its respective directors and officers outside the United States, or to assert U.S. securities law claims outside of the United States.

A number of Taboola directors and executive officers are not residents of the United States, and the majority of Taboola's assets and the assets of these persons are located outside the United States. As a result, it may be difficult or impossible for investors to effect service of process upon Taboola within the United States or other jurisdictions, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States. Additionally, it may be difficult to assert U.S. securities law claims in actions originally instituted outside of the United States. Foreign courts may refuse to hear a U.S. securities law claim because foreign courts may not be the most appropriate forum in which to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the law of the jurisdiction in which the foreign court resides, and not U.S. law, is applicable to the claim. Further, if U.S. law is found to be applicable, the content of applicable U.S. law must be proved as a fact, which can be a time-consuming and costly process, and certain matters of procedure would still be governed by the law of the jurisdiction in which the foreign court resides.

Risks Related to Our Intellectual Property and Technology

Our intellectual property and proprietary rights may be difficult to enforce, particularly because in many instances we rely on trade secrets rather than patents or similar registered legal protections. This could enable others to copy or use aspects of our platform without compensating us, which could erode our competitive advantages and harm our business.

Our success depends, in part, on our ability to protect proprietary methods and technologies that we develop under the intellectual property laws of Israel, the United States and other countries, so that we can prevent others from using our intellectual property and proprietary information. If we fail to protect our intellectual property and proprietary rights adequately, our competitors might gain access to our technology and proprietary information, and our business could

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be adversely affected. We rely on trademark, copyright, trade secret, patent and confidentiality procedures and contractual provisions to protect our proprietary methods and technologies.

Unauthorized parties may attempt to copy aspects of our technology or obtain and use information we regard as proprietary. We generally enter into confidentiality and/or license agreements with our employees, consultants, vendors and Advertisers, and generally limit access to and distribution of our proprietary information. However, any steps taken by us may not prevent infringement, misappropriation or other violation of our intellectual property, technology and proprietary information. Policing unauthorized use of our technology is difficult. In addition, the laws of some foreign countries may not be as protective of intellectual property and proprietary rights as those of the U.S, and mechanisms for enforcement of our intellectual property and proprietary rights in such countries may be inadequate. From time to time, legal action by us may be necessary to enforce our intellectual property and proprietary rights, to protect our trade secrets, to determine the validity and scope of the intellectual property and proprietary rights of others, or to defend against claims of infringement, misappropriation or other violation. Although we generally rely on trade secret laws to protect our intellectual property, we may encounter difficulties enforcing our rights where we lack patent protection. Such litigation could result in substantial costs and the diversion of limited resources and could negatively affect our business, financial condition and results of operations. If we are unable to protect our intellectual property and proprietary rights, including aspects of our technology platform, we may find ourselves at a competitive disadvantage to others who have not incurred the same level of expense, time and effort to create and protect their intellectual property.

We may be subject to intellectual property rights claims by third parties, which are extremely costly to defend, could require us to pay significant damages and could limit our ability to use certain technologies.

Third parties may assert claims of infringement, misappropriation or other violation of intellectual property rights, including in proprietary technology, against us or against our digital properties or Advertisers for which we may be held liable or have an indemnification obligation. Our risk of third-party claims may be increased to the extent we rely on unaffiliated persons or firms, over whom we have less control than we would have over our own employees, to develop code. Any claim of infringement, misappropriation or other violation of intellectual property rights by a third party, even those without merit, could cause us to incur substantial costs defending against the claim and could distract our management from operating our business.

Although third parties may offer a license to their technology or other intellectual property, the terms of any offered license may not be acceptable and the failure to obtain a license or the costs associated with any license could cause our business, financial condition and results of operations to be materially and adversely affected. In addition, some licenses may be non-exclusive, and therefore our competitors may have access to the same technology licensed to us. Alternatively, we may be required to develop non-infringing technology, which could require significant effort and expense and ultimately may not be successful. Furthermore, a successful claimant could secure a judgment or we may agree to a settlement that prevents us from distributing certain products or performing certain services or that requires us to pay substantial damages, including treble damages if we are found to have willfully infringed such claimant's patents or copyrights, royalties or other fees. Any of these events could seriously harm our business financial condition and results of operations.

Legal claims against us resulting from the actions of our Advertisers or digital properties could damage our reputation and be costly to defend.

We receive representations from Advertisers that the content we place on their behalf does not infringe on any third-party rights. We also rely on representations from our digital properties that their content does not infringe on any third-party rights and that they maintain adequate privacy policies that allow us to place pixels on their properties and collect data from users that visit those websites to aid in delivering our solutions. However, we do not independently verify whether we are permitted to deliver advertising to our digital properties' Internet users or that the content we deliver is legally permitted. If any of our Advertisers' or digital properties' representations are untrue and our Advertisers or digital properties do not abide by foreign, federal, state or local laws or regulations governing their content or privacy practices, we could become subject to legal claims against us, we could be exposed to potential liability (for which we may or may not be indemnified by our Advertisers or digital properties), and our reputation could be damaged. Even in those instances where our Advertisers and digital properties do indemnify us, it is possible these entities may not be willing or able to cover the claims and we will be responsible for the cost of litigation or required to pay substantial damages.

Indemnity provisions in various agreements potentially expose us to substantial liability for intellectual property infringement and other losses.

Our agreements with digital properties, Advertiser and other third parties may include indemnification provisions under which we agree to indemnify them for losses suffered or incurred as a result of claims of intellectual property infringement, damages caused by us to property or persons, or other liabilities relating to or arising from our products, services, or other contractual obligations. The term of these indemnity provisions generally survives termination or expiration of the applicable agreement. Large indemnity payments would harm our business, financial condition and results of operations.

Our solution relies on third-party open-source software components, and failure to comply with the terms of the underlying open-source software licenses could restrict our ability to sell our platform.

Our platform, including our computational infrastructure, relies on software licensed to us by third-party authors under "open-source" licenses. The use of open-source software may entail greater risks than the use of third-party commercial software, as open-source licensors generally do not provide warranties,

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indemnities or other contractual protections regarding infringement claims or the quality of the code. Some open-source licenses contain requirements that we make available source code for modifications or derivative works of the open-source code on unfavorable terms or at no cost. If we combine our proprietary software with open-source software in a certain manner, we could, under certain open-source licenses, be required to release the source code of our proprietary software to the public. This would allow our competitors to create similar solutions with less development effort and time and ultimately put us at a competitive disadvantage.

Although we monitor our use of open-source software to avoid subjecting our products to conditions we do not intend, the terms of many open-source licenses have not been interpreted by United States courts, and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to commercialize our services. Moreover, we cannot guarantee our processes for controlling our use of open-source software will be effective. If we face claims from third parties seeking to enforce the terms of an open-source software license, or if we are held to have breached the terms of an open-source software license, we could be required to seek licenses from third parties to continue operating our platform on terms that are not economically feasible, to re-engineer our platform or the supporting computational infrastructure to discontinue use of certain code, or to make generally available, in source code form, portions of our proprietary code, any of which could adversely affect our business, financial condition and results of operations.

We face risks related to cybersecurity breaches, attacks or threats, or other outages or disruptions of our services, including scheduled or unscheduled downtime, which could harm our brand and reputation and negatively impact our revenue and results of operations.

As we grow our business, we expect to continue to invest in technology services, hardware and software, including data centers, network services, storage and database technologies. Creating the appropriate support for our technology platform, including large-scale serving infrastructure and big data transmission, storage and computation infrastructure, is expensive and complex, and our execution can result in inefficiencies or operational failures and increased vulnerability to cybersecurity breaches, attacks and threats which, in turn, could diminish the quality of our services and our performance for our digital properties and our Advertisers. Cyberbreaches, attacks and threats could include denial-of-service attacks impacting service availability (including the ability to deliver ads) and reliability; the exploitation of software vulnerabilities in Internet facing applications; phishing attacks or social engineering attacks (such as tricking company employees into releasing control of their systems to a hacker); or the introduction of computer viruses, software bugs, ransomware or malware into our systems, including with a view to steal, access, modify, destroy or disclose personal, confidential, sensitive or proprietary data. To date, we have not identified cybersecurity incidents that resulted in a material adverse impact to our business or operations, but there can be no guarantee we will not experience such an impact in the future. Cybersecurity breaches, attacks and threats of increasing sophistication may be difficult to detect and could result in the theft of our intellectual property and our data or our digital properties' or Advertisers' data, including our or our digital properties' or Advertisers' personal data. In addition, we are vulnerable to unintentional errors as well as malicious actions by persons with authorized access to our systems that exceed the scope of their access rights, or unintentionally or intentionally alter parameters or otherwise interfere with the intended operations of our platform.

A cybersecurity breach or attack, or a technology glitch, with respect to our systems, may cause a catastrophic effect where a large number of digital properties will stop using our service in a short period of time. While we take measures to protect the security of the systems and information used in the operation of our business, and to implement certain privacy protections with respect to such information, such measures may not always be effective. The steps we take to increase the reliability, integrity and security of our systems as they scale may be expensive and may not prevent system failures, unintended vulnerabilities or other cybersecurity incidents, including those resulting from the increasing number of persons with access to our systems, complex interactions within our technology platform and the increasing number of connections with third party partners and vendors' technology. Furthermore, because the methods of cyber-attack and deception change frequently, are increasingly complex and sophisticated, and can originate from a wide variety of sources, including traditional computer hackers, organized crime groups, nation-state actors and nation-state supported actors. Despite our reasonable efforts to ensure the integrity of our systems, we may not be able to anticipate, detect, appropriately react and respond to, or implement effective preventative measures against, all cybersecurity incidents. Additionally, due to the Russia-Ukraine conflict, there have been publicized threats to increase cyber-attack activity against the critical infrastructure of any nation or organization that retaliates against Russia for its invasion of Ukraine. Any such increase in such attacks on our third-party service providers or other systems could adversely affect our network systems or other operations. In addition to our own systems, we use third-party vendors to store, transmit and otherwise process certain of our personal, confidential, sensitive or proprietary data on our behalf. Due to applicable laws and regulations or contractual obligations, we may be held responsible for any cybersecurity incident attributed to our service providers as they relate to the information we share with them. Although we typically require contractual commitments from these service providers to implement and use reasonable security measures, we cannot control third parties and cannot guarantee a security breach will not occur in their systems.

We may be required to expend significant capital and other resources to protect against, respond to, and recover from any potential, attempted, or existing cybersecurity incidents. As cybersecurity incidents continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any information security vulnerabilities. In addition, our remediation efforts may not be successful. The inability to implement, maintain and upgrade adequate safeguards could have a material adverse effect on our results of operations, financial condition and cash flow. Operational errors or failures or successful cyber-attacks, media reports about such an incident, whether accurate or not, or our failure to make adequate or timely disclosures to the public or law enforcement agencies following any such event, whether due to delayed discovery or a failure to follow existing protocols, could result in violation of applicable privacy and data security laws and regulations, notification obligations, damage to our reputation, loss of current and new digital properties or Advertisers and other partners and clients, the disclosure of personal, confidential, sensitive or proprietary data, interruptions to our operations and distraction to our management, and significant legal, regulatory and financial liabilities and lost revenues, which could harm our business.

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While we currently maintain cybersecurity insurance, such insurance may not be sufficient in type or amount to cover us against claims related to breaches, failures or other cybersecurity-related incidents, and we cannot be certain that cyber insurance will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our results of operations, financial condition and cash flows.

Defects, errors or failures in our technology platform, including our software and systems, could adversely affect our business, operating results and growth prospects.

We depend upon the sustained and uninterrupted performance of our technology platform to operate fundamental aspects of our business. If our technology platform cannot scale to meet demand, or if there are defects or errors in our execution of any of these functions on our platform, then our business could be harmed. Our software and systems are complex and may contain defects or errors, or may experience failures when implemented or when new functionality is released, as we may modify, enhance, upgrade and implement new software, systems, procedures and controls to reflect changes in our business, technological advancements and changing industry trends. Undetected defects, errors and failures may occur, especially when new versions or updates are made. Despite testing by us, defects, errors or bugs in our software have in the past, and may in the future, not be found until the software is in our live operating environment. Any defects, errors, failures or other similar performance problems or disruptions in our software or systems could materially and adversely affect our business, financial condition and results of operations. Defects, errors, failures or other similar performance problems or disruptions, whether in connection with day-to-day operations or otherwise, could damage our clients' businesses and result in negative publicity, damage to our brand and reputation, loss of or delay in market acceptance of our solutions, increased costs or loss of revenue, loss of competitive position or claims by Advertisers for losses sustained by them. In such an event, we may be required or choose to expend additional resources to help mitigate any problems resulting from defects, errors or failures in our software or systems. Alleviating problems resulting from defects, errors or failures in our software or systems could require significant expenditures of capital and other resources and could cause interruptions, delays or the cessation of our business, any of which would adversely impact our financial position, results of operations and growth prospects. In addition, if we experience any defects, errors, failures or other performance problems, our partners could seek to terminate or elect not to renew their contracts, delay or withhold payment or make claims against us. Any of these actions could result in liability, lost business, increased insurance costs, difficulty in collecting accounts receivable, costly litigation or adverse publicity, which could materially and adversely affect our business, financial condition and results of operations. Additionally, our software utilizes open-source software and any defects or errors in such open-source software could materially and adversely affect our business, financial condition and results of operations.

We rely on third-party service providers for many aspects of our business, and any disruption of service experienced by such third-party service providers or our failure to manage and maintain existing relationships or identify other high-quality, third-party service providers could harm our business, results of operations and growth prospects.

We rely on a variety of third-party service providers in connection with the operation of our solutions. Any performance issues, errors, bugs, defects or failures with respect to third-party software or services could result in performance issues, errors, bugs, defects or failures with respect to our solutions, which could materially and adversely affect our business, financial condition and results of operations. Many of our third-party service providers attempt to impose limitations on their liability for such performance issues, errors, bugs, defects or failures, and if enforceable, we may have additional liability to our clients or to other third parties that could harm our reputation and increase our operating costs. Additionally, in the future, we might need to license other software or services to enhance our solutions and meet evolving client demands and requirements, which may not be available to us on commercially reasonable terms or at all. Any limitations in our ability to use or obtain third-party software or services could significantly increase our expenses and otherwise result in delays, a reduction in functionality, or performance issues, errors, bugs, defects or failures with respect to our solutions until equivalent technology or content is either developed by us or, if available, identified, obtained through purchase or licensed and integrated into our solutions, which could adversely affect our business. In addition, third-party software and services may expose us to increased risks, including risks associated with the integration of new technology, the diversion of resources from the development of our own proprietary technology and our inability to generate revenue from new technology sufficient to offset associated acquisition and maintenance costs, all of which may increase our expenses and materially and adversely affect our business, financial condition and results of operations. We will need to maintain our relationships with third-party service providers and obtain software and services from such providers that do not contain any errors, bugs or defects. Any failure to do so could adversely affect our ability to deliver effective solutions to our clients and adversely affect our business.

Risks Related to Being a Public Company

Our management team has limited experience managing a public company.

Most members of our management team have limited experience managing a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws, rules and regulations that govern public companies. As a public company, we are subject to significant obligations relating to reporting, procedures and internal controls, and our management team may not successfully or efficiently manage such obligations. These obligations and scrutiny require significant attention from our management and could divert their attention away from the day-to-day management of our business, which could adversely affect our business, financial condition and results of operations.

We are required to provide management's assessment on the effectiveness of our internal control over financial reporting. If we are unable to maintain appropriate internal financial reporting controls and procedures, it could cause us to fail to meet our reporting obligations on a timely

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basis, result in material misstatements in our consolidated financial statements and adversely affect our operating results.

As a public company, we have significant requirements for enhanced financial reporting and internal controls. The process of designing, implementing, testing and maintaining effective internal controls is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants, adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing whether such controls are functioning as documented, and maintain a continuous reporting and improvement process for internal control over financial reporting.

Pursuant to Section 404(a) of the Sarbanes-Oxley Act, we are required to file a report with the SEC by our management on, among other things, the effectiveness of our internal control over financial reporting. This assessment is required to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. The rules governing the standards that must be met for our management to assess our internal control over financial reporting are complex and require significant documentation and testing. Testing and maintaining internal controls may divert our management's attention from other matters that are important to our business. In addition, pursuant to Section 404(b), we are required to include in the annual reports that we file with the SEC an attestation report on our internal control over financial reporting issued by our independent registered public accounting firm. It is possible in the future that our internal control over financial reporting will not be effective because it cannot detect or prevent material errors at a reasonable level of assurance. If we are unable to maintain appropriate internal financial reporting controls and procedures, it could cause us to fail to meet our reporting obligations on a timely basis, result in material misstatements in our consolidated financial statements and adversely affect our operating results.

Furthermore, we may, during the course of our annual testing of our internal controls or during the related testing by our independent registered public accounting firm, identify deficiencies which would have to be remediated to satisfy the SEC rules for certification of our internal controls over financial reporting. As a consequence, we may have to disclose in periodic reports we file with the SEC significant deficiencies or material weaknesses in our system of internal controls. The existence of a material weakness would preclude management from concluding that our internal controls over financial reporting are effective, and would preclude our independent auditors from issuing an unqualified opinion that our internal controls over financial reporting are effective. In addition, disclosures of this type in our SEC reports could cause investors to lose confidence in the accuracy and completeness of our financial reporting and may negatively affect the trading price of our Ordinary shares, and we could be subject to sanctions or investigations by regulatory authorities. Moreover, effective internal controls are necessary to produce reliable financial reports and to prevent fraud. If we have deficiencies in our disclosure controls and procedures or internal controls over financial reporting, it could negatively impact our business, results of operations and reputation.

We incur increased costs as a result of operating as a public company, and our management is required to devote substantial time to compliance initiatives and corporate governance practices.

As a public company, we incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of Nasdaq and other applicable securities rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management and other personnel continue to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations will continue to increase our legal and financial compliance costs and will make some activities more time-consuming and costly. The risks associated with non-compliance may make it more difficult for us to attract and retain qualified directors and may increase costs of director and officer liability insurance.

We continue to evaluate these rules and regulations and cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. These rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

We are required to comply with the SEC's rules implementing Sections 302 and 404 of the Sarbanes-Oxley Act, which requires management to certify financial and other information in our annual reports and provide an annual management report on the effectiveness of control over financial reporting. In 2022, we were required to make our first annual assessment of our internal control over financial reporting pursuant to Section 404(a). In addition, pursuant to Section 404(b), we are required to include in the annual reports that we file with the SEC an attestation report on our internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with Section 404, we engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. To maintain compliance, we will need to continue to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting.

If we identify one or more material weaknesses, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements. As a result, the market price of our Ordinary shares could be negatively affected, and we could become subject to litigation including

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shareholder suits or investigations by the stock exchange on which our securities are listed, the SEC or other regulatory authorities, which could require additional financial and management resources.

Risks Related to Our Ordinary shares

Our share price may be volatile, and you may lose all or part of your investment.

The market price of our Ordinary shares could be highly volatile and may fluctuate substantially as a result of many factors, including:

- actual or anticipated fluctuations in our results of operations;
- variance in our financial performance from the expectations of market analysts or others;
- announcements by us or our competitors of significant business developments, changes in significant customers, acquisitions or expansion plans;
- our involvement in litigation;
- our sale of Ordinary shares or other securities in the future;
- market conditions in our industry;
- changes in key personnel;
- the trading volume of our Ordinary shares;
- changes in the estimation of the future size and growth rate of our markets; and
- general economic and market conditions.

In addition, the stock markets have experienced extreme price and volume fluctuations. Broad market and industry factors may materially harm the market price of our Ordinary shares, regardless of our operating performance. In the past, following periods of volatility in the market price of a company's securities, securities classaction litigation has often been instituted against that company. If we were involved in any similar litigation we could incur substantial costs and our management's attention and resources could be diverted.

An active trading market for our Ordinary shares may not be sustained to provide adequate liquidity.

An active trading market may not be sustained for our Ordinary shares. The lack of an active market may impair your ability to sell your shares at the time you wish to sell them or at a price that you consider reasonable. An inactive market may also impair our ability to raise capital by selling Ordinary shares and may impair our ability to acquire other companies by using our shares as consideration.

The market price of our Ordinary shares could be negatively affected by future issuances or sales of our Ordinary shares.

As of December 31, 2023, we have 295,670,620Ordinary shares outstanding. Sales by us or our shareholders of a substantial number of Ordinary shares, the issuance of 39,525,691 Ordinary Shares shares as consideration for acquisitions, or the perception that these sales might occur, could cause the market price of our Ordinary shares to decline or could impair our ability to raise capital through a future sale of, or pay for acquisitions using, our equity securities.

If any of our large shareholders or members of our management were to sell substantial amounts of our Ordinary shares and/or Warrants in the public markets, or the market perceives that such sales may occur, this could have the effect of increasing the volatility in, and 45,198,702 Non-Voting put significant downward pressure on, the trading price of our Ordinary Shares shares and/or Warrants. Any such volatility or decrease in the trading price of our Ordinary shares and/or Warrants could also adversely affect our ability to Yahoo. See "Item 1. Business - Selected 2022 Developments - Yahoo Partnership." raise capital through an issue of equity securities in the future.

We do not expect to pay any dividends in the foreseeable future.

We have never declared or paid any dividends on our Ordinary shares. We do not anticipate paying any dividends in the foreseeable future. We currently intend to retain future earnings, if any, to finance operations and expand our business.

Our board of directors has sole discretion over whether to pay dividends. If our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our directors may deem relevant. In addition, the Israeli Companies Law, 5759-1999, or Companies Law, imposes restrictions on our ability to declare and pay dividends. Payment of dividends may also be subject to Israeli withholding taxes.

If securities or industry analysts cease to publish research or reports about our business, or if they issue an adverse or misleading opinion regarding our stock, our stock price and trading volume could decline.

The trading market for our Ordinary shares is influenced by the research and reports that industry or securities analysts publish about us or our business. If any of the analysts who cover us issue an adverse or misleading opinion regarding us, our business model, our intellectual property or our share performance, or if our results of operations fail to meet the expectations of analysts, our share price would likely decline. If one or more of these analysts cease coverage of

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our Company or fail to publish reports on us regularly, our visibility in the financial markets could decrease, which in turn could cause our Ordinary Share price or trading volume to decline.

We may issue additional Ordinary shares or other equity securities without your approval, which would dilute your ownership interests and may depress the market price of our Ordinary shares.

We may issue additional Ordinary shares or other equity securities in the future in connection with, among other things, future capital raising and transactions and future acquisitions, without your approval in many circumstances. Such issuance of additional Ordinary shares or other equity securities would have the following effects:

- Our existing shareholders' proportionate ownership interest in Taboola may decrease;
- the amount of cash available per share, including for payment of dividends in the future, may decrease;
- the relative voting strength of each previously outstanding ordinary share may be diminished; and
- the trading price of our Ordinary shares may decline.

Risks Related to the Warrants

We may redeem your unexpired Warrants prior to their exercise at a time that is disadvantageous to you, thereby making your Warrants worth less.

Under the terms of the public Warrants, we may exercise the redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws. Redemption of the outstanding Warrants could force holders (i) to exercise the Warrants and pay the exercise price therefor at a time when it may be disadvantageous to do so, (ii) to sell the Warrants at the then-current market price when the holder might otherwise wish to hold its Warrants or (iii) to accept the nominal redemption price which, at the time the outstanding Warrants are called for redemption, is likely to be substantially less than the market value of the Warrants. The Warrants exchanged for ION warrants that were issued in a private placement, as part of the Business Combination, are not expected to be redeemable by Taboola so long as they are held by the Sponsors or their permitted transferees.

There can be no assurance that our Warrants received by holders of ION warrants in the Business Combination will be in the money at the time they become exercisable or otherwise, and they may expire worthless.

The exercise price of our Warrants issued in exchange for the outstanding ION warrants is $11.50 per ordinary share. There can be no assurance that our Warrants will be in the money following the time they become exercisable and prior to their expiration, and as such, the Warrants may expire worthless.

Risks Relating to Our Incorporation and Location in Israel

Conditions in Israel, including the war in Israel, could have a material adverse effect on our business and operations.

We are incorporated under the laws of the State of Israel, and our principal research and development facilities, including our major data centers, are located in Israel. Accordingly, political, economic and military conditions in Israel directly affect our business. Since the State of Israel was established in 1948, a number of armed conflicts have occurred between Israel and its Arab neighbors.

As has been widely publicly reported, in October 2023 war was declared in Israel. Although we are a company formed under the laws of the State of Israel and have a significant presence there, we are a global company with operations in multiple countries. We maintain a business continuity plan and have taken the steps designed to maintain our operations in light of the war in Israel. As of the date of this Annual Report, our operations have not been materially adversely affected by the war.

We cannot predict the duration or severity of the war in Israel or how it will evolve, including any possible escalation or expansion of the war or other hostilities with other countries or groups, any of which could exacerbate geopolitical tensions and have economic implications. In connection with the war in Israel, several hundred thousand Israeli military reservists were called to immediate service. Certain of our employees and consultants in Israel have been called, and additional ones may be called, for service. Although some military reservists have since been released, they may be called up for additional reserve duty, depending on developments in the war and those persons may be absent for an extended period of time. In addition, due to the war or other hostilities our facilities could be damaged and our operations could be otherwise disrupted, which can impact our ability to deliver products and services in a timely manner to meet our contractual obligations towards customers. Any of the foregoing and related risks and uncertainties could have a material adverse effect on our business and operations.

Further, the State of Israel and Israeli companies have been from time to time subjected to economic boycotts. Several countries, principally in the Middle East, still restrict doing business with Israel and Israeli companies, and additional countries may impose restrictions on doing business with Israel and Israeli companies if hostilities in Israel or political instability in the region continues or increases. Any hostilities involving Israel or the interruption or curtailment of trade

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between Israel and its present trading partners, or significant downturn in the economic or financial condition of Israel, could adversely affect our operations and product development, and could cause our sales to decrease.

Prior to the outbreak of war in October 2023, the Israeli government pursued extensive changes to Israel's judicial system. In response to the foregoing developments, many individuals, organizations and institutions, within and outside of Israel, have voiced concerns over the potential negative impacts of such changes and the controversy surrounding them on the business and financial environment in Israel. Such negative impacts may include, among others, a downgrade in Israel's sovereign credit rating, increased interest rates, currency fluctuations, inflation, civil unrest and volatility in securities markets, which could adversely affect the conditions in which we operate in Israel and potentially deter foreign investors and organizations from investing or transacting business in Israel. If any of the foregoing risks were to materialize, it may have an adverse effect on our business, our results of operations and our ability to raise additional funds.

Investors' rights and responsibilities as our shareholders will be governed by Israeli law, which may differ in some respects from the rights and responsibilities of shareholders of non-Israeli companies.

We were incorporated under Israeli law and the rights and responsibilities of our shareholders are governed by our articles of association and Israeli law. These rights and responsibilities differ in some respects from the rights and responsibilities of shareholders of U.S. and other non-Israeli corporations. In particular, a shareholder of an Israeli company has a duty to act in good faith and in a customary manner in exercising its rights and performing its obligations towards the company and other shareholders and to refrain from abusing its power in the company, including, among other things, in voting at the general meeting of shareholders on certain matters, such as an amendment to the company's articles of association, an increase of the company's authorized share capital, a merger of the company and approval of related party transactions that require shareholder approval. A shareholder also has a general duty to refrain from discriminating against other shareholders. In addition, a controlling shareholder or a shareholder who knows that it possesses the power to determine the outcome of a shareholders' vote or to appoint or prevent the appointment of an office holder in the company has a duty to act in fairness towards the company. These provisions may be interpreted to impose additional obligations and liabilities on our shareholders that are not typically imposed on shareholders of U.S. corporations.

Provisions of Israeli law and our amended and restated articles of association may delay, prevent or make undesirable an acquisition of all or a significant portion of our shares or assets.

Provisions of Israeli law and our amended and restated articles of association could have the effect of delaying or preventing a change in control and may make it more difficult for a third-party to acquire us or our shareholders to elect different individuals to our board of directors, even if doing so would be considered to be beneficial by some of our shareholders, and may limit the price that investors may be willing to pay in the future for our Ordinary shares. Among other things:

- Israeli corporate law regulates mergers and requires that a tender offer be effected when more than a specified percentage of shares in a company are purchased;
- Israeli corporate law requires special approvals for certain transactions involving directors, officers or significant shareholders and regulates other matters that may be relevant to these types of transactions;
- Israeli corporate law does not provide for shareholder action by written consent for public companies, thereby requiring all shareholder actions to be taken at a general meeting of shareholders;

- our amended and restated articles of association divide our directors into three classes, each of which is elected once every three years;
- our amended and restated articles of association generally requires that 33⅓% of our outstanding shares entitled to vote to be present in person or by proxy to constitute a quorum;
- our amended and restated articles of association generally require a vote of the holders of a majority of our outstanding Ordinary shares entitled to vote present and voting on the matter at a general meeting of shareholders (referred to as simple majority), and the amendment of a limited number of provisions, such as the provision empowering our board of directors to determine the size of the board, the provision dividing our directors into three classes, the provision that sets forth the procedures and the requirements that must be met in order for a shareholder to require the Company to include a matter on the agenda for a general meeting of the shareholders and the provisions relating to the election and removal of members of our board of directors and empowering our board of directors to fill vacancies on the board, require a vote of the holders of 65% of our outstanding Ordinary shares entitled to vote at a general meeting;
- our amended and restated articles of association do not permit a director to be removed except by a vote of the holders of at least 65% of our outstanding shares entitled to vote at a general meeting of shareholders; and our amended and restated articles of association provide that director vacancies may be filled by our board of directors.

Further, Israeli tax considerations may make potential transactions undesirable to us or some of our shareholders whose country of residence does not have a tax treaty with Israel granting tax relief to such shareholders from Israeli tax. For example, Israeli tax law does not recognize tax-free share exchanges to the same extent as U.S. tax law. With respect to mergers, Israeli tax law allows for tax deferral in certain circumstances but makes the deferral contingent on the fulfillment of numerous conditions, including, a holding period of two years from the date of the transaction during which certain sales and dispositions of shares of the participating companies are restricted. Moreover, withrespect to certain share swap transactions, the tax deferral is limited in time, and when such time expires, the tax becomes payable even if no disposition of the shares has occurred.

Our amended and restated articles of association provide that unless we consent otherwise, the competent courts of Tel Aviv, Israel shall be the sole and exclusive forum for substantially all disputes between Taboola and its shareholders under the Companies Law and the Israeli Securities Law,

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which could limit its shareholders ability to brings claims and proceedings against, as well as obtain favorable judicial forum for disputes with Taboola, its directors, officers and other employees.

Unless we agree otherwise, the competent courts of Tel Aviv, Israel shall be the exclusive forum for (i) any derivative action or proceeding brought on behalf of Taboola, (ii) any action asserting a claim of breach of fiduciary duty owed by any our director, officer or other employee to Taboola or our shareholders, or (iii) any action asserting a claim arising pursuant to any provision of the Companies Law or the Israeli Securities Law, 1968, or Israeli Securities Law. Such exclusive forum provision in our amended and restated articles of association will not relieve Taboola of its duties to comply with federal securities laws and the rules and regulations thereunder, and our shareholders will not be deemed to have waived Taboola's compliance with these laws, rules and regulations. This exclusive forum provision may limit a shareholders' ability to bring a claim in a judicial forum of its choosing for disputes with Taboola or its directors or other employees which may discourage lawsuits against Taboola, its directors, officers and employees. The foregoing exclusive forum provision is intended to apply to claims arising under Israeli Law and would not apply to claims for which the federal courts of the United States would have exclusive jurisdiction, whether by law or pursuant to our amended and restated articles of association, including claims under the Securities Act for which there is a separate exclusive forum provision in our amended and restated articles of association.

General Risks

Fluctuations in the exchange rates of foreign currencies could result in currency transaction losses that negatively impact our financial results.

We currently have sales denominated in currencies other than the US dollar. In addition, we incur a portion of our operating expenses in Brazilian Reals, British pounds, Euro, Israeli shekels, Japanese Yen and Thai baht, among others. Any fluctuation in the exchange rates of these foreign currencies could negatively impact our business, financial condition and results of operations. In 2022, we instituted a foreign currency cash flow hedging program to address possible exposure arising from expected expenses to be paid in NIS. We hedged a portion of our anticipated NIS denominated payroll of Israeli employees for a period of one to twelve months with forward contracts and other derivative instruments. In the future we may pursue additional currency hedging, and may modify or terminate those arrangements from time to time. We intend to enter into these transactions only to hedge underlying risk reasonably related to our business and not for speculative purposes. There can be no assurance that any such activities will be effective or beneficial to us in whole or in part for several reasons including lack of experience, costs or illiquid markets. In addition, it is difficult to predict the effect hedging activities would have on our results of operations, and hedging activities can themselves result in losses.

In periods of economic uncertainty, businesses may delay or reduce their spending on advertising, we are exposed to the credit risk of some of our clients and customers as well as increased cost of operation in Israel, any of which could materially harm our business.

Inflation, which persisted throughout 2023, has adversely affected us by increasing the costs of equipment and labor needed to operate our business and could continue to adversely affect us in future periods. Unstable inflation conditions make it difficult for us and our clients to accurately forecast and plan future business activities, and could cause our clients to reduce or delay their advertising spending with us. Historically, economic downturns, including conditions such as inflation, recessions, or other changes in economic conditions have resulted in overall reductions in advertising spending, and businesses may curtail spending both on advertising in general and on solutions such as ours. We cannot predict the timing, strength or duration of any economic slowdown or recovery. Any macroeconomic deterioration in the future could impair our revenue and results of operations.

Our exposure to credit risks relating to our financing activities may increase if our customers are adversely affected by periods of economic uncertainty, including inflation, recession, pandemic, or other changes in economic conditions, or a global economic downturn. These may significantly impact our operating results and financial condition

Historically, credit losses with respect to accounts receivable have generally not been significant. However, we do not require collateral from Advertisers and our normal practice is to allow a period of time before an Advertiser is required to pay us for our services. In addition, although we may seek to reduce the credit exposures of our accounts receivable by credit limits and credit insurance for certain customers, there can be no assurance that any of our efforts to mitigate credit risks will be successful.

Economic downturns and political and market conditions beyond our control could adversely affect our business, financial condition and results of operations.

Our business depends on the overall demand for advertising and on the economic health of our current and prospective Advertisers. Economic downturns or instability in political or market conditions may cause current or new Advertisers to reduce their advertising budgets. Adverse economic conditions and general uncertainty about economic recovery are likely to affect our business prospects. This could expose us to increased credit risk on Advertiser insertion orders, which, in turn, could negatively impact our business, financial condition and results of operations.

In addition, continued geopolitical turmoil in many parts of the world have, and may continue to, put pressure on global economic conditions, which could lead to reduced spending on advertising. The Russian invasion of Ukraine has significantly amplified existing geopolitical tensions among Russia, Ukraine,

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Europe, the West and China. We cannot predict how the war in Ukraine will evolve, but any escalation or expansion of the conflict into other countries, particularly in Europe, would exacerbate geopolitical tensions and could lead to political and/or economic response from the U.S., the E.U. and other countries, which may adversely impact economic conditions. In particular, Russia's military incursion and the resulting sanctions have and could continue to adversely affect global energy and financial markets and thus could adversely impact our operations and the price of our Ordinary shares. The extent and duration of the military action, the response thereto, including resulting sanctions, and resulting future market disruptions, are impossible to predict, but could be significant. Additionally, any such disruptions, resulting sanctions or other actions (including cyberattacks) may magnify the impact of other risk factors discussed in this Annual Report.

We may require additional capital to support growth, and such capital might not be available on terms acceptable to us, if at all. This could hamper our growth and adversely affect our business.

We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new features or enhance our platform, improve our operating infrastructure or acquire complementary businesses and technologies. Accordingly, we may need to engage in public or private equity, equity-linked or debt financings to secure additional funds. If we raise additional funds through future issuances of equity or convertible debt securities, our existing shareholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of our existing shareholders. Any debt financing that we secure in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, including the ability to pay dividends. This may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. We may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and respond to business challenges could be significantly impaired, and our business could be adversely affected.

We are exposed to the risk of natural disasters, political events, war, terrorism and the emergence of another pandemic, each of which could disrupt our business and adversely affect our results of operations.

Events beyond our control could have an adverse effect on our business, financial condition, results of operations and cash flows. Disruption to our platform resulting from natural disasters, political events, war, terrorism, pandemics or other reasons could impair our ability to continue to provide uninterrupted platform service to our Advertisers and digital properties. For example, Russia's invasion of Ukraine, and the responses taken and which may be taken by the U.S., NATO, other countries, multinational companies and others have created global security concerns that could have a lasting adverse impact on regional and global economies, and in turn, may lead to reduced spending on advertising and adversely affect our results of operations. Similarly, disruptions in the operations of our key third-parties, such as data centers, servers or other technology providers, could have a material adverse effect on our business.

While we have disaster recovery arrangements in place, they have not been tested under actual disasters or similar events and may not effectively permit us to continue to provide our platform. If any of these events were to occur to our business, our business, results of operations, or financial condition could be adversely affected.

Expansion of current and new partners and clients in our existing international markets is important to our long-term success, and our limited experience in operating our business in certain locations increases the risk that our international operations will not be successful.

As of December 31, 2023, we have offices in Israel, the United States, the United Kingdom, Brazil, Turkey, Thailand, India, Japan, China, South Korea, Taiwan, Australia, Mexico, Germany, Spain, France, Italy, and Hungary. Expansion into new international markets requires additional management attention and resources in order to tailor our solutions to the unique aspects of each country. In addition, we face the following additional risks associated with our expansion into international locations:

- challenges caused by distance, language and cultural differences;
- longer payment cycles in some countries;
- credit risk and higher levels of payment fraud;
- compliance with applicable foreign laws and regulations, including laws and regulations with respect to privacy, data protection, consumer protection, spam and content, and the risk of penalties to our users and individual members of management if our practices are deemed to be out of compliance;
- unique or different market dynamics or business practices;
- currency exchange rate fluctuations or inflation;
- foreign exchange controls;
- political and economic instability and export restrictions;
- potentially adverse tax consequences; and higher costs associated with doing business internationally.

These risks could harm our international expansion efforts, which could have a materially adverse effect on our business, financial condition or results of operations.

ITEM 1B: UNRESOLVED STAFF COMMENTS

None.

ITEM 1C: CYBERSECURITY

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Cybersecurity Risk Management

At Taboola, cybersecurity risk management is an integral part of our overall enterprise risk management program. We have developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity, and availability of our critical systems and information.

Our cybersecurity risk management program is based on ISO 27001 standards, which provide a framework and guidelines for implementing and managing an information security system, handling cybersecurity threats and incidents, including threats and incidents relevant to our business, and facilitates coordination across different departments of our Company. Since 2019, Taboola has held an ISO 27001 certification which is audited annually. This framework includes steps for assessing the severity of a cybersecurity threat, identifying the source of a cybersecurity threat including whether the cybersecurity threat is associated with a third-party service provider, implementing cybersecurity countermeasures and mitigation strategies and informing management and our board of directors, as appropriate, of material risks from cybersecurity threats and incidents. As part of this framework, we've incorporated third-party service provider cyber qualification processes and supply chain risk management. Our cybersecurity team regularly engages external cybersecurity consultants for risk assessment, security testing and system enhancements. In addition, we provide employees annual cybersecurity training and also provide cybersecurity training for new hires.

Our board of directors has overall oversight responsibility for our risk management and is charged with oversight of our cybersecurity risk management program. The board of directors is responsible for ensuring that management has processes in place designed to identify and evaluate cybersecurity risks to which the Company is exposed and implement processes and programs to manage cybersecurity risks and mitigate cybersecurity incidents.

Management is responsible for identifying, considering and assessing material cybersecurity risks on an ongoing basis, establishing processes to ensure that such potential cybersecurity risk exposures are monitored, putting in place appropriate mitigation measures and maintaining cybersecurity programs. Our cybersecurity programs are under the direction of our Vice President, Information Technology & Cybersecurity, or VP Cybersecurity, who together with our cybersecurity team, monitors the prevention, detection, mitigation, and remediation of cybersecurity incidents. Our VP Cybersecurity and members of the cyber security team hold multiple industry recognized cyber security certifications and together have decades of experience, including industry, military and government cyber experience. The Company's VP Cybersecurity updates the board of directors on the Company's cybersecurity programs, material cybersecurity risks and mitigation strategies and provides cyber security reports at least annually that cover, among other topics, third-party assessments of the Company's cybersecurity programs, developments in cybersecurity and updates to the Company's cybersecurity programs and mitigation strategies.

In 2023, we did not identify any cybersecurity threats that have materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition. However, despite our efforts, we cannot eliminate all risks from cybersecurity threats, or provide assurances that we have not experienced any undetected cybersecurity incidents. For more information about these risks, refer to Part 1, Item 1A, "*Risk Factors*" in this Annual Report.

ITEM 2: PROPERTIES

Our corporate headquarters is in New York City and our core research and development team is in Tel Aviv. We maintain offices in major cities around the world to serve our geographically diverse client base. Additionally, we operate data centers in the United States, Israel, Hong Kong, Singapore and Netherlands and have twelve data centers which are operated under collocation agreements with nine third-party data center providers. Certain of our real property and other leases are further described in Notes 9, 12, 18 and 20 of Notes to Consolidated Financial Statements elsewhere in this Annual Report.

We lease all of our facilities. We do not own any real property. We believe our current facilities are adequate to meet our immediate needs.

ITEM 3: LEGAL PROCEEDINGS

From time to time we are a party to various litigation matters incidental to the conduct of our business. We are not presently party to any legal proceedings the resolution of which we believe would have a material adverse effect on our consolidated business prospects, financial condition, liquidity, results of operation, cash flows or capital levels.

ITEM 4: MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5: MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market for Registrants Ordinary shares and Warrants

Our Ordinary shares and Warrants began trading on the Nasdaq Global Market under the symbols "TBLA" and "TBLAW," respectively, on June 30, 2021. Prior to this, no public market existed for our Ordinary shares.

Based on a review of the information provided to us by our transfer agent, as of February 22, 2024, there were 329 registered holders of our Ordinary shares. The number of registered holders does not represent the actual number of beneficial owners of our Ordinary shares because the shares of Ordinary shares are frequently held in "street name" by securities dealers and others for the benefit of individual owners who have the right to vote and/or dispositive power with respect to their shares.

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Dividend Policy

We have never declared or paid any dividends on our Ordinary shares. We do not anticipate paying any dividends in the foreseeable future. We currently intend to retain future earnings, if any, to finance operations and expand our business. Our board of directors has sole discretion whether to pay dividends. If our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our directors may deem relevant. The Companies Law imposes restrictions on our ability to declare and pay dividends and payment of dividends may be subject to Israeli withholding taxes.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table provides information about Ordinary shares repurchased pursuant to our Buyback Program for the three months ended December 31, 2023:

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid Per Share (1)	(c) Total Number of Shares Purchased as Part of Publicly Announced Program	(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plan or Program (2)
October 1 - October 31, 2023	2,951,932	$ 3.69	2,951,932	$ 6,102,530
November 1 - November 30, 2023	2,795,492	$ 3.81	2,795,492	$ 35,451,079
December 1 - December 31, 2023	2,820,132	$ 3.76	2,820,132	$ 24,853,884

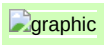
(1) Excludes broker and transaction fees.

(2) On May 10, 2023, the Company announced a share buyback program for the repurchase of up to $40.0 million of our outstanding Ordinary shares, with no expiration date (the "Buyback Program"). On November 7, 2023, the Board authorized up to an additional $40.0 million of buybacks under the Buyback Program. Subsequent to December 31, 2023, in February 2024, our board of directors authorized up to $100.0 million for use under the Buyback Program, including any remaining authority from the November 2023 board of directors authorization, subject to obtaining any required Israeli court approvals. The Buyback Program permits us to purchase our Ordinary shares from time to time in the open market, including through trading plans intended to comply with Rule 10b5-1 under the Exchange Act, in privately negotiated transactions or otherwise. The timing and amount of any share buybacks will be subject to market conditions and other factors determined by the Company. The Company may suspend, modify or discontinue the program at any time in its sole discretion without prior notice.

Shareholder Return Performance Presentation

This performance graph shall not be deemed "soliciting material" or to be "filed" with the Securities and Exchange Commission, or the SEC, for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities under that Section, and shall not be deemed to be incorporated by reference into any of our filings under the Securities Act.

The graph below compares the cumulative total shareholder return on our Ordinary shares from June 30, 2021 (the date our Ordinary shares commenced trading on the NASDAQ) through December 31, 2023 with the cumulative total return on the NASDAQ Composite Index and S&P SmallCap 600 Communication Services Index. All values assume a $100 initial investment and data for the NASDAQ Composite Index and S&P SmallCap 600 Communication Services Index assume reinvestment of dividends. The comparisons are based on historical data and are not indicative of, nor intended to forecast, the future performance of our Ordinary shares.



ITEM 6: [RESERVED]

ITEM 7: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

You should read the following discussion and analysis of our financial condition and results of operations together with Taboola's audited consolidated financial statements and the related notes appearing elsewhere in this Annual Report. Some of the information contained in this discussion and analysis is set forth elsewhere in this Annual Report, including information with respect to Taboola's plans and strategy for Taboola's business, and includes forward-looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth in the section titled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements," Taboola's actual results could differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis. Throughout this section, unless otherwise noted or the context requires otherwise, "we," "us," "our" and the "Company" refer to Taboola and its consolidated subsidiaries, and in references to monetary amounts, "dollars" and "$" refer to U.S. Dollars, and "NIS" refers to New Israeli Shekels

Overview

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Taboola is a technology company that powers recommendations across the Open Web with an artificial intelligence, or AI-based, algorithmic engine that we have developed since the Company began operations in 2007. Taboola has also expanded more directly into e-Commerce, allowing its partners with digital properties the ability to use its platforms to display advertising suited to the audiences of those partners' web sites or other digital services.

We think of ourselves as a search engine, but in reverse — instead of expecting people to search for information, we recommend information to people or enable our partners to use our technology. You've seen us before: we partner with websites, devices, and mobile apps, which we collectively refer to as digital properties, to recommend editorial content and advertisements on the Open Web, outside of the closed ecosystems of the walled gardens such as Facebook, Google, and Amazon.

Digital properties use our technology platforms to achieve their business goals, such as driving new audiences to their sites and apps, or increasing engagement on site — and we don't charge them for these services. We also provide a meaningful monetization opportunity to digital properties by surfacing paid recommendations by Advertisers. Unlike walled gardens, we are a business-to-business, or B2B, company with no competing consumer interests. We only interact with consumers through our partners' digital properties, hence we do not compete with our partners for user attention. Our motivations are aligned. When our partners win, we win, and we grow together.

We empower Advertisers to leverage our proprietary AI-powered recommendation platform to reach targeted audiences utilizing effective, native ad formats across digital properties. We generate revenues primarily when people (consumers) click on, purchase from or, in some cases, view the ads that appear within our partners' digital experiences via our recommendation platform. Advertisers pay us for those clicks, purchases or impressions, and we share the resulting revenue with the digital properties who display those ads and generate those clicks and downstream consumer actions.

Our powerful recommendation platform was built to address a technology challenge of significant complexity: predicting which recommendations users would be interested in, without explicit intent data or social media profiles. Search advertising platforms have access, at a minimum, to users' search queries which indicate intent, while social media advertising platforms have access to rich personal profiles created by users. In contrast, we base our recommendations on an extensive dataset of context and user behavior derived from the intersection of thousands of digital properties and millions of recommended items, including ads and editorial content.

For more information about ex-TAC Gross Profit, Adjusted EBITDA and Non-GAAP Net Income, see *"Operating and Financial Review and Prospects — Non-GAAP Financial Measures."*

For more information about ex-TAC Gross Profit, Adjusted EBITDA and Non-GAAP Net Income, see "*Management's Business Discussion and Analysis of Financial Condition and Results of Operations- Non-GAAP Financial Measures.*"

2023 Accomplishments and Growth Initiatives

2023 was an investment year for Taboola's growth. We successfully launched Maximize Conversions, our first offering in our AI-bidding technology suite that should significantly improve advertiser success and yield on our platform; successfully onboarded Yahoo's global native supply onto the Taboola network; and launched technology that advances our eCommerce, Taboola News and Header Bidder offerings.

Additional Developments and Growth Initiatives

Notable new and renewed publisher wins in 2023 included Gannett, Time, Nexstar Media, Barstool Sports, G/O Media, Cambium Media, Futura, Disney, Unidad Editorial, BBC, One India, The Print, Bangkok Post, A360 Media, Postmedia, NDTV, and Cox Media.

Taboola News had a spectacular growth year in 2023, where revenue grew to over $100 million. In Q3, we also rolled out a new partnership with realme, the world's fastest-growing smartphone brand. Under the partnership, realme is using Taboola News to power recommendations within all devices for audiences in Europe, and Southeast Asia. In 2023, we introduced new features to our Generative AI technology, called Taboola Generative AI Admaker, which allows advertisers to edit existing creative automatically, instead of just creating images from scratch. As of now, around 30% of ad creatives from self service advertisers are made with our Gen AI.

Key Factors and Trends Affecting our Performance

We believe that our performance and future success depend on several factors that present significant opportunities for us but also pose risks and challenges, including those discussed below and those referred to in the section entitled Part I, Item 1A,*"Risk Factors."*

Business and Macroeconomic Conditions

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Global economic and geopolitical conditions have been increasingly volatile due to factors such as the war in Ukraine, inflation, rising interest rates, supply chain disruptions and the prolonged COVID-19 pandemic which has impacted wars in Israel and may continue to impact certain regions. Ukraine. The economic uncertainty resulting from these factors has negatively impacted advertising demand and our yields. yields in 2022 in particular. Further, the impacts of inflation, which persisted throughout 2022, 2023, has increased the costs of equipment and labor needed to operate our business. These factors negatively impacted our business in 2022 and could 2023, leading to a lower revenue and Adjusted EBITDA run rate entering 2024. These factors appear to have stabilized in 2023 and we do not currently project additional impact from them in 2024, though we continue to adversely affect us in future periods. These factors, among others, including continued supply chain disruptions, make it difficult for us and our Advertisers to accurately forecast and plan future business activities, and could cause our Advertisers to reduce or delay their advertising spending with us, which, in turn, could have an adverse impact on our business, financial condition and results of operations. We are monitoring these monitor macroeconomic conditions closely and may continue to take actions in response to such conditions to the extent they adversely affect our business. closely.

Cost Restructuring Program

In September 2022, in response to macroeconomic conditions, the Company announced and implemented a cost restructuring program impacting approximately 6% of the Company's global headcount. Restructuring expenses were approximately $3.4 million for the year ended December 31, 2022 primarily consisting of one-time incremental employee termination benefits and other costs related to the Company's business prioritization.

See Note 14 of Notes to the Consolidated Financial Statements elsewhere in this Annual Report for additional details regarding the cost restructuring program.

Maintaining and Growing Our Digital Property Partners

We engage with a diverse network of digital property partners, substantially all of which have contracts with us containing either an evergreen term or an exclusive partnership with us for multi-year terms at inception. These agreements typically require that our code be integrated on the digital property web page because of the nature of providing both editorial and paid recommendations. This means that in the vast majority of our business, we do not bid for ad placements, as traditionally happens in the advertising technology space, but rather see all users that visit the pages on which we appear. Due to our multi-year exclusive contracts and high retention rates, our supply is relatively consistent and predictable. We had approximately 12,000, 15,000 and 16,000 and 9,000 digital property partners in the fourth quarter of 2023, 2022 2021 and 2020, 2021, respectively. In 2022, 2023, we saw a decrease in the number of long-tail digital property partners on our network, partially due to our own efforts to clean up our network and reduce low performing networks. Despite the decrease in the number of digital property partners on the network, our overall volume of page views went up over 20% 10% from Q4 2021 to Q4 2022, 2023, demonstrating that the decrease in the number of digital property partners in our network was driven by smaller digital property partners and more than offset by the addition of larger digital property partners.

Historically, we have had a strong record of growing the revenue generated from our digital property partners. We grow our digital property partner relationships in four ways. First, we grow the revenue from these partnerships by increasing our yield over time. We do this by improving our algorithms, expanding our Advertiser base and increasing the amount of data that helps target our ads. Second, we continuously innovate with new product offerings and features that increase revenue. Third, we innovate by launching new advertising formats. Fourth, we work closely with our digital property partners to find new placements and page types where we can help them drive more revenue.

For the majority of our digital properties partners, we have two primary models for sharing revenue with digital property partners. The most common model is a straight revenue share model. In this model, we agree to pay our partner a percentage of the revenue that we generate from advertisements placed on their digital properties. The second model includes guarantees. Under this model, we pay our partners the greater of a fixed percentage of the revenue we generate and a guaranteed amount per thousand page views. In the past, we have and may continue to be required to make significant payments under these guarantees.

Growing Our Advertiser Client Base

We have a large and growing network of Advertisers, across multiple verticals. We had approximately 1817,000, 18,000 15,000 and 13,000 15,000 Advertiser clients working with us directly, or through advertising agencies, worldwide during the fourth quarter quarters of 2023, 2022 and 2021, respectively. The decline from 2022 2021 to 2023 was primarily driven and by a channel partner that had a large number of small advertisers that they reduced in 2023. 2020, respectively. A large portion of our revenue comes from Advertisers with specific performance goals, such as obtaining subscribers for email newsletters or acquiring leads for product offerings. These performance Advertisers use our service when they obtain a sufficient return on ad spend to justify their ad spend. We grow the revenue from performance Advertisers in three ways. First, we improve the performance of our network by developing new product features, improving our algorithms and optimizing our supply. Second, we secure increased budgets from existing Advertisers by offering new ad formats and helping them achieve additional goals. Third, we grow our overall Advertiser base by bringing on new Advertisers that we have not worked with previously. In addition to our core performance Advertisers, video brand Advertisers are a small but growing portion of our revenue.

Improving Network Yield

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One way that we grow our revenue is by increasing the yield on our network, which is a general term for the revenue that we make per advertising placement. Because we generally fill close to 100% of advertising impressions available, yield is generally not affected by changing fill rates, but rather is impacted in four ways. First, we increase our yield by improving the algorithms that select the right ad for a particular user in a particular context.These algorithms are based on Deep Learning technology and are a key competitive advantage. Second, we continuously innovate and develop new product offerings and features for Advertisers, which help increase their success rates on our network and improve yield. Third, as we grow our Advertiser base and mix of Advertisers, including adding Advertisers able to pay higher rates, our yields increase because of increasing competitive pressure in our auction. Finally, we increase our yield by optimizing the way we work with digital properties, including changing formats and placements. Increasing yield drives higher revenues on all digital property partners. Increasing yield also generally increases margins for ex-TAC Gross Profit, a non-GAAP measure, for those digital property partners to whom we are paying guarantees. In periods of slower growth or periods of economic stress advertising demand may decline causing a decrease in yields despite our efforts.

Product and Research & Development

We view research and development expenditures as investments that help grow our business over time. These investments, which are primarily in the form of employee salaries and related expenditures and hardware infrastructure, can be broken into two categories. This first category includes product innovations that extend the capabilities of our current product offerings and help us expand into completely new markets. This includes heavy investment in AI (specifically Deep Learning) in the form of server purchases and expenses for data scientists. This category of investment is important to maintain the growth of the business but can also generally be adjusted up or down based on management's perception of the potential value of different investment options. The second category of investments are those that are necessary to maintain our core business. These investments include items such as purchasing servers and other infrastructure necessary to handle increasing loads of recommendations that need to be served, as well as the people necessary to maintain the value delivered to our customers and digital property partners, such as investments in code maintenance for our existing products. This type of investment scales at a slower rate than the growth of our core business.

Managing Seasonality

The global advertising industry has historically been characterized by seasonal trends that also apply to the digital advertising ecosystem in which we operate. In particular, A advertisers have historically spent relatively more in the fourth quarter of the calendar year to coincide with the year-end holiday shopping season, and relatively less in the first quarter. We expect these seasonality trends to continue, and our operating results will be affected by those trends with revenue and margins being seasonally strongest in the fourth quarter and seasonally weakest in the first quarter.

Privacy Trends and Government Regulation

We are subject to U.S. and international laws and regulations regarding privacy, data protection, digital advertising and the collection of user data. In addition, large Internet and technology companies such as Google and Apple are making their own decisions as to how to protect consumer privacy, which impacts the entire digital ecosystem. Because we power editorial recommendations, digital properties typically embed our code directly on their web pages. This makes us less susceptible to impact by many of these regulations and industry trends because we are able to drop first party cookies. In addition, because of this integration on our partners' pages, we have rich contextual information to use to further refine the targeting of our recommendations.

Key Financial and Operating Metrics

We regularly monitor a number of metrics in order to measure our current performance and project our future performance. These metrics aid us in developing and refining our growth strategies and making strategic decisions.

(dollars in thousands, expect per share data)	Year ended December 31,					
(dollars in thousands, except per share data)				Year ended December 31,		
	2022	2021	2020	2023	2022	2021
Revenues	$ 1,401,150	$ 1,378,458	$ 1,188,893	$ 1,439,685	$ 1,401,150	$ 1,378,458
Gross profit	$ 464,253	$ 441,071	$ 319,497	$ 425,558	$ 464,253	$ 441,071
Net income (loss)	$ (11,975)	$ (24,948)	$ 8,493			
Net loss				$ (82,040)	$ (11,975)	$ (24,948)
EPS diluted (1)	$ (0.05)	$ (0.26)	$ (0.36)	$ (0.24)	$ (0.05)	$ (0.26)
Ratio of net income (loss) to gross profit	(2.6%)	(5.7%)	2.7%			
Ratio of net loss to gross profit				(19.3%)	(2.6%)	(5.7%)

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Cash flow provided by operating activities	$ 53,484	$ 63,521	$ 139,087	$ 84,373	$ 53,484	$ 63,521
Cash, cash equivalents, short-term investments and deposits	$ 262,807	$ 319,319	$ 242,811			
Cash, cash equivalents, short-term deposits and investments				$ 181,833	$ 262,807	$ 319,319
Non-GAAP Financial Data (2)						
ex-TAC Gross Profit	$ 569,642	$ 518,863	$ 382,352	$ 535,819	$ 569,642	$ 518,863
Adjusted EBITDA	$ 156,676	$ 179,464	$ 106,193	$ 98,677	$ 156,676	$ 179,464
Non-GAAP Net Income (3)	$ 91,382	$ 113,586	$ 59,214	$ 32,580	$ 91,382	$ 113,586
IPO Adjusted Non-GAAP EPS diluted (4)	$ 0.352	$ 0.453	N/R			
Ratio of Adjusted EBITDA to ex-TAC Gross Profit	27.5%	34.6%	27.8%	18.4%	27.5%	34.6%
Free Cash Flow	$ 18,570	$ 24,451	$ 121,313	$ 52,240	$ 18,570	$ 24,451

(1) The weighted-average shares used in the computation of the diluted EPS for the year ended December 31, 2022, 2021 and 2020 are 254,284,781, 142,883,475 and 40,333,870, respectively. Outstanding shares increased significantly mainly as a result of the Company going public in June 2021. December 31, 2023 includes 45,198,702 Non-voting Ordinary shares.

(2) Refer to "Non-GAAP Financial Measures" below for an explanation and reconciliation to GAAP metrics.

(3) Years Year ended December 31, 2021 and 2020 have has been adjusted to include the impact of foreign currency exchange rates to be consistent with current period presentation.

(4) Refer to "IPO Adjusted Non-GAAP EPS basic and diluted" below for a description and calculation of IPO Adjusted Non-GAAP EPS basic and diluted.

66 Non-GAAP Financial Measures

We are presenting the following non-GAAP financial measures because we use them, among other things, as key measures for our management and board of directors in managing our business and evaluating our performance. We believe they also provide supplemental information that may be useful to investors. The use of these measures may improve comparability of our results over time by adjusting for items that may vary from period to period or not be representative of our ongoing operations.

These non-GAAP measures are subject to significant limitations, including those identified below. In addition, other companies may use similarly titled measures but calculate them differently, which reduces their usefulness as comparative measures. Non-GAAP measures should not be considered in isolation or as a substitute for GAAP measures. They should be considered as supplementary information in addition to GAAP operating, liquidity and financial performance measures.

Revenues

All of our Revenues are generated from Advertisers with whom we enter into commercial arrangements, defining the terms of our service and the basis for our charges. Generally, our charges are based on a CPC, CPM or CPA basis. For campaigns priced on a CPC basis, we recognize these Revenues when a user clicks on an advertisement we deliver. For campaigns priced on a CPM basis, we recognize these Revenues when an advertisement is displayed. For campaigns priced on a performance-based CPA basis, the Company generates revenue when a user makes an acquisition. Certain revenues are recognized net of traffic acquisition costs.

ex-TAC Gross profit

Gross profit is calculated as presented on our consolidated statements of income (loss) for the periods presented.

Net income (loss)

Net income (loss) is calculated as presented on our consolidated statement of income (loss) for the periods presented.

EPS diluted

EPS diluted is calculated as presented on our consolidated statements of income (loss) for the periods presented.

Ratio of net income (loss) to gross profit

We calculate Ratio of net income (loss) to gross profit as net income (loss) divided by gross profit.

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Cash flow provided by operating activities

Net cash provided by our operating activities is calculated as presented on our consolidated statements of cash flows for the periods presented.

Cash, cash equivalents, short-term investments and deposits

Cash equivalents are short-term highly liquid marketable securities investments, money market account and funds, commercial paper and corporate debt securities, with an original maturity of three months or less at the date of purchase and are readily convertible to known amounts of cash. Profit

Short-term investments consisted of marketable securities classified as available-for-sale at the time of purchase.
Short-term deposits are bank deposits with maturities of more than three months but less than one year.

ex-TAC Gross Profit

We calculate ex-TAC Gross Profit as gross profit adjusted to add back other cost of revenues.

Adjusted EBITDA We believe that ex-TAC Gross Profit is useful because traffic acquisition cost, or TAC, is what we must pay digital properties to obtain the right to place advertising on their websites, and we believe focusing on ex-TAC Gross Profit better reflects the profitability of our business. We use ex-TAC Gross Profit as part of our business planning, for example in decisions regarding the timing and amount of investments in areas such as infrastructure.

Limitations on the use of ex-TAC Gross Profit include the following:

- Traffic acquisition cost is a significant component of our cost of revenues but is not the only component; and
- ex-TAC Gross Profit is not comparable to our gross profit and by definition ex-TAC Gross Profit presented for any period will be higher than our gross profit for that period.

The following table provides a reconciliation of revenues and gross profit to ex-TAC Gross Profit:

	Year ended December 31,		
	2023	2022	2021
	(dollars in thousands)		
Revenues	$ 1,439,685	$ 1,401,150	$ 1,378,458
Traffic acquisition cost	903,866	831,508	859,595
Other cost of revenues	110,261	105,389	77,792
Gross profit	$ 425,558	$ 464,253	$ 441,071
Add back: Other cost of revenues	110,261	105,389	77,792
ex-TAC Gross Profit	$ 535,819	$ 569,642	$ 518,863

Adjusted EBITDA and Ratio of Adjusted EBITDA to ex-TAC Gross Profit

We calculate Adjusted EBITDA as net income (loss) before finance income (expenses), net, income tax expenses, depreciation and amortization, further adjusted to exclude share-based compensation including Connexity holdback compensation expenses and other noteworthy income and expense items such as M&A costs and restructuring costs which may vary from period-to-period.

Non-GAAP Net Income We believe that Adjusted EBITDA is useful because it allows us and others to measure our performance without regard to items such as share-based compensation expense, depreciation and amortization, and interest expense and other items that can vary substantially depending on our financing and capital structure, and the method by which assets are acquired. We use Adjusted EBITDA and GAAP financial measures for planning purposes, including the preparation of our annual operating budget, as a measure of performance and the effectiveness of our business strategies, and in communications with our board of directors. We may also use Adjusted EBITDA as a metric for determining payment of cash or other incentive compensation.

Limitations on the use of Adjusted EBITDA include the following:

- Although depreciation expense is a non-cash charge, the assets being depreciated may have to be replaced in the future, and Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements;

- Adjusted EBITDA excludes share-based compensation expense, which has been, and will continue to be for the foreseeable future, a significant recurring expense for our business and an important part of our compensation strategy;
- Adjusted EBITDA does not reflect, to the extent applicable for a period presented: (1) changes in, or cash requirements for, our working capital needs; (2) interest expense, or the cash requirements necessary to service interest or if applicable principal payments on debt, which reduces cash available to us; or

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(3) tax payments that may represent a reduction in cash available to us; and

- The expenses and other items that we exclude in our calculation of Adjusted EBITDA may differ from the expenses and other items, if any, that other companies may exclude from Adjusted EBITDA when they report their operating results.

The following table provides a reconciliation of net income (loss) to Adjusted EBITDA:

	Year ended December 31,		
	2023	2022	2021
	(dollars in thousands)		
Net loss	$ (82,040)	$ (11,975)	$ (24,948)
Adjusted to exclude the following:			
Finance (income) expenses, net	12,804	(9,213)	(11,293)
Income tax expenses	5,499	7,523	22,976
Depreciation and amortization	96,512	91,221	53,111
Share-based compensation expenses (1)	53,749	63,830	124,235
Restructuring expenses (2)	—	3,383	—
Holdback compensation expenses (3)	10,582	11,091	3,722
M&A and other costs (4)	1,571	816	11,661
Adjusted EBITDA	$ 98,677	$ 156,676	$ 179,464

(1) For the year ended December 31, 2021, a substantial majority is share-based compensation expenses related to going public.

(2) Costs associated with the Company's cost restructuring program implemented in September 2022.

(3) Represents share-based compensation due to holdback of Ordinary shares issuable under compensatory arrangements relating to Connexity acquisition.

(4) For the year ended December 31, 2021, relates to the acquisition of ION Acquisition Corp. 1 Ltd., the acquisition of Connexity and going public, and for 2023, includes one-time costs related to the Commercial agreement.

We calculate Ratio of Adjusted EBITDA to ex-TAC Gross Profit as Adjusted EBITDA divided by ex-TAC Gross Profit.

We believe that the Ratio of Adjusted EBITDA to ex-TAC Gross Profit is useful because TAC is what we must pay digital properties to obtain the right to place advertising on their websites, and we believe focusing on ex-TAC Gross Profit better reflects the profitability of our business.

The following table provides a reconciliation of ratio of net income (loss) to gross profit and Ratio of Adjusted EBITDA to ex-TAC Gross Profit:

	Year ended December 31,		
	2023	2022	2021
	(dollars in thousands)		
Gross profit	$ 425,558	$ 464,253	$ 441,071
Net loss	$ (82,040)	$ (11,975)	$ (24,948)
Ratio of net loss to gross profit	(19.3 %)	(2.6 %)	(5.7 %)
ex-TAC Gross Profit	$ 535,819	$ 569,642	$ 518,863
Adjusted EBITDA	$ 98,677	$ 156,676	$ 179,464
Ratio of Adjusted EBITDA margin to ex-TAC Gross Profit	18.4 %	27.5 %	34.6 %

Non-GAAP Net income Income (Loss)

We calculate Non-GAAP Net Income (Loss) as net income (loss) adjusted to exclude revaluation of our Warrants liability, share-based compensation expense including Connexity holdback compensation expenses, M&A costs and amortization of acquired intangible assets, foreign currency exchange rate gains (losses), net, and other noteworthy items that change from period to period and related tax effects.

IPO Adjusted Non-GAAP EPS basic and diluted

We calculate IPO Adjusted believe that Non-GAAP EPS basic Net Income (Loss) is useful because it allows us and diluted by adjusting EPS others to exclude measure our operating performance and trends without regard to items such as the revaluation of our Warrants liability, share-based compensation expense, cash and non-cash M&A costs including Connexity holdback compensation expenses, amortization of acquired intangible assets, foreign currency exchange rate gains (losses), (gains) losses, net M&A costs and amortization of acquired intangible assets, other noteworthy items that change from period to period and related tax effects per calculated effects. These items can vary substantially depending on our share price, acquisition activity, the method by which assets are acquired and other factors.

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Limitations on the use of Non-GAAP Net Income (Loss) include the following:

- Non-GAAP Net Income (Loss) excludes share-based compensation expense, which has been, and will continue to be for the foreseeable future, a significant recurring expense for our business and an important part of our compensation strategy;
- Non-GAAP Net Income (Loss) will generally be more favorable than our net income (loss) for the same period due to the nature of the items being excluded from its calculation; and
- Non-GAAP Net Income (Loss) is a performance measure and weighted-average shares should not be used in computing as a measure of liquidity.

The following table provides a reconciliation of net income per share attributable (loss) to ordinary shareholders, basic and diluted; assuming Taboola went public and consummated Non-GAAP Net Income (Loss) for the related transactions as of January 1, 2021.

***Ratio of Adjusted EBITDA to ex-TAC Gross Profit periods shown*:**

	Year ended December 31,		
	2023	2022	2021
	(dollars in thousands)		
Net loss	$ (82,040)	$ (11,975)	$ (24,948)
Amortization of acquired intangibles	63,888	63,557	23,007
Share-based compensation expenses (1)	53,749	63,830	124,235
Restructuring expenses (2)	—	3,383	—
Holdback compensation expenses (3)	10,582	11,091	3,722
M&A and other costs (4)	1,571	816	11,661
Revaluation of Warrants	(627)	(24,471)	(22,656)
Foreign currency exchange rate losses (gains) (5)	(946)	(1,377)	4,625
Income tax effects (6)	(13,597)	(13,472)	(6,060)
Non-GAAP Net Income	$ 32,580	$ 91,382	$ 113,586

We calculate Ratio of Adjusted EBITDA to ex-TAC Gross Profit as Adjusted EBITDA divided by ex-TAC Gross Profit.

(1) For the year ended December 31, 2021, a substantial majority is share-based compensation expenses related to going public.

(2) Costs associated with the Company's cost restructuring program implemented in September 2022.

(3) Represents share-based compensation due to holdback of Ordinary shares issuable under compensatory arrangements relating to Connexity acquisition.

(4) For the year ended December 31, 2021, relates to the acquisition of ION Acquisition Corp. 1 Ltd., the acquisition of Connexity and going public, and for 2023, includes one-time costs related to the Commercial agreement.

(5) Represents foreign currency exchange rate gains or losses related to the remeasurement of monetary assets and liabilities to the Company's functional currency using exchange rates in effect at the end of the reporting period.

(6) For the year ended December 31, 2021, includes non recurring GAAP tax expense of $4.4 million related to voluntary utilization of an Israeli tax program which provided an incentive for Israeli companies to release certain previously tax-exempted earnings at a reduced tax rate. See Note 17 of Notes to the Consolidated Financial Statements in this Annual Report.

Free Cash Flow

We calculate Free Cash Flow as Net cash flow provided by operating activities minus purchases of property, plant and equipment, including capitalized internal-use software. We expect our Free Cash Flow to fluctuate in future periods as we invest in our business to support our plans for growth.

Non-GAAP Financial Measures

We are presenting the following non-GAAP financial measures because we use them, among other things, as key measures for our management and board of directors in managing our business and evaluating our performance. We believe they also provide supplemental information that may be useful to investors. The use of these measures may improve comparability of our results over time by adjusting for items that may vary from period to period or not be representative of our ongoing operations.

These non-GAAP measures are subject to significant limitations, including those identified below. In addition, other companies may use similarly titled measures but calculate them differently, which reduces their usefulness as comparative measures. Non-GAAP measures should not be considered in isolation or as a substitute for GAAP measures. They should be considered as supplementary information in addition to GAAP operating, liquidity and financial performance measures.

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ex-TAC Gross Profit

We believe that ex-TAC Gross Profit is useful because traffic acquisition cost, or TAC, is what we must pay digital properties to obtain the right to place advertising on their websites, and we believe focusing on ex-TAC Gross Profit better reflects the profitability of our business. We use ex-TAC Gross Profit as part of our business planning, for example in decisions regarding the timing and amount of investments in areas such as infrastructure.

Limitations on the use of ex-TAC Gross Profit include the following:

- Traffic acquisition cost is a significant component of our cost of revenues but is not the only component; and
  - ex-TAC Gross Profit is not comparable to our gross profit and by definition ex-TAC Gross Profit presented for any period will be higher than our gross profit for that period.

The following table provides a reconciliation of revenues and gross profit to ex-TAC Gross Profit:

	Year ended December 31,		
	2022	2021	2020
	(dollars in thousands)		
Revenues	$ 1,401,150	$ 1,378,458	$ 1,188,893
Traffic acquisition cost	831,508	859,595	806,541
Other cost of revenues	105,389	77,792	62,855
Gross Profit	$ 464,253	$ 441,071	$ 319,497
Add back: Other cost of revenues	105,389	77,792	62,855
ex-TAC Gross Profit	$ 569,642	$ 518,863	$ 382,352

Free Cash Flow

We believe that Free Cash Flow is useful to provide management and others with information about the amount of cash generated from our operations that can be used for strategic initiatives, including investing in our business, making strategic acquisitions, and strengthening our balance sheet. We expect our Free Cash Flow to fluctuate in future periods as we invest in our business to support our plans for growth.

Limitations on the use of Free Cash Flow include the following:

- it should not be inferred that the entire Free Cash Flow amount is available for discretionary expenditures. For example, cash is still required to satisfy other working capital needs, including short-term investment policy, restricted cash, repayment of loan and intangible assets;
- Free Cash Flow has limitations as an analytical tool, and it should not be considered in isolation or as a substitute for analysis of other GAAP financial measures, such as net cash provided by operating activities; and
- This metric does not reflect our future contractual commitments.

- it should not be inferred that the entire Free Cash Flow amount is available for discretionary expenditures. For example, cash is still required to satisfy other working capital needs, including short-term investment policy, restricted cash, repayment of loan.
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Free Cash Flow has limitations as an analytical tool, and it should not be considered in isolation or as a substitute for analysis of other GAAP financial measures, such as net cash provided by operating activities; and
- This metric does not reflect our future contractual commitments.

The following table provides a reconciliation of net cash provided by operating activities to Free Cash Flow:

	Year ended December 31,		
	2022	2021	2020
	(dollars in thousands)		
Net cash provided by operating activities	$ 53,484	$ 63,521	$ 139,087
Purchase of property and equipment, including capitalized internal-use software	(34,914)	(39,070)	(17,774)
Free Cash Flow	$ 18,570	$ 24,451	$ 121,313

Adjusted EBITDA and Ratio of Adjusted EBITDA to ex-TAC Gross Profit

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We believe that Adjusted EBITDA is useful because it allows us and others to measure our performance without regard to items such as share-based compensation expense, depreciation and amortization, and interest expense and other items that can vary substantially depending on our financing and capital structure, and the method by which assets are acquired. We use Adjusted EBITDA and GAAP financial measures for planning purposes, including the preparation of our annual operating budget, as a measure of performance and the effectiveness of our business strategies, and in communications with our board of directors. We may also use Adjusted EBITDA as a metric for determining payment of cash or other incentive compensation.

Limitations on the use of Adjusted EBITDA include the following:

- although depreciation expense is a non-cash charge, the assets being depreciated may have to be replaced in the future, and Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- Adjusted EBITDA excludes share-based compensation expense, which has been, and will continue to be for the foreseeable future, a significant recurring expense for our business and an important part of our compensation strategy;
- Adjusted EBITDA does not reflect, to the extent applicable for a period presented: (1) changes in, or cash requirements for, our working capital needs; (2) interest expense, or the cash requirements necessary to service interest or if applicable principal payments on debt, which reduces cash available to us; or (3) tax payments that may represent a reduction in cash available to us; and
- The expenses and other items that we exclude in our calculation of Adjusted EBITDA may differ from the expenses and other items, if any, that other companies may exclude from Adjusted EBITDA when they report their operating results.

The following table provides a reconciliation of net income (loss) to Adjusted EBITDA:

	Year ended December 31,		
	2022	2021	2020
	(dollars in thousands)		
Net income (loss)	$ (11,975)	$ (24,948)	$ 8,493
Adjusted to exclude the following:			
Finance (income) expenses, net	(9,213)	(11,293)	2,753
Income tax expenses	7,523	22,976	14,947
Depreciation and amortization	91,221	53,111	33,957
Share-based compensation expenses (1)	63,830	124,235	28,277
Restructuring expenses (2)	3,383	—	—
Holdback compensation expenses (3)	11,091	3,722	—
M&A costs (4)	816	11,661	17,766
Adjusted EBITDA	$ 156,676	$ 179,464	$ 106,193

(1) For the year ended December 31, 2021, a substantial majority is share-based compensation expenses related to going public.

(2) Costs associated with the Company's cost restructuring program implemented in September 2022.

(3) Represents share-based compensation due to holdback of Taboola Ordinary Shares issuable under compensatory arrangements relating to Connexity acquisition.

(4) For the year ended December 31, 2020, represents costs associated with the proposed strategic transaction with Outbrain Inc. which we elected not to consummate, and for 2021 period, relates to the acquisition of ION Acquisition Corp. 1 Ltd., the acquisition of Connexity and going public.

We believe that the Ratio of Adjusted EBITDA to ex-TAC Gross Profit is useful because TAC is what we must pay digital properties to obtain the right to place advertising on their websites, and we believe focusing on ex-TAC Gross Profit better reflects the profitability of our business.

The following table reconciles ratio of net income (loss) to gross profit and Ratio of Adjusted EBITDA to ex-TAC Gross Profit:

	Year ended December 31,		
	2022	2021	2020
	(dollars in thousands)		
Gross profit	$ 464,253	$ 441,071	$ 319,497
Net income (loss)	$ (11,975)	$ (24,948)	$ 8,493
Ratio of net income (loss) to gross profit	(2.6 %)	(5.7 %)	2.7 %
ex-TAC Gross Profit	$ 569,642	$ 518,863	$ 382,352
Adjusted EBITDA	$ 156,676	$ 179,464	$ 106,193
Ratio of Adjusted EBITDA to ex-TAC Gross Profit	27.5 %	34.6 %	27.8 %

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	Year ended December 31,		
	2023	2022	2021
	(dollars in thousands)		
Net cash provided by operating activities	$ 84,373	$ 53,484	$ 63,521
Purchase of property and equipment, including capitalized internal-use software	(32,133)	(34,914)	(39,070)
Free Cash Flow	$ 52,240	$ 18,570	$ 24,451

Non-GAAP Net Income

We believe that Non-GAAP Net Income is useful because it allows us and others to measure our operating performance and trends without regard to items such as the revaluation of our Warrants liability, share-based compensation expense, cash and non-cash M&A costs including amortization of acquired intangible assets, foreign currency exchange rate (gains) losses, net and other noteworthy items that change from period to period and related tax effects. These items can vary substantially depending on our share price, acquisition activity, the method by which assets are acquired and other factors. Limitations on the use of Non-GAAP Net Income include the following:

- Non-GAAP Net Income excludes share-based compensation expense, which has been, and will continue to be for the foreseeable future, a significant recurring expense for our business and an important part of our compensation strategy;
- Non-GAAP Net Income will generally be more favorable than our net income (loss) for the same period due to the nature of the items being excluded from its calculation; and
- Non-GAAP Net Income is a performance measure and should not be used as a measure of liquidity.

The following table reconciles net income (loss) to Non-GAAP Net Income for the periods shown*:

	Year Ended December 31,		
	2022	2021	2020
	(dollars in thousands)		
Net income (loss)	$ (11,975)	$ (24,948)	$ 8,493
Amortization of acquired intangibles	63,557	23,007	2,560
Share-based compensation expense(1)	63,830	124,235	28,277
Restructuring expenses (2)	3,383	—	—
M&A costs(3)	816	11,661	17,766
Holdback compensation expenses(4)	11,091	3,722	—
Revaluation of Warrants	(24,471)	(22,656)	—
Foreign currency exchange rate gains (losses), net(5)	(1,377)	4,625	2,411
Income tax effects(6)	(13,472)	(6,060)	(293)
Non-GAAP Net Income	$ 91,382	$ 113,586	$ 59,214
Non-GAAP EPS basic	$ 0.36	$ 0.79	N/A
Non-GAAP EPS diluted	$ 0.35	$ 0.68	N/A

* Years ended December 31, 2021 and 2020 have been adjusted to include the impact of foreign currency exchange rates to be consistent with current period presentation.

(1) For the year ended December 31, 2021, a substantial majority is share-based compensation expenses related to going public.

(2) Costs associated with the Company's cost restructuring program implemented in September 2022.

(3) For the year ended December 31, 2020, represents costs associated with the proposed strategic transaction with Outbrain Inc. which we elected not to consummate, and for 2021 period, relates to the acquisition of ION Acquisition Corp. 1 Ltd., the acquisition of Connexity and going public.

(4) Represents share-based compensation due to holdback of Taboola Ordinary Shares issuable under compensatory arrangements relating to Connexity acquisition.

(5) Represents non-operating foreign currency exchange rate gains or losses related to the remeasurement of monetary assets and liabilities to the Company's functional currency using exchange rates in effect at the end of the reporting period.

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(6) For the year ended December 31, 2021, includes non recurring GAAP tax expense of $4.4 million related to voluntary utilization of an Israeli tax program which provided an incentive for Israeli companies to release certain previously tax-exempted earnings at a reduced tax rate. See Note 17 of Notes to the Consolidated Financial Statements elsewhere in this Annual Report.

IPO Adjusted Non-GAAP EPS basic and diluted

We believe that IPO Adjusted Non-GAAP EPS basic and diluted are useful to improve comparability to 2021 performance because of the significant increase in shares outstanding in the second half of 2021 as a result of going public.

The following table provides a reconciliation of the numbers of shares used to calculate the Non-GAAP EPS to IPO Adjusted Non-GAAP EPS basic and diluted:

	Year ended December 31,	
	2022	2021
	Unaudited	
GAAP weighted-average shares used to compute net income (loss) per share, basic	254,284,781	142,883,475
Add: Non-GAAP adjustment for Ordinary shares issued in connection with going public	—	84,769,190
IPO Adjusted Non-GAAP weighted-average shares used to compute net income per share, basic	254,284,781	227,652,665
GAAP weighted-average shares used to compute net income (loss) per share, diluted	254,284,781	142,883,475
Add: Non-GAAP adjustment for Ordinary shares issued in connection with going public	—	84,769,190
Add: Dilutive Ordinary share equivalents	5,519,155	23,155,427
IPO Adjusted Non-GAAP weighted-average shares used to compute net income per share, diluted	259,803,936	250,808,092
IPO Adjusted Non-GAAP EPS, basic (1)	$ 0.359	$ 0.499
IPO Adjusted Non-GAAP EPS, diluted (1)	$ 0.352	$ 0.453

(1) IPO Adjusted Non-GAAP EPS basic and diluted is presented only for the year ended December 31, 2021, assuming we went public and consummated the related transactions in each case as of January 1, 2021. Therefore, the Non-GAAP net income does not include any adjustments of undistributed earnings previously allocated to participating securities, assuming these securities converted to ordinary shares in each case as of January 1, 2021.

Components of Our Results of Operations

Revenues

All of our Revenues are generated from Advertisers with whom we enter into commercial arrangements, defining the terms of our service and the basis for our charges. Generally, our charges are based on a CPC, CPM or CPA basis. For campaigns priced on a CPC basis, we recognize these Revenues when a user clicks on an advertisement we deliver. For campaigns priced on a CPM basis, we recognize these Revenues when an advertisement is displayed. For campaigns priced on a performance-based CPA basis, the Company generates revenue when a user makes an acquisition.

Cost of revenues

Our cost of revenue primarily includes Traffic traffic acquisition cost and also includes other cost of revenue.

Traffic acquisition cost

Traffic acquisition cost, or TAC, consists primarily of cost related to digital property compensation for placing our platform on their digital property and cost for advertising impressions purchased from real-time advertising exchanges and other third parties. Traffic acquisition cost also includes up-front payments, incentive payments, or bonuses paid to the digital property partners, which are amortized over the shorter of respective contractual term terms and the economic benefit period of the digital property arrangement. For the majority of our digital properties partners, we have two primary compensation models for digital properties. The most common model is a revenue share model. In this model, we agree to pay a percentage of our revenue generated from advertisements placed on the digital properties. The second model includes guarantees. Under this model, we pay the greater of a percentage of the revenue generated or a committed guaranteed amount per thousand page views (“Minimum guarantee model”). Actual compensation is settled on a monthly basis. Expenses under

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both the revenue share model as well as the Minimum guarantee model are recorded as incurred, based on actual revenues generated by us at the respective month.

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Other cost of revenues

Other cost of revenues includes data center and related costs, depreciation expense related to hardware supporting our platform, amortization expense related to capitalized internal-use software and acquired technology, digital and services taxes, personnel costs, and allocated facilities costs. Personnel costs include salaries, bonuses, share-based compensation, and employee benefit costs, and are primarily attributable to our operations group, which supports our platform and our Advertisers.

Gross profit

Gross profit, calculated as revenues less cost of revenues, has been, and will continue to be, affected by various factors, including fluctuations in the amount and mix of revenue and the amount and timing of investments to expand our digital properties partners and Advertisers base. We hope to increase both our Gross profit in absolute dollars and as a percentage of revenue through enhanced operational efficiency and economies of scale.

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Research and development

Research and development expenses consist primarily of personnel costs, including salaries, bonuses, share-based compensation and employee benefits costs, allocated facilities costs, professional services and depreciation. We expect research and development expenses to increase in future periods to support our growth, including continuing to invest in optimization, accuracy and reliability of our platform and other technology improvements to support and drive efficiency in our operations. These expenses may vary from period to period as a percentage of revenue, depending primarily upon when we choose to make more significant investments.

Sales and marketing

Sales and marketing expenses consist of payroll and other personnel related costs, including salaries, share-based compensation, employee benefits, and travel for our sales and marketing departments, advertising and promotion, rent and depreciation and amortization expenses, particularly related to the acquired intangibles. We expect to increase selling and marketing expenses to support the overall growth in our business.

General and administrative

General and administrative expenses consist of payroll and other personnel related costs, including salaries, share-based compensation, employee benefits and expenses for executive management, legal, finance and others. In addition, general and administrative expenses include fees for professional services and occupancy costs. We expect our general and administrative expense to increase as we scale up headcount with the growth of our business, and as a result of operating as a public company, including compliance with the rules and regulations of the SEC, legal, audit, additional insurance expenses, investor relations activities, and other administrative and professional services.

Finance income (expenses), net

Finance income (expenses), net, primarily consists of interest income (expense) including amortization of loan and credit facility issuance costs, Warrants liability fair value adjustments, gains (losses) from foreign exchange fluctuations and bank fees.

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Income tax benefit (expenses)

The statutory corporate tax rate in Israel was 23% for 2023, 2022 2021 and 2020, 2021, although we are entitled to certain tax benefits under Israeli law. See Note 17 of Notes to the Consolidated Financial Statements elsewhere in this Annual Report.

Pursuant to the Israeli Law for Encouragement of Capital Investments-1959 (the “Investments Law”) and its various amendments, under which we have been granted Privileged “Privileged Enterprise” status, we were granted a tax exemption status for the years 2018 and 2019. The 2018 tax exemption resulted in approximately $10.4 million of potential tax savings. In 2019 we did not benefit from the Privileged Enterprise status because we did not have taxable income. The benefits available to a Privileged Enterprise in Israel relate only to taxable income attributable to the specific investment program and are conditioned upon terms stipulated in the Investment Law. We received a Tax Ruling from the Israeli Tax Authority that its activity is an industrial activity and therefore eligible for the status of a Privileged Enterprise, provided that we meet the requirements under the ruling. If we do not fulfill these conditions, in whole or in part, the benefits

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can be revoked, and we may be required to refund the benefits, in an amount linked to the Israeli consumer price index plus interest. As of December 31, 2022, management believes that the we meet the aforementioned conditions.

For 2021 and subsequent tax years, we adopted The "Preferred Technology Enterprises" ("PTE") Incentives Regime (Amendment 73 to the Investment Law) granting a 12% tax rate in central Israel on income deriving from benefited intangible assets, subject to a number of conditions being fulfilled, including a minimal amount or ratio of annual R&D research and development expenditure and R&D research and development employees, as well as having at least 25% of annual income derived from exports to large markets. PTE is defined as an enterprise which meets the aforementioned conditions and for which total consolidated revenues of its parent company and all subsidiaries are less than NIS 10 billion.

In the fourth quarter of 2021, the Company utilized a special program initiated by the Israeli Tax Authority allowing Israeli companies to voluntarily release tax-exempted earnings at a reduced tax rate which resulted in GAAP tax expense of $4.4 million.

As of December 31, 2022 December 31, 2023, we have an accumulated tax loss carry-forward of approximately $18.0 million $64.1 million in Israel and $1.7 million $1.5 million federal tax in the U.S. Those tax losses can be offset indefinitely. Non-Israeli subsidiaries are taxed according to the tax laws in their respective jurisdictions.

The following table provides consolidated statements section discusses our financial condition and results of income (loss) data operations for the periods indicated:

(dollars in thousands)	Year ended December 31,			2022 vs 2021		2021 vs 2020	
	2022	2021	2020	$ Change	% Change	$ Change	% Change
Revenues	$ 1,401,150	$ 1,378,458	$ 1,188,893	$ 22,692	1.6 %	$ 189,565	15.9 %
Cost of revenues:							
Traffic acquisition cost	831,508	859,595	806,541	(28,087)	(3.3 %)	53,054	6.6 %
Other cost of revenues	105,389	77,792	62,855	27,597	35.5 %	14,937	23.8 %
Total cost of revenues	936,897	937,387	869,396	(490)	(0.1 %)	67,991	7.8 %
Gross profit	464,253	441,071	319,497	23,182	5.3 %	121,574	38.1 %
Operating expenses:							
Research and development	129,276	117,933	99,423	11,343	9.6 %	18,510	18.6 %
Sales and marketing	246,803	206,089	133,741	40,714	19.8 %	72,348	54.1 %
General and administrative	101,839	130,314	60,140	(28,475)	(21.9 %)	70,174	116.7 %
Total operating expenses	477,918	454,336	293,304	23,582	5.2 %	161,032	54.9 %
Operating income (loss)	(13,665)	(13,265)	26,193	(400)	3.0 %	(39,458)	(150.6 %)
Finance income (expenses), net	9,213	11,293	(2,753)	(2,080)	(18.4 %)	14,046	(510.2 %)
Income (loss) before income taxes	(4,452)	(1,972)	23,440	(2,480)	125.8 %	(25,412)	(108.4 %)
Income tax expenses	(7,523)	(22,976)	(14,947)	15,453	(67.3 %)	(8,029)	53.7 %
Net income (loss)	$ (11,975)	$ (24,948)	$ 8,493	$ 12,973	(52.0 %)	$ (33,441)	(393.7 %)

Comparisonyear ended December 31, 2023 compared to the year ended December 31, 2022. For a discussion of the Years Ended December 31, 2022our financial condition and 2021

Revenues increased by $22.7 million, or 1.6%, results of operations for the year ended December 31, 2022 compared to the year ended December 31, 2021, refer to Part II, Item 7, "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", in our Annual Report of Form 10-K for the fiscal year ended December 31, 2022, filed with the Securities and Exchange Commission on March 13, 2023.

The following table provides consolidated statements of loss data for the periods indicated:

(dollars in thousands)	Year ended December 31,		2023 vs 2022	
	2023	2022	$ Change	% Change
Revenues	$ 1,439,685	$ 1,401,150	$ 38,535	2.8 %
Cost of revenues:				

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Traffic acquisition cost	903,866	831,508	72,358	8.7 %
Other cost of revenues	110,261	105,389	4,872	4.6 %
Total cost of revenues	1,014,127	936,897	77,230	8.2 %
Gross profit	425,558	464,253	(38,695)	(8.3 %)
Operating expenses:				
Research and development	136,255	129,276	6,979	5.4 %
Sales and marketing	246,342	246,803	(461)	(0.2 %)
General and administrative	106,698	101,839	4,859	4.8 %
Total operating expenses	489,295	477,918	11,377	2.4 %
Operating loss	(63,737)	(13,665)	(50,072)	366.4 %
Finance income (expenses), net	(12,804)	9,213	(22,017)	(239.0 %)
Loss before income taxes expenses	(76,541)	(4,452)	(72,089)	1619.2 %
Income tax expenses	(5,499)	(7,523)	2,024	(26.9 %)
Net loss	$ (82,040)	$ (11,975)	$ (70,065)	585.1 %

Comparison of the Years Ended December 31, 2023 and 2022

Revenues increased by $38.5 million, or 2.8%, for the year ended December 31, 2023 compared to the year ended December 31, 2022. New digital property partners contributed approximately $108.3 million $221.6 million of new Revenues on a 12-month run rate basis calculated based on their first full month on the network.1 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 the partners when they are first on-boarded) decreased by approximately $85.6 million $183.0 million. This decrease was primarily driven by lower yields due to weaker demand on our platform, reflecting the current macroeconomic conditions and the impact on advertising spend. This decrease more than offset the growth from the Connexity acquisition on September 1, 2021 and a decline in advertiser rates during 2022, partially mitigated by growth in our Taboola News (both of which we include in the growth of existing digital property partners). and eCommerce businesses.

Gross Profit Cost of revenues increased by $23.2 million, $77.2 million, or 5.3% 8.2%, for the year ended December 31, 2022 December 31, 2023 compared to the year ended December 31, 2021 December 31, 2022.

Ex-TAC Gross Profit, a non-GAAP measure, Most of the increase in Cost of revenues was driven by Traffic acquisition cost, which increased by $50.8 million $72.4 million, or 9.8% 8.7%, for the year ended December 31, 2022 December 31, 2023 compared to the year ended December 31, 2021, primarily from new digital property partners on a 12-month run rate basis. Net growth of existing digital property partners contributed to a significantly smaller portion of the increase. This was primarily driven by the inclusion of Connexity and the growth of Taboola News more than offsetting a decline in other existing digital property partners.

Cost of revenues decreased by $0.5 million, or 0.1%, for the year ended December 31, 2022 compared to the year ended December 31, 2021.

Traffic acquisition cost decreased by $28.1 million, or 3.3%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. Revenues increased while Traffic acquisition cost decreased primarily due to a mix shift to higher margin digital properties including e-commerce.

The cost of guarantees (total payments due under guarantee arrangements in excess of amounts the Company would otherwise be required to pay under revenue sharing arrangements) as a percentage of traffic acquisition costs were approximately 10% 19% and 9% 10% for the years ended December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, respectively.

Other cost of revenues increased Gross profit decreased by $27.6 million, $38.7 million, or 35.5% 8.3%, for the year ended December 31, 2022 December 31, 2023 compared to the year ended December 31, 2021 December 31, 2022.

Ex-TAC Gross Profit, a non-GAAP measure, decreased by $33.8 million, primarily as a result of increases of $10.6 million in employee related costs mostly from including eight months of Connexity or 5.9%, for the year ended December 31, 2023 compared to the year ended December 31, 2021 December 31, 2022, $5.9 million primarily due to a decrease in ex-TAC Gross Profit from existing digital property partners principally caused by yield compression that occurred in 2022. This was partially offset by ex-TAC Gross Profit from new digital property partners on a 12-month run rate basis.

Other cost of revenues increased by $4.9 million, or 4.6%, for the year ended December 31, 2023 compared to the year ended December 31, 2022, primarily attributed to $5.7 million in depreciation and amortization expenses, mostly an increase of $1.3 million in related to the amortization of the acquired intangible assets, $5.8 million in other data centers and information systems system costs, and $4.5 million offset by $1.9 million in digital services taxes. employee related cost.

Research and development expenses increased by $11.3 million $7.0 million, or 9.6% 5.4%, for the year ended December 31, 2022 December 31, 2023 compared to the year ended December 31, 2021 December 31, 2022, mainly, reflecting primarily attributable to an increase of $11.2 million $4.9 million in employee and subcontractors related costs mostly from including Connexity results and an increase of operation $2.2 million in servers and software related cost.

Sales and marketing expenses decreased by $0.5 million, or 0.2%, for a full the year and increase in headcount ended December 31, 2023 compared to the year ended December 31, 2021.

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1New digital property partner Revenue for 2022 includes the reclassification of a digital property partner from existing to new that had acquired an existing materially smaller digital property partner and then was signed by Taboola.

Sales and marketing expenses increased by $40.7 million, or 19.8%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase decrease is mainly attributed to a decrease of $6.2 million in share-based compensation expenses, decrease of $2.5 million in sales and marketing events costs and a decrease of $1.5 million in professional fees, partially offset by an increase of $32.9 million $8.6 million in amortization expenses related to intangibles from the Connexity acquisition in September 2021, $16.4 million increase in salaries employee and other employee subcontractors related costs due to and an increase in headcount, $6.4 million increase in marketing costs, $3.6 million increase of $2.1 million in travel and rent expenses due to the improvement in Covid-19 worldwide partially offset by $22.3 million in employee related costs attributable to the share-based compensation expenses resulting from equity awards that vested upon going public in 2021. expenses.

General and administrative expenses decreased increased by $28.5 million $4.9 million, or 21.9% 4.8%, for the year ended December 31, 2022 December 31, 2023 compared to the year ended December 31, 2021. This was December 31, 2022, primarily a result attributed to an increase of a decrease of $29.5 million $4.9 million in employee and subcontractor related costs, mainly share-based compensation expenses resulting from equity awards that vested upon going public and a decrease an increase of $12.7 million related to M&A costs, $2.3 million in credit losses, offset by $3.0 million in legal consultants expenses related to regulatory matters and insurance expenses as part of going public in 2021. The decrease was partially offset by an increase of $7.7 million in salaries and other employee related costs due to increase in headcount and increase in travel, rent and communication expenses due to the improvement in Covid-19 worldwide. expenses.

Finance income (expenses), net decreased by $2.1 million $22.0 million for the year ended December 31, 2022 December 31, 2023 compared to the year ended December 31, 2021 December 31, 2022, mainly attributable to $11.4 million increase $23.8 million Warrants liability devaluation, recorded in interest expenses primarily related to the term loan facility, year ended December 31, 2022, partially offset by an a decrease of $6.5 million $2.3 million in foreign currency exchange and $1.8 million increase in revaluation of Warrants liability. interest expenses.

Income (loss) before income taxes decreased by $2.5 million, or 125.8% $72.1 million, for the year ended December 31, 2022 December 31, 2023 compared to the year ended December 31, 2021 December 31, 2022, as a result of the factors described above.

Tax expense decreased by $15.5 million $2.0 million, or 67.3% 26.9%, for the year ended December 31, 2022 December 31, 2023 compared to the year ended December 31, 2021, driven by a reduction in non-deductible expenses associated with share based compensation as well as a decrease of $4.4 million tax expenses related to a special program initiated by the Israeli Tax Authority that allowed Israeli companies to release voluntarily tax-exempted earnings at a reduced tax rate implemented in 2021 only.

Comparison of the Years Ended December 31, 2021 and 2020

Revenues increased by $189.6 million, or 15.9%, for the year ended December 31, 2021 compared December 31, 2022 primarily attributed to the year ended December 31, 2020. New digital property partners contributed approximately $89 million of new Revenues decrease on a 12-month run rate basis calculated based on their first full month on the network. Net growth of existing digital property partners contributed approximately $101 million, 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) and growth due to the Connexity acquisition.

Gross Profit increased by $121.6 million, or 38.1%, for the year ended December 31, 2021 compared to the year ended December 31, 2020.

Ex-TAC Gross Profit, a non-GAAP measure, increased by $136.5 million, or 35.7%, for the year ended December 31, 2021 compared to the year ended December 31, 2020, primarily due to net growth of 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) and growth due to the Connexity acquisition. New digital property partners on a 12-month run-rate basis contributed the remainder of the increase.

Cost of revenues increased by $68.0 million, or 7.8%, for the year ended December 31, 2021 compared to the year ended December 31, 2020.

Traffic acquisition cost increased by $53.1 million, or 6.6%, for the year ended December 31, 2021 compared to the year ended December 31, 2020, reflecting the increase in Revenues. Revenues increased at a faster pace than Traffic acquisition cost due to increased yield on digital properties with guarantee obligations and a mix shift to higher margin digital properties. The cost of guarantees (total payments due under guarantee arrangements in excess of amounts the Company would otherwise be required to pay under revenue sharing arrangements) as a percentage of traffic acquisition costs were approximately 9% and 13% for the year ended December 31, 2021 and December 31, 2020, respectively.

Other cost of revenues increased by $14.9 million, or 23.8%, for the year ended December 31, 2021 compared to the year ended December 31, 2020, primarily as a result of increases of $5.8 million in employee related costs mostly from including four months of Connexity, $4.9 million in depreciation and amortization expenses mostly related to amortization of the acquired intangible assets and $2.7 million in data centers and information systems costs.

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Research and development expenses increased by $18.5 million, or 18.6%, for the year ended December 31, 2021 compared to the year ended December 31, 2020, reflecting an increase of $20.3 million in employee related costs primarily attributable to higher share-based compensation expenses resulting from equity awards that vested upon going public, partially offset by a $3.0 million decrease in depreciation our current income tax expenses.

Sales and marketing expenses increased by $72.3 million, or 54.1%, for the year ended December 31, 2021 compared to the year ended December 31, 2020, reflecting an increase of $49.6 million in employee related costs primarily attributable to the previously mentioned share-based compensation expenses resulting from equity awards that vested upon going public, an increase of $17.2 million in amortization expenses related to intangibles from the Connexity acquisition, and an increase of $5.3 million in marketing costs.

General and administrative expenses increased by $70.2 million, or 116.7%, for the year ended December 31, 2021 compared to the year ended December 31, 2020, primarily as a result of an increase of $56.8 million in employee related costs primarily attributable to the share-based compensation expenses resulting from equity awards that vested upon going public and an increase of $13.5 million related to M&A costs, legal consultants expenses related to regulatory matters and insurance expenses.

Finance income (expenses), net increased by $14.0 million for the year ended December 31, 2021 compared to the year ended December 31, 2020, primarily as a result of a $22.7 million devaluation of Warrants liability, partially offset by increases of $2.3 million in foreign currency exchange loss and $5.0 million in interest cost and expenses primarily related to the loan facility.

Income (loss) before income taxes decreased by $25.4 million, or 108.4%, for the year ended December 31, 2021 compared to the year ended December 31, 2020, primarily due to an increase of employee related costs of $132.5 million mostly attributable to the higher share-based compensation expenses resulting from equity awards that vested upon going public and the impact of consolidating Connexity's employee related costs for four months, $19.2 million of additional depreciation and amortization expenses primarily from the Connexity intangibles amortization and $13.5 million related to M&A costs, legal consultants expenses related to regulatory matters and insurance expenses, partially offset by a $22.7 million devaluation of Warrants liability and $189.6 million increase in revenues offset by $53.1 million increase in traffic acquisition cost.

Tax expense increased by $8.0 million, or 53.7%, for the year ended December 31, 2021 compared to the year ended December 31, 2020 was driven by $4.4 million tax related to a special program initiated by the Israeli Tax Authority that allowed Israeli companies to release voluntarily tax-exempted earnings at a reduced tax rate, with the balance of the increase primarily due to non-deductible expenses associated with share options vested with going public (i.e., share-based compensation expenses incurred as of vesting as a result of the triggering event of going public).

Liquidity and Capital Resources

Our primary cash needs are for working capital, personnel costs, contractual obligations, including payments to digital property partners, office leases and software and information technology costs, capital expenditures for servers and capitalized software development, payment of interest and required principal payments on our long-term loan and other commitments. We fund these cash needs primarily from cash generated from operations, as well as from cash and cash equivalents on our balance sheet when required. We generated cash from operations for the years years ended December 31, 2022 December 31, 2023, 2022, and 2021 of $84.4 million, $53.5 million, and $63.5 million, 2021, and 2020 of $53.5 million, $63.5 million, and $139.1 million, respectively. respectively.

As part of our growth strategy, we have made and expect to continue to make significant investments in research and development and in our technology platform. We also plan to selectively consider possible future acquisitions that are attractive opportunities we deem strategic and value-enhancing. To fund our growth, depending on the magnitude and timing of our growth investments and the size and structure of any possible future acquisition, we may supplement our available cash from operations with issuances of equity or debt securities and/or make other borrowings, which could be material.

As of December 31, December 31, 2023 and 2022, we had $181.8 million and $262.8 million of cash, cash equivalents and short-term investments, respectively, and $5.7 million and $4.8 million in short-term short and long-term restricted deposits, respectively, used, mainly, as security for our lease commitments. Cash and cash equivalents consist of cash in banks and highly liquid marketable securities investments and money market account and funds, with an original maturity of three months or less at the date of purchase and are readily convertible to known amounts of cash. Short-term investments generally consist of bank deposits, U.S. government treasuries, commercial paper, corporate debt securities, and U.S. agency bonds.

We believe that this, together with net proceeds from our engagements with Advertisers and digital property partners, will provide us with sufficient liquidity to meet our working capital and capital expenditure needs for at least the next 12 months. In the future, we may be required to obtain additional equity or debt financing in order to support our continued capital expenditures and operations. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all. If we are unable to raise additional capital or generate cash flows necessary to expand our operations and invest in new technologies, this could reduce our ability to compete successfully and harm our business, growth, and results of operations.

On August 9, 2022 we entered into an incremental revolving credit facility amendment to our existing senior secured credit agreement ("Amended (the "Amended Credit Agreement"). The Amended Credit Agreement provides for borrowings in an aggregate principal amount of up to $90 million (the "Revolving Facility"). The proceeds of the Revolving Facility can be used to finance working capital needs and general corporate purposes. Borrowings under the Revolving Facility are subject to customary borrowing conditions and will bear interest at a variable annual rate based on Term SOFR or Base Rate plus a fixed margin. The Amended Credit Agreement also contains customary representations, covenants and events of default as well as a financial covenant, which places a limit on our allowable net leverage ratio. As of December 31, 2022 December 31, 2023, we had no outstanding borrowings under the Revolving Facility.

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In December the years ended December 31, 2023 and 2022 we repurchased and retired $61.3 million in voluntarily prepaid the principal amount of debt outstanding debt under our long-term loan. As loan of December 31, 2022 $79.3 million and $61.3 million, the remaining balance of our long-term loan, following the prepayment, is $235.0 million. respectively. We will consider the repurchase and retirement of additional debt based on, among other factors, our working capital and capital expenditures needs, liquidity position and possible alternative uses of cash.

Approximately 8% As of December 31, 2023, the remaining future principal payments related to our approximately $270 million in current cash, cash equivalents and investments in marketable securities is held by Silicon Valley Bank ("SVB") as of March 10, 2023 long-term loan, following the prepayment, were $152.7 million. We hold most of these assets at multiple other large U.S. financial institutions. The Company has no other material relationships with SVB. We do not anticipate a material impact on our financial condition or operations as a result of SVB's circumstances.

We are taking actions In May 2023, our board of directors authorized a share buyback program for the repurchase of up to reduce growth $40.0 million of operating expenses the Company's outstanding Ordinary shares, with no expiration date (the "Buyback Program").In November 2023, our board of directors authorized up to an additional $40.0 million of buybacks under the Buyback Program. As permitted by the Buyback Program, share repurchases may be made from time to time, in response privately negotiated transactions or in the open market, including through trading plans intended to continuing macroeconomic uncertainty, including uncertainty regarding advertising demand and spending. Any of these uncertainties could impact key areas comply with Rule 10b5-1, at the discretion of our operating performance, management and as permitted by securities laws and other legal requirements, including ex-TAC Rule 10b-18 of the Exchange Act. The Buyback Program does not obligate the Company to repurchase any specific number of shares and yields, as well as liquidity. Actions may be discontinued, modified or suspended at any time.

The Buyback Program commenced in June 2023 and during the year ended December 31, 2023, we are taking include reducing discretionary spend repurchased 15.2 million Ordinary shares at an average price of $3.62 per share (excluding broker and decreasing transaction fees of $0.4 million). As of December 31, 2023 the Company had remaining authorization to repurchase shares up to an aggregate amount of $24.9 million, which has been mostly utilized subsequent to the balance sheet date.

Subsequent to December 31, 2023, in February 2024, our rate board of hiring. While we believe these actions will be beneficial, we cannot predict directors authorized up to $100.0 million for use under the degree Buyback Program, including any remaining authority from the November 2023 board of directors authorization, subject to which they will mitigate these uncertainties. obtaining any required Israeli court approvals.

See Part II, Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities and Note 15 of Notes to the Consolidated Financial Statements in this Annual report.

Our future capital requirements and the adequacy of available funds will depend on many factors, including those the risks and uncertainties set forth under "RiskPart I, Item 1A, "Risk Factors."

Cash Flows

The following table summarizes our cash flows for the periods indicated:

	Year ended December 31,			Year ended December 31,		
	2022	2021	2020	2023	2022	2021
				(dollars in thousands)		
Cash Flow Data:						
Net cash provided by operating activities	$ 53,484	$ 63,521	$ 139,087	$ 84,373	$ 53,484	$ 63,521
Net cash provided by (used in) investing activities	(139,561)	(620,460)	10,883	59,640	(139,561)	(620,460)
Net cash provided by (used in) financing activities	(62,873)	631,127	2,603	(134,614)	(62,873)	631,127
Exchange rate differences on balances of cash and cash equivalents	(4,476)	2,320	3,318	816	(4,476)	2,320
Increase (decrease) in cash and cash equivalents	$ (153,426)	$ 76,508	$ 155,891	$ 10,215	$ (153,426)	$ 76,508

Operating Activities

During the year ended December 31, 2023, Net cash provided by operating activities of $84.4 million was related to our net loss of $82.0 million adjusted by positive adjustments of non-cash charges of $161.7 million and net cash inflows of $4.7 million provided by changes in working capital.

The $161.7 million of non-cash charges primarily consisted of depreciation and amortization of $96.5 million and share-based compensation expense related to vested equity awards of $64.3 million.

The $4.7 million increase in cash resulting from changes in working capital primarily consisted of a $36.6 million increase in trade payables, $25.2 million increase in accrued expenses and other current liabilities and other long-term liabilities and $5.9 million decrease in prepaid expenses and other current assets and long-term prepaid expenses, partially offset by a $49.6 million increase in trade receivables, net and $15.5 million decrease in deferred taxes, net.

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During the year ended December 31, 2022, Net cash provided by operating activities of $53.5 million was related to our net loss of $12.0 million adjusted by positive adjustments of non-cash charges of $147.5 million and net cash outflows of $82.0 million provided by changes in working capital.

The $147.5 million of non-cash charges primarily consisted of depreciation and amortization of $91.2 million and share-based compensation expense related to vested equity awards of $74.9 million, partially offset by $24.5 million of Warrants liability devaluation.

The $82.0 million decrease in cash resulting from changes in working capital primarily consisted of a $21.9 million decrease in accrued expenses and other current liabilities and other long-term liabilities, $17.3 million decrease in deferred taxes, net, $16.8 million decrease in trade payables, $11.2 million increase in trade receivables and $10.8 million increase in prepaid expenses and other current assets and long-term prepaid expenses.

During the year ended December 31, 2021, Net cash provided by operating activities of $63.5 million was related to our net loss of $24.9 million adjusted by positive adjustments of non-cash charges of $156.5 million and net cash outflows of $68.0 million provided by changes in working capital.

The $156.5 million of non-cash charges primarily consisted of depreciation and amortization of $53.1 million and share-based compensation expense related to vested equity awards of $128.0 million mostly triggered by going public, partially offset by $22.7 million of Warrants liability devaluation.

The $68.0 million decrease in cash resulting from changes in working capital primarily consisted of a $64.9 million increase in prepaid expenses and other current assets and long-term prepaid expenses, $40.1 million increase in trade receivables, partially offset by a $23.9 million increase in trade payables and an increase in accrued expenses and other current liabilities of $16.2 million. The change in working capital was primarily driven primarily by higher prepayments to our digital property partners due to the timing of renewals and higher guarantee compensation which we returned to in the fourth quarter of 2020 with certain of our digital property partners but paid during the first quarter of 2021 after agreeing with them to undo the 100% revenue share arrangement, reinstate the original payment terms, and receive payments, retroactively, of the guarantee under the original compensation terms.

During the year ended December 31, 2020, Net cash provided by operating activities of $139.1 million was due to our net income of $8.5 million and positive adjustments for non-cash charges of $59.4 million and net cash inflows of $71.2 million provided by changes in working capital.

The $59.4 million of non-cash charges primarily consisted of depreciation and amortization of $34.0 million and share-based compensation of $28.3 million which were partially offset by an aggregate of $(3.3) million of finance expenses.

The $71.2 million increase in cash resulting from changes in working capital primarily consisted of a $34.3 million increase in accrued expenses and other current liabilities, $23.4 million increase in trade payables, a $18.0 million decrease in other current assets (including prepaid expenses) and a $2.1 million increase due to changes in operating lease liabilities and right of use assets, partially offset by a $(3.3) million increase in account receivables and decrease of $(3.3) million deferred tax assets . The changes in working capital were driven by increased payables due to the growth in operation, improved collections and higher employee compensation.

In our 2021 financial statements, we reclassified amounts associated with changes in deferred taxes from non-cash charges to changes in working capital. Prior period financial information has been reclassified to conform with the current period presentation.

Investing Activities

During the year ended December 31, 2023, Net cash provided by investing activities was $59.6 million, primarily consisting of $114.5 million proceeds from maturities of short-term investments, partially offset by $32.1 million purchase of property and equipment, including capitalized internal-use software and $22.0 million purchase of short-term investments.

During the year ended December 31, 2022, Net cash used for investing activities was $139.6 million, primarily consisting of $126.4 million purchase of short-term investments, $34.9 million purchase of property and equipment, including capitalized internal-use software and $8.0 million cash paid in connection with acquisitions, net of cash acquired, partially offset by $29.6 million proceeds from sales and maturities of short-term investments.

During the year ended December 31, 2021, Net cash used for investing activities was $620.5 million, primarily consisting of $583.5 million of cash paid in connection with Connexity acquisition, net of cash acquired and of $39.1 million of purchases of property and equipment, including capitalized internal-use software. ***Financing Activities***

During the year ended December 31, 2020 December 31, 2023, Net cash provided by investing used in financing activities was $10.9 million $134.6 million, primarily consisting of $29.0 million $82.3 million repayment of proceeds from short-term our long-term loan and restricted deposits $55.5 million repurchase of Ordinary shares, partially offset by $17.8 million purchases of property $7.0 million received from exercised options and equipment, including capitalized internal-use software.
vested RSUs.

Financing Activities

During the year ended December 31, 2022, Net cash used in financing activities was $62.9 million, primarily consisting of $64.3 million repayment of our long-term loan and $5.8 million payments of tax withholdings for share-based compensation expenses partially offset by $8.4 million received from exercised options and vested RSUs.

During the year ended December 31, 2021, Net cash provided by financing activities was $631.1 million, resulting, mainly, from $339.3 million proceeds received from the ION merger and related transactions for the issuance of shares and Warrants net of offering costs, and $288.0 million proceeds from long-term loan, net of debt issuance cost and repayments.

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During the year ended December 31, 2020, Net cash provided by financing activities was $2.6 million, resulting from proceeds received from share option exercises.

Contractual Obligations

The following table discloses aggregate information about material contractual obligations and the periods in which they are due as of December 31, 2022 December 31, 2023. Future events could cause actual payments to differ from these estimates.

	Contractual Obligations by Period					
	2023	2024	2025	2026	2027	Thereafter
	(dollars in thousands)					
Debt Obligations	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 219,985
Operating Leases (1)	16,645	16,143	14,175	13,019	23,323	—
Non-cancellable purchase obligations (2)	17,668	4,320	199	1	—	—
Total Contractual Obligations	$ 37,313	$ 23,463	$ 17,374	$ 16,020	$ 26,323	$ 219,985

	Contractual Obligations by Period					
	2024	2025	2026	2027	2028	Thereafter
	(dollars in thousands)					
Debt Obligations	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 140,735	—
Operating Leases (1)	22,828	17,926	14,454	10,164	5,613	8,264
Non-cancellable purchase obligations (2)	23,644	2,196	1,200	88	—	—
Total Contractual Obligations	**$ 49,472**	**$ 23,122**	**$ 18,654**	**$ 13,252**	**$ 146,348**	**$ 8,264**

(1) Represents future minimum lease commitments under non-cancellable operating lease agreements.

(2) Primarily represents non-cancellable amounts for contractual commitments in respect of software and information technology.

The commitment amounts in the table above are associated with contracts that are enforceable and legally binding and that specify all significant terms, including fixed or minimum services to be used, fixed, minimum or variable price provisions, and the approximate timing of the actions under the contracts. The table does not include obligations under agreements that we can cancel without a significant penalty. The table above does not reflect any reduction for prepaid obligations as of December 31, 2022 December 31, 2023. As of December 31, 2022 December 31, 2023, we have a provision related to unrecognized tax benefit liabilities totaling $3.5 million $8.2 million and other provisions related to severance pay and contribution plans, which have been excluded from the table above as we do not believe it is practicable to make reliable estimates of the periods in which payments for these obligations will be made.

Other Commercial Commitments

In the ordinary course of our business, we enter into agreements with certain digital properties, under which, in some cases we agree to pay them a guaranteed amount, generally per thousand page views on a monthly basis. These agreements could cause a gross loss on digital property accounts in which the guarantee is higher than the actual revenue generated. These contracts generally range in duration from 2 to 5 years, though some can be shorter or longer. These contracts are not included in the table above.

Recent Accounting Pronouncements

See the section titled “Summary of Significant Accounting Policies” in Note 2 of Notes to the Consolidated Financial Statements elsewhere in this Annual Report for more information.

Critical Accounting Estimates

Our discussion and analysis of financial condition results of operations are based upon our consolidated financial statements included elsewhere in this report. The preparation of our consolidated financial statements in accordance with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. We base our estimates on past experience and other assumptions that we believe are reasonable under the circumstances including the anticipated impact of COVID-19, and we evaluate these estimates on an ongoing basis. Actual results may differ from those estimates.

Our critical accounting policies are those that materially affect our consolidated financial statements and involve difficult, subjective or complex judgments by management. A thorough understanding of these critical accounting policies is essential when reviewing our consolidated financial statements. We believe that

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the critical accounting policies listed below involve the most difficult management decisions because they require the use of significant estimates and assumptions as described above.

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See Please see Note 2 of Notes to the Consolidated Financial Statements included elsewhere in this Annual Report. Report for a summary of significant accounting policies and the effect on our financial statements.

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Revenue Recognition

We recognize revenues when we transfer control of promised services directly to our customers, which we collectively refer to as our Advertisers, in an amount that reflects the consideration to which we expect to be entitled to in exchange for those services.

The determination of whether revenue should be reported gross of amounts billed to Advertisers (gross basis) or net of payments to digital properties partners (net basis) requires significant judgment and is based on management assessment of whether we are acting as the principal or an agent in the transaction. In this assessment, we consider if we obtain control of the specified goods or services before they are transferred to the customer, as well as other indicators such as the party primarily responsible for fulfillment, inventory risk, and discretion in establishing price. The assessment of whether we are considered the principal or the agent in a transaction could impact our revenue and cost of revenue recognized on the consolidated statements of income. income (loss).

Internal-Use Software Development Costs

Costs incurred to develop internal-use software are capitalized and amortized over the estimated useful life of the software, which is generally three years. In accordance with ASC Topic. 350-40, “Internal-Use Software”, capitalization of costs to develop internal-use software begins when preliminary development efforts are successfully completed, we have committed project funding and it is probable that the project will be completed, and the software will be used as intended. Costs related to the design or maintenance of internal-use software are expensed as incurred.

We periodically review internal-use software costs to determine whether the projects will be completed, placed in service, removed from service, or replaced by other internally developed or third-party software. If the asset is not expected to provide any future benefit, the asset is retired, and any unamortized cost is expensed.

When events or changes in circumstances require, we assess the likelihood of recovering the cost of internal-use software. If the net book value is not expected to be fully recoverable, internal-use software would be impaired to its fair value. Measurement of any impairment loss is based on the excess of the carrying value of the asset over the fair value.

Warrants Liability

We evaluated the Public Warrants and Private Warrants (collectively “Warrants”) in accordance with ASC 815-40, ‘‘Derivatives and Hedging — Contracts in Entity’s Own Equity,’’ and concluded the Warrants to be recorded as derivative liabilities. Warrants recorded as liabilities are recorded at their fair value and remeasured on each reporting date with changes in estimated fair value of ordinary share warrant liability in the consolidated statement of income (loss).

In evaluating Private Warrants, we, with the assistance of third-party valuations, utilize the Black-Scholes valuation model to estimate the fair value of these warrants at each reporting date. The application of the Black-Scholes model utilizes significant assumptions, including volatility. Significant judgment is required in determining the expected volatility of our ordinary share. Due to the limited history of trading of our Ordinary Shares, we determined expected volatility based on a peer group of publicly traded companies. Increases (decreases) in the assumptions result in a directionally similar impact to the fair value of the ordinary share warrant liability.

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Share-Based Compensation

We recognize the cost of share-based awards granted to employees and directors based on the estimated grant-date fair value of the awards. We elected to recognize share-based compensation costs on a straight-line method for awards subject to graded vesting based only on a service condition and the accelerated method for awards that are subject to a performance condition. The compensation expense associated with performance based RSUs is adjusted based on the probability of achieving performance targets. Forfeitures are accounted for as they occur.

The fair value of each option award is estimated on For additional information regarding share-based compensation and the grant date using the Black-Scholes option pricing model. which is impacted by the following assumptions:

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Fair Value of our Ordinary Shares. For periods after our shares began trading on June 30, 2021, assumptions used for determining the fair value of our shares is determined by the closing price Share options awards, refer to Note 2 and Note 15 of our Ordinary Shares as reported on the date of grant. For periods prior to our public listing, the fair value was determined by our board of directors, with input from management and valuation reports prepared by third-party valuation specialists.

Risk-Free Interest Rate. The risk-free rate for the expected term of the options is based on the Black-Scholes option-pricing model on the yields of U.S. Treasury securities with maturities appropriate for the expected term of employee share option awards.

Expected Term. The expected term represents the period that options are expected to be outstanding. We determine the expected term using the simplified method. The simplified method deems the term to be the average of the time-to-vesting and the contractual life of the options.

Expected Volatility. Since we had no trading history of our Ordinary Shares, the expected volatility was derived from the average historical share volatilities based on peer group public companies over a period equivalent Notes to the option's expected term.

Expected Dividend Yield. We have never declared or paid any cash dividends and do not presently plan to pay cash dividends Consolidated Financial Statements in the foreseeable future. As a result, an expected dividend yield of zero percent was used. this Annual Report.

Business Combinations

Accounting for business combinations requires us to make significant estimates and assumptions in determining the fair values of assets acquired and liabilities assumed, especially with respect to intangible assets. Critical estimates in valuing the acquired intangible assets include, but are not limited to, the appropriate valuation methodology and the prospective financial information underlying the valuation, e.g., projected revenues, revenues growth rates, operating margins including the appropriate weighted-average cost of capital. Although we believe the assumptions and estimates we have made in the past have been reasonable and appropriate, they are based, in part, on historical experience and information obtained from management of the acquired companies and are inherently uncertain.

Goodwill

The purchase price Goodwill

Goodwill represents the excess of an acquisition is allocated to the underlying aggregate fair value of the consideration transferred in a business combination over the fair value of the assets acquired, and net of liabilities assumed based upon their estimated fair values at the date of acquisition. assumed. We determine the estimated fair values of assets acquired and liabilities assumed after review and consideration of relevant information including discounted cash flows, quoted market prices, and estimates made by management. To the extent the purchase price exceeds the fair value of the net identifiable tangible and intangible assets acquired and liabilities assumed, such excess is recorded as goodwill. Under ASC 350, *Intangible—*

Goodwill and Other, goodwill is not amortized, but rather is subject to an annual impairment test.

testing. We test goodwill for impairment as of December 31 of each year, or more frequently if events or changes in circumstances indicate that this asset may be impaired.

For the purposes of impairment testing, we have determined that we have one reporting unit. When performing the annual goodwill impairment testing, we either conduct a qualitative assessment to determine whether it is more likely than not that the asset is impaired, or we elect to bypass this qualitative assessment and perform a quantitative test for impairment.

Under the qualitative assessment, we consider both positive and negative factors, including macroeconomic conditions, industry events, financial performance and other changes, and make a determination of whether it is more likely than not that the fair value of goodwill is less than its carrying amount. If, after assessing the qualitative factors, we determine it is more likely than not the asset is impaired, we then perform a quantitative test in which the estimated fair value of the reporting unit is compared with its carrying amount, including goodwill.

If a quantitative analysis is necessary, we compare the fair value of our reporting unit to our carrying value. We determine the estimated fair value based on a different approaches approach including income approach (discounted cash flows) and market approach (EV to EBITDA). market Market approach and income approach are common measures used to value businesses in our industry.

If the estimated fair value exceeds carrying value, goodwill is considered not to be impaired and no additional steps are necessary. However, if the carrying amount exceeds estimated fair value, an impairment loss is recognized in an amount equal to the excess, limited to the amount of goodwill allocated to the reporting unit.

The annual evaluation of goodwill requires the use of estimates about future operating results, valuation multiples, and discount rates to determine their fair value. Changes in these assumptions can materially affect these estimates. Thus, to the extent the revenues volumes deteriorate in the near future, discount rates increase significantly, or we do not meet our projected performance, we could have impairments to record in the next twelve months, and such impairments could be material.

Impairment of long-lived assets

Our We assess the recoverability of our long-lived assets, to be held or used, including right-of-use ("ROU") assets, and identifiable intangible assets that are subject to amortization are tested for impairment whenever events or changes in circumstances indicate that the their carrying amount of an asset value may not

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be recoverable, in accordance with ASC 360, *Accounting for "Property, Plant and Equipment"*.

Recoverability of a long-lived asset is measured by comparing the Impairment or Disposal of Long-Lived Assets. Impairment indicators include any significant changes in the manner of the Company's use of the assets and significant negative industry or economic trends. We recognize impairment based on the difference between the fair carrying value of the asset and its carrying value. Fair value is generally measured based on either quoted market prices, if available, or a discounted group to the projected undiscounted cash flow analysis.

Upon determination that flows over their remaining lives. If the carrying value of a long-lived asset may not be recoverable based upon a comparison of aggregate exceeds the projected undiscounted projected future cash flows, to an impairment loss is recognized. Impairment equals the amount by which the carrying amount of the asset, an impairment charge is recorded for the excess of the carrying amount over value exceeds estimated fair value. There An impairment loss is inherent uncertainty charged to consolidated statements of income (loss) in our forecasts and projections used the period in any impairment analysis, and different assumptions and estimates could have led to different impairment test results, and those results could have been materially different. which management determines such impairment.

The preparation of cash flow projections for use in any impairment indicators test or fair value analysis requires management to make critical estimates, judgments and assumptions with regards to estimated future cash flows, as they are, by their nature, subjective and actual results may differ materially from such estimates. Cash flow estimates are unpredictable and inherently uncertain, since they are based on the current regulatory, political and economic climates, recent operating information and projections. Such estimates could be negatively impacted by changes in federal, state or local regulations, economic downturns, competition, events affecting various forms of travel and access to our properties, and other factors. If our estimates of future cash flows are not met or if there are changes in significant assumptions and judgments used in the estimation process, we may have to record impairment charges in the future.

Income Taxes

We are subject to income taxes in Israel, the U.S., and other foreign jurisdictions. Significant judgment is required in determining the provision for income taxes and income tax assets and liabilities, including evaluating uncertainties in the application of accounting principles and complex tax laws. We recognize and measure benefits for uncertain tax positions using a two-step approach. The first step is to determine whether it is more likely than not that a tax position will be sustained upon examination, including the resolution of any related appeals or litigation based on the technical merits of that position. The second step is to measure a tax position that meets the more-likely-than-not threshold to determine the amount of benefit to be recognized in the financial statements. We evaluate uncertain tax positions on a quarterly basis, based upon a number of factors, including changes in facts or circumstances, changes in tax law, correspondence with tax authorities during the course of audits, and effective settlement of audit issues.

Significant judgment is also required in determining any valuation allowance against deferred tax assets. In assessing whether it is more likely than not that some portion or all of the deferred tax assets will not be realized, we consider all available evidence, including projected future taxable income, tax planning strategies, and past operating results. In the event that we change our determination, we will adjust our valuation allowance with a corresponding impact to the provision for income taxes in the period in which such determination is made.

ITEM 7A: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk represents the risk of loss that may impact our financial position because of adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of exposure resulting from potential changes in inflation, exchange rates or interest rates. We do not hold financial instruments for trading purposes. We are also subject to the credit risk of counterparties to our various commercial agreements.

Foreign Currency Exchange Risk

A 10% increase or decrease of the NIS, Euro, British pound sterling, or the Japanese yen against the U.S. dollar would have impacted the consolidated statements of income (loss) loss as follows:

	Operating income (loss) impact Year ended December 31,						Operating income (loss) impact Year ended December 31,					
	2022		2021		2020		2023		2022		2021	
	(dollars in thousands)						(dollars in thousands)					
	+10%	-10%	+10%	-10%	+10%	-10%	+10%	-10%	+10%	-10%	+10%	-10%
NIS/USD	$ (5,168)	$ 5,168	$ (7,542)	$ 7,542	$ (5,488)	$ 5,488	$ 1,054	$ (1,054)	$ (5,168)	$ 5,168	$ (7,542)	$ 7,542
EUR/USD	$ 4,177	$ (4,177)	$ 5,886	$ (5,886)	$ 4,250	$ (4,250)	$ 923	$ (923)	$ 4,177	$ (4,177)	$ 5,886	$ (5,886)
GBP/USD	$ (4,143)	$ 4,143	$ (4,685)	$ 4,685	$ (4,935)	$ 4,935	$ (663)	$ 663	$ (4,143)	$ 4,143	$ (4,685)	$ 4,685
JPY/USD	$ 1,881	$ (1,881)	$ 1,966	$ (1,966)	$ 1,692	$ (1,692)	$ 997	$ (997)	$ 1,881	$ (1,881)	$ 1,966	$ (1,966)

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To reduce the impact of foreign exchange risks associated with forecasted future cash flows related to payroll expenses and other personnel related costs denominated in NIS and their volatility, we have established in the year ended December 31, 2022 a hedging program and use derivative financial instruments, specifically foreign currency forward contracts, call and put options, to manage exposure to foreign currency risks. These derivative instruments are designated as cash flow hedges.

Interest Rate Risk

Our cash, cash equivalents, and short-term investments are held mainly for working capital purposes. The primary objectives of our investment activities are the preservation of capital and the fulfillment of liquidity needs. We do not enter into investments for trading or speculative purposes. Such interest-earning instruments carry a degree of interest rate risk. Changes in interest rates affect the interest earned on our cash and cash equivalents and short-term investments, and the market value of those securities.

Interest rate risk is the risk that the value or yield of fixed-income investments may decline if interest rates change.

As of December 31, 2022 December 31, 2023, we had $235.0 million $152.7 million of outstanding borrowings under our long-term loan with a variable interest rate. See Liquidity and Capital Resources for information regarding our incremental revolving credit facility amendment.

Fluctuations in interest rates may impact the level of interest expense recorded on future borrowings. We do not enter into derivative financial instruments, including interest rate swaps, to effectively hedge the effect of interest rate changes or for speculative purposes.

For example, based on the outstanding borrowings under our long-term loan as of December 31, 2022 a one percentage point increase or decrease in the variable rate would increase or decrease Finance income (expenses), net by approximately $2.3 million on an annual basis. Any debt we incur in the future may also bear interest at variable rates.

Inflation Risk

We do not believe that inflation has had a material effect on our business, financial condition, or results of operations, other than its impact on the general economy. However, if our costs, in particular labor, sales and marketing, information system, technology and utilities costs, were to become subject to significant inflationary pressures, we might not be able to effectively mitigate such higher costs. Our inability or failure to do so could adversely affect our business, financial condition, and results of operations.

Credit Risk

Credit risk with respect to accounts receivable is generally not significant, as we routinely assess the creditworthiness of our partners and Advertisers. Historically, we generally have not experienced any material losses related to receivables from Advertisers during the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020. 2021. We do not require collateral. Due to these factors, no additional credit risk beyond amounts provided for collection losses is believed by management to be probable in our accounts receivable. In addition, we try to reduce the credit exposures of our accounts receivable by credit limits and credit insurance for many of our customers. However, there can be no assurance that our efforts to identify potential credit risks will be successful.

As of December 31, 2022, we maintained Our cash, balances primarily cash equivalents and restricted deposits are invested in major banks mostly in Israel, the United States, United Kingdom and the United Kingdom. Israel. In the United States and United Kingdom, the Company our deposits are maintained with commercial banks, which are insured by the U.S. Federal Deposit Insurance Corporation (“FDIC”) and Financial Services Compensation Scheme (“FSCS”), which is authorized by the Bank of England (acting in its capacity as the Prudential Regulation Authority (“PRA”)) Authority), respectively. In Israel, commercial banks do not have government-sponsored deposit insurance. At various times, we have deposits in excess of the maximum amounts insured by the FDIC and FSCS. Historically we have not experienced losses related to these balances and believe our credit risk in this area is reasonable. As of December 31, 2022 December 31, 2023, we maintained cash balances of approximately $32.8 million with U.S. banks in excess of the amounts insured by the FDIC and $41.8 million in the United Kingdom banks that significantly exceed FDIC and FSCS insurance limits and expect we will continue to do so. As of December 31, 2023, we have not experienced credit losses related to these balances. We regularly monitor bank financial strength and other factors in excess determining where to maintain cash deposits but may not be able to fully mitigate the risk of the amounts insured by the FSCS.
possible bank failures.

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Our short-term investments, which were $96.9 million $5.7 million as of December 31, 2022 December 31, 2023, are investments in marketable securities with high credit ratings as required by our investment policy and are not insured or guaranteed.

Our derivatives expose us to credit risk to the extent that the counterparties may be unable to meet the terms of the agreement. We seek to mitigate such risk by limiting our counterparties to major financial institutions and by spreading the risk across a number of major financial institutions. However, failure of one or more of these financial institutions is possible and could result in losses.

We have provided a summary of our significant accounting policies, estimates and judgments in Note 2 of Notes to the Consolidated Financial Statements elsewhere in this Annual Report. The following critical accounting discussion pertains to accounting policies management believes are most critical to the portrayal of our historical financial condition and results of operations and that require significant, difficult, subjective or complex judgments. Other companies in similar businesses may use different estimation policies and methodologies, which may impact the comparability of our financial condition, results of operations and cash flows to those of other companies.

ITEM 8: FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

ITEM 8: FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

TABOOLA.COM LTD.

CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2022 2023

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of TABOOLA.COM LTD. Taboola.com Ltd.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Taboola.com Ltd. (the "Company") as of December 31, 2022 December 31, 2023 and 2021, 2022, the related consolidated statements of income (loss), loss, comprehensive income (loss), loss, convertible preferred shares and shareholders' equity and cash flows for each of the three years in the period ended December 31, 2022 December 31, 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the

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consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2022 December 31, 2023 and 2021, 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022 December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's Company's internal control over financial reporting as of December 31, 2022 December 31, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated March 13, 2023 February 28, 2024, expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

Matter

The critical audit matters matter communicated below are matters is a matter arising from the current period audit of the financial statements that were was communicated or required to be communicated to the audit committee and that: (1) relate relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matters matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters matter below, providing a separate opinions opinion on the critical audit matters matter or on the accounts or disclosures to which it relates.

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Revenue Recognition-principle versus agent

Description of the Matter

As described in Note 2 to the consolidated financial statements, the Company follows the guidance provided in ASC 606, *Revenue from Contracts with Customers*, for determining whether the Company is the principal or an agent in arrangements with its customers. This determination depends on the facts and circumstances of each arrangement and, in some instances, involves significant judgment. The Company has determined that it acts as principal in the majority of its arrangements because it has the ability to control and direct the specified ad placements before they are transferred to the customers. The Company further concluded that(i) it is primarily responsible for fulfilling the promise to provide the service in the arrangement; and (ii) it has latitude in establishing the contract price with the advertisers. In addition, the Company has inventory risk on a portion of its multi-year agreement with digital properties. For those revenue arrangements where the Company acts as an agent, revenues are recognized on a net basis.

Auditing the Company's determination of whether revenue should be reported gross of amounts billed to advertisers (gross basis) or net of payments to digital properties partners (net basis) requires a high degree of auditor judgment due to the subjectivity in determining whether the Company is principal in its arrangements. These judgments have a significant impact on the presentation and disclosure of the Company's revenue in its financial statements.

How We Addressed the Matter in Our Audit

Our audit procedures related to the Company's revenue transactions included, among others, testing the design and operating effectiveness of management's controls over the determination of principal versus agent recognition in its arrangements with advertisers and digital properties vendors for

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traffic acquisition, evaluating the Company's assessment of the indicators of control over the promised service, which included determining whether the Company was primarily responsible for fulfilling the promised service, has discretion in establishing pricing and has inventory risk on a portion of its contracts with digital properties. We also reviewed on a sample basis, the arrangement terms, both with customers and digital properties vendors for traffic acquisition and assessed the impact of those terms and attributes on revenue presentation. In addition, we assessed the appropriateness of the related disclosures in the consolidated financial statements.

Valuation of Goodwill

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Description of the Matter	At December 31, 2022, the Company's goodwill was $555.8 million. As described in Note 2 of the Consolidated Financial Statements, goodwill is tested for impairment at least annually at the reporting unit level on December 31. The Company performed a quantitative impairment analysis as of December 31, 2022, estimating the fair value of the reporting unit by utilizing an income approach which uses the discounted cash flow ("DCF") analysis, and the Company also considered a market-based valuation methodology by using comparable public company trading values. As part of the Company's analysis of its goodwill, the results of this test indicated that the estimated fair value exceeded the carrying value as of December 31, 2022. Auditing the Company's goodwill impairment test was complex due to the significant judgment involved and required the involvement of a specialist in determining the fair value of the reporting unit. In particular, the fair value estimate was sensitive to significant assumptions that require judgment, including the amount and timing of future cash flows (e.g., revenue growth rates and free cash flow), long-term growth rates, and the discount rate. These assumptions are affected by factors such as expected future market or economic conditions.

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How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's goodwill impairment test process. For example, we tested controls over management's review of the valuation model and the significant assumptions used, as discussed above, to develop the prospective financial information. We also tested management's controls to validate that the data used in the valuation was complete and accurate. To test the estimated fair value of the Company's goodwill, we performed audit procedures that included, among others, assessing the reasonableness of the methodologies used, validated the data used in the valuation is complete and accurate, we evaluated the Company's underlying forecast and budget information by comparing the significant assumptions to current industry and economic trends and assessed the historical accuracy of management's estimates. We have also performed sensitivity analyses of significant assumptions to assess the changes in the fair values that would result from changes in the assumptions. Further, we involved our valuation specialists to assist with our evaluation of the methodologies used by the Company and significant assumptions included in the fair value estimates.

/s/ Kost Forer Gabbay & Kasierer

A Member of Ernst & Young EY Global

We have served as the Company's auditor since 2014.

Tel-Aviv, Israel

Tel Aviv, Israel

March 13, 2023
February 28, 2024

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Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of TABOOLA.COM LTD.
Taboola.com Ltd.

Opinion on Internal Control Over Financial Reporting

We have audited Taboola.com Ltd's. internal control over financial reporting as of December 31, 2022 December 31, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), (the COSO criteria). In our opinion, Taboola.com Ltd. (the Company) "Company") maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022 December 31, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2022 December 31, 2023 and 2021, 2022, the related consolidated statements of income (loss), loss, comprehensive income (loss), loss,

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convertible preferred shares and shareholders' equity and cash flows for each of the three years in the period ended December 31, 2022 December 31, 2023, and the related notes and our report dated March 13, 2023 February 28, 2024, expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Kost Forer Gabbay & Kasierer
A Member of Ernst & Young EY Global

Tel-Aviv, Israel
March 13, 2023
February 28, 2024
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TABOOLA.COM LTD.

CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands, except share and per share data

	December 31, 2022	December 31, 2021	December 31, 2023	December 31, 2022
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 165,893	$ 319,319	$ 176,108	$ 165,893
Short-term investments	96,914	—	5,725	96,914
Restricted deposits	750	1,000	1,407	750
Trade receivables (net of allowance for credit losses of $ 6,748 and $ 3,895 as of December 31, 2022 and 2021, respectively)	256,708	245,235		
Trade receivables (net of allowance for credit losses of $10,207 and $6,748 as of December 31, 2023 and 2022, respectively) (Note 19)			306,307	256,708
Prepaid expenses and other current assets	73,643	63,394	69,865	73,643
Total current assets	593,908	628,948	559,412	593,908
NON-CURRENT ASSETS				
Long-term prepaid expenses	42,945	32,926	39,602	42,945
Commercial agreement asset			289,451	—
Restricted deposits	4,059	3,897	4,247	4,059
Deferred tax assets,net	3,821	1,876		
Deferred tax assets, net			—	3,821

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Operating lease right of use assets	66,846	65,105	61,746	66,846
Property and equipment, net	73,019	63,259	72,155	73,019
Intangible assets, net	189,156	250,923	125,258	189,156
Goodwill	555,869	550,380	555,931	555,869
Total non-current assets	935,715	968,366	1,148,390	935,715
Total assets	$ 1,529,623	$ 1,597,314	$ 1,707,802	$ 1,529,623
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Trade payables	$ 247,504	$ 259,941		
Trade payables (Note 19)			$ 282,012	$ 247,504
Short-term operating lease liabilities	14,753	12,958	20,264	14,753
Accrued expenses and other current liabilities	102,965	124,662	118,689	102,965
Current maturities of long-term loan	3,000	3,000	3,000	3,000
Total current liabilities	368,222	400,561	423,965	368,222
LONG-TERM LIABILITIES				
Long-term loan, net of current maturities	223,049	285,402	142,164	223,049
Long-term operating lease liabilities	57,928	61,526	49,450	57,928
Warrants liability	6,756	31,227	6,129	6,756
Other long-term and deferred tax liabilities, net	39,133	51,027		
Deferred tax liabilities, net			14,815	34,133
Other long-term liabilities			14,217	5,000
Total long-term liabilities	326,866	429,182	226,775	326,866
COMMITMENTS AND CONTINGENCIES (Note 18)				
SHAREHOLDERS' EQUITY				
Ordinary shares with no par value- Authorized: 700,000,000 as of December 31, 2022 and 2021; 254,133,863 and 234,031,749 shares issued and outstanding as of December 31, 2022 and 2021, respectively.	—	—		
Ordinary shares with no par value- Authorized: 700,000,000 as of December 31, 2023 and 2022; 295,670,620 and 254,133,863 shares issued and outstanding as of December 31, 2023 and 2022, respectively			—	—
Non-voting Ordinary shares with no par value- Authorized: 46,000,000 as of December 31, 2023 and 2022; 45,198,702 and 0 shares issued and outstanding as of December 31, 2023 and 2022, respectively			—	—
Treasury Ordinary shares, at cost - 15,240,471 and 0 shares as of December 31, 2023 and 2022, respectively			(55,513)	—
Additional paid-in capital	903,789	824,016	1,262,093	903,789
Accumulated other comprehensive loss	(834)	—		
Accumulated other comprehensive income (loss)			942	(834)
Accumulated deficit	(68,420)	(56,445)	(150,460)	(68,420)
Total shareholders' equity	834,535	767,571	1,057,062	834,535
Total liabilities and shareholders' equity	$ 1,529,623	$ 1,597,314	$ 1,707,802	$ 1,529,623

The accompanying notes are an integral part of these consolidated financial statements.

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TABOOLA.COM LTD.

CONSOLIDATED STATEMENTS OF INCOME (LOSS)
LOSS

U.S. dollars in thousands, except share and per share data

Year ended December 31,			Year ended December 31,		
2022	**2021**	**2020**	**2023**	**2022**	**2021**

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Revenues	$ 1,401,150	$ 1,378,458	$ 1,188,893			
Revenues (Note 19)				$ 1,439,685	$ 1,401,150	$ 1,378,458
Cost of revenues:						
Traffic acquisition cost	831,508	859,595	806,541			
Traffic acquisition cost (Note 19)				903,866	831,508	859,595
Other cost of revenues	105,389	77,792	62,855	110,261	105,389	77,792
Total cost of revenues	936,897	937,387	869,396	1,014,127	936,897	937,387
Gross profit	464,253	441,071	319,497	425,558	464,253	441,071
Operating expenses:						
Research and development	129,276	117,933	99,423	136,255	129,276	117,933
Sales and marketing	246,803	206,089	133,741	246,342	246,803	206,089
General and administrative	101,839	130,314	60,140	106,698	101,839	130,314
Total operating expenses	477,918	454,336	293,304	489,295	477,918	454,336
Operating income (loss)	(13,665)	(13,265)	26,193			
Operating loss				(63,737)	(13,665)	(13,265)
Finance income (expenses), net	9,213	11,293	(2,753)	(12,804)	9,213	11,293
Income (loss) before income taxes	(4,452)	(1,972)	23,440			
Loss before income taxes expenses				(76,541)	(4,452)	(1,972)
Income tax expenses	(7,523)	(22,976)	(14,947)	(5,499)	(7,523)	(22,976)
Net income (loss)	$ (11,975)	$ (24,948)	$ 8,493			
Net loss				$ (82,040)	$ (11,975)	$ (24,948)
Less: Undistributed earnings allocated to participating securities	—	(11,944)	(22,932)	—	—	(11,944)
Net loss attributable to Ordinary shares – basic and diluted	(11,975)	(36,892)	(14,439)			
Net loss per share attributable to Ordinary shareholders, basic and diluted	$ (0.05)	$ (0.26)	$ (0.36)			
Weighted-average shares used in computing net loss per share attributable to Ordinary shareholders, basic and diluted	254,284,781	142,883,475	40,333,870			
Net loss attributable to Ordinary and Non-voting Ordinary shares				$ (82,040)	$ (11,975)	$ (36,892)
Net loss per share attributable to Ordinary and Non-voting Ordinary shareholders, basic and diluted				$ (0.24)	$ (0.05)	$ (0.26)

The accompanying notes are an integral part of these consolidated financial statements.

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TABOOLA.COM LTD.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) LOSS

U.S. dollars in thousands

	Year ended December 31,		
	2022	**2021**	**2020**
Net income (loss)	$ (11,975)	$ (24,948)	$ 8,493
Other comprehensive loss, net of tax:			
Unrealized losses on available-for-sale marketable securities	(521)	—	—
Unrealized losses on derivative instruments, net	(313)	—	—
Other comprehensive loss	(834)	—	—
Comprehensive income (loss)	$ (12,809)	$ (24,948)	$ 8,493

	Year ended December 31,

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	2023	2022	2021
Net loss	$ (82,040)	$ (11,975)	$ (24,948)
Other comprehensive income (loss):			
Unrealized gains (losses) on available-for-sale marketable securities, net	515	(521)	—
Unrealized gains (losses) on derivative instruments, net	1,261	(313)	—
Other comprehensive income (loss)	1,776	(834)	—
Comprehensive loss	$ (80,264)	$ (12,809)	$ (24,948)

The accompanying notes are an integral part of these consolidated financial statements.

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TABOOLA.COM LTD.

CONSOLIDATED STATEMENTS OF CONVERTIBLE PREFERRED SHARES AND SHAREHOLDERS' EQUITY

U.S. dollars in thousands, except share and per share data

	Convertible Preferred shares		Ordinary shares		Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total Shareholders' equity	Convertible Preferred shares	
	Number	Amount	Number	Amount					Number	Amount
Balance as of January 1, 2020	121,472,152	$ 170,206	44,903,273	$ —	$ 47,257	$ —	$ (39,990)	$ 7,267		
Balance as of January 1, 2021									121,472,152	$ 170,206
Cancellation of dormant restricted shares	—	—	(7,411,689)	—	—	—	—	—		
Share-based compensation expenses	—	—	—	—	28,277	—	—	28,277		
Exercise of options	—	—	3,865,465	—	2,603	—	—	2,603		
Net income	—	—	—	—	—	—	8,493	8,493		
Balance as of December 31, 2020	121,472,152	$ 170,206	41,357,049	$ —	$ 78,137	$ —	$ (31,497)	$ 46,640		
Issuance of Ordinary Shares as part of the Merger and PIPE transaction	—	—	43,971,516	—	285,378	—	—	285,378		
Issuance of Ordinary shares as part of the Merger and PIPE transaction									—	—
Conversion of Preferred shares to Ordinary shares	(121,472,152)	(170,206)	121,472,152	—	170,206	—	—	170,206	(121,472,152)	(170,206)

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Issuance of Ordinary shares related to business combination	—	—	17,328,049	—	157,689	—	—	157,689	—	—
Share-based compensation expenses	—	—	—	—	128,740	—	—	128,740	—	—
Exercise of options and vested RSUs	—	—	9,902,983	—	10,018	—	—	10,018	—	—
Payments of tax withholding for share-based compensation	—	—	—	—	(6,152)	—	—	(6,152)	—	—
Net loss	—	—	—	—	—	—	(24,948)	(24,948)	—	—
Balance as of December 31, 2021	—	$ —	234,031,749	$ —	$ 824,016	$ —	$ (56,445)	$ 767,571	—	$ —
Share-based compensation expenses	—	—	—	—	76,853	—	—	76,853	—	—
Exercise of options and vested RSUs	—	—	18,875,104	—	8,671	—	—	8,671	—	—
Connexity issuance of Holdback	—	—	1,227,010	—	—	—	—	—	—	—
Payments of tax withholding for share-based compensation	—	—	—	—	(5,751)	—	—	(5,751)	—	—
Other comprehensive loss	—	—	—	—	—	(834)	—	(834)	—	—
Net loss	—	—	—	—	—	—	(11,975)	(11,975)	—	—
Balance as of December 31, 2022	—	$ —	254,133,863	$ —	$ 903,789	$ (834)	$ (68,420)	$ 834,535	—	$ —
Share-based compensation expenses									—	—
Repurchase of Ordinary shares									—	—
Exercise of options and vested RSUs									—	—
Connexity issuance of Holdback									—	—
Issuance of Ordinary shares and Non-voting Ordinary shares related to Commercial agreement									—	—
Payments of tax withholding for share-based compensation									—	—

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Other comprehensive income	—	—
Net loss	—	—
Balance as of December 31, 2023	—	$ —

The accompanying notes are an integral part of these consolidated financial statements.

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TABOOLA.COM LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Year ended December 31,			Year ended December 31,		
	2022	2021	2020	2023	2022	2021
Cash flows from operating activities						
Net income (loss)	$ (11,975)	$ (24,948)	$ 8,493			
Adjustments to reconcile net income (loss) to net cash flows provided by operating activities:						
Net loss				$ (82,040)	$ (11,975)	$ (24,948)
Adjustments to reconcile net loss to net cash flows provided by operating activities:						
Depreciation and amortization	91,221	53,111	33,957	96,512	91,221	53,111
Share-based compensation expenses	74,921	127,957	28,277	64,331	74,921	127,957
Net loss (gain) from financing expenses	4,476	(2,320)	(3,318)	(816)	4,476	(2,320)
Revaluation of the Warrants liability	(24,471)	(22,656)	—	(627)	(24,471)	(22,656)
Amortization of loan and credit facility issuance costs	2,009	402	—	1,619	2,009	402
Amortization of premium and accretion of discount on short-term investments, net	(679)	—	—	(914)	(679)	—
Accrued interest, net	—	—	520			
Loss from disposal of property and equipment				1,571	—	—
Change in operating assets and liabilities:						
Increase in trade receivables	(11,242)	(40,113)	(3,294)			
Increase in trade receivables, net				(49,599)	(11,242)	(40,113)
Decrease (increase) in prepaid expenses and other current assets and long-term prepaid expenses	(10,785)	(64,923)	17,975	5,934	(10,785)	(64,923)
Increase (decrease) in trade payables	(16,825)	23,862	23,434	36,563	(16,825)	23,862
Increase (decrease) in accrued expenses and other current liabilities and other long-term liabilities	(21,932)	16,182	34,344	25,202	(21,932)	16,182
Decrease in deferred taxes, net	(17,329)	(1,581)	(3,380)	(15,496)	(17,329)	(1,581)
Change in operating lease right of use assets	15,528	14,529	13,758	16,830	15,528	14,529
Change in operating lease liabilities	(19,433)	(15,981)	(11,679)	(14,697)	(19,433)	(15,981)
Net cash provided by operating activities	53,484	63,521	139,087	84,373	53,484	63,521
Cash flows from investing activities						
Purchase of property and equipment, including capitalized internal-use software	(34,914)	(39,070)	(17,774)	(32,133)	(34,914)	(39,070)
Cash paid in connection with acquisitions, net of cash acquired	(7,981)	(583,457)	(202)	—	(7,981)	(583,457)
Proceeds from (investment in) restricted deposits	91	2,067	(104)	(730)	91	2,067
Proceeds from short-term deposits	—	—	28,963			
Proceeds from maturities of short-term investments				114,494	29,624	—
Purchase of short-term investments	(126,381)	—	—	(21,991)	(126,381)	—
Proceeds from sales and maturities of short-term investments	29,624	—	—			
Net cash provided by (used in) investing activities	(139,561)	(620,460)	10,883	59,640	(139,561)	(620,460)
Cash flows from financing activities						

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Exercise of options and vested RSUs	8,387	10,018	2,603	6,953	8,387	10,018
Issuance of Ordinary shares, net of offering costs	—	285,378	—	—	—	285,378
Payments of tax withholding for share-based compensation expenses	(5,751)	(6,152)	—			
Payment of tax withholding for share-based compensation expenses				(3,804)	(5,751)	(6,152)
Repurchase of Ordinary shares				(55,513)	—	—
Proceeds from long-term loan, net of debt issuance costs	—	288,750	—	—	—	288,750
Repayment of long-term loan	(64,264)	(750)	—	(82,250)	(64,264)	(750)
Costs associated with entering into a revolving credit facility	(1,245)	—	—	—	(1,245)	—
Issuance of Warrants	—	53,883	—	—	—	53,883
Net cash provided by (used in) financing activities	(62,873)	631,127	2,603	(134,614)	(62,873)	631,127
Exchange rate differences on balances of cash and cash equivalents	(4,476)	2,320	3,318	816	(4,476)	2,320
Increase (decrease) in cash and cash equivalents	(153,426)	76,508	155,891	10,215	(153,426)	76,508
Cash and cash equivalents - at the beginning of the period	319,319	242,811	86,920	165,893	319,319	242,811
Cash and cash equivalents - at end of the period	$ 165,893	$ 319,319	$ 242,811			
Cash and cash equivalents - at the end of the period				$ 176,108	$ 165,893	$ 319,319

The accompanying notes are an integral part of these consolidated financial statements.

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TABOOLA.COM LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Year ended December 31,			Year ended December 31,		
	2022	2021	2020	2023	2022	2021
Supplemental disclosures of cash flow information:						
Cash paid during the year for:						
Income taxes	$ 28,798	$ 15,475	$ 9,980	$ 18,011	$ 28,798	$ 15,475
Interest	$ 20,712	$ 1,125	$ 715	$ 18,488	$ 20,712	$ 1,125
Non-cash investing and financing activities:						
Purchase of property and equipment, including capitalized internal-use software	$ 1,657	$ 1,120	$ 1,879	$ 639	$ 1,657	$ 1,120
Share-based compensation included in capitalized internal-use software	$ 1,932	$ 783	$ —	$ 2,253	$ 1,932	$ 783
Deferred offering costs incurred during the period included in long-term prepaid expenses	$ —	$ —	$ 2,096			
Creation of operating lease right-of-use assets	$ 17,269	$ 4,520	$ 14,635	$ 11,730	$ 17,269	$ 4,520
Fair value of Ordinary shares issued as consideration of the acquisition	$ —	$ 157,689	$ —	$ —	$ —	$ 157,689
Issuance of Ordinary shares and Non-voting Ordinary shares related to Commercial agreement				$ 288,063	$ —	$ —

The accompanying notes are an integral part of these consolidated financial statements.

TABOOLA.COM LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands, except share and per share data

NOTE 1:- GENERAL

a. Taboola.com Ltd. (together with its subsidiaries, the “Company” or “Taboola”) was incorporated under the laws of the state of Israel on September 3, 2006.

Taboola is a technology company that powers recommendations across the Open Web with an artificial intelligence-based, algorithmic engine developed over the 15 years since the Company began operations in 2007. Taboola partners with websites, devices, and mobile apps (collectively referred to as “digital properties”), to recommend editorial content and advertisements on the Open Web. Digital properties use Taboola’s technology platforms to achieve their business goals, such as

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driving new audiences to their sites and apps or increasing engagement with existing audiences. Taboola also provides monetization opportunities to digital properties by surfacing paid recommendations by advertisers. Taboola is a business-to-business company with no competing consumer interests. Taboola empowers advertisers to leverage its proprietary AI-powered recommendation platform to reach targeted audiences utilizing effective, native ad-formats across digital properties. As part of the Company e-Commerce offerings, it also syndicates its retailer advertisers' monetized product listings and links (clickable advertisements) into commerce content-oriented consumer experiences on both the Open Web and within the dominant traditional ad platforms. Taboola generates revenues when people (consumers) click on, purchase from or, in some cases, view the ads that appear within its recommendation platform. The Company's customers are the advertisers, merchants and affiliate networks that advertise on the Company's platform ("Advertisers"). Advertisers pay Taboola for those clicks, purchases or impressions, and Taboola shares a portion of the resulting revenue with the digital properties who display those ads.

b. On June 29, 2021 (the "Transaction Date") one of Taboola's subsidiaries merged with and into ION Acquisition Corp. 1 Ltd. ("ION"), with ION continuing as the surviving company and becoming Taboola's direct, wholly-owned subsidiary, which was accounted for as a recapitalization, with no goodwill or other intangible assets recorded, in accordance with U.S. GAAP (the "Business Combination"). The Business Combination was consummated under a merger agreement with ION dated January 25, 2021 (the "Merger Agreement").

As result of the Business Combination, the Company's Ordinary Shares, shares, no par value per share (the "Ordinary Shares" shares") and Public Warrants (as defined in our Annual Report on Form 20-F for the year ended December 31, 2021 filed with the SEC on March 24, 2022), and together with the Private Warrants as (as defined therein, the "Warrants") began trading on The Nasdaq Global Market LLC on June 30, 2021, among other things. The Business Combination was consummated under a merger agreement with ION dated January 25, 2021 (the "Merger Agreement").

c. In September 2021, the Company entered into a registration rights agreement under which the Company agreed, in accordance with the terms of the registration right agreement, to register the Company's Ordinary Shares shares issued to the seller Seller (as defined in Note 7) for resale under the Securities Act of 1933, as amended.

d. In November 2022, the Company announced it entered into a 30-year exclusive commercial agreement (the "Commercial agreement") with Yahoo Inc. and affiliated entities ("Yahoo"), under which Taboola will power native advertising across all of Yahoo's digital properties, expanding the Company's native advertising offering. In connection with this transaction, and following approval by the Company's shareholders on December 30, 2022, the articles of association of the Company were amended and restated (the "Articles") in their entirety to include a Non-Voting Non-voting Ordinary Share share class with an authorized share capital of 46,000,000. In January 2023, subsequent to the balance sheet date, On January 17, 2023 (the "Transaction closing date"), the Company closed the transaction related agreements, including the issuance of 39,525,691 Ordinary Shares shares and 45,198,702 Non-Voting Non-voting Ordinary Shares shares to Yahoo. Based on the closing share price, on January 17, 2023, of $3.40 per share, the aggregate fair value of the issued shares amounted to $288,063. As part of the Ordinary shares and Non-voting Ordinary shares issuance, the Company incurred $1,388 of issuance expenses.

NOTE 1:- GENERAL (Cont.)

The Company accounts for the consideration paid to Yahoo (the "Commercial agreement asset") as an up-front payment for Traffic acquisition costs paid to the digital property partner, which is amortized over the shorter of respective contractual terms and the economic benefit period of the digital property arrangement.

The Non-Voting Company and Yahoo are still in the Commercial agreement transition period (as defined in the Commercial agreement), consequently the exclusivity period has not begun. For the year ended December 31, 2023, the Company did not record amortization expenses of the Commercial agreement asset.

The Non-voting Ordinary Shares shares are not entitled to vote on or receive notices with respect to any matter pursuant to our Articles and are not entitled to vote or to be counted for purposes of determining whether any vote required under the Articles has been approved by the requisite percentage of voting securities or to be counted towards any quorum required pursuant to the Articles. Except with respect to the voting rights and to the rights to receive notice of meetings of the shareholders, the Non-Voting Non-voting Ordinary Shares will shares have rights identical to the rights of Ordinary Shares. shares. In connection with the transaction, the Company and Yahoo entered into an Investor Rights Agreement, under which, inter alia, Yahoo is entitled, in certain circumstances, to cause the Company to register the Ordinary Shares shares issued to Yahoo for resale under the Securities Act of 1933, as amended. The following table provides pro forma information for the issuance of Ordinary Shares and Non-Voting Ordinary Shares under the Yahoo transaction as if the transaction closed on December 31, 2022:

	December 31, 2022	
	As reported	Pro forma Unaudited
Long-term prepaid expenses	$ 42,945	$ 303,896
Total assets	$ 1,529,623	$ 1,790,574

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Total shareholders' equity	$ 834,535	$ 1,095,486

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with United States Generally Accepted Accounting Principles ("U.S. GAAP") and are denominated in U.S. dollars.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements in conformity with the U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period and accompanying notes. Actual results could differ from those estimates.

The Company's management regularly evaluates its estimates, primarily those related to: (1) revenue recognition criteria, including the determination of revenue reporting as gross versus net in the Company's revenue arrangements, (2) allowances for credit losses, (3) operating lease assets and liabilities, including the incremental borrowing rate and terms and provisions of each lease, (4) the useful lives of its Commercial agreement asset, property and equipment and capitalized software development costs, (5) income taxes, (6) assumptions used in the option pricing models to determine the fair value of share-based compensation (7) the fair value of financial assets and liabilities, including the fair value of marketable securities, Private Warrants and derivative instruments (8) the fair value of acquired intangible assets and goodwill annual impairment test, and (9) the recognition and disclosure of contingent liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands, except share and per share data

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

These estimates are based on historical data and experience, as well as various other factors that management believes to be reasonable under the circumstances; the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources.

As of December 31, 2022 December 31, 2023, the impacts to the Company's business due to geopolitical developments, such as the wars in Israel and Ukraine and other active or possible hostilities, and macroeconomic factors, such as rising interest rates, inflation and changes in foreign currency exchange rates, continue to evolve. As events continue to evolve and additional information becomes available, the Company's estimates may change materially in future periods.

Functional Currency

The Company's functional currency is the U.S. dollars ("dollars"), as majority of the Company's revenues and costs of revenues are denominated in dollars. Accordingly, foreign currency assets and liabilities are remeasured into dollars at the end-of-period exchange rates except for non-monetary assets and liabilities, which are measured at historical exchange rates. Revenue and expenses are remeasured each day at the exchange rate in effect on the day the transaction occurred or the average exchange rate in the month in accordance with ASC 830, "Foreign Currency Matters". Gains or losses from foreign currency exchange rate re-measurement and settlements are included in finance income (expenses), net in the consolidated statements of income (loss).

Cash and cash equivalents

Cash and cash equivalents consist of cash in banks and highly liquid marketable securities investments, money market account and funds, commercial paper and corporate debt securities, with an original maturity of three months or less at the date of purchase and are readily convertible to known amounts of cash.

Restricted Deposits

The Company's restricted deposits primarily consist of bank deposits collateralizing the Company's operating leases.

Fair Value Measurements

Fair value is defined as the exchange price that would be received from the sale of an asset or paid to transfer a liability, considering the principal or most advantageous market in which it would transact and assumptions that market participants would use when pricing the asset or liability, in an orderly transaction between market participants at the measurement date. The Company measures financial assets and liabilities at fair value at each reporting period using a fair value hierarchy which

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requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's classification within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Three levels of inputs may be used to measure fair value:

Level 1 -	Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
Level 2 -	Includes other inputs that are directly or indirectly observable in the marketplace.
Level 3 -	Unobservable inputs which are supported by little or no market activity.

Financial instruments consist of cash equivalents, restricted deposits, short-term investments, trade receivables, prepaid expenses and other current assets, trade payables, accrued liabilities expenses and other current liabilities, Warrants liability and derivative financial instruments. Short-term investments, Warrants liability and derivative financial instruments are stated at fair value on a recurring basis. Cash equivalents, restricted deposits, trade receivables, prepaid expenses and other current assets, trade payables, accrued liabilities expenses and other current liabilities, are stated at their carrying value, which approximates their fair value due to the short time to the expected receipt or payment date.

Derivative Financial Instruments

The Company enters into foreign currency forward and put and call option contracts with financial institution**s** to protect itself against the foreign exchange risks, mainly exposure to changes in the exchange rate of the New Israeli Shekel ("NIS") against the U.S. dollar that are associated with forecasted future cash flows related to salary expenses, for up to twelve months, as part of the Company's risk management strategy. The Company does not enter into derivative transactions for trading or speculative purposes.

In accordance with ASC 815, "Derivatives and Hedging", the Company recognizes all derivatives on the consolidated balance sheets at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on their intended use and their designation.

For derivative instruments that hedge the exposure to variability in expected future cash flows that are designated as cash flow hedge, changes in the fair value of these derivatives are recorded in accumulated other comprehensive income (loss) as a component of shareholders' equity in the consolidated balance sheets until the forecasted transaction occurs. Upon occurrence, the Company reclassifies the related gains or losses on the derivative to the same financial statement line item in the consolidated statements of income (loss) to which the derivative relates. In case the Company discontinues cash flow hedges, it records the related amount in finance income (expenses), net, on the consolidated statements of income (loss).

The Company accounts for its derivative financial instruments as either prepaid expenses and other current assets or accrued expenses and other current liabilities in the consolidated balance sheets at their fair value.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Short-term investments

The Company's short-term investments consist of marketable securities. The Company classifies its marketable securities as available-for-sale at the time of purchase and reevaluates such classification at each balance sheet date. The Company may sell these securities at any time for use in current operations even if they have not yet reached maturity. As a result, the Company classifies its marketable securities, including those with maturities beyond 12 months, as current assets in the consolidated balance sheets.

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The Company carries these securities at fair value and records unrealized gains and losses, net of taxes, in accumulated other comprehensive income (loss) as a component of shareholders' equity, except for changes in allowance for expected credit losses, which are recorded in finance income (expenses), net.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The Company periodically evaluates its available-for-sale debt securities for impairment. If the amortized cost of an individual security exceeds its fair value, the Company considers its intent to sell the security or whether it is more likely than not that it will be required to sell the security before recovery of its amortized basis. If either of these criteria are met, the Company writes down the security to its fair value and records the impairment charge in finance income (expenses), net, in the consolidated statements of income (loss).

If neither of these criteria are met, the Company determines whether credit loss exists. Credit loss is estimated by considering changes to the rating of the security by a rating agency, any adverse conditions specifically related to the security, as well as other factors.

Realized gains and losses on available-for-sale marketable securities are included in the consolidated statements of income (loss).

Trade Receivables and Allowance for Credit Losses

Trade receivables are recorded at the invoiced amount and amounts for which revenue has been recognized but not invoiced, net of allowance for credit losses. Payment terms and conditions vary by contract type, although terms generally include a requirement to pay within 30 days of the invoice.

The Company's expected loss allowance methodology for accounts receivable is developed using historical collection experience and current and future economics economic and market conditions.

The estimate of the amount that may not be collected is based on the geographic location, aging and customer financial condition. Additionally, specific allowance amounts are established to record the appropriate provision for customers that have a higher probability of default. The Company writes-off receivables when they are deemed uncollectible, having exhausted all collection efforts.

Concentrations of Credit Risks Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, cash equivalents, restricted deposits, short-term investments, trade receivables and other current assets, and derivative instruments.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The Company's cash, cash equivalents and restricted deposits are invested in major banks mostly in Israel, the United States, the United Kingdom and United Kingdom. Israel. The Company maintains cash and cash equivalents with diverse financial institutions and monitors the amount of credit exposure to each financial institution. In the United States and United Kingdom, the Company deposits are maintained with commercial banks, which are insured by the U.S. Federal Deposit Insurance Corporation ("FDIC") and Financial Services Compensation Scheme ("FSCS"), which is authorized by the Bank of England (acting in its capacity as the Prudential Regulation Authority), respectively. At various times the Company has deposits in excess of the maximum amounts insured by the FDIC and FSCS. In Israel, commercial banks do not have government-sponsored deposit insurance. As of December 31, 2022 December 31, 2023, we maintained cash balances with U.S. and United Kingdom banks that significantly exceed FDIC and FSCS insurance limits and expect we will continue to do so. As of December 31, 2023, the Company has not experienced credit losses related to these balances.

As of December 31, 2022 and 2021, the Company maintained balances of approximately $32,764 and $162,301, respectively, with U.S. banks in excess of the amounts insured by the FDIC and $41,834 and $35,814, respectively, with United Kingdom banks in excess of the amounts insured by the FSCS. (See Note 21).

The Company's short-term investments are investments in marketable securities with high credit ratings as required by the Company's investment policy and are not insured or guaranteed.

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NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The Company's trade receivables are geographically diversified and derived mainly from sales in the United States. States, Israel, Germany and United Kingdom. Concentration of credit risk with respect to trade receivables is limited by credit limits, ongoing credit evaluation and account monitoring procedures. The Company performs ongoing credit evaluations of its accounts receivables and establishes an allowance for expected losses as necessary.

As of December 31, 2022 December 31, 2023 and 2021, 2022, no single customer represented 10% or more of accounts receivable. No single customer accounted for more than 10% of total revenue for the periods presented.

The Company's derivatives expose it to credit risk to the extent that the counterparties may be unable to meet the terms of the agreement. The Company seeks to mitigate such risk by limiting its counterparties to major financial institutions and by spreading the risk across a number of major financial institutions.

Deferred Offering Costs

Deferred offering costs consist primarily of accounting, legal, and other fees related to the Company's Merger agreement. Following consummation of the Merger agreement and related Transactions, transactions, the deferred offering costs were reclassified to shareholders' equity and recorded against the proceeds from the Transaction. transaction. The Company capitalized $2,096 of deferred offering costs within the long-term prepaid expenses in the consolidated balance sheets as of December 31, 2020. These costs were paid during the year ended December 31, 2021.

Leases

The Company accounts for its leases under ASU 2016-02, "Leases". The Company determines if an arrangement is or contains a lease at inception. The Company has elected not to recognize short-term leases on the balance sheet, nor separate lease and non-lease components and currently does not have any finance leases.

The operating lease operating lease right of use assets, or ROU assets, and related lease liability are initially measured at the present value of the future lease payments discounted using the interest Company's incremental borrowing rate, because the rate implicit in the lease or, if that rate cannot be Company's leases is not readily determined, the Company's incremental borrowing rate based on the information available at the lease commencement date in determining the present value of the lease payments.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

determinable. The Company's incremental borrowing rate is estimated to approximate the interest rate on similar terms and payments and in economic environments where the leased asset is located.

Some of the Company's leases contain one or more options to extend. The exercise of lease renewal options is typically at the Company's sole discretion. The Company considers various factors such as market conditions and the terms of any renewal options that may exist to determine whether it is reasonably certain to exercise the options to extend the lease.

Some of the real estate leases contain variable lease payments, including payments based on a Consumer Price Index ("CPI"). Variable lease payments based on a CPI are initially measured using the index in effect at lease adoption, and will not be subsequently adjusted, unless the liability is reassessed for other reasons. Additional payments based on the change in a CPI are recorded as a period expense when incurred.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

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Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets at the following annual rates:

	Years
Computer equipment and software	3 - 4
Internal-use software	3
Office furniture and equipment	3 - 7
Leasehold improvements	Over the shorter of expected lease term or estimated useful life

Internal-Use Software Development Costs

According to ASC 350-40 the Company capitalizes certain internal-use software development costs associated with creating and enhancing internal-use software related to its platform and technology infrastructure. These costs include personnel and related employee benefits expenses for employees who are directly associated with and who devote time to software projects, and services consumed in developing or obtaining the software.

Capitalized internal-use software is included in property and equipment, net in the consolidated balance sheets. Software development costs that do not meet the criteria for capitalization are expensed as incurred and recorded in research and development expenses in the consolidated statements of income (loss).

Software development activities generally consist of three stages, (i) the planning stage, (ii) the application and infrastructure development stage, and (iii) the post implementation stage. Costs incurred in the planning and post implementation stages of software development, including costs associated with the post configuration training and repairs and maintenance of the developed technologies, are expensed as incurred. Costs incurred in the application and infrastructure development stages, including significant enhancements and upgrades, are capitalized. Capitalization ends once a project is substantially complete, and the software and technologies are ready for their intended purpose.

Internal-use software development costs are amortized using a straight-line method over the estimated useful life of three years, commencing when the software is ready for its intended use.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Business Combinations

The Company records acquisitions based on the fair value of the consideration transferred and then allocates the purchase price to the identifiable assets acquired and liabilities assumed based on their respective fair values as of the acquisition date.

The excess of the value of consideration transferred over the aggregate fair value of those net assets is recorded as goodwill. Any identified definite lived intangible assets will be amortized over their estimated useful lives and any identified intangible assets with indefinite useful lives and goodwill will not be amortized but will be tested for impairment at least annually. When determining the fair value of assets acquired and liabilities assumed, management makes significant estimates and assumptions, including the selection of valuation methodologies, estimates of future revenues and cash flows, discount rates, especially with respect to intangible assets.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Critical estimates in valuing certain intangible assets include, but are not limited to, future expected cash flows from customer relationships, merchant/network affiliate relationships, publisher relationships, technology, tradenames and discount rates. The Company estimates fair value based upon assumptions that are believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates.

Upon the conclusion of the measurement period or final determination of the fair value of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to the Company's consolidated statements of income (loss).

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Acquisition-related transaction costs are not included as a component of consideration transferred, but are accounted for as an expense in the period in which the costs are incurred.

Intangible Assets

Intangible assets consist of identifiable intangible assets that the Company has acquired from previous business combinations. Intangible assets are recorded at fair value, net of accumulated amortization. The Company amortizes its intangible assets reflecting the pattern in which the economic benefits of the intangible assets are consumed. When a pattern cannot be reliably determined, the Company uses a straight-line amortization method. Each period the Company evaluates the estimated remaining useful lives of its intangible assets and whether events or changes in circumstances require a revision to the remaining period of amortization.

The estimated useful lives of the Company's intangible assets are as follows:

	Years
Marchant/ Merchant / Network affiliate relationships	4.5
Publisher relationships	4
Tradenames	2 - 3
Technology	4 - 5
Customer relationships	5 - 9

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Impairment of Long-Lived Assets

The Company's Company assesses the recoverability of its long-lived assets, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying value may not be recoverable, in accordance with ASC 360, "Property, Plant and Equipment", whenever events or changes in circumstances indicate that the carrying amount of an asset (or asset group) may not be recoverable. . Recoverability of assets (or a long-lived asset group) to be held and used is measured by a comparison comparing the carrying value of the carrying amount of an asset group to the future projected undiscounted cash flows expected to be generated by over their remaining lives. If the assets. If such assets are considered to be impaired, carrying value exceeds the projected undiscounted cash flows, an impairment to be recognized loss is measured by recognized. Impairment equals the amount by which the carrying amount value exceeds estimated fair value. An impairment loss is charged to consolidated statements of income (loss) in the assets exceeds the fair value of the assets. period in which management determines such impairment.

There was no impairment of long-lived assets in the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020. 2021.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Goodwill

Goodwill represents the excess of the purchase price over the estimated aggregate fair value of net tangible and identifiable intangible the consideration transferred in a business combination over the fair value of the assets acquired, net of liabilities assumed. Goodwill is not amortized, but is subject to impairment testing at the reporting unit level conducted annually on December 31, or more frequently if events or changes in business combinations.

circumstances indicate that goodwill may be impaired. The Company's annual impairment assessment of Company identified a single reporting unit is performed as of December 31, of each year. Assessments are performed at other times if events or circumstances indicate it is more likely than not that the asset is impaired. Events or changes in circumstances which could trigger an impairment review include a significant adverse change in legal factors or in the business climate, an adverse action or assessment by a regulator, unanticipated competition, a loss of key personnel, significant changes in the manner of the Company's use of the acquired assets, or the strategy for the Company's overall business, significant negative industry or economic trends, or significant underperformance relative to expected historical or projected future results of operations. If the Company determines that it is more likely than *not* that the fair value of a reporting unit is less than its carrying value, then the Company prepares a quantitative analysis to determine whether the carrying value of a reporting unit exceeds its estimated fair value. If the carrying value of a reporting unit exceeds its estimated fair value, the Company recognizes an impairment purpose of goodwill for the amount of this excess. impairment testing.

There was no impairment of goodwill in the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020. 2021.

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Segment Information

The Company operates in one operating and reportable segment. Operating segments are defined as components of an enterprise about which separate financial information is evaluated regularly by the chief operating decision maker, who is the Company's CEO, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker allocates resources and assesses performance based upon discrete financial information at the consolidated level.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Revenue Recognition

Under ASC 606, "Revenues from Contracts with Customers", the Company recognizes revenue when its customer obtains control of promised goods or services in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services. To determine revenue recognition for contracts that are within the scope of the standard, the Company perform performs the following five steps:

(i) Identify the contract with a customer;

(ii) Identify the performance obligations in the contract, including whether they are distinct in the context of the contract;

(iii) Determine the transaction price, including the constraint on variable consideration;

(iv) Allocate the transaction price to the performance obligations in the contract;

(v) Recognize revenue as the Company satisfies the performance obligations.

The Company generates revenues when people click on, purchase from or, in some cases, view the ads that appear within its recommendation platform. The Company's customers are the advertisers, merchants and affiliate networks that advertise on the Company's platform (collectively, "Advertisers"). Advertisers pay Taboola for those clicks, purchases or impressions and Taboola generally shares the resulting revenue with the digital properties who display those ads.

Advertisers accept the Company's terms of service upon signature on an IO (insertion order) or any applicable form and registration to the platform.

- For campaigns priced on a cost-per-click ("CPC") basis, the Company bills the customers and recognizes revenues when a user clicks on an advertisement displayed.
- For campaigns priced on a cost-per-thousand impression basis ("CPM"), the Company bills the customers and recognizes revenues based on the number of times an advertisement is displayed to a user.
- For campaigns priced on a performance-based cost-per-action ("CPA") basis, the Company bills the customers and recognizes revenues when a user makes an acquisition.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The determination of whether revenue should be reported gross of amounts billed to Advertisers (gross basis) or net of payments to digital properties partners (net basis) requires significant judgment and is based on management assessment of whether the Company is acting as the principal or an agent in the transaction. The Company has determined that in certain arrangements it acts as principal because it has the ability to direct the services to its customers, while in others it does not.

On revenues presented on a gross basis the Company has contracts with its digital properties that provide exclusivity and cover multiple years at inception. These agreements typically require that the Company's code be integrated on the digital property web page. Thus, in the vast majority of the Company's business, it does not bid for an ad placement, but rather it controls the specified pages before they are transferred to the customer, sees all users that visit the respective pages and is able to run a predictive auction and direct the ad placement to the relevant customer. The Company further concluded that (i) the Company is primarily responsible for fulfilling the promise to provide the service in the arrangement and controls what recommendations to place; (ii) the Company has latitude in establishing the contract price with the advertisers, and (iii) the Company has inventory risk on a portion of its multi-year agreement with digital properties. Therefore, based on these and other factors, the Company reports revenue earned on a gross basis.

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NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

For those revenue arrangements where the Company does not control the advertising inventory before it is transferred to its Advertisers, does not have inventory risks as the Company does not purchase the advertising inventory upfront or has limited discretion in establishing prices, the Company believes it acts as an agent and recognizes revenue and related costs incurred on a net basis.

Trade receivables are recorded at the amount of gross billings the Company is responsible to collect, trade payables, representing liabilities towards digital properties, are recorded at the amount payable to publishers.

Practical Expedients

The Company does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) contracts for which the Company recognizes revenue at the amount to which it has the right to invoice for services performed.

The Company generally expenses sales commissions when incurred because the amortization period would have been one year or less. These costs are recorded within sales and marketing expenses.

Cost of Revenues

The Company's cost of revenue primarily includes Traffic acquisition costs and other cost of revenue.

Traffic acquisition cost. Traffic acquisition cost, or TAC, consists primarily of cost related to digital property compensation for placing Taboola's platform on their digital property and cost for advertising impressions purchased from real-time advertising exchanges and other third parties. Traffic acquisition cost also includes up-front payments, incentive payments, or bonuses paid to the digital property partners, which are amortized over the shorter of respective contractual term terms and the economic benefit period of the digital property arrangement. Taboola has two primary compensation models for digital properties. The most common model is a revenue share model. In this model, Taboola agrees to pay a fixed percentage of the revenue that it generates from advertisements placed on the digital properties.

The second model includes guarantees. Under this model, Taboola mostly pays a greater of a fixed percentage of the revenue generated and a committed guaranteed amount per thousand page views ("Minimum guarantee model"). Actual compensation is settled on a monthly basis. Expenses under both the revenue share model as well as the Minimum guarantee model are recorded as incurred, based on actual revenues generated by Taboola at the respective month.

Other cost of revenue. Other cost of revenue primarily consists of data center and related costs, depreciation expense related to hardware supporting Taboola's platform, amortization expense related to capitalized internal-use software and acquired intangibles, personnel costs, and allocated facilities costs. Personnel costs include salaries, bonuses, share-based compensation, and employee benefit costs, and are primarily attributable to the operations group, which supports the Company's platform and clients.

Research and Development

Research and development expenses consist primarily of personnel costs, including salaries, bonuses, share-based compensation and employee benefits costs, allocated facilities costs, professional services and depreciation.

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Warrants Liability

The Company evaluated the Public Warrants and Private Warrants (collectively: "Warrants") in accordance with ASC 815-40, ''Derivatives and Hedging — Contracts in Entity's Own Equity'', and concluded that a provision in the Warrants Agreement related to certain tender or exchange offers, as well as provisions that provided for potential changes to the settlement amounts dependent upon the characteristics of the holder of the warrant, preclude the Warrants from being accounted for as components of equity.

As the Warrants meet the definition of a derivative as contemplated in ASC 815 and are not eligible for an exception from derivative accounting, the Warrants are recorded as derivative liabilities in the consolidated balance sheets and measured at fair value at inception (on June 29, 2021, the date of the Business Combination) and at each reporting period in accordance with ASC 820, ''Fair Value Measurement'', with changes in fair value presented within finance income (expense), net in the consolidated statements of income (loss) loss in the period of change.

The Company established the initial fair value for the Warrants as of June 29, 2021, the date of the Business Combination, using a quoted price for the Public Warrants and a Black-Scholes simulation model for the Private Warrants. The Private Warrants were classified as Level 3 at the initial measurement date due to the use of unobservable inputs.

The key inputs into the Black-Scholes model for the Private Warrants as of December 31, 2022 December 31, 2023 and 2021, 2022, were as follows:

Input	December 31,		December 31,	
	2022	2021		
			2023	2022
Risk-free interest rate	4.08% - 4.18%	1.07% - 1.18%	4.04% - 4.28%	4.08% - 4.18%
Expected term (years)	2.75 - 3.50	3.75 - 4.50	1.75 - 2.50	2.75 - 3.50
Expected volatility	67.5% - 69.3%	66.1% - 68.6%	61.1% - 63.9%	67.5% - 69.3%
Exercise price	$ 11.50	$ 11.50	$ 11.50	$ 11.50
Underlying stock price	$ 3.08	$ 7.78	$ 4.33	$ 3.08

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The Company's use of a Black-Scholes model required the use of subjective assumptions:

- The risk-free interest rate assumption was interpolated based on constant maturity U.S. Treasury rates over a term commensurate with the expected term of the Private Warrants.
- The expected term was based on the maturity of the Private Warrants of five years following June 29, 2021, the Business Combination date, and for certain Private Warrants the maturity was determined to be five years from the date of the October 1, 2020, ION initial public offering effective date.
- The expected share volatility assumption was based on the implied volatility from a set of comparable publicly-traded companies as determined based on size and proximity.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Share-Based Compensation

Share-based compensation expense related to share-based awards is recognized based on the fair value of the awards granted and recognized as an expense over the requisite service period for share options and RSUs. The Company elects the straight-line recognition method for awards subject to graded vesting based only on a service condition and implements the accelerated method for awards that are subject to a performance condition. The compensation expense associated with performance based RSUs is adjusted based on the probability of achieving performance targets. Forfeitures are accounted for as they occur.

The fair value of each option award is estimated on the grant date using the Black-Scholes option pricing model. The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the fair value of the underlying ordinary shares, the expected term of the award, the expected volatility of the price of

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the Company's ordinary shares, risk-free interest rates, and the expected dividend yield of ordinary shares. The fair value of each RSU award is based on the fair value of the underlying ordinary shares on the grant date. The assumptions used to determine the fair value of the share awards represent management's best estimates. These estimates involve inherent uncertainties and the application of management's judgment.

The fair value of each option award is estimated using the following assumptions:

	Year ended December 31,				
	2022	2021	2020	Year ended December 31, 2022	Year ended December 31, 2021
Volatility	66.0% - 66.9%	51.5% - 65.6%	50.0% - 54.0%	66.0% - 66.9%	51.5% - 65.6%
Risk-free interest rate	1.86% - 3.78%	0.61% - 1.36%	0.38% - 0.67%	1.86% - 3.78%	0.61% - 1.36%
Dividend yield	0%	0%	0%	0%	0%
Expected term (in years)	5.49 - 6.1	5 - 6.86	6.25	5.49 - 6.1	5 - 6.86

The Company did not grant options awards during the year ended December 31, 2023.

These assumptions and estimates were determined as follows:

Fair Value of Ordinary Shares. For periods after the Company's shares began trading on June 30, 2021, the fair value of the shares is determined by the closing price of the Company's Ordinary Shares shares as reported on the date of grant. For periods prior to the public listing, the fair value was determined by the Company's board of directors, with input from management and valuation reports prepared by independent third-party valuation specialists.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Risk-Free Interest Rate. The risk-free rate for the expected term of the options is based on the yields of the U.S. Treasury securities with maturities appropriate for the expected term of employee share option awards.

Expected Term. The expected term represents the period that options are expected to be outstanding. The Company determines the expected term using the simplified method. The simplified method deems the term to be the average of the time-to-vesting and the contractual life of the options.

Expected Volatility. Since the Company has a limited trading history of its Ordinary Shares, shares, the expected volatility is derived from the average historical share volatilities based on peer group public companies that the Company considers to be comparable to its own business over a period equivalent to the option's expected term.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Expected Dividend Yield. The Company has never declared or paid any cash dividends and does not presently plan to pay cash dividends in the foreseeable future. As a result, an expected dividend yield of zero percent was used.

Income taxes

The Company is subject to income taxes in Israel, the U.S., and other foreign jurisdictions. These foreign jurisdictions may have different statutory rates than in Israel. Income taxes are accounted for in accordance with ASC 740, Income Taxes ("ASC 740") "Income Taxes". Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax basis as well as operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The financial effect of changes in tax laws or rates is accounted for in the period of enactment. Valuation allowances are provided when necessary to reduce deferred tax assets to the amount expected to be realized.

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The Company recognizes income tax benefits from uncertain tax positions only if it believes that it is more likely than not that the tax position will be sustained upon examination by the taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such uncertain tax positions are then measured based on the largest benefit that is more likely than not to be realized upon the ultimate settlement. Although the Company believes that it has adequately reserved for its uncertain tax positions, it can provide no assurance that the final tax outcome of these matters will not be materially different. The Company makes adjustments to these reserves when facts and circumstances change, such as the closing of a tax audit or the refinement of an estimate. To the extent that the final tax outcome of these matters is different from the amounts recorded, such differences will affect the provision for income taxes in the period in which such determination is made. The Company classifies interest and penalties on income taxes (which includes uncertain tax positions) as taxes on income.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Loss Contingency

The Company evaluates the likelihood of an unfavorable outcome in legal or regulatory proceedings to which it is a party and records a loss contingency when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These judgments are subjective, based on the status of such legal or regulatory proceedings, the merits of the Company's defenses and consultation with corporate and external legal counsel. Actual outcomes may differ materially from the Company's estimates. Legal costs associated with the proceedings are expensed as incurred.

Treasury Ordinary Shares

The Company may repurchase its Ordinary shares from time to time in the open market, or in other transactions, and holds such shares as treasury Ordinary shares. The Company presents the cost to repurchase treasury Ordinary shares as a separate component and as a reduction of shareholders' equity.

The Company may reissue treasury Ordinary shares from time to time for various corporate purposes, including in connection with compensatory awards.

Net income (loss) Per Share Attributable to Ordinary and Non-voting Ordinary Shareholders

The Company calculates basic net income (loss) per share by dividing the net income (loss) by the weighted-average number of ordinary Ordinary shares and Non-voting Ordinary shares outstanding during the period. Diluted net income (loss) per share is computed by giving effect to all potentially dilutive ordinary share equivalents securities outstanding for the period, including share options and restricted share units.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

period. Diluted net income (loss) loss per share was the same as basic net income (loss) loss per share in periods when the effects of potentially dilutive shares of ordinary shares securities were anti-dilutive.

For periods before the Company's shares began trading on June 30, 2021, the Company calculated basic net income (loss) per share using the two-class method required for participating securities. The Company considered its convertible preferred shares to be participating securities as the holders of the convertible preferred shares would be entitled to dividends that would be distributed to the holders of ordinary shares, on a pro-rata basis assuming conversion of all convertible preferred shares into ordinary shares. These participating securities did not contractually require the holders of such shares to participate in the Company's losses. As such, net loss for the periods presented was not allocated to the Company's participating securities.

Reclassification

Certain amounts in the corresponding periods have been reclassified to conform with the current year's presentation. Such reclassifications did not affect net income (loss), loss, changes in the convertible preferred shares and shareholders' equity or cash flows.

Recently Adopted Accounting Pronouncements

In August 2020, FASB issued ASU 2020-06, "Debt—Debt with Conversion and Other Options (Subtopic 470-20)" and "Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity", which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity. This guidance also eliminates the treasury stock method to calculate diluted earnings per share for convertible instruments and requires the use of the if-converted method. The Company adopted the guidance on January 1, 2022. The adoption of this ASU had no impact on the Company's consolidated financial statements.

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In October 2021, FASB issued ASU 2021-08, “Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers”, which clarifies that an acquirer of a business should recognize and measure contract assets and contract liabilities in a business combination in accordance with ASC 606, “Revenue from Contracts with Customers”. This guidance is effective for fiscal years beginning after December 15, 2022 and interim periods within those fiscal years. Early adoption is permitted. The Company elected to early adopt ASU 2021-08 on January 1, 2022, and apply this new guidance to all business combinations consummated subsequent to this date. The adoption of this ASU had no impact on the Company's consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands, except share and per share data

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Recently Issued Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09 “Income Taxes (Topics 740): Improvements to Income Tax Disclosures”, which expands the disclosure requirements for income taxes, primarily related to the rate reconciliation and income taxes paid. This ASU is effective for the fiscal years beginning after December 15, 2024. Early adoption permitted. The Company does not expect the adoption of this guidance will have a significant impact on its consolidated financial statement and related disclosures and will adopt the guidance effective January 1, 2025.

In November 2023, the FASB issued ASU 2023-07, “Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures”, which expands the annual and interim disclosure requirements for public company reportable segments, primarily through enhanced information about the significant expenses. This ASU is effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024. Early adoption permitted. The Company is currently evaluating the impact of this guidance on its consolidated financial statements and related disclosures.

NOTE 3:- CASH AND CASH EQUIVALENTS

The following table presents for each reported period, the breakdown of cash and cash equivalents:

	December 31,			
	2022	2021	December 31,	
			2023	2022
Cash	$ 142,127	$ 137,050	$ 99,811	$ 142,127
Money market accounts and funds	22,583	125,064	72,510	22,583
Time deposits	1,183	57,205	3,787	1,183
Total Cash and cash equivalents	$ 165,893	$ 319,319	$ 176,108	$ 165,893

NOTE 4:- FAIR VALUE MEASUREMENTS

The Company evaluates assets and liabilities subject to fair value measurements on a recurring basis to determine the appropriate level to classify them for each reporting period. The Company did not have any transfers between fair value measurements levels in the years ended December 31, 2022 December 31, 2023, 2022 and 2021.

The following table sets forth the Company’s assets and liabilities that were measured at fair value as of December 31, 2022 December 31, 2023 and 2021, 2022, by level within the fair value hierarchy:

Description	Fair Value Hierarchy	Fair value measurements as of		Fair Value Hierarchy	Fair value measurements as of	
		December 31, 2022	December 31, 2021		December 31, 2023	December 31, 2022
Assets:						
Cash equivalents:						

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Money market accounts and funds	Level 1	$ 22,583	$ 125,064	Level 1	$ 72,510	$ 22,583
Short-term investments:						
Corporate debt securities				Level 2	$ 3,651	$ 21,636
Commercial paper				Level 2	$ 2,074	$ 8,565
U.S. government treasuries	Level 2	$ 46,222	$ —	Level 2	$ —	$ 46,222
Corporate debt securities	Level 2	$ 21,636	$ —			
U.S. agency bonds	Level 2	$ 20,491	$ —	Level 2	$ —	$ 20,491
Commercial paper	Level 2	$ 8,565	$ —			
Derivative instruments asset:						
Derivative instruments designated as cash flow hedging instruments				Level 2	$ 948	$ —
Liabilities:						
Warrants liability:						
Public Warrants	Level 1	$ (2,856)	$ (8,963)	Level 1	$ (4,253)	$ (2,856)
Private Warrants	Level 3	$ (3,900)	$ (22,264)	Level 3	$ (1,876)	$ (3,900)
Derivative instruments liability:						
Derivative instruments designated as cash flow hedging instruments	Level 2	$ (313)	$ —	Level 2	$ —	$ (313)

NOTE 4:- FAIR VALUE MEASUREMENTS (Cont.)

The Company classifies its money market accounts and funds as Level 1 based on quoted market prices in active markets.

The Company classifies its short-term investments and derivative financial instruments within Level 2 as they are valued using inputs other than quoted prices which are directly or indirectly observable in the market, including readily-available pricing sources for the identical underlying security which may not be actively traded.

NOTE 4:- FAIR VALUE MEASUREMENTS (Cont.)

The Company measures the fair value for Warrants by using a quoted price for the Public Warrants, which are classified as Level 1, and a Black-Scholes simulation model for the Private Warrants, which are classified as Level 3, due to the use of unobservable inputs.

The following table presents the changes in the fair value of Warrants liability:

Input	Private Warrants	Public Warrants	Total Warrants	Private Warrants	Public Warrants	Total Warrants
Fair value as of December 31, 2021	$ 22,264	$ 8,963	$ 31,227			
Fair value as of December 31, 2022				$ 3,900	$ 2,856	$ 6,756
Change from private to public holdings				(2,025)	2,025	—
Change in fair value	(18,364)	(6,107)	(24,471)	1	(628)	(627)
Fair value as of December 31, 2022	$ 3,900	$ 2,856	$ 6,756			
Fair value as of December 31, 2023				$ 1,876	$ 4,253	$ 6,129

NOTE 5:-

NOTE 5:- SHORT-TERM INVESTMENTS

The following is a summary of available-for-sale marketable securities:

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	December 31, 2022				December 31, 2023			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. government treasuries	$ 46,452	$ —	$ (230)	$ 46,222				
Corporate debt securities	21,762	—	(126)	21,636	$ 3,654	$ —	$ (3)	$ 3,651
U.S. agency bonds	20,622	—	(131)	20,491				
Commercial paper	8,599	—	(34)	8,565	2,077	—	(3)	2,074
Total	$ 97,435	$ —	$ (521)	$ 96,914	$ 5,731	$ —	$ (6)	$ 5,725

	December 31, 2022			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. government treasuries	$ 46,452	$ —	$ (230)	$ 46,222
Corporate debt securities	21,762	—	(126)	21,636
U.S. agency bonds	20,622	—	(131)	20,491
Commercial paper	8,599	—	(34)	8,565
Total	$ 97,435	$ —	$ (521)	$ 96,914

As of December 31, 2021 the Company did not have any available-for-sale marketable securities.

For the year ended December 31, 2022, December 31, 2023 and 2022, the unrealized losses related to marketable securities (which were accumulated in a period of less than 12 months) were as a result of market fluctuations and not due to credit related losses, and therefore, the Company did not record an allowance for credit losses for its available-for-sale marketable securities.

As of December 31, 2022 December 31, 2023, all of the Company's available-for-sale marketable securities were due within one year.

As of December 31, 2022, the notional amounts of the Company's derivative instruments designated as cash flow hedging instruments outstanding in U.S. dollars, which are translated and calculated based on forward rates, amounted to $38,669.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands, except share and per share data

NOTE 6:- DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Company records all cash flow hedging instruments on the consolidated balance sheets at fair value. The fair value values of outstanding derivative instruments designated as cash flow hedging instruments recorded were as liabilities as of December 31, 2022, was $313, which were recorded in accrued expenses and other current liabilities in the consolidated balance sheets.

follows:

The changes related to

	December 31,	
	2023	2022
Prepaid expenses and other current assets	$ 948	$ —
Accrued expenses and other current liabilities	$ —	$ 313

As of December 31, 2023 and 2022, the notional amounts of the Company's derivative instruments designated as cash flow hedging instruments recorded outstanding in U.S. dollars amounted to $39,347 and $38,669, respectively.

The Company had no derivative instruments or hedging activities as of December 31, 2021.

Effect of Foreign Currency Contracts on the Consolidated Statements of loss

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The effect of foreign currency contracts designated as cash flow hedge on the consolidated statements of income (loss), loss, for the year years ended December 31, 2022, December 31, 2023 and 2022, were as follows:

	Year ended December 31, 2022	Year ended December 31, 2023	Year ended December 31, 2022
Cost of revenues	$ 450	$ 155	$ 450
Research and development	3,244	1,619	3,244
Sales and marketing	620	305	620
General and administrative	538	296	538
Total losses recognized in the consolidated statements of income (loss), net	$ 4,852		
Total losses recognized in the consolidated statements of loss, net		$ 2,375	$ 4,852

Effect of Foreign Currency Contracts on Accumulated Other Comprehensive Loss Income (Loss)

Net unrealized losses gains (losses) of foreign currency contracts designated as cash flow hedging instruments are recorded in accumulated other comprehensive losses. income (loss).

The changes in unrealized losses gains (losses) on the Company's derivative instruments recorded in accumulated other comprehensive loss income (loss) were as follows:

	Year ended December 31, 2022
Unrealized losses on derivative instruments as of December 31, 2021	$ —
Changes in fair value of derivative instruments	(5,165)
Reclassification of losses recognized in the consolidated statements of income (loss) from accumulated other comprehensive loss	4,852
Unrealized losses on derivative instruments as of December 31, 2022	$ (313)

	Year ended December 31, 2023	Year ended December 31, 2022
Unrealized losses on derivative instruments, beginning of period	$ (313)	$ —
Changes in fair value of derivative instruments	(1,114)	(5,165)
Reclassification of losses recognized in the consolidated statements of loss from accumulated other comprehensive income (loss)	2,375	4,852
Unrealized gains (losses) on derivative instruments, end of period	$ 948	$ (313)

All net deferred losses gains in accumulated other comprehensive loss income (loss) as of December 31, 2022 December 31, 2023, are expected to be recognized over the next twelve months as operating expenses in the same financial statement line item in the consolidated statements of income (loss) loss to which the derivative relates.

For the years ended December 31, 2021 and 2020 the Company did not have any derivative instruments or hedging activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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U.S. dollars in thousands, except share and per share data

NOTE 7:- BUSINESS COMBINATION

Connexity

On September 1, 2021, the Company completed the acquisition of Shop Holding Corporation ("Connexity") (the "Connexity Acquisition"), an independent e-Commerce media platform in the open web, from Shop Management, LLC ("Seller"). Connexity is a technology and data-driven integrated marketing services company focused on the e-commerce ecosystem. Through a focus on performance-based retail marketing, Connexity enables retailers and brands to understand their consumers better, acquire new customers at a lower cost, and increase sales from their target consumers. Connexity offers a comprehensive range of marketing services to online retailers and brands in the U.S. and Europe, including syndicated product listings, search marketing, and customer insights. Connexity corporate headquarters is in Santa Monica, California, and the Company also maintains an office in Karlsruhe, Germany.

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In accordance with the acquisition method of accounting, the total purchase price for the Connexity Acquisition was $753,217, comprised of $593,894 in cash and $157,689 based on the fair value of 17,328,049 shares of the Company's Ordinary Shares shares on the closing date and additional subsequent payment of $1,634 made during 2022 (of which $431 were accrued in December 2021).

During the year ended December 31, 2022, the Company performed final settlement of net working capital transactions that resulted in a net decrease of $374 in Goodwill.

The Company incurred acquisition-related transaction costs of $6,432 during the year ended December 31, 2021, which were included in general and administrative expenses in the consolidated statements of income (loss). loss.

The Company also committed to issue 3,681,030 of the Company's Ordinary Shares shares to certain Connexity employees (the "Holdback agreement"), to be released to those employees over the period of three years after the acquisition date, subject to their continued service and expensed over the applicable service periods. periods.

In the years ended December 31, 2023 and 2022, pursuant to the Holdback agreement, the Company issued 1,162,800 Ordinary shares and 1,227,010 Ordinary shares, respectively.

In addition, pursuant to the purchase agreement, agreement, the Company issued approximately $40,000 of RSUs to Connexity employees in accordance with the terms of the Company's equity plan. These RSUs are expected to vest and be expensed over a 4-5 year service period.

On September 1, 2022, pursuant to Connexity three years holdback agreement with certain Connexity employees, the Company issued 1,227,010 Ordinary Shares. Subsequent to the balance sheet date, on March 1, 2023, the Company issued additional 581,400 Ordinary shares.

NOTE 7:- BUSINESS COMBINATION (Cont.)

The following table summarizes the final fair value of assets acquired and liabilities assumed:

Cash and cash equivalents	$ 10,437
Other current assets	50,785
Intangible assets	270,025
Goodwill	530,800
Other noncurrent assets	8,432
Total assets acquired	870,479
Current liabilities	66,769
Deferred tax liability, net	50,493
Total liabilities assumed	117,262
Total purchase consideration	$ 753,217

	September 1, 2021
Cash and cash equivalents	$ 10,437
Other current assets	50,785
Intangible assets	270,025
Goodwill	530,800
Other noncurrent assets	8,432
Total assets acquired	870,479
Current liabilities	66,769
Deferred tax liability, net	50,493
Total liabilities assumed	117,262
Total purchase consideration	$ 753,217

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NOTE 7:- BUSINESS COMBINATION (Cont.)

Goodwill represents the purchase price paid in excess of the fair value of net tangible and intangible assets acquired, and is attributable primarily to expected synergies, economies of scale and the assembled workforce of Connexity. Goodwill is not deductible for income tax purposes.

The following table presents components of the identified intangible assets acquired and their estimated useful lives as of date of acquisition:

	Fair value	Useful life (In years)
Merchant/ Network affiliate relationships (1)	$ 146,547	4.5
Technology (1)	56,548	5.0
Publisher relationships (2)	42,933	4.0
Tradenames (2)	23,997	3.0
Total Intangible assets acquired	$ 270,025	

	Fair value	Useful life (In years)
Merchant/Network affiliate relationships (1)	$ 146,547	4.5
Technology (1)	56,548	5.0
Publisher relationships (2)	42,933	4.0
Tradenames (2)	23,997	3.0

(1) Fair value was determined by using the income approach.

(2) Fair value was determined by using the cost approach.

The results of operations of Connexity have been included in the consolidated financial statements since the acquisition date of September 1, 2021. Connexity revenue included in the Company's consolidated statement of operations from September 1, 2021, through December 31, 2021, was $37,692. There is no practical way to determine net income attributable to Connexity due to integration.

The following unaudited pro forma combined financial information table presents the results of operations of the Company and Connexity as if the acquisition of Connexity have been completed on January 1, 2020. The unaudited pro forma financial information includes adjustments primarily related to amortization of the acquired intangible assets, recognition of transaction costs and bonuses, recognition of share-based compensation associated with RSU grants to Connexity employees and the holdback consideration, as noted above.

The unaudited pro forma results have been prepared for illustrative purposes only and are not necessarily indicative of what the actual results of operations of the Company and Connexity, combined, would have been due to any synergies, economies of scale and the assembled workforce of Connexity.

	Year ended December 31, Unaudited	
	2021	2020
Revenues	$ 1,433,555	$ 1,258,214
Net income (loss)	$ (50,312)	$ (144,146)

Gravity R&D Zrt.

In July 2022, the Company completed the acquisition of Gravity R&D Zrt. ("Gravity R&D") a privately-held company based in Budapest, Hungary, which provides personalization recommendation services, for a total consideration of $6,982, $7,035, net of cash acquired. As part of a preliminary purchase price allocation, , $1,790 $1,780 was attributed to identified intangible assets $5,863 and $5,925 to goodwill. Goodwill is not deductible for income tax purposes.

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NOTE 7:- BUSINESS COMBINATION (Cont.)

Total In 2022, total acquisition-related transaction costs of $742 were incurred in relation to the acquisition, which were recognized as an expense and included in general and administrative expenses in the consolidated statements of income (loss loss).

The results of Gravity R&D operations were consolidated in the Company's consolidated financial statements commencing on the date of the acquisition and were immaterial to the Company's results of operations for the year ended December 31, 2022. Pro forma information has not been provided, since the impact of Gravity R&D's financial results were immaterial to the revenue and net income (loss) loss of the Company.

NOTE 8:- PREPAID EXPENSES AND OTHER CURRENT ASSETS

	December 31,		December 31,	
	2022	2021	2023	2022
Prepaid expenses	$ 51,110	$ 33,684	$ 48,878	$ 51,110
Government institutions	15,277	14,409	10,691	15,277
Derivative instruments			948	—
Other current asset	7,256	15,301	9,348	7,256
	$ 73,643	$ 63,394		
Total prepaid expenses and other current assets			$ 69,865	$ 73,643

NOTE 9:- PROPERTY AND EQUIPMENT, NET

Property and equipment, net consist of the following:

	December 31,		December 31,	
	2022	2021	2023	2022
Computer and equipment and software	$ 180,064	$ 159,407	$ 192,555	$ 180,064
Internal-use software	48,433	34,781	62,864	48,433
Leasehold improvements	19,211	17,803	18,926	19,211
Office furniture and equipment	5,155	4,563	3,679	5,155
Property and equipment, gross	252,863	216,554	278,024	252,863
Less accumulated depreciation	(179,844)	(153,295)	(205,869)	(179,844)
Property and equipment, net	$ 73,019	$ 63,259	$ 72,155	$ 73,019

The Company capitalized internal-use software costs of $14,954 $14,431 and $13,522 $14,954 for the years ended December 31, 2022 December 31, 2023 and 2021, 2022, respectively. The Company's capitalized internal-use software amortization is included in cost of revenues in the Company's consolidated statements of income (loss) loss and totaled to $12,446, $5,422 $1,923 and $1,486 $1,923 for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively.

Total depreciation expenses (including amortization of internal-use software) for the years ended December 31, 2022 December 31, 2023, 2022 and 2021, were $32,624, $27,664 and 2020, were $27,664, $30,104, and $31,397, respectively.

For the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, the Company wrote off fully depreciated property and equipment, which were no longer in use, with a cost basis of $6,599, $2,393 $0 and $6,798, $0, respectively.

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NOTE 10:- GOODWILL AND INTANGIBLE ASSETS, NET

Goodwill

The following table represents the changes in the carrying amounts of the Company's total goodwill:

	Carrying Amount	Carrying Amount
Balance as of December 31, 2020	$ 19,206	
Additions from acquisition (1)	531,174	
Balance as of December 31, 2021	550,380	$ 550,380
Purchase accounting adjustment (1)	(374)	(374)
Additions from acquisition (2)	5,863	5,863
Balance as of December 31, 2022	$ 555,869	555,869
Purchase accounting adjustment (2)		62
Balance as of December 31, 2023		$ 555,931

(1) Related to the Connexity acquisition.

(2) Related to the Gravity R&D acquisition.

NOTE 10:- GOODWILL AND INTANGIBLE ASSETS, NET (Cont.)

Intangible Assets, Net

Definite-lived intangible assets, net consist of the following:

December 31, 2022	Gross Fair Value	Accumulated Amortization	Net Book Value	Weighted-Average Remaining Useful Life (In years)
Merchant/Network affiliate relationships	$ 146,547	$ (43,421)	$ 103,126	3.17
Technology	74,193	(32,042)	42,151	3.66
Publisher relationships	42,933	(14,311)	28,622	2.67
Tradenames	24,097	(10,689)	13,408	1.67
Customer relationship	13,156	(11,307)	1,849	2.66
Total	$ 300,926	$ (111,770)	$ 189,156	

December 31, 2023	Gross Fair Value	Accumulated Amortization	Net Book Value	Weighted-Average Remaining Useful Life (In years)
Merchant/Network affiliate relationships	$ 146,547	$ (75,987)	$ 70,560	2.17
Technology	74,193	(43,535)	30,658	2.67
Publisher relationships	42,933	(25,044)	17,889	1.67
Tradenames	24,097	(18,739)	5,358	0.67
Customer relationship	13,146	(12,353)	793	2.76
Total	$ 300,916	$ (175,658)	$ 125,258	

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December 31, 2021	Gross Fair Value	Accumulated Amortization	Net Book Value	Weighted-Average Remaining Useful Life (In years)
Merchant/Network affiliate relationships	$ 146,547	$ (10,879)	$ 135,668	4.17
Technology	73,403	(20,616)	52,787	4.66
Publisher relationships	42,933	(3,640)	39,293	3.67
Tradenames	23,997	(2,711)	21,286	2.67
Customer relationship	12,256	(10,367)	1,889	2.08
Total	$ 299,136	$ (48,213)	$ 250,923	

December 31, 2022	Gross Fair Value	Accumulated Amortization	Net Book Value	Weighted-Average Remaining Useful Life (In years)
Merchant/Network affiliate relationships	$ 146,547	$ (43,421)	$ 103,126	3.17
Technology	74,193	(32,042)	42,151	3.66
Publisher relationships	42,933	(14,311)	28,622	2.67
Tradenames	24,097	(10,689)	13,408	1.67
Customer relationship	13,156	(11,307)	1,849	2.66
Total	$ 300,926	$ (111,770)	$ 189,156	

Amortization expenses for intangible assets were $63,888, $63,557 $23,007 and $2,560 $23,007 for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively.

The estimated future amortization expense of definite-lived intangible assets as of December 31, 2022 December 31, 2023, is as follows:

Year Ending December 31,		
2023	$ 63,890	
2024	60,519	$ 60,518
2025	51,409	51,407
2026	13,246	13,244
2027	92	89
Total	$ 189,156	$ 125,258

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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U.S. dollars in thousands, except share and per share data

NOTE 11:- ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	December 31,		December 31,	
	2022	2021	2023	2022
Employees and related benefits	$ 27,559	$ 42,002	$ 42,976	$ 27,559
Accrued expenses			20,782	12,862
Government authorities			19,038	22,177
Advances from customers	23,797	24,310	15,008	23,797
Government authorities	22,177	27,174		
Accrued expenses	12,862	12,599		
Accrued vacation pay	11,761	13,404	12,659	11,761
erivative instruments	313	—	—	313
Other	4,496	5,173	8,226	4,496
	$ 102,965	$ 124,662		
Total accrued expenses and other current liabilities			$ 118,689	$ 102,965

NOTE 12:- LEASES

The main operating lease expenses include leases of office locations, data centers and vehicles. The lease terms of the Company's operating leases generally range from 2 years to 11 years, with various expiration dates through 2033.

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The following table presents supplemental information related to the operating leases:

	December 31,			
	2022	2021	December 31,	
			2023	2022
Weighted average remaining operating lease term in years	5.4	5.5	4.3	5.4
Weighted average discount rate of operating leases	4.36%	3.73%	5.45%	4.36%

The Company lease agreements generally do not contain any material residual value guarantees or material restrictive covenants.

The components of lease expense related to leases for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021, were as follows:

	Year ended December 31,		
	2022	2021	2020
Components of lease expense:			
Operating lease cost	$ 18,218	$ 17,102	$ 16,594
Short-term lease cost	1,735	583	628
Sublease income	(447)	—	—

NOTE 12:- LEASES (Cont.)

	Year ended December 31,		
	2023	2022	2021
Components of lease expense:			
Operating lease cost	$ 20,286	$ 18,218	$ 17,102
Short-term lease cost and variable lease cost	2,462	1,735	583
Sublease income	(167)	(447)	—

Maturities of lease liabilities as of December 31, 2022 December 31, 2023, were as follows:

Year Ending December 31,	Amount	Amount
2023	$ 16,645	
2024	16,143	$ 22,828
2025	14,175	17,926
2026	13,019	14,454
2027	9,631	10,164
2028		5,613
Thereafter	13,692	8,264
Total undiscounted lease payments	$ 83,305	$ 79,249
Less interest	(10,624)	
Less: imputed interest		(9,535)
Present value of lease liabilities	$ 72,681	$ 69,714

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NOTE 13:- FINANCING ARRANGEMENTS

Long-term loan

Concurrently with the closing of the Connexity Acquisition, on September 1, 2021, the Company entered into a $300,000 senior secured term loan credit agreement (the "Credit Agreement"), among the Company, Taboola Inc., a wholly-owned Company's subsidiary (the "Borrower"), the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent. The Credit Agreement provides for borrowings in an aggregate principal amount of up to $300,000 (the "Facility").

The Facility was fully drawn at closing, net of issuance expenses of $11,250, and the proceeds were used by the Company to finance a portion of the Connexity Acquisition.

The Facility is subject to customary borrowing conditions conditions. The Credit Agreement was amended on June 12, 2023, to replace LIBOR with SOFR and accordingly the Facility bears interest at a variable annual rate based on LIBOR Term SOFR or Base Rate plus a fixed margin. The Facility will mature on the seventh anniversary of the closing date and amortizes at a rate of 1.00% per annum payable in equal quarterly installments, with the remaining principal amount due at maturity.

The Facility is mandatorily prepayable with a portion of the net cash proceeds of certain dispositions of assets, a portion of Taboola's excess cash flow and the proceeds of incurrences of indebtedness not permitted under the Credit Agreement.

The Credit Agreement also contains customary representations, covenants and events of default. Failure to meet the covenants beyond applicable grace periods could result in acceleration of outstanding borrowings and/or termination of the Facility. As of December 31, 2022 December 31, 2023, the Company was in compliance with the Facility covenants.

In December the years ended December 31, 2023 and 2022 The the Company repurchased and retired $61,265 in voluntarily prepaid the principal amount of the outstanding debt under the Credit Agreement.

NOTE 13:- FINANCING ARRANGEMENTS (Cont.) $61,265, respectively.

As of December 31, 2022 December 31, 2023, the total future principal payments related to Facility loan are as follows:

Year Ending December 31,	Amount	Amount
2023	$ 3,000	
2024	3,000	$ 3,000
2025	3,000	3,000
2026	3,000	3,000
2027	3,000	3,000
2028	219,985	140,735
Total	$ 234,985	$ 152,735

The Facility is guaranteed by the Company and all of its wholly-owned material subsidiaries, subject to certain exceptions set forth in the Credit Agreement (collectively, the "Guarantors"). The obligations of the Borrower and the Guarantors are secured by substantially all the assets of the Borrower and the Guarantors including stock of subsidiaries, subject to certain exceptions set forth in the Credit Agreement.

The total interest expenses, including issuance costs amortization, recognized in connection with the long-term loan, were $18,675 $19,885 and $4,977 $18,675, for the years ended December 31, 2022 December 31, 2023 and 2021, 2022, respectively. The long-term loan interest and issuance costs amortization, included as interest expenses, are recognized through the remaining term of the Credit agreement Agreement using the effective interest rate.

NOTE 13:- FINANCING ARRANGEMENTS (Cont.)

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Revolving Credit Agreement

On August 9, 2022, the Company amended its Credit Agreement to provide for a five-year senior secured revolving credit facility (the "Revolving Credit Agreement"), among the Company, Taboola Inc., a wholly-owned Company's subsidiary (the "Borrower"), and the lenders party thereto, with Citibank N.A., as lead arranger and JPMorgan Chase Bank, N.A., as administrative agent. The Revolving Credit Agreement provides for revolving loans in an aggregate committed principal amount of up to $90,000 (the "Revolving Loans").

Certain representations, events of default and covenants of the Revolving Credit Agreement are substantially the same as those in the Credit Agreement. However, the Revolving Credit Agreement contains a financial covenant requiring the Company to maintain a Total Net Leverage Ratio (as defined in the Credit Agreement) as at the last day of each fiscal quarter. Borrowings under the Revolving Credit Agreement are subject to customary conditions and will bear interest at a variable annual rate based on Term SOFR or Base Rate plus a fixed margin. The lenders under the Credit Agreement and the lenders under the Revolving Credit Agreement are secured by the same collateral, including substantially all the assets of the Borrower and the Guarantors (as defined in the Credit Agreement) including shares of subsidiaries, subject to certain exceptions in the governing documents.

NOTE 13:- FINANCING ARRANGEMENTS (Cont.)

The proceeds of any Revolving Loans may be used for the working capital, capital expenditures and other general corporate purposes of Taboola and its subsidiaries and may also be used for Restricted Payments, Investments (including permitted acquisitions) and Restricted Debt Payments (each, as defined in the Credit Agreement) to the extent permitted under the Credit Agreement.

As of December 31, 2022 December 31, 2023, the Company was in compliance with the financial covenants and had no outstanding borrowings under the Revolving Credit Agreement.

As of December 31, 2022, December 31, 2023 and 2022, deferred financing costs associated with entering into the Revolving Credit Agreement in the total amount of $893 and $1,147, respectively, were included in short-term and long-term prepaid expenses in the Company's consolidated balance sheet.

The deferred financing costs are amortized on a straight-line basis over the term of the Revolving Credit Agreement. For the year years ended December 31, 2022, December 31, 2023 and 2022, deferred financing costs amortization amounted to $98. $254 and $98, respectively.

NOTE 14:-

NOTE 14:- RESTRUCTURING

In September 2022, the Company announced and implemented a cost restructuring program impacting approximately 6% of the Company's global headcount. This strategic reduction was intended to manage the Company's operating expenses in response to market conditions and ongoing business prioritization efforts.

The restructuring expenses recognized in the consolidated statements of income (loss) loss for the year ended December 31, 2022, primarily consisting of one-time incremental employee termination benefits and other costs related to Company's business prioritization, were as follows:

	Year ended December 31, 2022	Year ended December 31, 2022
Cost of revenues	$ 99	$ 99
Research and development	1,815	1,815
Sales and marketing	1,176	1,176
General and administrative	293	293
Total restructuring expenses recognized in the consolidated statements of income (loss)	$ 3,383	
Total restructuring expenses recognized in the consolidated statements of loss		$ 3,383

As of December 31, 2022, $88 related to restructuring expenses were included in "Accrued expenses and other current liabilities" in the consolidated balance sheet. sheet, and were subsequently paid in 2023.

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As of December 31, 2022, the Company does not expect to incur additional costs related to this cost restructuring program.

NOTE 15:- SHAREHOLDERS' EQUITY AND SHARE INCENTIVE PLANS

Share capital

Holders of Ordinary Shares shares have the right to receive notice of, and to participate in, all general meetings of the Company, where each Ordinary Share share shall have one vote. Each holder has the right to receive dividends, if any, in proportion to their respective Ordinary Share share holdings. In the event of Taboola's liquidation, after satisfaction of liabilities to creditors, Company assets will be distributed to the holders of its Ordinary Shares shares in proportion to their shareholdings.

On December 30, 2022, in connection with the Yahoo transaction, the Company's shareholders approved an amendment and restatement to the Articles to include a Non-Voting Non-voting Ordinary Share share class with an authorized share capital of 46,000,000. In January 2023 subsequent to the balance sheet date, the Company issued 45,198,702 Non-Voting Non-voting Ordinary Shares shares to Yahoo. The Non-Voting Non-voting Ordinary Shares shares are not entitled to vote, except in limited circumstances as provided in the Articles. Other than the voting rights, the rights to receive notice of meetings of shareholders and limited circumstances as described in our the Company's Articles, the Non-Voting Non-voting Ordinary Shares shares will have rights identical to the rights of Ordinary Shares shares as described above. For additional details, see above (see Note 1d. 1d).

Share Incentive Plans

a. During the years 2007, 2016, 2017 and 2020, the Company adopted several share incentive plans (together the "Legacy Plans") to provide incentives to the Company's employees, directors, consultants and/or contractors. In June 2021, immediately following the effective date of the registration statement on Form F-4, the Company adopted (i) the 2021 Share Incentive Plan (the "2021 Plan", and together with the Legacy Plans, the "Plans") and (ii) the Employee Stock Purchase Plan (the "ESPP"). Following the effectiveness of the 2021 Plan, the Company ceased making awards under the Legacy Plans, although previously granted awards under the Legacy Plans remain outstanding.

NOTE 15:- SHAREHOLDERS' EQUITY AND SHARE INCENTIVE PLANS (Cont.)

Under the Plans, the Company's employees, directors, consultants and/or contractors are or were eligible to be granted equity-related awards, including options to acquire the Company's Ordinary Shares, shares, restricted share units ("RSUs") and restricted shares.

The equity related awards generally vest over 4 years and expire 10 years after the date of grant. Most of the RSUs granted prior to June 30, 2021, were subject to a two-tiered vesting arrangement, including a time-based vesting component which is generally over 4 years, and an additional vesting condition of a Merger/Sale or IPO being consummated within 5 years of the grant. RSUs granted under 2021 Plan, following the Company becoming publicly traded, are subject to a time-based vesting condition and in general vest over 4 years of the grant.

As of December 31, 2022 December 31, 2023, the maximum number of the Company's Ordinary Shares shares available for issuance under the 2021 Plan is equal to the sum of (i) 31,932,902 Ordinary Shares, shares, (ii) any shares subject to awards under the Legacy Plans which have expired, or were canceled, terminated, forfeited or settled in cash in lieu of issuance of shares or become unexercisable without having been exercised, and (iii) an annual increase on the first day of each year beginning in 2022 and on January 1 of each calendar year thereafter during the term of the 2021 Plan, equal to the lesser of (A) 5% of the outstanding shares on the last day of the immediately preceding calendar year and (B) such amount as determined by the Company's board of directors if so determined prior to January 1 of a calendar year.

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As of December 31, 2022 December 31, 2023, the maximum number of the Company's Ordinary Shares shares available for issuance under the ESPP shall not exceed in the aggregate 6,386,580 Ordinary Shares. shares. The ESPP share pool will be increased on the first day of each fiscal year during the term of the ESPP in an amount equal to the lesser of (i) 6,386,580 the Company's ordinary shares, , (ii) 2% of the total number of shares of the Ordinary Shares shares outstanding (on a fully diluted basis) on the last day of the immediately preceding fiscal year, and (iii (iii) such amount as determined by the Company's board of directors if so determined prior to January 1 of a calendar year. As of December 31, 2022 December 31, 2023, the ESPP has not been activated and no Ordinary Shares shares had been issued under the ESPP, therefore in the last two years the Company's board of directors decided to disable the automatic enlargement feature included in the ESPP, as described above.

b. On November 23, 2022 November 21, 2023, the Company received the approval of the Israeli court for its motion to extend, to May 16, 2023 May 16, 2024, its former motion to allow the Company to utilize the net issuance mechanism to satisfy tax withholding obligations related to equity-based compensation on behalf of its directors, officers and other employees and possible future share repurchases (the "Program") of up to $50,000. The Company's board of directors will have the authority to determine the amount to be utilized for the Program. The Company intends to continue filing extension requests for the court approval on an ongoing basis, as required.

For the years ended December 31, 2022 December 31, 2023, 2022 and 2021, the Company utilized the net issuance mechanism in connection with equity-based compensation for certain Office Holders, which resulted in a tax withholding payment by the Company of $3,804, $5,751 and $6,152, respectively, which were recorded as a reduction of additional paid-in capital.

c. The following is a summary of share option activity and related information for the year ended December 31, 2022 December 31, 2023 (including employees, directors, officers and consultants of the Company):

	Outstanding Share Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value	Outstanding Share Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Balance as of December 31, 2021	47,532,923	$ 2.64	5.73	$ 247,734				
Granted	30,000	5.21						
Balance as of December 31, 2022					35,488,179	$ 3.08	6.72	$ 40,516
Exercised	(9,910,023)	0.86			(5,610,638)	1.30		
Forfeited	(2,164,721)	3.76			(586,256)	5.91		
Balance as of December 31, 2022	35,488,179	$ 3.08	6.72	$ 40,516				
Exercisable as of December 31, 2022	27,482,836	$ 2.19	6.28	$ 36,313				
Balance as of December 31, 2023					29,291,285	$ 3.35	5.27	$ 57,118
Exercisable as of December 31, 2023					24,738,145	$ 2.78	4.89	$ 53,284

During the year ended December 31, 2023, the Company did not grant options (see Note 2).

The aggregate intrinsic value in the table above represents the total intrinsic value that would have been received by the option holders had all option holders exercised their options on the last date of the period.

The weighted-average grant date fair value of options granted during the years ended December 31, 2022, and 2021, and 2020, was $3.07 $9.32 and $5.61, $9.32, respectively.

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The total intrinsic value of options exercised during the years ended December 31, 2022 December 31, 2023, 2022 and 2021, was $11,866, $26,473 and 2020, was $26,473, $49,224, and $20,649, respectively.

As of December 31, 2022 December 31, 2023, unrecognized share-based compensation cost related to unvested share options was $25,936, $13,614, which is expected to be recognized over a weighted-average period of 2.59 1.45 years.

NOTE 15:- SHAREHOLDERS' EQUITY AND SHARE INCENTIVE PLANS (Cont.)

d. The following is a summary of the RSU activity and related information for the year ended December 31, 2022 December 31, 2023:

Outstanding Restricted Shares Unit	Weighted	
	Outstanding Restricted shares Unit	Weighted Average Grant Date Fair Value
Balance as of December 31, 2021 December 31, 2022	21,613,189 23,521,009	$ 8.16 6.60
Granted	14,892,788 13,384,846	5.47 3.54
Vested (*) (1)	(8,965,081 10,478,099)	6.78 5.78
Forfeited	(4,019,887 2,948,448)	6.68 5.72
Balance as of December 31, 2022 December 31, 2023	23,521,009 23,479,308	$ 6.60 5.13

(*) (1) A portion of the shares that vested were netted out to satisfy the tax obligations of the recipients. During the year ended December 31, 2022 December 31, 2023, a total of 2,015,822 1,164,891 RSUs were canceled to satisfy tax obligations, resulting in net issuance of 1,916,764 1,164,873 Ordinary Shares. shares.

The total release date fair value of RSUs was $30,513, $36,221, for the year ended December 31, 2022 December 31, 2023.

The weighted-average grant date fair value of RSUs granted during the years ended December 31 2023, 2022 and 2021, was $3.54, $5.47 and 2020, was $5.47, $9.53, and $5.94, respectively.

As of December 31, 2022 December 31, 2023, unrecognized share-based compensation cost related to unvested RSUs was $105,551, $98,807, which is expected to be recognized over a weighted-average period of 3.2 2.5 years.

NOTE 15:- SHAREHOLDERS' EQUITY AND SHARE INCENTIVE PLANS (Cont.)

The total share-based compensation expense related to all of the Company's share-based awards recognized for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, were comprised as follows:

	Year ended December 31,			Year ended December 31,		
	2022	2021	2020	2023	2022	2021
Cost of revenues	$ 3,092	$ 1,891	$ 788	$ 3,924	$ 3,092	$ 1,891
Research and development	26,433	29,022	16,491	24,471	26,433	29,022
Sales and marketing	22,615	44,834	6,930	16,397	22,615	44,834

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General and administrative	22,781	52,210	4,068	19,539	22,781	52,210
Total share-based compensation expense	$ 74,921	$ 127,957	$ 28,277	$ 64,331	$ 74,921	$ 127,957

e. On September 17, 2020, the Company's board of directors approved a one-time share option repricing for 18,553,684 awards. Pursuant to the option repricing, the option awards of 1,369 grantees, with an exercise price of each option above $2.63, were amended to $2.63. All other terms remain unchanged. The total incremental value from the modification amounted to $14,530, out of which $1,390 and $6,514 were recognized as additional share based compensation expense for the year ended December 31, 2021 and 2020, respectively.

NOTE 15:- SHAREHOLDERS' EQUITY AND SHARE INCENTIVE PLANS (Cont.)

Restricted shares

a. On January 30, 2020, three grantees of an aggregate of 7,411,689 unvested Restricted Shares granted under the 2017 Plan unilaterally waived and terminated their rights under the Restricted Share award agreement and transferred the Restricted Shares back to the Company for no consideration, which then became Dormant Shares. On March 25, 2020, the board of directors of the Company canceled such Dormant Shares and removed them from the equity accounts of the Company. On January 30, 2020, a grantee of 2,882,324 unvested Restricted Share Units granted under the 2017 Plan unilaterally waived and terminated his rights under the Restricted Share Unit award agreement and transferred his rights to the Restricted Share Units back to the Company for no consideration.

b. In October 2020, the Company granted 10,314,654 Restricted Share Units and 5,157,327 options to acquire Ordinary Shares of the Company at a zero-exercise price to certain executives. The restricted share units were subject to multiple vesting conditions: time-based vesting and an additional condition that a Triggering Event be consummated no later than December 31, 2021. The Triggering Event is defined as, among other things, the Company's shares becoming publicly traded, or a sale of the Company, or a merger of the Company with another company.

In October 2020, the Company granted 10,314,654 Restricted Share Units and 5,157,327 options to acquire Ordinary shares of the Company at a zero-exercise price to certain executives. The restricted share units were subject to multiple vesting conditions: time-based vesting and an additional condition that a Triggering Event be consummated no later than December 31, 2021. The Triggering Event is defined as, among other things, the Company's shares becoming publicly traded, or a sale of the Company, or a merger of the Company with another company.

If the Triggering Event is not consummated by such date, the RSUs are forfeited. The Triggering Event occurred on June 30, 2021, as a result of the Company's shares becoming publicly traded on that date.

The time-based vesting condition for 6,598,489 RSUs was considered to have been satisfied as of the date of grant, and the remainder satisfies the time-based condition on a monthly basis over 24 months from the date of grant, conditioned on continued service to the Company. Of the options granted, 1,441,162 options were fully vested as of the grant date, 1,858,083 vested in a lump sum on December 31, 2021, and the remainder vest on a monthly basis over 24 months from the date of grant, conditioned on continued service to the Company.

Share Buyback Program

In May 2023, the Company's board of directors authorized a share buyback program for the repurchase of up to $40,000 of the Company's outstanding Ordinary shares, with no expiration date (the "Buyback Program"). In November 2023, the Company's board of directors authorized up to an additional $40,000 of buybacks under the Buyback Program. As permitted by the Buyback Program, share repurchases may be made from time to time, in privately negotiated transactions or in the open market, including through trading plans, at the discretion of the Company's management and as permitted by securities laws and other legal requirements.

The Buyback Program does not obligate the Company to repurchase any specific number of shares and may be discontinued, modified or suspended at any time. The Buyback Program commenced in June 2023 and during the year ended December 31, 2023, the Company repurchased 15,240,471 Ordinary shares at an average price of $3.62 per share (excluding broker and transaction fees of $367). As of December 31, 2023, the Company had remaining authorization to repurchase up to an aggregate amount of $24,854, which has been mostly utilized subsequent to the balance sheet date.

Subsequent to December 31, 2023, in February 2024, the Company's board of directors authorized up to $100,000 for use under the

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Buyback Program, including any remaining authority from the November 2023 board of directors authorization, subject to obtaining any required Israeli court approvals.

NOTE 16:- EMPLOYEES CONTRIBUTION PLAN

a. Pursuant to Israel's Severance Pay Law, Israeli employees are entitled to severance pay equal to one month's salary for each year of employment, or a portion thereof. The employees of the Israeli subsidiary elected to be included under section 14 of the Severance Pay Law, 1963 ("section 14"). According to this section, these employees are entitled only to monthly deposits, at a rate of 8.33% of their monthly salary, made in their name with insurance companies. Payments in accordance with section 14 release the Company from any future severance payments (under the above Israeli Severance Pay Law) in respect of those employees; therefore, related assets and liabilities are not presented in the balance sheet. For the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, the Company recorded $5,989, $6,638 $5,709 and $4,744, $5,709, respectively, in severance expenses related to these employees.

b. The Company offers a 401(k) Savings plan in the U.S. that qualifies as a deferred salary arrangement under Section 401(k) of the Internal Revenue Code (the "401(k) Plan"). Under the 401(k) Plan, participating employees can contribute up to 100% of their eligible compensation, subject to certain limitations. The 401(k) Plan provides for a discretionary employer matching contribution. The Company matches 50% of participating employee contributions to the plan up to 6% of the employee's eligible compensation. For the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, the Company recorded $1,769, $1,766 $1,169 and $1,143, $1,169, respectively, of expenses related to the 401(k) plan.

NOTE 17:- INCOME TAXES

a. ***Tax rates***

Ordinary taxable income in Israel is subject to a corporate tax rate of 23%. However, the effective tax rate payable by a company that derives income from a Preferred Technological Enterprise (as discussed below) may be considerably lower. Non-Israeli subsidiaries are taxed according to the tax laws in their jurisdictions.

b. ***Tax benefits applicable to the Company***

The Law for the Encouragement of Industry (Taxes), 1969

The Law for the Encouragement of Industry (Taxes), 1969:

The Law for the Encouragement of Industry (Taxes), 1969 (the "Encouragement of Industry Law"), provides several tax benefits for "Industrial Companies". Pursuant to the Encouragement of Industry Law, a company qualifies as an Industrial Company if it is a resident of Israel, the enterprise should be located in Israel and at least 90% of its income in any tax year (exclusive of income from government loans, capital gains, interest and dividends) is generated from an "Industrial Enterprise" that it owns. An Industrial Enterprise is defined as an enterprise whose principal activity, in a given tax year, is industrial activity.

An Industrial Company is entitled to certain tax benefits, including: (i) a deduction of the cost of purchases of patents, know-how and certain other intangible property rights (other than goodwill) used for the development or promotion of the Industrial Enterprise in equal amounts over a period of eight years, beginning from the year in which such rights were first used, (ii) the right to elect to file consolidated tax returns, under certain conditions, with additional Israeli Industrial Companies controlled by it, and (iii) the right to deduct expenses related to public offerings in equal amounts over a period of three years beginning from the year of the offering.

Eligibility for benefits under the Encouragement of Industry Law is not contingent upon the approval of any governmental authority. The Company believes that it currently qualifies as an industrial company within the definition of the Encouragement of Industry Law.

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NOTE 17:- INCOME TAXES (Cont.)

Tax benefits under the Law for the Encouragement of Capital Investments, 1959:

Pursuant to the Israeli Law for Encouragement of Capital Investments, 1959 (the "Investments Law") and its various amendments, the Company has been granted a "Privileged Enterprise" status. The Company has utilized a tax exemption status for the years 2018 and 2019.

The benefits available to a Privileged Enterprise in Israel relate only to taxable income attributable to the specific investment program and are conditioned upon terms stipulated in the Investments Law. If the Company does not fulfill these conditions, in whole or in part, the benefits can be revoked, and the Company may be required to refund the benefits, in an amount linked to the Israeli consumer price index plus interest.

The Company received a Tax Ruling from the Israeli Tax Authority that its activity is an industrial activity and therefore eligible for the status of a Privileged Enterprise, provided that the Company meets the requirements under the tax ruling. As of December 31, 2022, management believes that the Company meets the aforementioned conditions.

Tax exempt earnings are subject to claw back of the corporate tax return when they are distributed as dividend.

NOTE 17:- INCOME TAXES (Cont.)

On November 15, 2021, the Investments Law was amended in order, inter alia, to encourage companies to voluntarily elect for an immediate payment of corporate tax on previously tax-exempted earnings which were earned pursuant to Approved and Privileged Enterprises (the "Amendment"). The Amendment provides a reduced corporate tax payment on Exempt Earnings accumulated until December 30, 2020, that were not yet distributed as a dividend, all subject to certain qualifying terms and conditions.

The Company had $45,244 in tax-exempt earnings attributable to the Privileged Enterprise programs. The Company elected to utilize the Amendment in December 2021 and paid the reduced corporate income tax in the amount of approximately $4,355. As a result of the election, as of December 31, 2021 the Company released all of its previously tax-exempt earnings and they are no longer subject to claw back of corporate taxes upon future dividend distribution.

The Technological Enterprise Incentives Regime (Amendment 73 to the Investments Law):

The Company applies various benefits allotted to it under the revised Investments Law as per Amendment 73 to the Investments Law regimes through regulations that have come into effect from January 1, 2017. Applicable benefits under the new regime include:

- Introduction of a benefit regime for "Preferred Technology Enterprises" ("PTE"), granting a 12% tax rate in central Israel on income deriving from benefited intangible assets, subject to a number of conditions being fulfilled, including a minimal amount or ratio of annual R&D research and development expenditure and R&D research and development employees, as well as having at least 25% of annual income derived from exports to large markets. PTE is defined as an enterprise which meets the aforementioned conditions and for which total consolidated revenues of its parent company and all subsidiaries are less than NIS 10 billion.

  A "Special Preferred Technological Enterprise" ("SPTE") from which total consolidated revenues of the Group of which the Company is a member exceeds NIS 10 billion in the tax year will be subject to tax at a rate of 6% on preferred income from the enterprise, regardless of the enterprise's geographical location.

- A 12% capital gains tax rate on the sale of a preferred intangible asset to a foreign affiliated enterprise, provided that the asset was initially purchased from a foreign resident at an amount of NIS 200 million or more.

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NOTE 17:- INCOME TAXES (Cont.)

- A withholding tax rate of 20% for dividends paid from PTE income (with an exemption from such withholding tax applying to dividends paid to an Israeli company) may be reduced to 4% on dividends paid to a foreign resident company, subject to certain conditions regarding percentage of foreign ownership of the distributing entity.

The Company is eligible for PTE status which is implemented commencing 2021 and believes it is eligible for its tax benefits.

In 2023, the Company received a Tax Ruling from the Israeli Tax Authority that its activity is an industrial activity and is eligible for the status of a PTE, provided that the Company meets the requirements under the tax ruling. As of December 31, 2023, management believes that the Company meets the aforementioned conditions.

c. ***U.S. Tax reform***

On December 22, 2017, the Tax Cuts and Jobs Act (P.L. 115-97) ("TCJA") was enacted, making significant changes to the U.S. tax law. Changes include, but are not limited to, a corporate income tax rate decrease from 35% to 21%, effective for tax years beginning January 1, 2018 and the transition of U.S. international taxation from a worldwide tax system to a modified territorial system, with a one-time mandatory transition tax on U.S. shareholder's share of post-1986 earnings of all foreign corporations in which it owns at least 10% and created new taxes on certain foreign-sourced earnings and certain related-party payments - the Global Intangible Low Taxed Income ("GILTI").

payable tax.

In addition to lowering the statutory corporate income tax rate from 35% to 21%, and among other U.S. international tax provisions, the TCJA introduced the Base Erosion Anti-abuse Tax ("BEAT") which applies a minimum tax on multinational corporations by requiring companies subject to the BEAT to pay the greater of their regular tax liability (less certain credits, including foreign tax credits) or 10% for taxable years beginning in 2019 (12.5% after 2026) of a modified tax base which adds back certain related party payments. The BEAT comparison to the standard corporate income tax must be done each year if the taxpayer's "base erosion" related party payments exceed 3% of total deductions on its U.S. tax return ("base erosion percentage" is generally the aggregate amount of base erosion tax benefits divided by aggregate amount of all allowable deductions).

The BEAT applies to "applicable taxpayers" making "base erosion payments" (deductible payments) to foreign related parties. "Applicable taxpayers" are U.S. corporations with average annual gross receipts for the 3-taxable-year period ending with the preceding taxable year are at least $500,000. Taboola Inc. is an "applicable taxpayer" for BEAT purposes in 2022. 2023.

Pillar two

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In December 2021, the Organization for Economic Co-operation and Development Inclusive Framework on Base Erosion Profit Shifting released Model Global Anti-Base Erosion rules ("Model Rules") under Pillar Two. The Model Rules set forth the "common approach" for a global minimum tax rate at 15% for multinational enterprises with a turnover of more than Euros 750 million. Rules under Pillar Two were effective from January 1, 2024.

The Company is currently evaluating the impact of adopting Pillar Two rules on its consolidated financial statements. In certain jurisdictions, information required for the assessment is still being gathered and, therefore, the assessment is not complete. Based on the transitional CbCR safe harbor tests carried out so far, Taboola Group has identified potential impact to Pillar Two top-up taxes on profits earned in Australia, Korea and Thailand. The potential impact comes from the constituent entities in these jurisdictions where according to the transitional CbCR safe harbor tests, the simplified effective tax rate is below 15%. Quantitative information to indicate the impact to Pillar Two top-up taxes is currently not known or reasonably estimable. Taboola continues to progress on the assessment and expects to complete the assessment during the year 2024.

d. a. The components of the income (loss) loss before taxes were as follows:

	Year ended December 31,			Year ended December 31,		
	2022	2021	2020	2023	2022	2021
Israel	$ (24,819)	$ (42,414)	$ 12,450	$ (65,764)	$ (24,819)	$ (42,414)
Foreign	20,367	40,442	10,990	(10,777)	20,367	40,442
Total	$ (4,452)	$ (1,972)	$ 23,440	$ (76,541)	$ (4,452)	$ (1,972)

e. b. Taxes on income (tax benefit) are comprised as follows:

	Year ended December 31,			Year ended December 31,		
	2022	2021	2020	2023	2022	2021
Current:						
Israel	$ 15	$ 4,685	$ 338	$ 1,363	$ 15	$ 4,685
Foreign	23,332	18,944	16,327	19,632	23,332	18,944
Total current income tax expense	23,347	23,629	16,665	20,995	23,347	23,629
Deferred:						
Israel	1,388	973	1,678	—	1,388	973
Foreign	(17,212)	(1,626)	(3,396)	(15,496)	(17,212)	(1,626)
Total deferred income tax benefit	(15,824)	(653)	(1,718)	(15,496)	(15,824)	(653)
Total income taxes	$ 7,523	$ 22,976	$ 14,947	$ 5,499	$ 7,523	$ 22,976

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 17:- INCOME TAXES (Cont.)

A reconciliation of the Company's theoretical income tax expense to actual income tax expense is as follows:

	Year ended December 31,			Year ended December 31,		
	2022	2021	2020	2023	2022	2021
Income (loss) before taxes on income, as reported in the consolidated statements of income (loss)	$ (4,452)	$ (1,972)	$ 23,440			
Loss before taxes on income, as reported in the consolidated statements of loss				$ (76,541)	$ (4,452)	$ (1,972)

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Statutory tax rate in Israel	23%	23%	23%	23%	23%	23%
Preferred Technology Enterprise	(61%)	(244%)	(15%)	(9%)	(61%)	(244%)
Permanent difference - nondeductible expenses	86%	(557%)	14%	(9%)	86%	(557%)
Change in valuation allowance	(109%)	(138%)	(11%)	(11%)	(109%)	(138%)
BEAT	—	—	44%			
Income taxes at a rate other than the Israel statutory tax rate	(164%)	(12%)	—	(2%)	(164%)	(12%)
Release of tax-exempt profits under preferred enterprise tax regime	—	(221%)	—	—	—	(221%)
Prior year taxes	35%	36%	(2%)	2%	35%	36%
Uncertain tax positions				(6%)	(10%)	(36%)
Other	21%	(52%)	11%	5%	31%	(16%)
Effective tax rate	(169%)	(1,165%)	64%	(7%)	(169%)	(1,165%)

Deferred tax assets and liabilities:

Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. As of December 31, 2022, December 31, 2023 and 2021 2022, the deferred tax assets and liabilities presented in the balance sheet are comprised as follow:

	December 31,		December 31,	
	2022	2021	2023	2022
Deferred tax assets	$ 3,821	$ 1,876	$ —	$ 3,821
Deferred tax liabilities	$ (34,133)	$ (51,027)	$ (14,815)	$ (34,133)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands, except share and per share data

NOTE 17:- INCOME TAXES (Cont.)

As of December 31, 2022 December 31, 2023, and 2021 2022 the Company's deferred taxes were in respect of the following:

	December 31,		December 31,	
	2022	2021	2023	2022
Operating lease liabilities	$ 14,751	$ 14,498	$ 14,225	$ 14,751
Research and development	9,151	6,362	3,111	9,151
Share-based compensation expenses	8,095	6,076	10,408	8,095
Tax credit carry forward	4,356	2,943	9,657	4,356
Reserves and allowances	3,888	3,025	6,146	3,888
Carry forward tax losses	2,770	1,701	8,227	2,770
Issuance and transaction expenses	2,111	1,922	533	2,111
Intangible assets	1,963	1,830		
Others	842	740		
Intangible assets, net			1,643	1,963
Other			3,082	842
Deferred tax assets before valuation allowance	47,927	39,097	57,032	47,927
Valuation allowance	(16,376)	(11,389)	(24,781)	(16,376)
Deferred tax assets	31,551	27,708	32,251	31,551
Intangible assets	(46,095)	(58,855)		
Intangible assets, net			(31,208)	(46,095)
Operating lease right of use assets	(13,530)	(12,975)	(12,368)	(13,530)
Property and equipment, net	(2,023)	(3,248)	(2,031)	(2,023)

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Capitalized research and development			(966)	—
Other	(215)	(1,781)	(493)	(215)
Deferred tax liabilities	(61,863)	(76,859)	(47,066)	(61,863)
Deferred tax assets (liabilities), net	$ (30,312)	$ (49,151)		
Deferred tax liabilities, net			$ (14,815)	$ (30,312)

A valuation allowance is provided when it is more likely than not that the deferred tax assets will not be realized. The Company has established a valuation allowance to offset certain deferred tax assets on December 31, 2022 December 31, 2023 and 2021, 2022, due to the uncertainty of realizing future tax benefits from its net operating loss carryforwards and other deferred tax assets.

As of December 31, 2022 December 31, 2023, the Company has an accumulated tax loss carry-forward of approximately $17,981 $64,062 in Israel, which does not have an expiration date, and $1,695 $1,533 federal tax in the U.S. which can be offset indefinitely.

The U.S. subsidiary's utilization of its federal net operating losses is subject to an annual in accordance with the limitation due to a "change in ownership," as defined desribed in Section 382 of the Code. code due to U.S. subsidiary's prior "change in ownership". The annual limitation may result in the expiration of net operating losses before utilization.

As of December 31, 2022 December 31, 2023, $135,747 $149,887 of undistributed earnings held by the Company's foreign subsidiaries are designated as indefinitely reinvested. If these earnings were re-patriated to Israel, they would be subject to income taxes and to an adjustment for foreign tax credits and foreign withholding taxes in the amount of $13,297. $13,006. The Company did not recognize deferred taxes liabilities on undistributed earnings of its foreign subsidiaries, as the Company intends to indefinitely reinvest those earnings.

NOTE 17:- INCOME TAXES (Cont.)

A reconciliation of the beginning and ending balance of total unrecognized tax positions is as follows:

	Year ended December 31,		Year ended December 31,	
	2022	2021	2023	2022
Unrecognized tax position, beginning of year	$ 3,084	$ 2,370	$ 3,537	$ 3,084
Increase due to acquisition	—	307		
Decrease related to prior years' tax positions	(387)	(280)		
Increase (decrease) related to prior years' tax positions (1)			3,382	(387)
Increase related to current year tax positions	1,070	1,203	1,727	1,070
Decrease due to lapses of statutes of limitations	(230)	(516)	(430)	(230)
Unrecognized tax position, end of year	$ 3,537	$ 3,084	$ 8,216	$ 3,537

(1) The 2023 prior year's tax positions includes $2,684 from prior year tax provision.

NOTE 17:- INCOME TAXES (Cont.)

As of December 31, 2022 December 31, 2023, the total amount of gross uncertain tax benefits was $3,537, $8,216, out of which an amount of $3,456 $8,129, if recognized, would affect the Company's effective tax rate. The Company operates in multiple jurisdictions

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throughout the world, and its tax returns are periodically audited or subject to review by both domestic and foreign authorities. The Company currently does not expect uncertain tax positions to change significantly over the next 12 months, except in the case of settlements with tax authorities, the likelihood and timing of which is difficult to estimate.

As of December 31, 2022 December 31, 2023 and 2021, 2022, unrecognized tax benefit in the amount of $81 $87 and $449 $81, was presented net from of deferred tax assets.

Tax assessments:

The Company has final tax assessments in Israel through 2017, 2018, in the UK through 2016, 2018, and in the US through 2018. 2019.

NOTE 18:- COMMITMENTS AND CONTINGENCIES

Commercial Commitments

In the ordinary course of the business, the Company enters into agreements with certain digital properties, under which, in some cases it agrees to pay them a guaranteed amount, generally per thousand page views on a monthly basis. These agreements could cause a gross loss on digital property accounts in which the guarantee is higher than the actual revenue generated. These contracts generally range in duration from 2 to 5 years, though some can be shorter or longer.

Non-cancelable Purchase Obligations

In the normal course of business, the Company enters into non-cancelable purchase commitments with various parties to purchase primarily software and IT related-based services. As of December 31, 2022 December 31, 2023, the Company had outstanding non-cancelable purchase obligations in the amount of $22,189. $27,128.

Legal Proceedings

a. In April 2021, the Company became aware that the Antitrust Division of the U.S. Department of Justice is conducting a criminal investigation of hiring activities in the Company's industry, including the Company. The Company is cooperating cooperated with the Antitrust Division. While there can be no assurances as to the ultimate outcome,

In July 2023, the Company does not believe was notified in writing by the Antitrust Division of the U.S. Department of Justice that its conduct violated applicable law. it was no longer a subject or target of the previously disclosed criminal investigation of hiring activities in the Company's industry, including the Company.

NOTE 18:- COMMITMENTS AND CONTINGENCIES (Cont.)

b. In the ordinary course of business, the Company may be subject from time to time to various proceedings, lawsuits, disputes, or claims. The Company investigates these claims as they arise and record a provision, as necessary. Provisions are reviewed and adjusted to reflect the impact of negotiations, estimated settlements, legal rulings, advice of legal counsel and other information and events pertaining to a particular matter. Although claims are inherently unpredictable, the Company is currently not aware of any matters that, it believes would individually, or in the aggregate, have a material adverse effect on its business, financial position, results of operations, or cash flows.

NOTE 19:- RELATED PARTY TRANSACTIONS

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The Company is a party to certain transaction-related agreements with Yahoo, pursuant to which the Company issued 39,525,691 Ordinary shares and 45,198,702 Non-voting Ordinary shares to Yahoo, and granting Yahoo the right to appoint one representative to the Company's board of directors, resulting in Yahoo to become a principal shareholder effective the Transaction closing on January 17, 2023 (see Note 1b).

The Company and its affiliates are parties to several agreements in the ordinary course of business with Yahoo and its affiliates. In connection with these agreements, for the year ended December 31, 2023, the Company recorded revenues from Yahoo in the amount of $40,902. In addition, the Company recorded traffic acquisition costs related to Yahoo for the year ended December 31, 2023, in the amount of $45,183, respectively. Traffic acquisition costs noted herein are unaffiliated with the Yahoo revenues recorded for this period.

As of December 31, 2023, in regards to Yahoo, the Company's balances of trade receivables were $12,297, and its balances of trade payables were $38,657, associated with the revenues presented on a gross and net basis.

The Company and Yahoo, pursuant to the Omnibus Agreement entered into on November 28, 2022, each agreed to pay certain expenses in connection with the transaction and each party agreed to reimburse the other for some or all of these expenses. Under these arrangements, the Company recognized $3,650, of expenses, net for the year ended December 31, 2023.

NOTE 19: 20:- GEOGRAPHIC INFORMATION

The following table represents total revenue by geographic area based on the Advertisers' billing address:

	Year ended December 31,			Year ended December 31,		
	2022	2021	2020	2023	2022	2021
Israel	$ 235,881	$ 190,615	$ 176,014	$ 144,048	$ 189,956	$ 173,535
United States	510,491	535,349	511,982	564,603	519,463	545,944
United Kingdom	71,991	69,858	50,996	78,080	72,697	69,927
Germany	121,285	147,808	103,154	132,041	123,485	148,036
Rest of the world	461,502	434,828	346,747	520,913	495,549	441,016
Total	$ 1,401,150	$ 1,378,458	$ 1,188,893	$ 1,439,685	$ 1,401,150	$ 1,378,458

The following table represents the Company's long-lived assets (1), net by geographic area:

	Year ended December 31,		December 31,	
	2022	2021	2023	2022
Israel	$ 73,931	$ 69,447	$ 73,951	$ 73,931
United States	46,277	41,549	44,921	46,277
United Kingdom	11,836	11,706	6,290	11,836
Rest of the world	7,821	5,662	8,739	7,821
Total	$ 139,865	$ 128,364	$ 133,901	$ 139,865

(*) (1) Long-lived assets are comprised of property and equipment, net and operating lease right-of-use assets

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands, except share and per share data

NOTE 20: 21:- NET LOSS PER SHARE ATTRIBUTABLE TO ORDINARY AND NON-VOTING ORDINARY SHAREHOLDERS

	Year ended December 31,					
	2023		2022		2021	
	Ordinary shares	Non-voting Ordinary shares	Ordinary shares	Non-voting Ordinary shares	Ordinary shares	Non-voting Ordinary shares
Numerator:						

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Net loss attributable to Ordinary shareholders, basic and diluted	$ (71,833)	$ (10,207)	$ (11,975)	$ —	$ (36,892)	$ —
Denominator:						
Weighted-average shares used in computing net loss per share attributable to Ordinary shareholders, basic and diluted	303,282,558	43,093,556	254,284,781	—	142,883,475	—
Net loss per share attributable to Ordinary and Non-voting Ordinary shareholders, basic and diluted	$ (0.24)	$ (0.24)	$ (0.05)	$ —	$ (0.26)	$ —

The potential number of Ordinary Shares shares that were excluded from the computation of diluted net loss per share attributable to Ordinary shareholders for the periods presented because including them would have been anti-dilutive is as follows:

	Year ended December 31,			Year ended December 31,		
	2022	2021	2020	2023	2022	2021
Convertible preferred shares	—	—	121,472,152			
RSUs	18,063,802	12,927,049	12,755,167	25,554,224	18,063,802	12,927,049
Outstanding share options	30,284,408	43,149,797	44,468,446	27,397,556	30,284,408	43,149,797
Warrants	12,349,990	12,349,990	—	12,349,990	12,349,990	12,349,990
Issuable Ordinary Shares related to business combination under holdback arrangement	2,380,736	—	—			
Issuable Ordinary shares related to business combination under holdback arrangement				1,647,292	2,380,736	—
Total	63,078,936	68,426,836	178,695,765	66,949,062	63,078,936	68,426,836

NOTE 21:-SUBSEQUENT EVENT

On March 10, 2023, the Federal Deposit Insurance Corporation (the “FDIC”) took control of Silicon Valley Bank (“SVB”) and created the National Bank of Santa Clara to hold the deposits of SVB after SVB was unable to continue their operations. SVB’s deposits are insured by the FDIC in amount up to $250 for any depositor and any deposit in excess of this insured amount could be lost. As of March 10, 2023, we had approximately $22,600 on deposit with SVB. The Company does not have any other material relationships with SVB. The Company continues to monitor the circumstances surrounding SVB. The Company does not anticipate a material impact on its financial condition or operations.

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ITEM 9: CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS

None.

ITEM 9A: CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) that are designed to ensure that information required to be disclosed in the Company’s reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2022 December 31, 2023. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2022 December 31, 2023, our disclosure controls and procedures were effective to accomplish their objectives at the reasonable assurance level.

Management’s Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii)

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provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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Under the supervision and with the participation of our management, including our principal executive officers and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2022 December 31, 2023, based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control—Integrated Framework* (2013). Based on this evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2022 December 31, 2023.

The effectiveness of our internal control over financial reporting as of December 31, 2022 December 31, 2023 has been audited by Kost Forer Gabbay & Kasierer, A Member of Ernst & Young Global, an independent registered public accounting firm, as stated in their report which is included in Part II, Item 8 of this Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting

This Annual Report does not include a report on There were no changes in our internal control controls over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act) for that occurred during the year quarter ended December 31, 2022 in reliance on publicly available guidance by the Staff of the SEC for registrants providing their first management report on December 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required to be disclosed by this item is incorporated herein by reference to the 2023 2024 Proxy Statement, which we expect to file with the SEC within 120 days after the end of our fiscal year ended December 31, 2022 December 31, 2023.

We have adopted a Code of Conduct that applies to all our employees, officers and directors. Our Code of Conduct addresses, among other things, competition and fair dealing, gifts and entertainment, conflicts of interest, international business laws, financial matters and external reporting, company assets, confidentiality and corporate opportunity requirements and the process for reporting violations of the Code of Conduct.

We will disclose on our website any amendment to, or waiver from, a provision of our Code of Conduct that applies to our directors or executive officers to the extent required under the rules of the SEC or the Nasdaq. Our Code of Business Conduct is available on our website at https://investors.taboola.com/corporate-governance/governance-overview.

ITEM 11. EXECUTIVE COMPENSATION

The information required to be disclosed by this item is incorporated herein by reference to the 2023 2024 Proxy Statement, which we expect to file with the SEC within 120 days after the end of our fiscal year ended December 31, 2022 December 31, 2023.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SHAREHOLDER MATTERS

The information required to be disclosed by this item is incorporated herein by reference to the 2023 2024 Proxy Statement, which we expect to file with the SEC within 120 days after the end of our fiscal year ended December 31, 2022 December 31, 2023.

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ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required to be disclosed by this item is incorporated herein by reference to the 2023 2024 Proxy Statement, which we expect to file with the SEC within 120 days after the end of our fiscal year ended December 31, 2022 December 31, 2023.

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ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required to be disclosed by this item is incorporated herein by reference to the 2023 2024 Proxy Statement, which we expect to file with the SEC within 120 days after the end of our fiscal year ended December 31, 2022 December 31, 2023.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

We have filed the following documents as part of this Form 10-K:

1. Consolidated Financial Statements:

	Reports of Independent Registered Public Accounting Firm (PCAOB ID: 1281)	91 83
	Consolidated Balance Sheets	95 85
	Consolidated Statements of Income (Loss)	96 86
	Consolidated Statements of Comprehensive Income (Loss)	97 87
	Consolidated Statements of Convertible Preferred Shares and Shareholders' Equity	98 88
	Consolidated Statements of Cash Flows	99 89
	Notes to the Consolidated Financial Statements	101 91

2. All schedules have been omitted because they are not required, not applicable, not present in amounts sufficient to require submission of the schedule, or the required information is otherwise included.

3. Exhibits

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Exhibit Index

		Incorporated by Reference				
Exhibit No.	**Exhibit Description**	**Form**	**File No.**	**Exhibit**	**Filing Date**	**Filed /Furnished Herewith**
3.1	12th Amended and Restated Articles of Association of Taboola.com Ltd.	8-K	001-40566	3.1	January 17, 2023	
4.1	Description of Securities					*
4.2	Specimen Ordinary Share Certificate of Taboola.com Ltd.	F-4	333-255684	4.5	April 30, 2021	

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4.3	Specimen Warrant Certificate of Taboola.com Ltd.	F-4	333-255684	4.6	April 30, 2021	
10.1††	Form of Director and Officer Indemnification Agreement	F-4	333-255684	10.10	April 30, 2021	
10.2††	Compensation Policy for Officers and Directors	20-F	001-40566	4.5	March 24, 2022	
10.3††	Form of 2021 Taboola.com Ltd. Share Incentive Plan	F-4	333-255684	10.8	April 30, 2021	
10.4††	Form of Taboola.com Ltd. Employee Stock Purchase Plan	F-4	333-255684	10.9	April 30, 2021	
10.5†	Stock Purchase Agreement dated as of July 22, 2021, by and among Taboola Inc., Shop Management LLC, and for certain specified sections of the Purchase Agreement, Taboola.com Ltd.	F-1/A	333-257879	2.3	September 1, 2021	
10.6	Amended and Restated Investors' Rights Agreement, dated as of January 25, 2021, by and among Taboola.com Ltd. and certain shareholders of Taboola.com Ltd.	F-4	333-255684	4.10	April 30, 2021	
10.7	Registration Rights Agreement between Taboola.com Ltd. and Shop Management, LLC dated as of September 1, 2021	6-K	001-40566	99.2	September 1, 2021	
10.8	Credit Agreement, dated as of September 1, 2021, by and among Taboola.com Ltd., Taboola, Inc., as borrower, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent.	6-K	001-40566	99.3	September 1, 2021	
10.9†	Incremental Facility Amendment No. 1, dated as of August 9, 2022, by and among Taboola.com Ltd., Taboola, Inc., as borrower, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent	6-K	001-40566	99.1	August 22, 2022	
10.10†	Omnibus Agreement, dated as of November 28, 2022, by and among Taboola.com Ltd., College Top Holdings, Inc., and Yahoo AdTech JV, LLC	8-K	001-40566	10.1	January 17, 2023	
10.11†	Investor Rights Agreement, dated as of January 17, 2023 by and between Taboola.com Ltd. and College Top Holdings, Inc.	8-K	001-40566	10.2	January 17, 2023	

		Incorporated by Reference				
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4.1	Description of Securities					*
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10.3††	Compensation Policy for Non-Employee Directors					*
10.4††	Form of 2021 Taboola.com Ltd. Share Incentive Plan	F-4	333-255684	10.8	April 30, 2021	
10.5††	Form of Taboola.com Ltd. Employee Stock Purchase Plan	F-4	333-255684	10.9	April 30, 2021	
10.6†	Stock Purchase Agreement dated as of July 22, 2021, by and among Taboola Inc., Shop Management LLC, and for certain specified sections of the Purchase Agreement, Taboola.com Ltd.	F-1/A	333-257879	2.3	September 1, 2021	
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10.8	Registration Rights Agreement between Taboola.com Ltd. and Shop Management, LLC dated as of September 1, 2021	6-K	001-40566	99.2	September 1, 2021	
10.9	Credit Agreement, dated as of September 1, 2021, by and among Taboola.com Ltd., Taboola, Inc., as borrower, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent.	6-K	001-40566	99.3	September 1, 2021	
10.10†	Incremental Facility Amendment No. 1, dated as of August 9, 2022, by and among Taboola.com Ltd., Taboola, Inc., as borrower, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent	6-K	001-40566	99.1	August 22, 2022	
10.11†	Amendment No. 2, dated as of June 12, 2023, to the Credit Agreement by and among Taboola.com Ltd., Taboola, Inc., as borrower, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent	10-Q	001-40566	10.2	August 9, 2023	

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10.12†	Omnibus Agreement, dated as of November 28, 2022, by and among Taboola.com Ltd., College Top Holdings, Inc., and Yahoo AdTech JV, LLC	8-K	001-40566	10.1	January 17, 2023	
10.13†	Investor Rights Agreement, dated as of January 17, 2023 by and between Taboola.com Ltd. and College Top Holdings, Inc.	8-K	001-40566	10.2	January 17, 2023	
10.14††	Employment Agreement, dated April 20, 2017, by and between Taboola, Inc. and Adam Singolda	10-K	001-40566	10.12	March 13, 2023	
10.15††	Amendment to Compensation Package, dated June 1, 2023, by and between Taboola.com Ltd. and Adam Singolda	10-Q	001-40566	10.1	August 9, 2023	
10.16#††	Employment Agreement, dated August 31, 2012, by and between Taboola.com Ltd. and Eldad Maniv	10-K	001-40566	10.14	March 13, 2023	
10.17††	Amendment to Employment Agreement dated January 24, 2021 by and between Taboola.com Ltd. and Eldad Maniv	10-K	001-40566	10.15	March 13, 2023	
10.18††	Amendment and Restated Employment Agreement, dated January 1, 2011, by and between Taboola.com Ltd. and Lior Golan	10-K	001-40566	10.16	March 13, 2023	

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10.19††	Amended and Restated Offer Letter, dated March 3, 2023 by and between Taboola, Inc. and Stephen Walker	10-K	001-40566	10.17	March 13, 2023	
10.20††	Offer Letter, dated September 4, 2019, by and between Taboola, Inc. and Kristy Sundjaja	10-K	001-40566	10.18	March 13, 2023	
10.21††	Form of Restricted Share Unit Grant Agreement under Taboola.com Ltd.'s 2021 Share Incentive Plan					*
21	Significant Subsidiaries of Taboola.com Ltd.					*
23	Consent of Kost Forer Gabbay & Kasierer,a member of Ernst & Young Global, independent registered accounting firm for the Registrant.					*
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer					*
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer					*
32	Section 1350 Certifications					*
97	Policy for Recovery of Erroneously Awarded Compensation					*
101.INS	Inline XBRL Instance Document					

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101.SCH	Inline XBRL Taxonomy Extension Schema Document											
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document											
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document											
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document											
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document											
104	Cover Page Interactive Data File (embedded with the Inline XBRL document)											
10.12††							Employment Agreement, dated April 20, 2017, by and between Taboola, Inc. and Adam Singolda					*
10.13††							Compensation Package, dated April 18, 2021, by and between Taboola.com Ltd. and Adam Singolda					*
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10.18††	Offer Letter, dated September 4, 2019, by and between Taboola, Inc. and Kristy Sundjaja					*
21	Subsidiaries of Taboola.com Ltd.					*

23	Consent of Kost Forer Gabbay & Kasierer,a member of Ernst & Young Global, independent registered accounting firm for the Registrant.					*
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer					*
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer					*
32	Section 1350 Certifications					*
101.INS	Inline XBRL Instance Document					
101.SCH	Inline XBRL Taxonomy Extension Schema Document					
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					
104	Cover Page Interactive Data File (embedded with the Inline XBRL document)					

* Filed herewith.

** Furnished herewith.

Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit.

† Certain schedules and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(b)(2). The Registrant agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

†† Indicates a management contract or compensatory plan.

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Certain agreements filed as exhibits to this Annual Report contain representations and warranties that the parties thereto made to each other. These representations and warranties have been made solely for the benefit of the other parties to such agreements and may have been qualified by certain information that has been disclosed to the other parties to such agreements and that may not be reflected in such agreements. In addition, these representations and warranties may be intended as a way of allocating risks among parties if the statements contained therein prove to be incorrect, rather than as actual statements of fact. Accordingly, there can be no reliance on any such representations and warranties as characterizations of the actual state of facts. Moreover, information concerning the subject matter of any such representations and warranties may have changed since the date of such agreements.

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ITEM 16. FORM 10-K SUMMARY

Not applicable.

GLOSSARY

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Unless otherwise stated or unless the context otherwise requires, the terms "Company," "the registrant," "our company," "the company," "we," "us," "our," "ours," and "Taboola" refer to Taboola.com Ltd., a company organized under the laws of the State of Israel, and its consolidated subsidiaries. In this Annual Report:

"Advertisers" means advertisers, merchants, affiliate networks and their respective brands and agencies.

"Board" means the Taboola.com Ltd. Board of Directors.

"Business Combination" means the merger pursuant to the Merger Agreement, whereby Merger Sub merged with and into ION, with ION surviving the merger, and the other transactions contemplated by the Merger Agreement, which we consummated on June 29, 2021.

"Connexity" means, Shop Holding Corporation, a Delaware corporation

"Effective Time" means the effective time of the closing of the Business Combination.

"Investors' Rights Agreement" means the Amended and Restated Investors' Rights Agreement, effective as of the Effective Time, pursuant to which each of the Sponsors, and certain of Taboola's shareholders were granted certain resale registration rights with respect to any Ordinary shares or Warrants.

"ION" means ION Acquisition Corp. 1 Ltd., a Cayman Islands exempted company.

"Merger Agreement" means the agreement and plan of merger, dated as of January 25, 2021, by and among ION, Taboola and Merger Sub.

"Merger Sub" means Toronto Sub Ltd., a Cayman Islands exempted company and wholly owned subsidiary of the Company.

"Non-voting Ordinary shares" means each non-voting ordinary share of Taboola, no par value per share, originally issued in connection with the Yahoo partnership and not entitled to vote, except in limited circumstances as provided in Taboola's Amended and Restated Articles of Association.

"Ordinary shares" means each ordinary share of Taboola, no par value per share, listed on NASDAQ and entitled to vote.

"Sponsors" means ION Holdings 1, LP and ION Co-Investment LLC.

"Taboola" means Taboola.com Ltd., a company organized under the laws of the State of Israel and its consolidated subsidiaries.

"Warrants" means warrants of Taboola issued to ION warrant holders and the Ordinary shares underlying such warrants.

All references in this Annual Report to "Israeli currency" and "NIS" refer to New Israeli Shekels, the terms "dollar," "USD" or "$" refer to U.S. dollars and the terms "€" or "euro" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the treaty establishing the European Community, as amended.

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SIGNATURESSIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, on March 13, 2023 February 28, 2024, hereunto duly authorized.

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By: /s/ Stephen C. Walker
Name: Stephen C. Walker
Title: Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on March 13, 2023 February 28, 2024 by the following persons on behalf of the registrant and in the capacities indicated.

Signature	Title
/s/ Adam Singolda	Chief Executive Officer and Director
/s/ Stephen C. Walker	Chief Financial Officer
/s/ Zvi Limon	Chairman of the Board of Directors
/s/ Deirdre Bigley	Director
/s/ Lynda Clarizio	Director
/s/ Monica Mijaleski	Director
/s/ Nechemia J. Peres	Director
/s/ Richard Scanlon	Director
/s/ Erez Shachar	Director
/s/ Gilad Shany	Director

Exhibit 4.1

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

As of December 31, 2022 December 31, 2023, Taboola.com Ltd. had two class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended: ordinary shares and warrants to purchase ordinary shares.

References herein to "we," "us," "our" "Taboola" and the "Company" refer to Taboola.com Ltd. and not to any of its subsidiaries. The following description may not contain all of the information that is important to you, and we therefore refer you to our amended and restated articles of association (the "Articles"), a copy of which is filed with the Securities and Exchange Commission ("SEC") as an exhibit to the Company's annual report on Form 10-K for the year ended December 31, 2022 December 31, 2023 ("Annual Report").

Share Capital

The authorized share capital of the Company consists of 700,000,000 ordinary shares, no par value and 46,000,000 non-voting ordinary shares, no par value. As of December 31, 2022 December 31, 2023 we had 254,133,863 295,670,620 ordinary shares issued and outstanding and as of January 17, 2023 February 1, 2024 we had 45,198,702 non-voting shares issued and outstanding.

All of our outstanding ordinary shares and non-voting ordinary shares are validly issued, fully paid and non-assessable. Our ordinary shares and non-voting ordinary shares are not redeemable and do not have any preemptive rights.

Taboola's board of directors may determine the issue prices and terms for such shares or other securities, and may further determine any other provision relating to such issue of shares or securities. Taboola may also issue and redeem redeemable securities on such terms and in such manner as Taboola's board of directors shall determine.

Registration Number and Purposes of the Company

We are registered with the Israeli Registrar of Companies. Our registration number is 51-387068-3. Our affairs are governed by our Amended and Restated Articles of Association, applicable Israeli law and specifically, the Companies Law. Our purpose as set forth in our Amended and Restated Articles of Association is to engage in any lawful act or activity.

Voting Rights

All of our ordinary shares are identical in all respects, except that our non-voting ordinary shares are not entitled to vote on or receive notices with respect to any matter pursuant to our Articles and are not entitled to vote or to be counted for purposes of determining whether any vote required under the Articles has been approved by the requisite percentage of voting securities or to be counted towards any quorum required pursuant to the Articles. Except with respect to the voting rights and to the rights to receive notice of meetings of the shareholders, the non-voting ordinary shares will have rights identical to the rights of ordinary shares.

Transfer of Shares

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Our fully paid ordinary shares are issued in registered form and may be freely transferred under our Amended and Restated Articles of Association, unless the transfer is restricted or prohibited by another instrument, applicable law or the rules of Nasdaq. The ownership or voting of our ordinary shares by non-residents of Israel is not restricted in any way by our Amended and Restated Articles of Association or the laws of the State of Israel, except for ownership by nationals of some countries that are, have been, or will be, in a state of war with Israel.

Election of Directors

Under our Amended and Restated Articles of Association, our board of directors must consist of not less than three but no more than eleven directors. Pursuant to our amended and restated articles of association, each of our directors will be appointed by a simple majority vote of holders of our ordinary shares, participating and voting at an annual general meeting of our shareholders, provided that (i) in the event of a contested election, the method of calculation of the votes and the manner in which the resolutions will be presented to our shareholders at the general meeting shall be determined by our board of directors in its discretion, and (ii) in the event that our board of directors does not or is unable to make a determination on such matter, then the directors will be elected by a plurality of the voting power represented at the general meeting in person or by proxy and voting on the election of directors.

In addition, our directors are divided into three classes, one class being elected each year at the annual general meeting of our shareholders, and serve on our board of directors until the third annual general meeting following such election or re-election or until they are removed by a vote of 65% of the total voting power of our shareholders at a general meeting of our shareholders or upon the occurrence of certain events in accordance with the Companies Law and our amended and restated articles of association. In addition, our Amended and Restated Articles of Association provide that vacancies on our board of directors may be filled by a vote of a simple majority of the directors then in office. A director so appointed will hold office until the next annual general meeting of our shareholders for the election of the class of directors in respect of which the vacancy was created, or in the case of a vacancy due to the number of directors being less than the maximum number of directors stated in our amended and restated articles of association, until the next annual general meeting of our shareholders for the election of the class of directors to which such director was assigned by our board of directors.

Dividend and Liquidation Rights

We may declare a dividend to be paid to the holders of our ordinary shares in proportion to their respective shareholdings. Under the Companies Law, dividend distributions are determined by the board of directors and do not require the approval of the shareholders of a company unless the company's articles of association provide otherwise. Our Amended and Restated Articles of Association do not require shareholder approval of a dividend distribution and provide that dividend distributions may be determined by our board of directors.

Pursuant to the Companies Law, the distribution amount is limited to the greater of retained earnings or earnings generated over the previous two years, according to the company's most recently reviewed or audited financial statements (less the amount of previously distributed dividends, if not reduced from the earnings), provided that the end of the period to which the financial statements relate is not more than six months prior to the date of the distribution. If we do not meet such criteria, then we may distribute dividends only with court approval. In each case, we are only permitted to distribute a dividend if our board of directors and, if applicable, the court determines that there is no reasonable concern that payment of the dividend will prevent us from satisfying our existing and foreseeable obligations as they become due.

In the event of Taboola's liquidation, after satisfaction of liabilities to creditors, its assets will be distributed to the holders of its ordinary shares in proportion to their shareholdings. This right, as well as the right to receive dividends, may be affected by the grant of preferential dividend or distribution rights to the holders of a class of shares with preferential rights which may be authorized in the future.

Exchange Controls

There are currently no Israeli currency control restrictions on remittances of dividends on our ordinary shares, proceeds from the sale of our srdinary shares or interest or other payments to non-residents of Israel, except for shareholders who are subjects of countries that at the time are, or have been, in a state of war with Israel.

Shareholder Meetings

Under Israeli law, Taboola is required to hold an annual general meeting of its shareholders once every calendar year and no later than 15 months after the date of the previous annual general meeting. All meetings other than the annual general meeting of shareholders are referred to in the Amended and Restated Articles of Association as special general meetings. Our board of directors may call special general meetings of our shareholders whenever it sees fit, at such time and place, within or outside of Israel, as it may determine. In addition, the Companies Law provides that our board of directors is required to convene a special general meeting of our shareholders upon the written request of (i) any two or more of our directors, (ii) one-quarter or more of the serving members of our board of directors or (iii) one or more shareholders holding, in the aggregate, either (a) 5% or more of Taboola's issued and outstanding shares and 1% or more of Taboola's outstanding voting power or (b) 5% or more of Taboola's outstanding voting power.

Under Israeli law, one or more shareholders holding at least 1% of the voting rights at the general meeting of shareholders may request that the board of directors include a matter in the agenda of a general meeting of shareholders to be convened in the future, provided that it is appropriate to discuss such a matter at the general meeting. Our Amended and Restated Articles of Association contain procedural guidelines and disclosure items with respect to the submission of shareholder proposals for general meetings. Subject to the provisions of the Companies Law

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and the regulations promulgated thereunder, shareholders entitled to participate and vote at general meetings of shareholders are the shareholders of record on a date to be decided by the board of directors, which, as a company listed on an exchange outside Israel, may be between four and 40 days prior to the date of the meeting. Furthermore, the Companies Law requires that resolutions regarding the following matters must be passed at a general meeting of shareholders:

- amendments to the articles of association;
- appointment, terms of service and termination of services of auditors;
- appointment of directors, including external directors (if applicable);
- approval of certain related party transactions;
- increases or reductions of authorized share capital;
- a merger; and
- the exercise of the board of director's powers by a general meeting, if the board of directors is unable to exercise its powers and the exercise of any of its powers is required for proper management of the company.

The Companies Law requires that a notice of any annual general meeting or special general meeting be provided to shareholders at least 21 days prior to the meeting and, if the agenda of the meeting includes (among other things) the appointment or removal of directors, the approval of transactions with office holders or interested or related parties, or an approval of a merger, notice must be provided at least 35 days prior to the meeting. Under the Companies Law and our Amended and Restated Articles of Association, shareholders are not permitted to take action by way of written consent in lieu of a meeting.

Quorum

Pursuant to our Amended and Restated Articles of Association, holders of our ordinary shares have one vote for each ordinary share held on all matters submitted to a vote of the shareholders at a general meeting of shareholders. The quorum required for our general meetings of shareholders consists of at least two shareholders present in person or by proxy who hold or represent at least 33⅓% of the total outstanding voting power of our shares, except that if (i) any such general meeting was initiated by and convened pursuant to a resolution adopted by the board of directors and (ii) at the time of such general meeting we qualify as a "foreign private issuer," the requisite quorum will consist of two or more shareholders present in person or by proxy who hold or represent at least 25% of the total outstanding voting power of our shares. The requisite quorum may be present within half an hour of the time fixed for the commencement of the general meeting. A general meeting adjourned for lack of a quorum shall be adjourned either to the same day in the next week, at the same time and place, to such day and at such time and place as indicated in the notice to such meeting, or to such day and at such time and place as the chairperson of the meeting shall determine. At the reconvened meeting, any number of shareholders present in person or by proxy shall constitute a quorum, unless a meeting was called pursuant to a request by our shareholders, in which case the quorum required is one or more shareholders, present in person or by proxy and holding the number of shares required to call the meeting as described under *"Shareholder Meetings."*

Vote Requirements

Our Amended and Restated Articles of Association provide that all resolutions of our shareholders require a simple majority vote, unless otherwise required by the Companies Law or by our Amended and Restated Articles of Association. Under the Companies Law, certain actions require the approval of a special majority, including: (i) an extraordinary transaction with a controlling shareholder or in which the controlling shareholder has a personal interest, (ii) the terms of employment or other engagement of a controlling shareholder of the company or a controlling shareholder's relative (even if such terms are not extraordinary) and (iii) certain compensation-related matters described in the Annual Report under *"Item 6.C Board Practices—Compensation Committee."*matters. Under our Amended and Restated Articles of Association, the alteration of the rights, privileges, preferences or obligations of any class of our shares (to the extent there are classes other than ordinary shares) requires the approval of a simple majority of the class so affected (or such other percentage of the relevant class that may be set forth in the governing documents relevant to such class), in addition to the ordinary majority vote of all classes of shares voting together as a single class at a shareholder meeting.

Under our Amended and Restated Articles of Association, the approval of the holders of at least 65% of the total voting power of our shareholders is generally required to remove any of our directors from office, to amend the provision requiring the approval of at least 65% of the total voting power of our shareholders to remove any of our directors from office, or certain other provisions regarding our staggered board, shareholder proposals, the size of our board and plurality voting in contested elections. Another exception to the simple majority vote requirement is a resolution for the voluntary winding up, or an approval of a scheme of arrangement or reorganization, of the company pursuant to Section 350 of the Companies Law, which requires the approval of a majority of the shareholders present and represented at the meeting, and holding at least 75% of the voting rights represented at the meeting and voting on the resolution.

Access to Corporate Records

Under the Companies Law, all shareholders generally have the right to review minutes of our general meetings, our shareholder register (including with respect to material shareholders), our articles of association, our financial statements, other documents as provided in the

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Companies Law, and any document Taboola is required by law to file publicly with the Israeli Registrar of Companies or the Israeli Securities Authority. Any shareholder who specifies the purpose of its request may request to review any document in our possession that relates to any action or transaction with a related party which requires shareholder approval under the Companies Law. Taboola may deny a request to review a document if it determines that the request was not made in good faith, that the document contains a commercial secret or a patent or that the document's disclosure may otherwise impair its interests.

Anti-Takeover Provisions

Acquisitions under Israeli Law

Full Tender Offer

A person wishing to acquire shares of a public Israeli company who would, as a result, hold over 90% of the target company's voting rights or the target company's issued and outstanding share capital (or of a class thereof), is required by the Companies Law to make a tender offer to all of the company's shareholders for the purchase of all of the issued and outstanding shares of the company (or the applicable class). If (a) the shareholders who do not accept the offer hold less than 5% of the issued and outstanding share capital of the company (or the applicable class) and the shareholders who accept the offer constitute a majority of the offerees that do not have a personal interest in the acceptance of the tender offer or (b) the shareholders who did not accept the tender offer hold less than 2% of the issued and outstanding share capital of the company (or of the applicable class), all of the shares that the acquirer offered to purchase will be transferred to the acquirer by operation of law. A shareholder who had its shares so transferred may petition an Israeli court within six months from the date of acceptance of the full tender offer, regardless of whether such shareholder agreed to the offer, to determine whether the tender offer was for less than fair value and whether the fair value should be paid as determined by the court. However, an offeror may provide in the offer that a shareholder who accepted the offer will not be entitled to petition the court for appraisal rights as described in the preceding sentence, as long as the offeror and the company disclosed the information required by law in connection with the full tender offer. If the full tender offer was not accepted in accordance with any of the above alternatives, the acquirer may not acquire shares of the company that will increase its holdings to more than 90% of the company's voting rights or the company's issued and outstanding share capital (or of the applicable class) from shareholders who accepted the tender offer. Shares purchased in contradiction to the full tender offer rules under the Companies Law will have no rights and will become dormant shares.

Special Tender Offer

The Companies Law provides that an acquisition of shares of an Israeli public company must be made by means of a special tender offer if as a result of the acquisition the purchaser would become a holder of 25% or more of the voting rights in the company. This requirement does not apply if there is already another holder of 25% or more of the voting rights in the company. Similarly, the Companies Law provides that an acquisition of shares of an Israeli public company must be made by means of a special tender offer if as a result of the acquisition the purchaser would become a holder of more than 45% of the voting rights in the company, if there is no other shareholder of the company who holds more than 45% of the voting rights in the company. These requirements do not apply if (i) the acquisition occurs in the context of a private placement by the company that received shareholder approval as a private placement whose purpose is to give the purchaser 25% or more of the voting rights in the company, if there is no person who holds 25% or more of the voting rights in the company or as a private placement whose purpose is to give the purchaser 45% of the voting rights in the company, if there is no person who holds 45% of the voting rights in the company, (ii) the acquisition was from a shareholder holding 25% or more of the voting rights in the company and resulted in the purchaser becoming a holder of 25% or more of the voting rights in the company, or (iii) the acquisition was from a shareholder holding more than 45% of the voting rights in the company and resulted in the purchaser becoming a holder of more than 45% of the voting rights in the company. A special tender offer must be extended to all shareholders of a company. A special tender offer may be consummated only if (i) at least 5% of the voting power attached to the company's outstanding shares will be acquired by the offeror and (ii) the number of shares tendered in the offer exceeds the number of shares whose holders objected to the offer (excluding the purchaser, its controlling shareholders, holders of 25% or more of the voting rights in the company and any person having a personal interest in the acceptance of the tender offer, or anyone on their behalf, including any such person's relatives and entities under their control).

In the event that a special tender offer is made, a company's board of directors is required to express its opinion on the advisability of the offer, or shall abstain from expressing any opinion if it is unable to do so, provided that it gives the reasons for its abstention. The board of directors shall also disclose any personal interest that any of the directors has with respect to the special tender offer or in connection therewith. An office holder in a target company who, in his or her capacity as an office holder, performs an action the purpose of which is to cause the failure of an existing or foreseeable special tender offer or is to impair the chances of its acceptance, is liable to the potential purchaser and shareholders for damages, unless such office holder acted in good faith and had reasonable grounds to believe he or she was acting for the benefit of the company. However, office holders of the target company may negotiate with the potential purchaser in order to improve the terms of the special tender offer, and may further negotiate with third parties in order to obtain a competing offer.

If a special tender offer is accepted, then shareholders who did not respond to or that had objected the offer may accept the offer within four days of the last day set for the acceptance of the offer and they will be considered to have accepted the offer from the first day it was made.

In the event that a special tender offer is accepted, then the purchaser or any person or entity controlling it or under common control with the purchaser or such controlling person or entity at the time of the offer may not make a subsequent tender offer for the purchase of shares of the target company and may not enter into a merger with the target company for a period of one year from the date of the offer, unless the purchaser or such person or entity undertook to effect such an offer or merger in the initial special tender offer. Shares purchased in contradiction to the special tender offer rules under the Companies Law will have no rights and will become dormant shares.

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Merger

The Companies Law permits merger transactions if approved by each party's board of directors and, unless certain conditions described under the Companies Law are met, a simple majority of the outstanding shares of each party to the merger that are represented and voting on the merger. The board of directors of a merging company is required pursuant to the Companies Law to discuss and determine whether in its opinion there exists a reasonable concern that as a result of a proposed merger, the surviving company will not be able to satisfy its obligations towards its creditors, such determination taking into account the financial status of the merging companies. If the board of directors determines that such a concern exists, it may not approve a proposed merger. Following the approval of the board of directors of each of the merging companies, the boards of directors must jointly prepare a merger proposal for submission to the Israeli Registrar of Companies.

For purposes of the shareholder vote of a merging company whose shares are held by the other merging company, or by a person or entity holding 25% or more of the voting rights at the general meeting of shareholders of the other merging company, or by a person or entity holding the right to appoint 25% or more of the directors of the other merging company, unless a court rules otherwise, the merger will not be deemed approved if a majority of the shares voted on the matter at the general meeting of shareholders (excluding abstentions) that are held by shareholders other than the other party to the merger, or by any person or entity who holds 25% or more of the voting rights of the other party or the right to appoint 25% or more of the directors of the other party, or any one on their behalf including their relatives or corporations controlled by any of them, vote against the merger. In addition, if the non-surviving entity of the merger has more than one class of shares, the merger must be approved by each class of shareholders. If the transaction would have been approved but for the separate approval of each class or the exclusion of the votes of certain shareholders as provided above, a court may still approve the merger upon the request of holders of at least 25% of the voting rights of a company, if the court holds that the merger is fair and reasonable, taking into account the valuation of the merging companies and the consideration offered to the shareholders. If a merger is with a company's controlling shareholder or if the controlling shareholder has a personal interest in the merger, then the merger is instead subject to the same special majority approval that governs all extraordinary transactions with controlling shareholders.

Under the Companies Law, each merging company must deliver to its secured creditors the merger proposal and inform its unsecured creditors of the merger proposal and its content. Upon the request of a creditor of either party to the proposed merger, the court may delay or prevent the merger if it concludes that there exists a reasonable concern that, as a result of the merger, the surviving company will be unable to satisfy the obligations of the merging company, and may further give instructions to secure the rights of creditors.

In addition, a merger may not be completed unless at least 50 days have passed from the date that a proposal for approval of the merger is filed with the Israeli Registrar of Companies and 30 days from the date that shareholder approval of both merging companies is obtained.

Anti-Takeover Measures

The Companies Law allows us to create and issue shares having rights different from those attached to our ordinary shares, including shares providing certain preferred rights with respect to voting, distributions or other matters and shares having preemptive rights. No preferred shares are currently authorized under our Amended and Restated Articles of Association. In the future, if we do authorize, create and issue a specific class of preferred shares, such class of shares, depending on the specific rights that may be attached to it, may have the ability to frustrate or prevent a takeover or otherwise prevent our shareholders from realizing a potential premium over the market value of our ordinary shares. The authorization and designation of a class of preferred shares will require an amendment to our Amended and Restated Articles of Association, which requires the prior approval of the holders of a majority of the voting power attached to our issued and outstanding shares at a general meeting of our shareholders. The convening of the meeting, the shareholders entitled to participate and the vote required to be obtained at such a meeting will be subject to the requirements set forth in the Companies Law and our amended articles of association, as described above in "*Shareholder Meetings*." In addition, as disclosed under "*Election of Directors*," we have a classified board structure, which effectively limits the ability of any investor or potential investor or group of investors or potential investors to gain control of our board of directors.

Borrowing Powers

Pursuant to the Companies Law and our Amended and Restated Articles of Association, our board of directors may exercise all powers and take all actions that are not required under law or under our Amended and Restated Articles of Association to be exercised or taken by our shareholders, including the power to borrow money for company purposes.

Changes in Capital

Our Amended and Restated Articles of Association enable us to increase or reduce our share capital. Any such changes are subject to Israeli law and must be approved by a resolution duly passed by our shareholders at a general meeting of shareholders. In addition, transactions that have the effect of reducing capital, such as the declaration and payment of dividends in the absence of sufficient retained earnings or profits, require the approval of both our board of directors and an Israeli court.

Exclusive Forum

Our Amended and Restated Articles of Association provide that unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action

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arising under the Securities Act. Our Amended and Restated Articles of Association also provide that unless we consent in writing to the selection of an alternative forum, the competent courts in Tel Aviv, Israel shall be the exclusive forum for any derivative action or proceeding brought on behalf of the Company, any action asserting a breach of a fiduciary duty owed by any of our directors, officers or other employees to the Company or our shareholders or any action asserting a claim arising pursuant to any provision of the Companies Law or the Israeli Securities Law.

Transfer Agent and Registrar

The transfer agent and registrar for our ordinary shares is Broadridge Corporate Issuer Solutions, Inc. Its address is 51 Mercedes Way, Edgewood, NY 11717.

Description of Warrants

Public Warrants

Each whole warrant entitles the registered holder to purchase one ordinary share at a price of $11.50 per share, subject to adjustment as discussed below, at any time, provided in each case that there is an effective registration statement under the Securities Act covering the ordinary shares issuable upon exercise of the warrants and a current prospectus relating to them is available (or we permit holders to exercise their warrants on a cashless basis under the circumstances specified in the warrant assignment, assumption and amendment agreement) and such shares are registered, qualified or exempt from registration under the securities, or blue sky, laws of the state of residence of the holder. Pursuant to the warrant assignment, assumption and amendment agreement, a warrant holder may exercise its warrants only for a whole number of our ordinary shares. This means only a whole warrant may be exercised at a given time by a warrant holder. No fractional warrants will be issued upon separation of the units and only whole warrants will trade. The warrants (other than the warrants held by ION Co-Investment LLC, which will expire five years from October 1, 2021) will expire June 29, 2026 or earlier upon redemption or liquidation.

We will not be obligated to deliver any ordinary shares pursuant to the exercise of a warrant and will have no obligation to settle such warrant exercise unless a registration statement under the Securities Act with respect to the ordinary shares underlying the warrants is then effective and a prospectus relating thereto is current, subject to us satisfying our registration obligations. No warrant will be exercisable and we will not be obligated to issue ordinary shares upon exercise of a warrant unless the ordinary shares issuable upon such warrant exercise have been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the registered holder of the warrants. In the event that the conditions in the two immediately preceding sentences are not satisfied with respect to a warrant, the holder of such warrant will not be entitled to exercise such warrant and such warrant may have no value and expire worthless. The company is not required to net cash settle any warrant other than as set forth herein.

We have agreed that the ordinary shares issuable upon exercise of the warrants will be registered on a registration statement on Form F-1 and filed such registration statement with the SEC on July 13, 2021. We will use our best efforts to maintain the effectiveness of such registration statement, and a current prospectus relating thereto, until the expiration of the warrants in accordance with the provisions of the warrant assignment, assumption and amendment agreement. Warrant holders may, during any period when we will have failed to maintain an effective registration statement covering the ordinary shares issuable upon exercise of the warrants, exercise warrants on a “cashless basis” in accordance with Section 3(a)(9) of the Securities Act or another exemption.

Notwithstanding the above, if our ordinary shares are at the time of any exercise of a warrant not listed on a national securities exchange such that they satisfy the definition of a “covered security” under Section 18(b)(1) of the Securities Act, we may, at our option, require holders of public warrants who exercise their warrants to do so on a “cashless basis” in accordance with Section 3(a)(9) of the Securities Act and, in the event we so elect, we will not be required to file or maintain in effect a registration statement, and in the event we do not so elect, we will use our best efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available.

Redemption of warrants when the price per ordinary share equals or exceeds $18.00. Once the warrants become exercisable, we may redeem the outstanding warrants (except as described herein with respect to the private placement warrants):

- in whole and not in part;
- at a price of $0.01 per warrant;
- upon a minimum of 30 days’ prior written notice of redemption (the “30-day redemption period”); and
- if, and only if, the closing price of the ordinary shares equals or exceeds $18.00 per share (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a warrant as described under the heading *“— Redemption Procedures — Anti-dilution Adjustments”*) for any 20 trading days within a 30-trading day period ending three business days before the notice of redemption is sent to the warrant holders.

If and when the warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws.

We established the last of the redemption criterion discussed above to prevent a redemption call unless there is at the time of the call a significant premium to the warrant exercise price. If the foregoing conditions are satisfied and we issue a notice of redemption of the warrants, each warrant holder will be entitled to exercise his, her or its warrant prior to the scheduled redemption date. However, the price of the ordinary shares

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may fall below the $18.00 redemption trigger price (as adjusted for share sub-divisions, share capitalizations, reorganizations, recapitalizations and the like) as well as the $11.50 warrant exercise price after the redemption notice is issued.

Redemption of warrants when the price per ordinary share equals or exceeds $10.00. Once the warrants become exercisable, we may redeem the outstanding warrants (except as described herein with respect to the private placement warrants):

- in whole and not in part;
- at a price of $0.10 per warrant;
- upon a minimum of 30 days' prior written notice of redemption; provided that holders will be able to exercise their warrants on a cashless basis prior to redemption and receive that number of shares determined by reference to the table below, based on the redemption date and the "fair market value" (as defined below) of the ordinary shares except as otherwise described below; and
- if, and only if, the closing price of the ordinary Sshares equals or exceeds $10.00 per share (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a warrant as described under the heading *"— Redemption Procedures — Anti-dilution Adjustments")* for any 20 trading days within the 30-trading day period ending three trading days before the notice of redemption is sent to the warrant holders.

Beginning on the date the notice of redemption is given and until the warrants are redeemed or exercised, holders may elect to exercise their warrants on a cashless basis. The numbers in the table below represent the number of ordinary shares that a warrant holder will receive upon such cashless exercise in connection with a redemption by us pursuant to this redemption feature, based on the "fair market value" of the ordinary shares on the corresponding redemption date (assuming holders elect to exercise their warrants and such warrants are not redeemed for $0.10 per warrant), determined for these purposes based on the volume-weighted average price of the ordinary shares during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of warrants, and the number of months that the corresponding redemption date precedes the expiration date of the warrants, each as set forth in the table below. We will provide our warrant holders with the final fair market value no later than one business day after the 10-trading day period described above ends.

The share prices set forth in the column headings of the table below will be adjusted as of any date on which the number of shares issuable upon exercise of a warrant or the exercise price of a warrant is adjusted as set forth under the heading *"— Redemption Procedures — Anti-dilution Adjustments"* below. If the number of shares issuable upon exercise of a warrant is adjusted, the adjusted share prices in the column headings will equal the share prices immediately prior to such adjustment, multiplied by a fraction, the numerator of which is the number of shares deliverable upon exercise of a warrant immediately prior to such adjustment and the denominator of which is the number of shares deliverable upon exercise of a warrant as so adjusted. The number of shares in the table below shall be adjusted in the same manner and at the same time as the number of shares issuable upon exercise of a warrant.

If the exercise price of a warrant is adjusted, (a) in the case of an adjustment pursuant to the fifth paragraph under the heading *"— Redemption Procedures — Anti-dilution Adjustments"* below, the adjusted share prices in the column headings will equal the unadjusted share prices multiplied by a fraction, the numerator of which is the higher of the Market Value and the Newly Issued Price as set forth under the heading *"— Redemption Procedures — Anti-dilution Adjustments"* and the denominator of which is $10.00 and (b) in the case of an adjustment pursuant to the second paragraph under the heading *"— Redemption Procedures — Anti-dilution Adjustments"* below, the adjusted share prices in the column headings will equal the unadjusted share prices less the decrease in the exercise price of a warrant pursuant to such exercise price adjustment.

Redemption Date	Fair Market Value of Ordinary Shares								
(period to expiration of warrants)	≤$10.00	$11.00	$12.00	$13.00	$14.00	$15.00	$16.00	$17.00	≥$18.00
60 months	0.261	0.281	0.297	0.311	0.324	0.337	0.348	0.358	0.361
57 months	0.257	0.277	0.294	0.310	0.324	0.337	0.348	0.358	0.361
54 months	0.252	0.272	0.291	0.307	0.322	0.335	0.347	0.357	0.361
51 months	0.246	0.268	0.287	0.304	0.320	0.333	0.346	0.357	0.361
48 months	0.241	0.263	0.283	0.301	0.317	0.332	0.344	0.356	0.361
45 months	0.235	0.258	0.279	0.298	0.315	0.330	0.343	0.356	0.361
42 months	0.228	0.252	0.274	0.294	0.312	0.328	0.342	0.355	0.361
39 months	0.221	0.246	0.269	0.290	0.309	0.325	0.340	0.354	0.361
36 months	0.213	0.239	0.263	0.285	0.305	0.323	0.339	0.353	0.361
33 months	0.205	0.232	0.257	0.280	0.301	0.320	0.337	0.352	0.361
30 months	0.196	0.224	0.250	0.274	0.297	0.316	0.335	0.351	0.361
27 months	0.185	0.214	0.242	0.268	0.291	0.313	0.332	0.350	0.361
24 months	0.173	0.204	0.233	0.260	0.285	0.308	0.329	0.348	0.361
21 months	0.161	0.193	0.223	0.252	0.279	0.304	0.326	0.347	0.361
18 months	0.146	0.179	0.211	0.242	0.271	0.298	0.322	0.345	0.361
15 months	0.130	0.164	0.197	0.230	0.262	0.291	0.317	0.342	0.361
12 months	0.111	0.146	0.181	0.216	0.250	0.282	0.312	0.339	0.361

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9 months	0.090	0.125	0.162	0.199	0.237	0.272	0.305	0.336	0.361
6 months	0.065	0.099	0.137	0.178	0.219	0.259	0.296	0.331	0.361
3 months	0.034	0.065	0.104	0.150	0.197	0.243	0.286	0.326	0.361
0 months	—	—	0.042	0.115	0.179	0.233	0.281	0.323	0.361

Redemption Date	Fair Market Value of Ordinary Shares								
(period to expiration of warrants)	≤$10.00	$ 11.00	$ 12.00	$ 13.00	$ 14.00	$ 15.00	$ 16.00	$ 17.00	≥$18.00
60 months	0.261	0.281	0.297	0.311	0.324	0.337	0.348	0.358	0.361
57 months	0.257	0.277	0.294	0.310	0.324	0.337	0.348	0.358	0.361
54 months	0.252	0.272	0.291	0.307	0.322	0.335	0.347	0.357	0.361
51 months	0.246	0.268	0.287	0.304	0.320	0.333	0.346	0.357	0.361
48 months	0.241	0.263	0.283	0.301	0.317	0.332	0.344	0.356	0.361
45 months	0.235	0.258	0.279	0.298	0.315	0.330	0.343	0.356	0.361
42 months	0.228	0.252	0.274	0.294	0.312	0.328	0.342	0.355	0.361
39 months	0.221	0.246	0.269	0.290	0.309	0.325	0.340	0.354	0.361
36 months	0.213	0.239	0.263	0.285	0.305	0.323	0.339	0.353	0.361
33 months	0.205	0.232	0.257	0.280	0.301	0.320	0.337	0.352	0.361
30 months	0.196	0.224	0.250	0.274	0.297	0.316	0.335	0.351	0.361
27 months	0.185	0.214	0.242	0.268	0.291	0.313	0.332	0.350	0.361
24 months	0.173	0.204	0.233	0.260	0.285	0.308	0.329	0.348	0.361
21 months	0.161	0.193	0.223	0.252	0.279	0.304	0.326	0.347	0.361
18 months	0.146	0.179	0.211	0.242	0.271	0.298	0.322	0.345	0.361
15 months	0.130	0.164	0.197	0.230	0.262	0.291	0.317	0.342	0.361
12 months	0.111	0.146	0.181	0.216	0.250	0.282	0.312	0.339	0.361
9 months	0.090	0.125	0.162	0.199	0.237	0.272	0.305	0.336	0.361
6 months	0.065	0.099	0.137	0.178	0.219	0.259	0.296	0.331	0.361
3 months	0.034	0.065	0.104	0.150	0.197	0.243	0.286	0.326	0.361
0 months	—	—	0.042	0.115	0.179	0.233	0.281	0.323	0.361

The exact fair market value and redemption date may not be set forth in the table above, in which case, if the fair market value is between two values in the table or the redemption date is between two redemption dates in the table, the number of ordinary shares to be issued for each warrant exercised will be determined by a straight-line interpolation between the number of shares set forth for the higher and lower fair market values and the earlier and later redemption dates, as applicable, based on a 365 or 366-day year, as applicable. For example, if the volume weighted average price of the ordinary shares during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of the warrants is $11.00 per share, and at such time there are 57 months until the expiration of the warrants, holders may choose to, in connection with this redemption feature, exercise their warrants for 0.277 ordinary shares for each whole warrant. For an example where the exact fair market value and redemption date are not as set forth in the table above, if the volume-weighted average price of our ordinary shares during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of the warrants is $13.50 per share, and at such time there are 38 months until the expiration of the warrants, holders may choose to, in connection with this redemption feature, exercise their warrants for 0.298 ordinary shares for each whole warrant. In no event will the warrants be exercisable on a cashless basis in connection with this redemption feature for more than 0.361 ordinary shares per warrant (subject to adjustment). Finally, as reflected in the table above, if the warrants are out of the money and about to expire, they cannot be exercised on a cashless basis in connection with a redemption by us pursuant to this redemption feature, since they will not be exercisable for any ordinary shares.

This redemption feature differs from the typical warrant redemption features used in many other blank check company offerings, which typically only provide for a redemption of warrants for cash (other than the private placement warrants) when the trading price for the ordinary shares exceeds $18.00 per share for a specified period of time. This redemption feature is structured to allow for all of the outstanding warrants to be redeemed when the ordinary shares are trading at or above $10.00 per public share, which may be at a time when the trading price of the ordinary shares is below the exercise price of the warrants. This redemption feature was established to provide the flexibility to redeem the warrants without the warrants having to reach the $18.00 per share threshold set forth above under *"— Redemption of warrants when the price per ordinary share equals or exceeds $18.00*."

As stated above, we can redeem the warrants when the ordinary shares are trading at a price starting at $10.00, which is below the exercise price of $11.50, because we will provide certainty with respect to our capital structure and cash position while providing warrant holders with the opportunity to exercise their warrants on a cashless basis for the applicable number of shares. If we choose to redeem the warrants when the ordinary shares are trading at a price below the exercise price of the warrants, this could result in the warrant holders receiving fewer ordinary shares than they would have received if they had chosen to wait to exercise their warrants for ordinary shares if and when such ordinary shares were trading at a price higher than the exercise price of $11.50.

Redemption Procedures

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A holder of a warrant may notify us in writing in the event it elects to be subject to a requirement that such holder will not have the right to exercise such warrant, to the extent that after giving effect to such exercise, such person (together with such person's affiliates), to the warrant agent's actual knowledge, would beneficially own in excess of 4.9% or 9.8% (as specified by the holder) of the ordinary shares outstanding immediately after giving effect to such exercise.

Anti-dilution Adjustments

If the number of outstanding ordinary shares is increased by a share capitalization payable in ordinary shares, or by a sub-division of ordinary shares or other similar event, then, on the effective date of such share capitalization, sub-division or similar event, the number of ordinary shares issuable on exercise of each warrant will be increased in proportion to such increase in the outstanding ordinary shares. A rights offering made to all or substantially all holders of ordinary shares entitling holders to purchase our ordinary shares at a price less than the fair market value will be deemed a share capitalization of a number of ordinary shares equal to the product of (i) the number of ordinary shares actually sold in such rights offering (or issuable under any other equity securities sold in such rights offering that are convertible into or exercisable for our ordinary shares) and (ii) the quotient of (x) the price per ordinary share paid in such rights offering and (y) the fair market value. For these purposes (i) if the rights offering is for securities convertible into or exercisable for our ordinary shares, in determining the price payable for the ordinary shares, there will be taken into account any consideration received for such rights, as well as any additional amount payable upon exercise or conversion and (ii) fair market value means the volume weighted average price of the ordinary shares as reported during the 10 trading day period ending on the trading day prior to the first date on which the ordinary shares trade on the applicable exchange or in the applicable market, regular way, without the right to receive such rights.

In addition, if we, at any time while the warrants are outstanding and unexpired, pay a dividend or makes a distribution in cash, securities or other assets to the holders of all or substantially all of its ordinary shares on account of such ordinary shares (or other securities into which the warrants are convertible), other than (a) as described above, or (b) certain ordinary cash dividends, then the warrant exercise price will be decreased, effective immediately after the effective date of such event, by the amount of cash and/or the fair market value of any securities or other assets paid on each ordinary share in respect of such event.

If, the number of outstanding ordinary shares is decreased by a consolidation, combination, reverse share sub-division or reclassification of the ordinary shares or other similar event, then, on the effective date of such consolidation, combination, reverse share sub-division, reclassification or similar event, the number of ordinary shares issuable on exercise of each warrant will be decreased in proportion to such decrease in the outstanding ordinary shares.

Whenever the number of ordinary shares purchasable upon the exercise of the warrants is adjusted, as described above, the warrant exercise price will be adjusted by multiplying the warrant exercise price immediately prior to such adjustment by a fraction (x) the numerator of which will be the number of ordinary shares purchasable upon the exercise of the warrants immediately prior to such adjustment, and (y) the denominator of which will be the number of ordinary shares so purchasable immediately thereafter.

In case of any reclassification or reorganization of the outstanding ordinary shares (other than those described above or that solely affects the par value of such ordinary shares), or in the case of any merger or consolidation of Taboola with or into another corporation (other than a consolidation or merger in which Taboola is the continuing corporation and that does not result in any reclassification or reorganization of Taboola's issued and outstanding ordinary shares), or in the case of any sale or conveyance to another corporation or entity of the assets or other property of Taboola as an entirety or substantially as an entirety in connection with which Taboola is dissolved, the holders of the warrants will thereafter have the right to purchase and receive, upon the basis and upon the terms and conditions specified in the warrants and in lieu of the ordinary shares immediately theretofore purchasable and receivable upon the exercise of the rights represented thereby, the kind and amount of ordinary shares or other securities or property (including cash) receivable upon such reclassification, reorganization, merger or consolidation, or upon a dissolution following any such sale or transfer, that the holder of the warrants would have received if such holder had exercised their warrants immediately prior to such event. If less than 70% of the consideration receivable by the holders of the ordinary shares in such a transaction is payable in the form of ordinary shares in the successor entity that is listed for trading on a national securities exchange or is quoted in an established over-the-counter market, or is to be so listed for trading or quoted immediately following such event, and if the registered holder of the warrant properly exercises the warrant within thirty days following public disclosure of such transaction, the warrant exercise price will be reduced as specified in the warrant assignment, assumption and amendment agreement based on the Black-Scholes Warrant Value (as defined in the warrant assignment, assumption and amendment agreement) of the warrant. The purpose of such exercise price reduction is to provide additional value to holders of the warrants when an extraordinary transaction occurs during the exercise period of the warrants pursuant to which the holders of the warrants otherwise do not receive the full potential value of the warrants.

The warrant assignment, assumption and amendment agreement provides that the terms of the warrants may be amended without the consent of any holder for the purpose of (i) curing any ambiguity or to correct any defective provision or mistake, including to conform the provisions of the warrant assignment, assumption and amendment agreement to the description of the terms of the warrants and the warrant assignment, assumption and amendment agreement set forth in this prospectus, (ii) adjusting the provisions relating to cash dividends on ordinary shares as contemplated by and in accordance with the warrant assignment, assumption and amendment agreement or (iii) adding or changing any provisions with respect to matters or questions arising under the warrant assignment, assumption and amendment agreement as the parties to the warrant assignment, assumption and amendment agreement may deem necessary or desirable and that the parties deem to not adversely affect the rights of the registered holders of the warrants, provided that the approval by the holders of at least 50% of the then-outstanding public warrants is required to make any change that adversely affects the interests of the registered holders of public warrants, and, solely with respect to any amendment to the terms of the private placement warrants, 50% of the then outstanding private placement warrants. You should review a copy

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of the warrant assignment, assumption and amendment agreement for a complete description of the terms and conditions applicable to the warrants.

The warrants may be exercised upon surrender of the warrant certificate on or prior to the expiration date at the offices of the warrant agent, with the exercise form on the reverse side of the warrant certificate completed and executed as indicated, accompanied by full payment of the exercise price (or on a cashless basis, if applicable), by certified or official bank check payable to us, for the number of warrants being exercised. The warrant holders do not have the rights or privileges of holders of ordinary shares and any voting rights until they exercise their warrants and receive ordinary shares. After the issuance of ordinary shares upon exercise of the warrants, each holder will be entitled to one vote for each share held of record on all matters to be voted on by shareholders.

Exhibit 10.3

Compensation Policy for Non-Employee Directors

Compensation Element	**Compensation**
Board Annual Cash Retainer	$35,000
Initial Equity Award (for new directors)	$360,000 (2x Annual)
Annual RSU Award	$180,000
Total Board Comp (Sum of: Annual Cash Retainer + Annual Equity Award)	**$215,000**
Audit Committee Chair **Audit Committee Member**	$20,000 $10,000
Comp Committee Chair **Comp Committee Member**	$15,000 $7,500
Nom/Gov. or other Committee Chair **Nom/Gov. or other Committee Member**	$7,500 $3,000
Additional Premium for Board Chair	$75,000
Stock Ownership Guidelines	4x annual cash retainer Time to achieve: 5 years

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Exhibit 10.12 10.21

April 20, 2017 NOTICE OF RESTRICTED SHARE UNIT GRANT

Adam Singolda

Re: Offer of Employment by Taboola, Inc.

Dear Adam:

This letter summarizes You (“**Grantee**”) have been granted the terms following Restricted Share Units (the “**RSU(s)**” or “**Award**”) settled in ordinary shares, of your employment with Taboola, Inc. no par value (the “**Shares**”), of Taboola.com Ltd., a company incorporated in Israel (the “**Company**”), effective as of January 1, 2017 (the “***Effective Date***”):

1. **Term**- The term of your employment under this offer letter will commence on the Effective Date pursuant and will continue until terminated in accordance with Section 7 below. Such term is referred to herein as the “***Employment Period***”.

2. **Title**- Your title will be Chief Executive Officer. You will report subject to the Board of Directors of Taboola.com Ltd. (the “***Parent***”). In such capacity you agree to perform all such duties as are required by your position terms and such other duties on behalf conditions of the Company as Company’s 2021 Share Incentive Plan, that is viewable at https://bit.ly/3iS7ovU (as may reasonably be assigned to you amended from time to time, the “**Plan**”), and the additional terms and conditions contained herein. *Unless otherwise defined, capitalized terms used herein shall have the meaning ascribed to them under the Plan.*

Grantee: _____

Date of Grant: _____

such date being subject to Section 9.4 of the Plan and Section 7.2 of the RSU Award Agreement appended hereto (the “RSU Award Agreement”)

Intended Type of Award: **Restricted Share Units**

(P*check one*): _____ designated as 102 Capital Gains Track Award (with Trustee) (Israel)

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	designated as 102 Ordinary Income Track Award (with Trustee) (Israel)
	designated as 102 Non-Trustee Award (Israel)
	designated as 3(9) Award (Israel)
	Non-qualified Award (U.S.)
	Other

the above being subject to Section 6 of the RSU Award Agreement, Section 17.4 of the Plan and applicable law.

Number of Shares Underlying Upon Grant of RSUs:	
Restriction (Vesting) Commencement Date (the "**Vesting Commencement Date**"):	
Period of Restriction (Vesting Schedule):	Subject to the terms of the Plan (including Sections 6.6, 6.7 and 6.8 thereof), the RSUs shall vest and convert into Shares under the following schedule:

Date	Amount to vest	Cumulative Vested

The RSUs are governed by this Notice and by the Parent's Board provisions of Directors. the Plan and the RSU Award Agreement, both of which are made an integral part of this Notice. By signing the RSU Award Agreement, the Grantee (1) acknowledges (i) receipt of the RSU Award Agreement and (ii) that the Plan was made available to the Grantee, (2) represents that the Grantee read and is familiar with their provisions, and (3) accepts the RSUs subject to all of their terms and conditions. Notwithstanding anything to the contrary, the RSUs and the terms hereof supersede, replace and terminate any promise or other right in connection with the share capital of the Company, which Grantee has or may have pursuant to any service, employment or other agreement with the Company or any Affiliate, without, however, affecting any currently outstanding shares of the Company or other Awards, if any, previously issued or granted thereto.

RESTRICTED SHARE UNIT AWARD AGREEMENT

The Company has granted to the Grantee named in the Notice of Restricted Share Units Grant (the "**Notice**") to which this Restricted Share Unit Award Agreement (this "**RSU Award Agreement**") is attached Restricted Share Units ("**RSU(s)**") upon the terms and conditions set forth in the Notice and this RSU Award Agreement. The RSUs have been granted pursuant to and shall in all respects be subject to the terms and conditions of the Notice, this RSU Award Agreement and the Plan, the provisions of which are incorporated herein by reference and made an integral part of this RSU Award Agreement. *Unless otherwise defined, capitalized terms used herein shall have the meaning ascribed to them under the Plan.*

By signing this Agreement, the Grantee: (a) represents that the Grantee has received copies of, and has read and is familiar with the terms and conditions of, the Notice, the Plan and this RSU Award Agreement, (b) accepts the RSUs and agrees that the RSUs, the Shares issued upon the settlement thereof and/or any securities issued or distributed with respect thereto, are subject to all of the terms and conditions of the Notice, the Plan, this RSU Award Agreement, the Trust Agreement (if applicable), and any other documents ancillary hereto or thereto, and (c) agrees to accept as binding, conclusive and final all decisions and interpretations of the Board or the Committee upon any questions arising under the Notice, the Plan or this RSU Award Agreement (whether before or after the issuance of Shares pursuant to the RSUs). While certain terms and conditions are included in this RSU Award Agreement, such terms and conditions shall not in any way derogate from the applicability of all other terms and conditions set forth in the Plan. The Grantee acknowledges that the terms and conditions of the Plan may be amended from time to time as set forth therein, and therefore, any reference to the Plan shall be deemed to refer to the Plan as amended from time to time, including any amendments adopted after the Date of Grant. Further, the Grantee is aware that the Company may in the future issue additional Shares and grant additional Awards to various entities and individuals, as the Company in its sole discretion shall determine. Unless otherwise stated, in the event of any inconsistency or contradiction between any of the terms of this RSU Award Agreement and the provisions of the Plan, the terms and provisions of this RSU Award Agreement shall prevail.

1.**Duties No Disposition of RSUs -** You agree that, while employed. The RSUs shall not be pledged or otherwise transferred (whether by operation of law or otherwise), and shall not be subject to sale under execution, attachment, levy or similar process, other than by will or by the laws of descent and distribution, unless otherwise determined by the Committee or under the Plan.

2.**Issuance and Disposition of RSUs and Shares**.

2.1.Legal Compliance. The grant of RSUs and the issuance of Shares upon settlement of RSUs shall be subject to compliance with all Applicable Laws as determined by the Company you will devote all or the Committee, including, applicable requirements of your business time federal, state and your best efforts, business judgment, skill and knowledge foreign law with respect to such securities. The Company shall have no obligations to issue Shares pursuant to the advancement settlement of an RSU and RSUs may not be settled, if the issuance of Shares upon settlement would constitute a violation of any Applicable Laws as determined by the Company, including, applicable federal, state or foreign securities laws or other law or regulations or the requirements of the business and interests Nasdaq Global Select Market or any stock exchange or market system on which the Shares may then be listed. In addition, no RSUs may be settled unless (i) a registration statement under the Securities Act or equivalent laws of other applicable jurisdictions shall at the time of settlement of the Company, however, you may engage RSUs be in advisory boards or board membership positions effect with respect to the approval shares issuable upon settlement of the Board RSUs, or (ii) in the opinion of Directors of the Parent so long as such positions do not conflict with your duties or obligations to the Company. You will act as a

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fiduciary legal counsel to the Company, during the Employment Period, and will cause shares issuable upon settlement of the Company to act, in the ordinary course of business consistent with the reasonable past practices or as otherwise reasonably directed by the Parent's Board of Directors (and will not permit your obligations (fiduciary or otherwise) to any other person impact, impair, or affect your dealings with and for the Company), except as required by law.

4. **Compensation and Benefits**- During the Employment Period, as compensation for all services performed by you and your agreements in this offer letter, the Company will provide you the following pay and benefits. Your compensation shall RSUs may be reviewed by the Company annually.

(a) **Salary**- Your starting base salary will be $680,000 per year and will be payable issued in accordance with the Company's standard payroll practices and procedures. terms of an applicable exemption from the registration requirements of the Securities Act or equivalent laws of other applicable jurisdictions.

(b) 2.2.Performance Bonus Provisions Governing Shares- You will . Shares issued upon settlement of RSUs shall be entitled subject to an annual on-target bonus the restrictions referred to in Section 16 of the amount Plan (Conditions upon Issuance of $270,000, for meeting predefined targets designated between you Shares; Governing Provisions) and in this RSU Award Agreement, the Parent's Board Articles of Directors in a specific bonus plan to be completed each year by February 1, which plan shall define Association of the structure under which Company, any other governing documents of the bonus actually paid can be less than or more than the above amount. You shall bear Company, and pay all taxes applicable in connection with the performance based bonus.

(c) **Benefits**- You will also be eligible to participate in standard employee benefit plans, including health insurance policies, manuals and 401(k), offered internal regulations adopted by the Company from time to time.

(d) **Business Expenses** - The Company will pay or reimburse you for all reasonable out of pocket business expenses incurred or paid by you time, in the performance of your duties and responsibilities for the Company, subject to such reasonable substantiation and documentation each case, as the Company may specify be amended from time to time, including, without limitation, any provisions included therein concerning restrictions or limitations on disposition of Shares (such as, but not limited to, lock-up/market stand-off), any provisions concerning restrictions on the use of inside information and other provisions deemed by the Company to be appropriate in order to ensure compliance with Applicable Laws and with the requirements of any transaction entered into or proposed to be entered into by the Company. The Grantee shall execute (and authorizes any person designated by the Company to so execute, as well as (if applicable) the Trustee holding any Shares for the Grantee's behalf), such separate agreement(s) as may be requested by the Company relating to matters set forth in or otherwise for the purpose of implementing this Section 2.2. The execution of such separate agreement(s) may be a condition by the Company to the settlement of any Award and the Company (and, if applicable, the Trustee) may exercise its authorization above and sign such agreement on behalf of the Grantee or subject the Grantee to the provisions of such agreements.

2.3.Additional or Substituted Securities. In the event that in connection with the declaration of a share dividend (bonus shares), a share split, a reverse share split, a reorganization (which may include a combination or exchange of shares), a consolidation, a spin-off or other corporate divestiture or division, a recapitalization, a reclassification or other similar occurrence affecting the Company's outstanding securities without receipt of consideration, any new, substituted or additional securities or other property (other than cash dividend) are distributed by reason of such occurrence with respect to any Shares which are subject to this Section 2, or into which such Shares thereby become convertible, then such substituted or additional securities or other property (if distributed) shall immediately be subject to this Section 2. Any adjustments to reflect the distribution of such securities or other property shall be conclusively determined by the Company. The terms and conditions contained herein and in the Plan in respect of the RSUs and/or the Shares shall apply to any new, substituted or additional securities or other property resulting from the above adjustments.

2.4.Merger/Sale. In the event of a Merger/Sale, the provisions of Section 14.2 of the Plan shall apply.

2.5.Data Privacy; Data Transfer. Information related to the Grantee and Award(s) hereunder, as shall be received from Grantee or others, and/or held by, the Company or its Affiliates from time to time, and which information may include sensitive and personal information related to the Grantee ("**Information**"), will be used by the Company or its Affiliates (or third parties appointed by any of them, including the Trustee) to comply with any applicable legal requirement, or for administration of the Plan as they deems necessary or advisable, or for the respective business purposes of the Company or its Affiliates (including in connection with transactions related to any of them). The Company and its Affiliates shall be entitled to transfer the Information among the Company or its Affiliates and to third parties for the purposes set forth above, which may include persons located abroad (including, any person administering the Plan or providing services in respect of the Plan or in order to comply with legal requirements, or the Trustee, their respective officers, directors, employees and representatives, and the respective successors and assigns of any of the foregoing), and any person so receiving Information shall be entitled to transfer it for the purposes set forth above. The Company shall use commercially reasonable efforts to ensure that the transfer of such Information shall be limited to the reasonable and necessary scope. By receiving an Award hereunder, Grantee acknowledges and agrees that the Information is provided at Grantee's free will and that Grantee hereby consents to the storage and transfer of the Information as set forth above.

3.**Settlement of Restricted Share Units**.

3.1.Settlement of Restricted Share Units. The Company shall cause to be delivered to the Grantee, the full number of Shares underlying the RSUs as to which such portion of the Period of Restriction has so lapsed, subject to satisfaction of applicable withholding obligations with respect thereto pursuant to Section 6 and Section 17 of the Plan, as soon as reasonably practicable following the lapse of the applicable portion of

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the Period of Restriction under Section 3.2 hereof, but in no event later than the earlier to occur of: (i) the last day of the calendar quarter in which the date of such lapse of Period of Restrictions occurs; (ii) immediately prior to an event giving rise to a right conferred upon by such Shares (such as, dividend); (iii) as soon as reasonably practicable following the Grantee's written request; or (iv) a date determined by the Company.

Notwithstanding any other provision of this RSU Award Agreement to the contrary, the Committee may provide that any Shares issued in settlement of the RSUs shall be held and/or evidenced in such manner as the Committee may, in its discretion, determine, including, without limitation, by issuing the Shares to a Trustee which shall hold such Shares for the benefit of the Grantee.

Upon settlement of the RSUs as provided above, the Company is hereby authorized by itself or any party acting on its behalf to deduct from the portion of the Shares underlying the RSUs with respect to which the Period of Restriction has so lapsed applicable tax or other compulsory payments from any amount due to the Grantee.

3.2. Period of Restriction. The Period of Restriction (the vesting schedule) with respect to the RSUs shall be as set forth in the Notice. Subject to the terms of the Plan, all RSUs for which the Period of Restriction had not lapsed prior to the date of the Grantee's Termination (for any reason) shall be immediately forfeited and terminated.

4. **Legend**. The Company may at any time place legends referencing the restriction imposed on the Shares and any applicable federal, state or foreign securities law restrictions on all certificates representing Shares subject to the provisions of this RSU Award Agreement. The Grantee shall, at the request of the Company, promptly present to the Company any and all certificates representing Shares acquired pursuant to RSUs in the possession of the Grantee in order to carry out the provisions of this Section.

5. **Term and Expiration**. The RSUs shall expire in accordance with the Company's generally applicable polices. Plan, including in case the Grantee's employment or service terminates for any reason.

(e)

6. **PTO Tax Matters and Consultation**- You will be entitled.

6.1. THE GRANTEE IS ADVISED TO CONSULT WITH A TAX ADVISOR WITH RESPECT TO THE TAX CONSEQUENCES OF RECEIVING OR DISPOSING OR SELLING SHARES ISSUED UPON SETTLEMENT HEREUNDER. THE COMPANY DOES NOT ASSUME ANY RESPONSIBILITY TO ADVISE THE GRANTEE ON SUCH MATTERS, WHICH SHALL REMAIN SOLELY THE RESPONSIBILITY OF THE GRANTEE. Without derogating from Section 17 of the Plan, and notwithstanding anything to a total the contrary, including the indication under "Intended Type of 24 annual vacation Award" above, the Company does not undertake, and PTO days, prorated for partial years, all in accordance with the Company's general vacation policy. The number of PTO shall be increased under no duty to ensure, and no representation or commitment is made, that the RSUs qualifies or will qualify under, or that the Grantee will benefit from, any particular tax treatment (such as Section 102 or any other treatment), nor shall the Company be required to take any action for the qualification of any RSUs under such tax treatment and no indication in any document to the effect that any Award is intended to qualify for any tax treatment shall imply such an undertaking or representation. If the RSUs do not qualify under any particular tax treatment it could result in adverse tax consequences to the Grantee. By signing below, Grantee agrees that the Company and its Affiliates and the Trustee, as applicable, and their respective employees, directors, officers and shareholders shall not be liable for any tax, penalty, interest or cost incurred by one additional day Grantee as a result of such determination, nor will any of them have any liability of any kind or nature in the event that, for each year of service beyond 2017. any reason whatsoever, if RSUs do not qualify for any particular tax treatment.

(f) **D&O Insurance**- The Company shall maintain or cause to be maintained an insurance policy or policies providing liability insurance for directors and officers. You shall be covered by such policy or policies in accordance with its or their terms to 6.2. Without limiting the maximum extent foregoing, upon settlement of the coverage available RSUs, or as of any other date on which the value of any RSUs otherwise becomes includible in the Grantee's gross income for any director tax purposes, social security or officer under such policy or policies. The Company other compulsory payment purposes, the Grantee shall maintain such insurance coverage for you even after the termination of your employment with the Company in respect of actions taken by you while employed by pay to the Company or while serving as an officer, director its Affiliate in cash, or board observer make other arrangements satisfactory to the Committee for the satisfaction of, any subsidiary taxes of any kind and social security payments payable or affiliate of required by law to be withheld with respect to such RSUs; provided, however, that pursuant to any procedures, and subject to any limitations, as the Committee may prescribe, and subject to applicable law, the Company for the duration of any relevant statute of limitations.

(g) **Excise Taxes**- You will may, in its discretion, cause such withholding obligations to be entitled to the gross up rights set forth in ***Appendix B*** hereto.

5. **Work Authorization**- You hereby acknowledge that you are legally authorized to work in the United States.

6. **Business Protections**.

(a) **Employee Inventions Assignment and Confidentiality Agreement**- As a condition to your employment with the Company, you must execute and comply with the Employee Inventions Assignment and Confidentiality Agreement attached hereto as ***Appendix A*** and incorporated herein by reference.

(b) **Protection of Documents**- All documents, records and files, in any media of whatever kind and description, relating to the business, present or otherwise, of the Company, and any copies, satisfied in whole or in part thereof (the "***Documents***"), whether by withholding Shares or not prepared by you will be cash otherwise deliverable or payable to the sole and exclusive property Grantee pursuant to this RSU Award Agreement in accordance with Section 17 of the Company. You agree Plan. The Company or an Affiliate may, in the discretion of the Committee, provide for alternative arrangements to safeguard all Documents and to surrender to satisfy applicable tax or other compulsory payment withholding or deduction requirements in accordance with Section 17 of the Plan. Regardless of any action the Company at or any Affiliate takes with respect to any or all tax or other compulsory payment withholding or deduction (including any social security contributions) obligations, the time your employment terminates Grantee acknowledges that the ultimate liability for all such taxes is and remains the Grantee's responsibility, and that the Company does not: (i) make any representations or at undertakings regarding the treatment of any tax withholding in connection with any aspect of the RSUs, including the grant or vesting thereof, the subsequent sale of Shares and the receipt of any dividends; or (ii) commit to structure the terms of the RSUs or any aspect of the RSUs to reduce or eliminate the Grantee's liability for such earlier time or times as tax.

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6.3. The Grantee hereby irrevocably appoints the Parent's Board of Directors Company or its designee as such grantee's agent to sell such number of Shares received upon such vesting (at such price as may specify, all Documents then in your possession or control.

(c) **Use of Company's Computers by Employee**. Unless otherwise provided under this offer letter or valid Company procedures, you will use the Company's computer equipment (including smartphone) (the "***Company's Computers***") for the purpose of your employment. You may use the Company's computers and email system (including by smartphone) for personal purposes, and you will be entitled to use external email services (such as Gmail, Yahoo Mail, etc.).

(d) **Use of Company's Computers obtained by the Company.** You acknowledge and agree Company) as follows: (i) are necessary to cover such taxes (after deducting any commissions on such sale). It is understood that this agreement is an instruction entered into in compliance with Rule 10b5-1 under the Company shall have the right to allow other employees and other third parties to use the Company's Computers (but not to access folders which are clearly marked Securities Exchange Act of 1934, as "personal" and which you represent shall include only personal information); (ii) other than as aforementioned with regard to personal folders containing personal information, the Company shall have the right to conduct inspections on any and all of the Company's Computers, including inspections of email transmissions, internet usage and inspections of their content and shall have the right to use the findings of such inspections for the Company's purposes. amended.

(e)

7. **Additional Obligations Section 102 Awards**- You understand and agree that .

7.1. Eligibility for Awards. Subject to Applicable Law, 102 Awards may only be granted to an "employee" within the restrictive covenants are in addition to, and not in lieu meaning of any existing or future restrictive covenants contained in any other existing or future agreements between you and Section 102(a) of the Ordinance (which as of the date hereof means (i) individuals employed by an Israeli company being the Company or any of its subsidiaries or affiliates (each, Affiliates, and (ii) individuals who are serving and are engaged personally (and not through an "entity) as "office holders" by such an Israeli company), but may not be granted to a Controlling Shareholder ("**Additional Obligation Eligible 102 Grantees**"). By executing this offer letter, you acknowledge, reaffirm and agree that you are and Eligible 102 Grantees may receive only 102 Awards, which may either be granted to a Trustee or granted under Section 102 of the Ordinance without a Trustee.

7.2. 102 Award Grant Date.

7.2.1. Each 102 Award will continue to be bound deemed granted on the date determined by the terms Committee, subject to Section 10.2.2, provided that (i) the Grantee has signed all documents required by the Company or pursuant to Applicable Law, and conditions of such Additional Obligations. In addition, you acknowledge and agree that this Section 6 will remain in full force and effect (ii) with respect to 102 Trustee Awards, the Company has provided all applicable documents to the Trustee in accordance with its terms notwithstanding any change in your title, duties, compensation or benefits.

7. **Termination of Employment**- Your employment under the guidelines published by the ITA, and if this offer letter RSU Award Agreement is not signed and delivered by the Employment Period may be terminated only as set forth in this Section 7.

(a) **Notice of Termination**- Either party may terminate the employment under this offer letter upon 12 months' notice (the "***Notice Period***"). For the avoidance of doubt, during the Notice Period, you will continue to be entitled to all rights and benefits pursuant to this offer letter, including any entitlements for bonus payments, until the effective date of termination. At your option, you will continue to perform your duties during the Notice Period as set forth herein or refrain from performing your duties and remain absent from the premises of the Company during the Notice Period (in which case salaries will be paid as a lump-sum Grantee within 15 90 days from the date you receive or provide a notice of termination of employment), subject determined by the Committee (subject to Section (d) below. Your entitlements during 10.2.2), then such 102 Trustee Award shall be deemed granted on such later date as this RSU Award Agreement is signed and delivered and on which the Company has provided all applicable documents to the Trustee in accordance with the guidelines published by the ITA. In the case of any contradiction, this provision and the date of grant determined pursuant hereto shall supersede and be deemed to amend any date of grant indicated in the Notice Period or in any corporate resolution or any agreement.

7.2.2. Unless otherwise permitted by the Ordinance, any grants of 102 Trustee Awards that are made on or after the date of the adoption of this Plan or an amendment to this Plan, as the case may be, that may become effective only at the expiration of thirty (30) days after the filing of this Plan or any amendment thereof (as the case may be) with the ITA in accordance with the Ordinance shall also apply be conditional upon the expiration of such 30-day period, such condition shall be read and is incorporated by reference into any corporate resolutions approving such grants and into this RSU Award Agreement and any agreement evidencing such grants (whether or not explicitly referring to your successors such condition), and the date of grant shall be at the expiration of such 30-day period, whether or not the date of grant indicated therein corresponds with this Section 10.2. In the case of any contradiction, this provision and the date of grant determined pursuant hereto shall supersede and be deemed to amend any date of grant indicated in the event of Notice or in any corporate resolution or any agreement.

7.3. To the termination of your employment as a result of your death.

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(b) **Termination for Cause**- Notwithstanding anything to the contrary in Section (a) above, the Company may terminate your employment for Cause. In any event of termination for Cause, the employment under this offer letter shall forthwith terminate extent and thereafter the Company shall not have any further liability or obligation towards you, including with respect to Notice Period. The term "***Cause***" means: 102 Trustee Awards, the Grantee acknowledges, undertakes and confirms that: (i) any act of personal dishonesty taken by you in connection with your responsibilities as an employee of any member of the Taboola Group (i.e. Grantee fully understand that Section 102 Ordinance and the Parent, or any direct or indirect wholly owned subsidiary thereof) with the intention or reasonable expectation that such action may result in the substantial personal enrichment by you; (ii) your conviction of, or plea of nolo contendere to, a felony; (iii) your commission of any intentional tortious act or unlawful act which causes material harm rules and regulations enacted thereunder apply to the standing, condition or reputation of your employing entity within RSUs, and (ii) the Taboola Group; (iv) any intentional material breach by you of Grantee understands the provisions of Section 102 of the Ordinance, the tax track chosen thereunder and the implications thereof. If applicable, provisions the terms of such RSUs shall also be subject to the terms of the Trust Agreement made between the Company and the Trustee for the benefit of the Grantee, and the Grantee shall sign all documents requested by the Company or the Trustee, in accordance with and under the trust agreement. A copy of the trust agreement is available for the Grantee's review, during normal working hours, at the Company's offices.

7.4. Without derogating from the generality of the foregoing, to the extent and with respect to any RSUs that are 102 Capital Gain Track Awards, and as required by Section 102 of the Ordinance and the Rules, the Grantee acknowledges, undertakes and confirms in writing the following (which shall be apply and relate to all Awards granted to the Grantee, whether under this Plan or other plans maintained by the Company, and whether prior to or after the date hereof, if any):

7.4.1. The Grantee shall comply with all terms and conditions set forth in Section 2 – 13 (inclusive) 102 of Appendix A; provided, however, the Ordinance with regard to the "Capital Gain Track" and the applicable rules and regulations promulgated thereunder, as amended from time to time;

7.4.2. The Grantee is familiar with, and understands the provisions of, Section 102 of the Ordinance in general, and the tax arrangement under the "Capital Gain Track" in particular, and its tax consequences; the Grantee agrees that the RSUs and Shares that may be issued upon settlement thereof (or otherwise in relation thereto), will be held by a trustee appointed pursuant to Section 102 of the Ordinance for at least the duration of the Holding Period, as defined in Section 102 under the "Capital Gain Track". The Grantee understands that any release of such breach (if curable) has not been cured by you within 15 days following a written notice sent RSUs or Shares from trust, or any sale of the Share prior to you the termination of the Holding Period, will result in taxation at marginal tax rate, in addition to deductions of appropriate social security, health tax contributions or other compulsory payments; and

7.4.3. The Grantee agrees to the trust agreement signed between the Company and the trustee appointed pursuant to Section 102 of the Ordinance and shall sign all documents requested by the Company detailing or the facts that constitute Trustee, in accordance with and under the trust agreement.

8.**Termination; Amendment**. The Board may terminate or amend the Plan or the RSUs at any time, subject to the Plan and any such a breach; or (v) a breach of any fiduciary duty owed by you to your employing entity (whether the Parent or a direct or indirect Subsidiary thereof) that has a material detrimental effect amendment shall apply on the reputation Grantee and this RSU Award Agreement (including the Shares issuable or business issued pursuant thereto), without any required consent of such employing entity but only if and after there has been delivered to you a written notice from such person which describes the basis for such person's belief that you have breached your fiduciary duties and provides you with thirty (30) days to take corrective action.

(c) **Other Resignations**- Upon any termination of your employment for any reason, you will also automatically resign, and will automatically Grantee. In addition, the terms contained herein may be deemed to have resigned, from all positions with the Company. You hereby grant the Company's counsel an irrevocable power of attorney (with right of substitution) to take actions in your name to effectuate such resignations.

(d) **Cooperation**- In the event this offer letter is amended or terminated for any reason whatsoever, you will cooperate with the Company and exercise your reasonable efforts to assist in the integration exercise of powers and authorities under the person Plan or persons who will assume your responsibilities into the Company.

8. **Arbitration -** You implementation of its provisions. Except as set forth above and the Company shall submit to mandatory and exclusive binding arbitration of any controversy or claim arising out of, or relating to, without derogating therefrom, this letter or any breach hereof, provided, however, that the parties retain their right to, and RSU Award Agreement shall not be prohibited, limited or in any other way restricted from, seeking or obtaining equitable relief from a court having jurisdiction over the parties. Such arbitration shall be governed by the Federal Arbitration Act and conducted through the American Arbitration Association in the city and state of New York before a single neutral arbitrator, in accordance with the National Rules for the Resolution of Employment Disputes of the American Arbitration Association in effect at that time. The parties may conduct only essential discovery prior to the hearing, as defined by the AAA arbitrator. The arbitrator shall issue a written decision that contains the essential findings and conclusions on which the decision is based. You shall bear only those costs of arbitration you would otherwise bear had you brought a claim covered by this letter in court. Judgment upon the determination or award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

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9. **Representations**- You represent and warrant to the Company that you are not subject to any contract, agreement, judgment, order or decree of any kind, or any restrictive agreement of any character, that restricts your ability to perform your obligations under this offer letter or that would be breached by you upon your performance of your duties pursuant to this offer letter. You also represent and warrant to the Company that you do not have, and will not use in the course of your duties with the Company, any confidential information of a predecessor employer. You further represent and warrant that the information you provided concerning your employment and educational history and other qualifications is true and correct. The accuracy of these representations is a condition precedent to any obligations of the Company under this offer letter.

10. **Withholding**- All payments made by the Company under this offer letter will be reduced by any tax or other amounts required to be withheld by the Company under applicable law. In the event the Company does not make such deductions or withholdings, you agree to indemnify and hold harmless the Company for any amounts paid with respect to any such taxes.

11. **Assignment**- This offer letter will inure to the benefit of and be binding upon you and the Company, and each of our respective successors, executors, administrators, heirs and assigns. You may not assign this offer letter amended without the prior written consent of the Company. parties hereto.

12. 9. **Miscellaneous**.

(a) 9.1. Entire No Disclosure. Subject to applicable law, this RSU Award Agreement- This offer letter and the Employee Inventions Assignment and Confidentiality Agreement sets forth your entire agreement with is confidential information of the Company concerning your employment and supersedes all prior and contemporaneous communications, agreements and understandings, written or oral, with respect to the subject matter hereof. This Agreement may not be modified disclosed by Grantee to any person, other than (if applicable) the Trustee or amended, and no breach will be deemed to be waived, unless agreed to in writing by you and an expressly authorized representative of the Parent's Board of Directors. The headings and captions in this offer letter are for convenience only and in no way define or describe the scope or content of any provision of this offer letter. This offer letter may be executed in two or more counterparts, including via facsimile or electronic transmission, each of which will be an original and all of which together will constitute one and the same instrument.

(b) **Severability**- If any provision of this offer letter is illegal, invalid or unenforceable for any reason whatsoever, such provision will be fully severable, and this offer letter will be construed and enforced as if such illegal, invalid or unenforceable provision were not a part of this offer letter with the remaining provisions of this offer letter remaining in full force and effect and unaffected by the illegal, invalid or unenforceable provision or by its severance from this offer letter. Further, in lieu of such illegal, invalid or unenforceable provision, there will be automatically included, as part of this offer letter and to the maximum extent allowed by controlling law, a provision as similar in terms to such illegal, invalid or unenforceable provision as may otherwise be possible and legal, valid and enforceable. In the event any controlling law is subsequently amended or interpreted reasonably required in such a way to make any provision of this offer letter that was formerly invalid a valid provision, such provision will be considered to be valid from the date provided in such interpretation or amendment or, in the event the interpretation or amendment does not otherwise provide, from the effective date of such interpretation or amendment.

13. **Acceptance accordance with applicable law.**–Your signature will acknowledge that you have read and understood and agreed to the terms and conditions of this offer letter and the attached documents, if any.

Taboola, Inc.

By: /s/ Hagai Gold
Name: Hagai Gold
Title: VP Finance

I have read and understood this offer letter and hereby acknowledge, accept and agree to the terms as set forth above and further acknowledge that no other commitments were made to me as part of my employment offer except as specifically set forth herein.

/s/ Adam Singolda

Adam Singolda
Date: April 20, 2017

Taboola, Inc.
Headquarters: 1115 Broadway, 7th Floor, New York, NY 10010
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Appendix A

THIS UNDERTAKING ("***Undertaking***") is entered into on the 20th day of April, 2017, by Adam Singolda (the "***Executive***").

WHEREAS 9.2., Executive wishes No Retention or Employment Rights. Nothing in the Plan or this RSU Award Agreement confers upon any Grantee the right to be employed by Taboola, Inc. (the "***Company***"); and

WHEREAS, it is critical for (or be treated as) an employee of, or continue in the employ of, or be in the service of the Company to preserve and protect its Confidential Information (as defined below) and its rights in Inventions (as defined below) and in all related intellectual property, and Executive is entering into this Undertaking or any Affiliate thereof as a condition Service Provider or to Executive's employment be entitled to any remuneration or benefits not set forth in this RSU Award Agreement, or to interfere with or limit in any way the Company.

NOW, THEREFORE, the Executive undertakes and warrants towards right of the Company as follows:

References herein or any such Affiliate to terminate such Grantee's employment or service (including, any right of the term "**Company**" shall include or any of its Affiliates to immediately cease the Company's direct Grantee's employment or indirect parent, subsidiary service or to shorten all or part of the notice period, regardless of whether notice of termination was given by the Company or its Affiliates or by the Grantee). RSUs granted under this RSU Award Agreement shall not be affected by any change in duties or position of a Grantee, subject to Section 6 of the Plan. No Grantee shall be entitled to claim and affiliated companies, and their respective successors and assigns.

1. **Confidentiality.**

1.1. Executive acknowledges that Executive may have access to information that relates to the Company, its business, assets, financial condition, affairs, activities, plans and projections, customers, suppliers, partners, and other third parties with whom the Company agreed or agrees, from time to time, to hold information of such party in confidence (the "***Confidential Information***"). Confidential Information shall include, without limitation, information, whether or not marked or designated as confidential, concerning technology, products, research and development, patents, copyrights, inventions, trade secrets, test results, formulae, processes, data, know-how, marketing, promotion, business and financial plans, policies, practices, strategies, surveys, analyses and forecasts, financial information, customer lists, agreements, transactions, undertakings and data concerning employees, consultants, officers, directors, and shareholders. Confidential Information includes information in any form or media, whether documentary, written, oral, magnetic, electronically transmitted, through presentation or demonstration or computer generated. Confidential Information shall not include information that: (i) has become part of the public domain not as a result of a breach of any obligation owed by Executive to the Company; or (ii) is required to be disclosed by law or the binding rules of any governmental organization, provided, however, that Executive gives the Company prompt notice thereof so that the Company may seek a protective order or other appropriate remedy, and further provided, that in the event that such protective order or other remedy is not obtained, Executive shall furnish only that portion of the Confidential Information which is legally required, and shall exercise all reasonable efforts required to obtain confidential treatment for such information.

1.2. Executive acknowledges and understands that the employment by the Company and the access to Confidential Information creates a relationship of confidence and trust with respect to such Confidential Information.

1.3. During the term of Executive's employment and at any time after termination or expiration thereof, for any reason, Executive shall keep in strict confidence and trust, shall safeguard, and shall not disclose to any person or entity, nor use for the benefit of any party other than the Company, any Confidential Information, other than with the prior express consent of the Company.

1.4. All right, title and interest in and to Confidential Information are and shall remain the sole and exclusive property of the Company or of the third party providing such Confidential Information to the Company, as the case may be. Without limitation of the foregoing, Executive agrees and acknowledges that all memoranda, books, notes, records, email transmissions, charts, formulae, specifications, lists and other documents (contained on any media whatsoever) made, reproduced, compiled, received, held or used by Executive in connection with the employment by the Company or that otherwise relates to any Confidential Information (the "***Confidential Material***"), shall be the Company's sole and exclusive property and shall be deemed to be Confidential Information. All originals, copies, reproductions and summaries of the Confidential Materials shall be delivered by Executive to the Company upon termination or expiration of Executive's employment for any reason, or at any earlier time at the request of the Company, without Executive retaining any copies thereof.

1.5. During the term of Executive's employment with the Company, Executive shall not remove from the Company's offices or premises any Confidential Material unless and to the extent necessary in connection with the duties and responsibilities of Executive and permitted pursuant to the then applicable policies and regulations of the Company. In the event that such Confidential Material is duly removed from the Company's offices or premises, Executive shall take all actions necessary in order to secure the safekeeping and confidentiality of such Confidential Material and return the Confidential Material to their proper files or location as promptly as possible after such use.

1.6. During the term of Executive's employment with the Company, Executive will not improperly use or disclose any proprietary or confidential information or trade secrets, and will not bring onto the premises of the Company any unpublished documents or any property, belonging to any former employer or any other person to whom Executive has an obligation of confidentiality and/or non-use (including, without limitation, any academic institution or any entity related thereto), unless generally available to the public or consented to in writing by that person.

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2. **Unfair Competition and Solicitation**.

2.1. The Executive agrees and undertakes that, for as long as the Executive is employed by the Company and for twelve months following the date the Executive receives or provides a notice with regard to the termination of his employment (i.e. such period does not include the Notice Period), the Executive shall not become financially interested in, be employed by, or have any business connection with, any business or venture that is engaged in any activities relating to content recommendation (the "***Business***"), directly or indirectly, as owner, partner, joint venture, shareholder, employee, broker, agent, principal, corporate officer, director, licensor or in any other capacity whatever. Notwithstanding the foregoing, Executive may (i) own, directly or indirectly, solely as an investment, up to one percent (1%) of any class of "publicly traded securities" of any business that is competitive or substantially similar to the Business, or (ii) during the Non-Compete Period work for a division, entity or subgroup of any of such companies that engages in the Business so long as such division, entity or subgroup does not engage in the Business. The term "publicly traded securities" shall mean securities that are traded on a national securities exchange.

2.2. Executive hereby declares that he is aware that a portion of the Salary contains additional consideration in exchange for the Executive fully undertaking the non-compete provisions in Sections 2.1 above. Notwithstanding anything in this provision, the Executive declares that he/she is financially capable of undertaking these non-compete provisions.

2.3. The Executive agrees and undertakes that during the period of his employment with the Company and for twelve months following the date the Executive receives or provides a notice with regard to the termination of his employment (i.e. such period does not include the Notice Period), the Executive will not actively solicit, or canvass any employee of the Taboola Group who was employed by the Taboola Group on the date of the Executive's termination or during the preceding twelve months.

2.4. Executive acknowledges that in light of Executive's position with the Company and in view of Executive's exposure to, and involvement in, the Company's sensitive and valuable proprietary information, property (including, intellectual property) and technologies, as well as its goodwill and business plans (the "***Company's Major Assets***"), the provisions of this Section 2 above are reasonable and necessary to legitimately protect the Company's Major Assets, and are being undertaken by Executive as a condition to the employment of Executive by the Company. Executive confirms that Executive has carefully reviewed the provisions of this Section 2, fully understands the consequences thereof and has assessed the respective advantages and disadvantages to Executive of entering into this Undertaking and, specifically, Section 2 hereof.

3. **Ownership of Inventions**.

3.1. Executive will notify and disclose in writing to the Company, or any persons designated by the Company from time to time, all information, improvements, inventions, trademarks, works, designs, trade secrets, formulae, processes, techniques, know-how and data, whether or not patentable or registerable under copyright or any similar laws, made or conceived or reduced to practice or learned by Executive, either alone or jointly with others, during Executive's employment with the Company (including after hours, on weekends or during vacation time) (all such information, improvements, inventions, trademarks, works, designs, trade secrets, formulae, processes, techniques, know-how, and data are hereinafter referred to as the "Invention(s)") immediately upon discovery, receipt or invention as applicable.

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3.2. Executive hereby assigns and transfers to the Company, to the fullest extent possible under applicable law, Executive's entire right, title, interest and proprietary and economic rights in and to all Inventions invented, designed, discovered, authored, developed, created, made, conceived or reduced to practice by the Executive, whether solely or jointly with others, (whether created for or on behalf of the Company or in contemplation of the Company, following or prior to the inception of the Company, or following or prior to the Executive's commencement of employment), that (i) relates to the business, research or development of the Company, and any rights related directly or indirectly thereto; (ii) is or was developed (in whole or in part) using the Company's equipment, supplies, facilities or intellectual property; or (iii) developed (in whole or in part) by the Executive, or on its behalf, prior to the inception of the Company, and is related to the Company's business (collectively, "***Company Inventions***").

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3.3. Executive agrees that all the Company Inventions are, upon creation, Inventions of the Company, shall be the sole property of the Company and its assignees, and the Company and its assignees shall be the sole owner of all title, rights and interest in and to any patents, copyrights, trade secrets and all other rights of any kind or nature, including moral rights, in connection with such Company Inventions. Executive hereby irrevocably and unconditionally assigns to the Company all the following with respect to any and all Company Inventions: (i) all title, rights and interest in and to any patents, patent applications, and patent rights, including any and all continuations or extensions thereof; (ii) rights associated with works of authorship, including copyrights and copyright applications, Moral Rights (as defined below) and mask work rights; (iii) rights relating to the protection of trade secrets and confidential information; (iv) design rights and industrial property rights; (v) any other proprietary rights relating to intangible property including trademarks, service marks and applications thereof, trade names and packaging and all goodwill associated with the same; (vi) any and all title, rights and interest in and to any Invention; and (vii) all rights to sue for any infringement of any of the foregoing rights and the right to all income, royalties, damages and payments with respect to any of the foregoing rights. Executive also hereby forever waives and agrees never to assert any and all Moral Rights Executive may have in or with respect to any Company Inventions, even after termination of employment on behalf of the Company. "***Moral Rights***" means any right to claim authorship of a work, any right to object to any distortion or other modification of a work, and any similar right, existing under the law of any country in the world, or under any treaty.

3.4. Executive has attached hereto, as Exhibit B-1, a list describing all information, improvements, inventions, formulae, processes, techniques, know-how and data, whether or not patentable or registerable under copyright or any similar laws, and whether or not reduced to practice, original works of authorship and trade secrets made or conceived by or belonging to the Executive (whether made solely by the Executive or jointly with others) that: (i) were developed by the Executive prior to the Executive's engagement with the Company (collectively, the "***Prior Inventions***"), (ii) relate to the Company's actual or proposed business, products or research and development, and (iii) are not assigned to the Company hereunder; or, if Exhibit B-1 is incomplete or if no such list is attached, the Executive represents that there are no such Prior Inventions.

3.5. Executive further agrees to perform, during and after employment, all acts deemed reasonably necessary or desirable by the Company to permit and assist it, at the Company's expense, in obtaining, maintaining, defending and enforcing the Company Inventions in any and all countries. Such acts may include, but are not limited to, execution of documents and assistance or cooperation in legal proceedings. Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents, as Executive's agents and attorneys-in-fact to act for and on Executive's behalf and instead of Executive, to execute and file any documents and to do all other lawfully permitted acts to further the above purposes with the same legal force and effect as if executed by Executive.

3.6. Executive shall not be entitled to any monetary consideration or any other consideration except as explicitly set forth in the employment agreement between Executive and the Company. Without limitation of the foregoing, Executive irrevocably confirms that the consideration explicitly set forth in the employment agreement is in lieu of any rights for compensation that may arise in connection with the Company Inventions under applicable law and waives any right to claim royalties or other consideration with respect to any Invention. Any oral understanding, communication or agreement with respect to the matters set forth herein, not memorialized in writing and duly signed by the Company, shall be void.

4. **General**.

4.1. Executive represents that the performance of all the terms of this Undertaking and Executive's duties as an employee of the Company does not and will not breach any invention assignment, proprietary information, non-compete, confidentiality or similar agreements with, or rules, regulations or policies of, any former employer or other party (including, without limitation, any academic institution or any entity related thereto). Executive acknowledges that the Company is relying upon the truthfulness and accuracy of such representations in employing Executive.

4.2. Executive acknowledges that the provisions of this Undertaking serve as an integral part of the terms of Executive's employment and reflect the reasonable requirements of the Company in order to protect its legitimate interests with respect to the subject matter hereof.

4.3. Executive recognizes and acknowledges that in the event of a breach or threatened breach of this Undertaking by Executive, the Company may suffer irreparable harm or damage and will, therefore, be entitled to injunctive relief to enforce this Undertaking (without limitation to any other remedy at law or in equity).

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4.4. This Undertaking is governed by and construed in accordance with the laws of the State of New York, without giving effect to its laws pertaining to conflict of laws. Any and all disputes in connection with this Undertaking shall be submitted to the exclusive jurisdiction of the competent courts or tribunals, as relevant, located in New-York City, New-York.

4.5. If any provision of this Undertaking is determined by any court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such provision will be enforced to the maximum extent possible given the intent of the parties hereto. If such clause or provision cannot be so enforced, such provision shall be stricken from this Undertaking only with respect to such jurisdiction in which such clause or provision cannot be enforced, and the remainder of this Undertaking shall be enforced as if such invalid, illegal or unenforceable clause or provision had (to the extent not enforceable) never been contained in this Undertaking. In addition, if any particular provision contained in this Undertaking shall for any reason be held to be excessively broad as to duration, geographical scope, activity or subject, it shall be construed by limiting and reducing the scope of such provision so that the provision is enforceable to the fullest extent compatible with applicable law.

4.6. The provisions of this Undertaking shall continue and remain in full force and effect following the termination or expiration of the employment relationship between the Company and Executive, for whatever reason. This Undertaking shall not serve in any manner so as to derogate from any of Executive's obligations and liabilities under any applicable law.

4.7. Executive hereby consents that, following the termination or expiration of the employment relationship hereunder, the Company may notify the Executive's new employer about the Executive's rights and obligations under this Undertaking.

4.8. This Undertaking constitutes the entire agreement between Executive and the Company with respect to the subject matter hereof and supersedes all prior agreements, proposals, understandings and arrangements, if any, whether oral or written, with respect to the subject matter hereof. No amendment, waiver or modification of any obligation under this Undertaking will be enforceable unless set forth in a writing signed by the Company. No delay or failure to require performance of any provision of this Undertaking shall constitute a waiver of that provision as to that or any other instance. No waiver granted under this Undertaking as to any one provision herein shall constitute a subsequent waiver of such provision or of any other provision herein, nor shall it constitute the waiver of any performance other than the actual performance specifically waived.

4.9. This Undertaking, the rights of the Company hereunder, and the obligations of Executive hereunder, will be binding upon and inure to the benefit of their respective successors, assigns, heirs, executors, administrators and legal representatives. The Company may assign any of its rights under this Undertaking. Executive may not assign, whether voluntarily or by operation of law, any of its obligations under this Undertaking, except with the prior written consent of the Company.

IN WITNESS WHEREOF, the undersigned, has executed this Undertaking Grantee hereby waives any claim against the Company or any Affiliate thereof that he or she was prevented from continuing to vest RSUs as of the date first mentioned above.

Adam Singolda: /s/ Adam Singolda

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Exhibit A

LIST OF EXCLUDED INVENTIONS

Title	Date	Identifying Number or Brief Description

_____ No inventions, improvements, or original works of authorship

_____ Additional sheets attached

Signature of Employee: /s/ Adam Singolda

Print Name of Employee: Adam Singolda

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Date: _____

Appendix B of termination of his or her employment with, or services to, the Company or any Affiliate thereof. No Grantee shall be entitled to any compensation in respect of the RSUs which would have vested had such Grantee's employment or engagement with the Company (or any Affiliate thereof) not been terminated.

(a) If 9.2.1. Survival. The Grantee shall be bound by and the Shares issued upon settlement or (if applicable) the vesting of any payment or consideration RSUs granted hereunder ("***Company Payments***") will be shall remain subject to the tax (the "***Excise Tax***") imposed by section 4999 Plan after the settlement or (if applicable) the vesting of the Internal Revenue Code of 1986, as amended (the "***Code***"), the Company shall pay to you at the time specified in subsection (c) below an additional amount (the "***Gross-up Payment***") such that the net amount retained by you, after deduction of any Excise Tax on the Company Payments and any U.S. federal, state, and local income or payroll tax upon the Gross-up Payment, but before deduction for any U.S. federal, state, and local income or payroll tax on the Company Payments, shall be equal to the Company Payments. For purposes of calculating the Gross-Up Payment, you shall be deemed to pay income taxes at the highest applicable marginal rate of federal, state or local income taxation for the calendar year in which the Gross-Up Payment is to be made.

(b) Subject to any determinations made by the Internal Revenue Service (the "***IRS***"), all determinations as to whether a Gross-Up Payment is required and the amount of the Gross-Up Payment and the assumptions to be used in arriving at the determination shall be made by the Company's independent certified public accountants and/or tax counsel selected by such accountants (the "***Accountants***") RSUs, in accordance with the principles of section 280G terms of the Code. All fees and expenses of Plan, whether or not the Accountants will be borne Grantee is then or at any time thereafter employed or engaged by the Company. Subject to Company or any determinations made of its Affiliates.

9.3. Further Assurances. The Grantee shall perform such further acts and execute such further documents as may reasonably be necessary by the IRS, determinations Company to carry out and give full effect to the provisions of this RSU Award Agreement and the Accountants under this Agreement with respect to (i) the initial amount Plan.

9.4. Fractional Shares. No fractional Share shall be issuable upon settlement or vesting of any Gross-Up Payment RSUs and (ii) any subsequent adjustment the number of such payment Shares to be issued shall be binding on rounded down to the Company and you. nearest whole Share, with any Share remaining at the last vesting date due to such rounding to be issued upon settlement at such last vesting date.

(c) The Gross-Up Payment calculated pursuant to paragraph (b) shall be paid no later than 9.5. Entire Agreement. This RSU Award Agreement (together with the thirtieth (30th) day following an event occurring which subjects you to the Excise Tax; provided, however, that if the amount of such Gross-Up Payment or portion thereof cannot be reasonably determined on or before such day, the Company shall pay to you the amount of the Gross-Up Payment no later than 10 days following the determination of the Gross-Up Payments by the Accountants. Notwithstanding the foregoing, the Gross-Up Payment shall be paid to you no later than 15 business days prior to the date by which you are required to pay the Excise Tax or any portion of the Gross-Up Payment to any federal, state or local taxing authority, without regard to extensions.

(d) In the event that the Excise Tax is subsequently determined by the Accountants to be less than the amount taken into account hereunder at the time the Gross-up Payment is made, you shall repay to the Company, at the time that the amount of such reduction in Excise Tax is finally determined, the portion of the prior Gross-up Payment attributable to such reduction (plus the portion of the Gross-up Payment attributable to the Excise Tax Notice and U.S. federal, state and local income tax imposed on the portion of the Gross-up Payment being repaid by you if such repayment results in a reduction in Excise Tax or a U.S. federal, state and local income tax deduction), plus interest on the amount of such repayment at the rate provided in section 1274(b)(2)(B) of the Code. Notwithstanding the foregoing, in the event any portion of the Gross- up Payment to be refunded to the Company has been paid to any U.S. federal, state and local tax authority, repayment thereof (and related amounts) shall not be required until actual refund or credit of such portion has been made to you, and interest payable to the Company shall not exceed the interest received or credited to you by such tax authority for the period it held such portion. You its Exhibits) and the Company shall cooperate in good faith in determining Plan, as may be amended from time to time, constitute the course of action to be pursued (and full and entire understanding and agreement between the method of allocating the expense thereof) if your claim for refund or credit is denied. However, if agreement cannot be reached, the Company shall decide the appropriate course of action to pursue provided that the action does not adversely impact any issues you may have with respect to your tax return, other than the Excise Tax.

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(e) In the event that the Excise Tax is later determined by the Accountants or the IRS to exceed the amount taken into account hereunder at the time the Gross-up Payment is made (including by reason of any payment the existence or amount of which cannot be determined at the time of the Gross-up Payment), the Company shall make an additional Gross-up Payment to or for the benefit of you in respect of such excess (plus any interest or penalties payable with respect to such excess) at the time that the amount of such excess is finally determined.

(f) In the event of any controversy with the IRS (or other taxing authority) parties with regard to the Excise Tax, you shall permit the Company to control issues related to the Excise Tax (at its expense), provided that such issues do not potentially materially adversely affect you. In the event issues are interrelated, you subject matters hereof and the Company shall in good faith cooperate so as not to jeopardize resolution of either issue. In the event of any conference with any taxing authority thereof, and supersede all prior agreements and understandings, both written and oral (with no concession being made as to the Excise Tax or associated income taxes, you shall permit the representative existence of the Company to accompany you, any such agreements and you and your representative shall cooperate with the Company and its representative. understandings).

(h) The Company and you shall promptly deliver to the other copies of any written communications and summaries of any verbal communications with any taxing authority regarding the Excise Tax.

(i) Notwithstanding any provision of this Appendix B, the Gross-up Payment9.6.Governing Law; Jurisdiction. This RSU Award Agreement shall be paid governed by and construed according to you not later than the end of the year following the year in which the Excise Taxes are remitted to the IRS.

Exhibit 10.13

Chief Executive Officer Compensation Package

For a period of five years beginning on the Closing Date of the Agreement and Plan of Merger between Taboola.com Ltd., a company organized under the laws of the State of Israel, (the "***Company***"), Toronto Sub Ltd., a Cayman Islands exempted company and a direct, wholly-owned subsidiary without regard to the conflict of the Company ("***Merger Sub***"), and ION Acquisition Corp. 1 Ltd., a Cayman Islands exempted company ("***ION***"), dated January 25, 2021, the Chief Executive Officer of the Company and its subsidiaries (the "***CEO***") will be entitled law provisions thereof, except with respect to cash and equity bonuses as follows:

Base Salary and Social Benefits

1. Annual base salary of $590,000 (the "***Annual Salary***").
2. The Compensation Committee (the "***Committee***") of the Board of Directors of the Company (the "***Board***") and the Board may approve an increase of the Annual Salary by up to 5% per annum.
3. Reimbursement of tax service expenses up to net $25,000 per annum before grossing up.

The CEO will be eligible to participate in the Taboola.com Ltd. 2021 Share Incentive Plan, the Taboola.com Ltd. Executive Severance Plan and other health and welfare or fringe benefits and perquisites in accordance with standard Company policies matters that are subject to change from time mandatory tax laws, regulations and rules in any specific jurisdiction, which shall be governed by the respective laws, regulations and rules of such jurisdiction. Certain definitions, which refer to time.

Cash Bonuses

1. The CEO will be entitled to an aggregate annual cash bonus opportunity (the "***Annual Bonus***") equal to 50%-125% of the Annual Salary as approved by the Committee and the Board on an annual basis (the "***Target Bonus***"). The Annual Bonus may be paid in the form of cash or equity awards payable in ordinary shares (an "***Equity Award***"). In the event all or any portion of the Annual Bonus is paid in the form of an Equity Award, the value of the Equity Award will be determined based on the underlying award's Fair Market Value (as defined in the Company's 2021 Share Incentive Plan) and may be subject to vesting and/or forfeiture conditions as determined by the Committee and the Board.
2. The Annual Bonus will be structured as follows subject to the annual review by the Committee and the Board:
    a. The Annual Bonus will be paid subject to the Company and the CEO, as applicable, meeting the annual Key Performance Indicators (financial and/or operational in nature) annually determined by the Committee and the Board in accordance with Sections [9 and 10] of the Company's Compensation Policy with respect to the fiscal year for which the Target Bonus may be paid (the "***Annual Corporate KPIs***").
    b. Up to 30% of the Target Bonus may be paid subject to the assessment by the Committee and the Board of the CEO's performance based on certain pre-determined and agreed upon personal objectives (the "***Annual Individual Goals***").
3. As part of the leveraged structure of the CEO's Annual Bonus program, the CEO can earn up to 200% of the Target Bonus for overachievement on the Annual Corporate KPIs and, if applicable, Annual Individual Goals. Conversely, the CEO can earn 0% of the Target Bonus if threshold level of performance against Annual Corporate KPIs and, if applicable, Annual Individual Goals is not achieved.
4. Annual Bonuses, if earned (in part or in full) pursuant to the terms set forth above, will be paid annually by March 15 with respect to any preceding year, but no later laws other than two and one-half months following the end of the fiscal year for which the Annual Bonus relates, and subject to the CEO being employed by the Company (or its affiliates) at the time such Annual Bonus is paid.

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Equity Awards

1. The CEO will be entitled to an annual equity award with a grant date fair market value of 0.10% of the company's 60-day average market value subject to equitable adjustment as determined by the Compensation Committee and the Board, in their discretion, in the event of any share buybacks, acquisitions, spin-offs, capital raises or other similar events preceding the date of grant (the "***Annual Equity Award***") in a form to be determined at the time of each Annual Equity Award. The value of each Annual Equity Award will be determined based on the Fair Market Value (as defined in the Company's 2021 Share Incentive Plan) of the award or any other valuation methodology determined by the Committee and the Board.
2. The Annual Equity Award will be granted to the CEO in conjunction with the annual grant of equity awards to the other members of the Company's management, provided that the CEO is employed by the Company (or its affiliates) in such position at the date of the grant.
3. The treatment of the Annual Equity Awards in connection with a termination of the CEO's employment is set forth in the Taboola.com Ltd. Executive Severance Plan.
4. Each Annual Equity Award will be made pursuant to the Company's 2021 Share Incentive Plan and will be subject to the CEO executing and delivering a customary Award Agreement as may be approved from time to time by the Compensation Committee and the Board.

Exhibit 10.14

Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "**Agreement**") is effective as of the Commencement Date, by and between Taboola.Com Ltd., a company organized under the laws of such jurisdiction, shall be construed in accordance with such other laws. Any dispute arising under or proceeding in relation to this RSU Award Agreement shall be resolved exclusively in the State of Israel, company number 51-387068-3 (the "**Company**") competent court in Tel Aviv-Jaffa, and the Employee.

WHEREAS, the Company desires to employ the Employee in the Employment Position and the Employee desires to serve in such capacity on the terms and conditions hereinafter set forth herein; and

WHEREAS, the Employee represents that he or she has the requisite skill and knowledge to engage in the Employment Position and fulfill the duties and responsibilities set forth herein.

NOW, THEREFORE, in consideration of the respective agreements each of the parties contained herein, hereby irrevocably submits to the parties agree as follows: exclusive jurisdiction of such court.

1. **Definitions**

9.7.Severability. If any term or other provision of this RSU Award Agreement is invalid, illegal, inoperative or incapable of being enforced by any law or public policy, all other terms or provisions of this RSU Award Agreement shall nevertheless remain in full force and effect and the validity and effect of the other provisions hereof shall not be affected thereby.

All undefined terms herein9.8.Other Plans Unaffected. The Grantee acknowledges that any income derived from this RSU award shall have not affect the meanings ascribed thereto Grantee's participation in, Exhibit A hereto, which exhibit constitutes an integral part hereof. or benefits under, any other benefit plan or other contract or arrangement maintained by the Company or any Subsidiary or Affiliate.

2. **Employment**

9.9.No Rights as a Shareholder Prior to Issuance of Shares. Neither the Grantee nor any other person shall becomes the beneficial owner of the Shares underlying the RSUs, nor have any rights to dividends or other rights as a shareholder with respect to any such Shares, until and after such Shares, if any, have been actually issued to the Grantee.

(a) The scope of the Employee's employment by the Company shall be the Scope of Employment.

(b) The Company agrees to employ the Employee in the Employment Position, and the Employee agrees to be employed by the Company in the Employment Position, reporting to the Supervising Officer, on the terms and conditions hereinafter set forth. The Employee's duties and responsibilities shall be those duties and responsibilities customarily performed by an employee in the Employment Position.

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(c) During the term of Employment hereunder, the Employee agrees to devote his or her attention and time to the business and affairs of the Company as required to discharge the responsibilities assigned to the Employee hereunder, except for Other Commitments. During the term of this9.10.Section 409A. This RSU Award Agreement the Employee shall not be engaged in any other employment nor actively in any other business activities, or in any other activities which may hinder the Employee's performance hereunder, with or without compensation, for any other person, firm or company, without the prior written consent of the Company's CEO, except for the Other Commitments. The Employee warrants confirms and undertakes that the Employee is entitled to enter into this Agreement and to assume all the obligations pursuant hereto, that there is no contractual or other impediment on the Employee's entering into this Agreement and to the Employee's engagement by the Company, and that in entering into this Agreement the Employee is not in breach of any other agreement or obligation to which Employee is or had been a party.

(d) The Employee shall perform the Employee's duties diligently, conscientiously and in furtherance of the Company's best interests. In the event that the Employee shall discover that he or she has or might have any direct or indirect personal interest in any of the Company's business or a conflict of interest with the duties required of the Employee by virtue of the Employee's employment with the Company, immediately upon such discovery the Employee shall so inform the Board of Directors of the Company in writing.

(e) The parties hereto confirm that this is a personal services contract and that the relationship between the parties hereto shall not be subject to any general or special collective employment agreement or any industry custom or practice, or practice of the Company in respect of any of its other employees or contractors.

The Employee agrees that the execution and delivery by the Employee of Shares under this Agreement and the fulfillment are intended to be exempt from Section 409A of the terms hereof (i) does not conflict with any agreement or undertaking by which the Employee is bound; and (ii) do not require the consent of any person or entity.

3. **Compensation: Base Salary, Global Overtime Payment. On Target Bonus**

(a) In consideration for the services provided by the Employee hereunder, the Company shall pay to the Employee the gross Base Salary, on a monthly basis during the term of this Agreement.

(b) In addition to the Base Salary, the Company shall pay the Employee the Global Overtime Payment for additional and overtime work hours. The parties acknowledge that this payment is fixed on the assumption of both parties that the Employee will work additional and overtime hours in the amount equivalent to the Overtime Payment.

(c) The Employee is expected to work additional and overtime hours in accordance with the Company's needs and according to the instructions of the Supervising Officer.

(d) Without limitation of the foregoing, the Company shall pay the Employee Global Overtime Payment also when the Employee will be absent of work because of military reserve duty, sickness and vacation.

(e) The Employee shall not be entitled to any other additional amount or compensation for the Employee's additional or overtime hours, and the Global Overtime Payment shall be the sole compensation to the Employee with respect thereto.

(f) It is hereby agreed that the Employee's determining pay for the purpose of severance pay and all other social benefits and payments is the Base Salary, and payments and/or benefits and/or bonuses and/or refunds that are not included in the Base Salary, such as the Expense Reimbursements and the like, shall not be considered part of the Base Salary for all respects and purposes.

(g) All income and other taxes shall be deducted as required by law. Employee shall bear all tax payments deriving from the rights and benefits granted under this Agreement. It is hereby expressed that all the amounts specified in this Agreement are gross, and statutory tax and all the other compulsory payments, including health insurance contributions and national insurance contributions, shall be withheld at source by the Company from them and from all the rights and benefits received by the Employee pursuant this Agreement.

(h) The Base Salary and the Overtime Payment will be respectively adjusted from time-to-time in accordance with the Cost of Living Index *("Tosefet Yoker")* and other adjustments as required by law.

(i) The parties shall once in each 12 month period of employment review Employee's performance and possible entitlement to salary increases, bonuses and additional grant of Company options.

(j) The Base Salary and the Global Overtime Payment shall be payable monthly in arrears, and shall be paid to the Employee in accordance with Company policy.

(k) The Company shall provide the Employee with On Target Bonus, as set forth in Exhibit A.

4. **Employee Benefits**

The Employee shall be entitled to the following benefits:

(a) Sick Leave. The Employee shall be entitled to fully paid sick leave pursuant to the Sick Pay Law, 1976. It is hereby clarified that sick leave shall not be redeemable and shall be accruable pursuant to applicable law.

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(b) Vacation. Subject to the provision of the Annual Vacation Law-1951 (the "**Annual Vacation Law**"), the Employee shall be entitled to the number of paid Annual Vacation Days as set forth in Exhibit A hereto, which shall be taken in accordance with the Company's policy and subject to prior approval by the Supervising Officer. The Annual Vacation Days may be accrued and redeemed, in accordance with the provisions Exhibit A and subject to the Annual Vacation Law.

(c) Annual Recreation Allowance *(Dme'i Havra'a).*The Employee shall be entitled to annual recreation allowance, according to applicable law.

(d) Additional Benefits. The Company shall provide the Employee with the Additional Benefits, as set forth in Exhibit A.

5. **Term and Termination**

(a) The term of employment under this Agreement shall commence as of the Commencement Date, and will continue indefinitely, unless terminated under any of the following circumstances:

(i) The Company may terminate the employment of the Employee immediately for Cause. For purposes of this Agreement, the term "**Cause**" will be defined to include matters such as: (1) indicted of any crime involving moral turpitude or dishonesty; (2) willful refusal to perform the lawful instructions of the Board pertaining to the Employee's employment under this Agreement provided, however, that if such refusal to perform is susceptible to cure, the Employee shall not have cured such refusal within five days of having been given written notice thereof; (3) any breach of the Employee's fiduciary duties or duties of care to the Company (except for conduct taken in good faith);
(4) any conduct (other than conduct in good faith) materially detrimental to the Company; (5) a material breach of the terms of this Agreement, which are not cured within 5 days; and (6) any other act or omission that would legally entitle the Company to dismiss the Employee without payment of severance pay in connection with such dismissal. If the employment of the Employee is terminated under this Section 5(a) (i), then, unless the parties otherwise mutually agree in writing, in full satisfaction of the Company's obligations under this Agreement, the Employee shall only be entitled to: (A) earned but unpaid Total Salary provided for herein up to and including the effective date of termination, prorated on a daily basis; (B) the Managers Insurance Policy, unless amounts thereunder may be withheld or reduced by law; (C) the Further Education Fund, unless amounts thereunder may be withheld or reduced by law; and (D) a cash payment for all unredeemed vacation days, if any, up to the maximum number permitted by law and this Agreement.

(ii) The Company may terminate the Employee's employment with the Company by sending a notice of termination to the Employee, provided that such notice determines a date of termination no earlier than the end of the Notice Period, it being understood that the Company may provide such notice at any time without cause and without the need to state the reason therefor.

(iii) The Employee may terminate the Employee's employment with the Company by sending a notice of termination to the Company, provided that such notice determines a date of termination no earlier than the end of the Notice Period, it being understood that the Employee may provide such notice at any time without cause and without the need to state the reason therefor.

(b) During the Notice Period, the Employee shall continue to receive the compensation set forth herein, including the Base Salary and Global Overtime Payment, and all other components of Additional Benefits, as set forth in Exhibit A. At the option of the Company, the Employee shall continue to perform his or her duties during the Notice Period as set forth herein or remain absent from the premises of the Company during the Notice Period.

(c) Upon termination pursuant to Sections 5 (a) (ii) and 5 (a) (iii) above, the right to receive the Further Education Fund shall be automatically assigned to the Employee. With respect to the Managers Insurance Fund, the parties hereby adopt the General Approval of the Minister of Labor and Welfare, on *Employers' Payments to Pension Funds and Insurance Policies in lieu of Severance Pay according to Section 14 of the Severance Pay Law,* attached hereto as **Exhibit B**and the Employee acknowledges that this arrangement replaces the Employee's right to receive severance pay under applicable law. The Policy will be subject to an automatic transfer of ownership in the event the Employee's employment with the Company is terminated, except (i) in such circumstances in which Israeli Law denies the right for severance payment, in whole, or (ii) in the event that the Employee withdrew monies from the Policy (other than by reason of an "Entitling Event", i.e. death, disability or retirement at or after the age of sixty (60)), such severance payment or transfer of ownership shall be made in the sole discretion of the Company.

(d) During the Notice Period, the Employee shall cooperate with the Company and use the Employee's reasonable commercial efforts to assist the integration into the Company's organization of the person or persons who will assume the Employee's responsibilities.

(e) In the event of any termination of the Employee's employment, whether or not for cause and whatever the reason, the Employee will promptly deliver to the Company all documents, data, records and other information pertaining to the Employee's employment and any Proprietary Information (as defined in Section 6) and Work Product (as defined in Section 7), and the Employee will not take with the Employee any documents or data, or any reproduction or excerpt of any documents or data, containing or pertaining to the Employee's employment or any Proprietary Information or Work Product.

6. **Proprietary Information**

(a) The Employee represents and warrants that he or she will keep the terms and conditions of this Agreement strictly confidential and will not disclose this Agreement nor provide a copy of it or any part thereof to any third person unless and to the extent required by applicable law.

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(b) The Employee acknowledges and agrees that he or she will have access to confidential and proprietary information concerning the business and financial activities of the Company and information and technology regarding the Company's product research and development, including without limitation, the Company's banking, investments, investors, properties, employees, marketing plans, customers, suppliers, trade secrets, test results, processes, data and know- how, improvements, inventions, techniques and products (actual or planned). Such information, whether documentary, written, oral or computer generated, shall be deemed to be and referred to as "**Proprietary Information**".

(c) Proprietary Information shall exclude information that (i) was known to the Employee prior to his or her association with the Company and can be so proven; (ii) shall have appeared in any printed publication or patent or shall have become a part of the public knowledge except as a result of a breach of this Agreement by the Employee; (iii) shall have been received by the Employee from a third party having no obligation to the Company, (iv) reflects general skills and experience gained during the Employee's engagement by the Company, or (v) reflects information and data generally known within the industries in which the Company transacts business.

(d) The Employee agrees and declares that all Proprietary Information, including patents and other rights in connection therewith shall be the sole property of the Company and its assigns. At all times, both during his or her engagement by the Company and after its termination, the Employee will keep in confidence and trust all Proprietary Information, and the Employee will not use or disclose any Proprietary Information or anything relating to it without the written consent of the Company, except as may be necessary in the ordinary course of performing the Employee's duties hereunder and in the best interests of the Company.

(e) The Employee recognizes that the Company received and will receive confidential or proprietary information from third parties subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. Such information shall be deemed "**Proprietary Information**" for all purposes hereunder, and shall, without limitation of the foregoing, be returned to the Company upon termination of the Employee's employment with the Company pursuant to Section S(e) herein.

(f) The Employee's undertakings in this Section 6 shall remain in full force and effect after termination of this Agreement.

7. **Inventions**

(a) The Employee understands that the Company is engaged in a continuous program of research, development, production and marketing in connection with its business and that, as an essential part of his or her employment with the Company, the Employee is expected to make new contributions to, and create inventions of value for, the Company. The Employee agrees to share with the Company all the Employee's knowledge and experience, provided however that the Employee shall not disclose to the Company, or use for the advancement of the business of the Company, any information which the Employee has undertaken to third parties to keep confidential or in which third parties have any rights.

(b) The Employee acknowledges that all "**Work Product**" (as defined below) is "work made for hire", will be the sole and exclusive property of the Company and the Employee hereby waives any right or title therein whatsoever. "**Work Product**" shall include all inventions, improvements, designs, concepts, techniques, methods, systems, processes, know how, customer lists, computer software programs, databases, materials, mask works and trade secrets created, in whole or in part, by the Employee during the Employee's employment with the Company, or developed using equipment, supplies, facilities or trade secrets of the Company, or resulted from work performed by or for the Company, or related to the Company's business or current or anticipated research and development, whether or not copyrightable or otherwise protectable according to law*, provided* they relate to platform for recommending content on publisher sites and/or to content distribution (the "**Field**").

(c) To the extent not already owned exclusively by the Company, the Employee hereby irrevocably transfers and assigns to the Company all the Employee's right, title and interest now and hereafter acquired in and to all Work Product (and all proprietary rights with respect thereto) and, when not otherwise assignable herein, agrees to assign in the future to the Company, all the Employee's right, title and interest in and to any and all such Work Product (and all proprietary rights with respect thereto), and further undertakes to execute all necessary documentation and take all further action as may be required in order to perform such assignment. The Employee will promptly disclose to the Company fully and in writing all Work Product authored, conceived or reduced to practice by the Employee, either alone or jointly with others.

(d) The Employee hereby forever waives and agrees never to assert any rights of paternity or integrity, any right to claim authorship of any Work Product, to object to any distortion, mutilation or other modification of, or other derogatory action in relation to any Work Product, whether or not such would be prejudicial to his or her honor or reputation, and any similar right, existing under judicial or statutory law of any country in the world, or under any treaty, even after termination of the Employee's work on behalf of the Company. However, Company shall consider giving appropriate recognition to each employee for the Employee's contribution to the creation of any Work Product.

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(e) All trade secrets, inventions, ideas, processes, formulas, source and object codes, data, programs, other works of authorship, know-how, improvements, discoveries, developments, designs and techniques (hereinafter collectively referred to as "**Prior Inventions**"), if any, patented or unpatented, which the Employee made prior to the commencement of the Employee's employment with the Company are excluded from the scope of this Agreement. To preclude any possible uncertainty, a complete list of all Prior Inventions that the Employee has, alone or jointly with others, conceived, developed or reduced to practice or caused to be conceived, developed or reduced to practice prior to the commencement of the Employee's employment with the Company, that the Employee considers to be his or her property or the property of third parties and that the Employee wishes to have excluded from the scope of this Agreement is included in the definition of Prior Inventions in **Exhibit A**hereto. If disclosure of any such Prior Invention would cause the Employee to violate any prior confidentiality agreement, the Employee shall only disclose a cursory name for each such invention, a listing of the party(ies) to whom it belongs and the fact that full disclosure as to such inventions has not been made for that reason. If no such disclosure is attached, the Employee represents that there are no Prior Inventions. If, in the course of the Employee's employment with the Company, the Employee incorporates a Prior Invention into a Company product, process or machine, the Company is hereby granted and shall have a nonexclusive, fully paid up, royalty-free, irrevocable, perpetual, worldwide license (with rights to sublicense through multiple tiers of sub-licensees) to make, have made, modify, use, sell and commercialize such Prior Invention. Notwithstanding the foregoing, the Employee agrees that he or she will not incorporate, or permit to be incorporated, Prior Inventions in any inventions of the Company without the Company's prior written consent.

(f) The Employee agrees to assist the Company in every proper way to obtain for the Company and enforce patents, copyrights, mask work rights, and other legal protections for the Company's Work Product in any and all countries. The Employee will execute any documents that the Company may reasonably request for use in obtaining or enforcing such patents, copyrights, mask work rights, trade secrets and other legal protections. The Employee's obligations under this Section 7(t) will continue beyond the termination of employment with the Company and Employee shall continue assisting the Company, provided Employee is properly compensated for Employee's time and out-of-pocket expenses. The Employee hereby irrevocably appoints any of the Company's officers as the Employee's attorney-in-fact to execute documents on the Employee's behalf for this purpose.

(g) For the removal of any doubt, it is hereby clarified that the provisions contained in this Section 7 will apply also to any "Service Inventions" as defined in the Israeli Patent Law, 1967 (the "**Patent Law**"). However, in no event will such Service Invention become the Employee's property and the provisions contained in Section 132(b) of the Patent Law shall not apply unless the Company provides in writing otherwise. Employee will not be entitled to royalties or other payment with regard to any Work Product, Service Inventions or any of the intellectual property rights set forth above, including any commercialization of such Work Product, Service Inventions or other intellectual property rights.

8. **Non-Competition**

(a) The Employee agrees and undertakes that, for as long as the Employee is employed by the Company and for the Non-Compete Period thereafter - the Employee shall not become financially interested in, be employed by, or have any business connection with, any business or venture that is engaged in any activities competing with products or services offered by the Company in the Field, including, without limitation, [*]; *provided, however,* that the Employee may own securities of any corporation which is engaged in such business and is publicly owned and traded, but in an amount not to exceed at any one time one percent of any class of stock or securities of such company, so long as he/she has no active role in the publicly owned and traded company as director, employee, consultant or otherwise.

(b) The Employee agrees and undertakes that during the period of his or her employment with the Company and for twelve months thereafter the Employee will not (i) employ or retain any person employed or retained by the Company or its affiliates on the date of the Employee's termination or during the preceding twelve months, directly or indirectly, including personally or in any business in which he or she is an officer, director or shareholder; (ii) solicit, canvass or approach or endeavor to solicit, canvass or approach any person or entity who was provided with services by the Company or its affiliates on the date of the Employee's termination or during the preceding twelve months, for the purpose of offering services or products which compete with the services or products supplied by the Company.

(c) If any one or more of the terms contained in this Section 8 shall, for any reason, be held to be excessively broad with regard to time, geographic scope or activity, the term shall be construed in a manner to enable it to be enforced to the extent compatible with applicable law.

(d) The Employee declares that he or she is aware that the Total Salary includes special consideration paid to the Employee for the Employee's undertakings set out in this Section 8.

9. **Notice**

For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be in writing Code and shall be deemed to have been duly given when personally delivered or sent by registered mail, postage prepaid, addressed to the respective addresses set forth below or last given by each party to the other, except that notice of change of address shall be effective only upon receipt; notice may also be provided by facsimile or by e-mail administered and shall be deemed received upon electronic or manual confirmation. The initial addresses of the parties for purposes of this Agreement shall be as follows:

The Company: Taboola.Com Ltd.
Agish Ravad Building
13 Noah Mozes St.

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Tel-Aviv 67442 Israel
Fax: +972-3-696-6966

The Employee: As set forth in Exhibit A

10. **Miscellaneous**

(a) The Company shall be entitled to set-off any amount owed to the Company by the Employee under the terms and provisions of this Agreement from any amount owed by the Company to the Employee under the terms and provisions of this Agreement or from any other source whatsoever.

(b) No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Employee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

(c) This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Israel, without giving effect to the rules with respect to conflicts-of-law.

(d) The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof.

(e) This Agreement constitutes the entire agreement between the parties hereto and supersedes all prior agreements, understandings and arrangements, oral or written, between the parties hereto with respect to the subject matter hereof. No agreement or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made to either party, which is not expressly set forth in this Agreement.

(f) This Agreement shall be binding upon and shall inure to the benefit of the Company, its successors and assigns. The term "successors and assigns" as used herein shall mean a corporation or other entity acquiring all or substantially all the assets and business of the Company (including this Agreement) whether by operation of law or otherwise.

(g) Neither this Agreement nor any right or interest hereunder shall be assignable or transferable by the Employee, his or her beneficiaries or legal representatives, except by will or by the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Employee's legal personal representative.

(h) The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

[Signature Page to Taboola.Com Employment Agreement]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer and the Employee has executed this Agreement as of the day and year first above written.

This Agreement will come into effect only upon the signature of both the Company and the Employee.

TABOOLA.COM LTD.

/s/ Hagai Gold

By: Hagai Gold
Title: VP Finance

/s/ Eldad Maniv
EMPLOYEE

EXHIBIT A

TABOOLA.COM LTD.
EMPLOYMENT AGREEMENT

TERMS USED IN THE AGREEMENT	EXPLANATION	DETAILS
COMMENCEMENT DATE	*The date the employee starts his/her employment with the company*	September 2, 2012
EMPLOYEE	*Name of employee:* *ID number of employee:* *Address of employee:*	Name: Eldad Maniv ID: [*] Address: [*]

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SCOPE OF EMPLOYMENT	*The percentage of Full Time employment, which is defined as 186 hours per month based on a five day working week.*	100%
EMPLOYMENT POSITION	*Position the employee will hold in the Company*	Chief Operating Officer and President
SUPERVISING OFFICER	*The person or body to whom the employee will report, e.g. CEO, CTO or the board of directors*	CEO
BASE SALARY AND GLOBAL OVERTIME PAYMENT (together, the "TOTAL SALARY")	*The gross monthly salary paid to the employee, before taxes and payments are deducted which consists of (i) the base salary and (ii) the gross monthly amount payable to the Employee with respect to global additional and overtime hours performed by the Employee*	*Base Salary:* 53,200 NIS *Global Overtime Payment:* 13,300 NIS *Total Salary:* 66,500 NIS
ANNUAL VACATION DAYS	*Number of vacation days per year to which employee is entitled*	22 days + 1 additional day for each year of employment with the Company based on a Full Time position. It is the Company's current policy to allow the Employee to accumulate any unused vacation days up to 33 days, and once the Employee has reached such accumulation no additional vacation days will be accumulated.
NOTICE PERIOD	*Number of days' notice to be given for termination by Employee or Company*	90 days. In addition, in the event of termination of Employee's employment with the Company, Employee shall be entitled to receive from the Company, in addition to any severance payment due to Employee pursuant to applicable law, a severance payment in the amount equal to 3 months of Total Salary.

NON COMPETE PERIOD	*Period after the employee ceases to be an employee of the company during which he/she is restricted from competing with the company*	12 months if this Agreement was terminated or canceled.
PRIOR INVENTIONS	*Inventions made by the Employee which he/she requests to exclude from the employment agreement*	None
OTHER COMMITMENTS	*Other commitments of the Employee which he/she requests to exclude from the scope of the employment agreement*	Notwithstanding Section 2, the Employee is entitled to continue serving on the following positions: • Kaltura - advisory board; • Shoppimon - board member; • MindPoint - owner/board-member. Any additional activities shall be subject to the prior written consent of the Company's CEO. In this respect the Employee represents that: (i) the overall time required to fulfill his said obligations is immaterial (i.e., a couple of hours per month), and (ii) none of the said companies competes with the Company's business, as may be updated from time to time, in any way whatsoever.
ON TARGET BONUS	*At the end of each year of Employee's employment with the Company, the Company's Board of Directors shall consider the grant of an annual bonus payment to Employee in the detailed amount, payable based on the successful achievement of designated targets by the Company, as shall be defined by the Company's Board of Directors and /or the Company's executive team. The Employee shall bear and pay all taxes applicable in connection with the bonus.*	199,500 NIS

ADDITIONAL BENEFITS

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EXPENSE REIMBURSEMENTS	The Employee shall be entitled to receive prompt reimbursement of all direct expenses ("**Expense Reimbursements**") properly and necessarily incurred by the Employee in connection with the performance of the Employee's duties hereunder; *provided, however,* (i) that out of the ordinary course of business, expenses have been previously approved in writing by the Supervising Officer; and (ii) that the Employee has submitted such receipts and other documents as may be reasonably required by, and has otherwise complied with the Company's expense policy in effect at such time.
MANAGERS INSURANCE POLICY *("Bituach Minahalim")*	The Company shall effect a Manager's Insurance Policy in the name of the Employee, and shall pay a sum up to 15.83% of the Base Salary towards such Policy, of which 8.33% will be on account of severance pay, 5% on account of pension fund payments and up to a further 2.5% on account of disability pension payments. The Company shall deduct 5% from the Base Salary to be paid on behalf of the Employee towards such Policy. The Employee may extend an existing policy or plan and incorporate it into the Policy at his or her discretion. Employee shall be entitled to instruct Company to contribute, at Employee's expense, additional amounts to the Manager's Insurance Policy, on account of the Global Overtime Payment.
FURTHER EDUCATION FUND *("Keren Hishtalmut")*	The Company and the Employee shall maintain an advanced study fuod *(Keren Hishtalmut Fund).* The Company shall contribute to such fund an amount equal to 7.5% (the "**Company Contribution**") of the Base Salary, and the Employee shall contribute to such fund an amount equal to 2.5% (the "**Employee Deduction**") of the Base Salary, *provided, however,*that to the extent that the Base Salary is in excess of NIS 20,000, then the Company shall deposit into the *Keren Hishtalmut Fund* only the Company Contribution and the Employee Deduction related to a monthly base salary of NIS 20,000. Any tax liability in connection with any deductions and/or contributions exceeding the exempt maximum total amount prescribed by the Income Tax Ordinance shall be borne by the Employee.
COMPANY MOBILE PHONE	The Employee shall be granted the use of a cellular phone in accordance with the Company's internal policies and procedures. The Company shall bear the costs relating to the use and maintenance of the cellular phone, including income tax imposed in connection therewith. The Employee undertakes to use the cellular phone in accordance with Company's procedures.

The Company:

/s/ Hagai Gold

Taboola.Com Ltd.

By: Hagai Gold

Title: VP Finance

Employee:

/s/ Eldad Maniv

Signature

Name of Employee:Eldad Maniv

[Signature Page to Taboola.Com Ltd. Employment Agreement - Exhibit A]

Exhibit B

General Approval Regarding Employers' Contributions to Pension Fund and Insurance Fund in lieu of Severance Pay

(30/6/1998)

The following is a combined version of the general approval of June 9, 1998 as published in the official announcement gazette 4659 on June 30, 1998, as amended on August 23, 1999 and published in the official announcement gazette 4803 on September 19, 1999, and as amended and published in the official announcement gazette 4970 on March 12, 2001:

By virtue of my power under Section 14 of the Severance Pay Law, 5723-19631 (the "Law"), I hereby confirm, that contributions made by an employer for his employee, commencing as of the date of publication of this approval, to a comprehensive pension in a provident fund for annuity that is not an insurance fund within the meaning of accordance with such term in the Income Tax Regulations (Rules for the Approval and Management of Provident Funds), 5724-19642 (a "Pension Fund") or to a managers' insurance that includes the possibility of an annuity or a combination of payments to an annuity plan and to a non-annuity plan within such insurance fund (an "Insurance Fund"), including combined contributions made by the employer to a Pension Fund and to an Insurance Fund, whether or not the Insurance Fund includes an annuity plan (the "Employer's Contributions"), shall be payable in lieu of severance pay due to such employee in respect of the salary from which such contributions were made and the period they were made for (the "Exempt Salary"); provided, however, that all of the following conditions have been fulfilled:

(1) The Employer's Contributions -

(a) To the Pension Fund, are at a rate of no less than 14 1/3% of the Exempt Salary, or 12% of the Exempt Salary, if in addition thereto, the employer makes supplementary severance pay contributions for his employee to a provident fund for severance pay or to an Insurance Fund in the employee's name, at a rate of 2 1/3% of the Exempt Salary. In the event that the employer has not contributed such 2 1/3% in addition to said 12%, his contributions shall only replace 72% of the employee's severance pay;

(b) To the Insurance Fund are at a rate of no less than one of the following:

(1) 13 1/3% of the Exempt Salary, if in addition thereto, the employer makes contributions for his employee for securing monthly income in the event of disability to a plan approved by the Commissioner of the Capital Market, Insurance and Savings at the Ministry

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of Finance, at the rate required to secure at least 75% of the Exempt Salary or a rate of 2 1/2% of the Exempt Salary, whichever is lower ("Disability Insurance Contributions"); or

(2) 11% of the Exempt Salary, if the employer also made Disability Insurance Contributions, and in such case the Employer's Contributions shall only replace 72% of the Employee's severance pay; In the event that the employer has made, in addition to the foregoing, supplementary severance pay contributions to a provident fund for severance pay or to an Insurance Fund in the employee's name at a rate of 2 1/3% of the Exempt Salary, the Employer's Contributions shall replace 100% of the employee's severance pay.

(2) By no later than three months of the commencement date of the Employer's Contributions, a written agreement is executed between the employer and the employee that includes:

(a) The employee's consent to the arrangement pursuant to this approval in a form specifying the Employer's Contributions, and the Pension Fund and Insurance Fund, as applicable; such agreement shall also include the form of this approval;

(b) The employer's advance waiver of any right he may have to a refund of monies from his contributions, unless the employee's right to severance pay has been revoked by virtue of Sections 16 or 17 of the Law, and to the extent so revoked, or the employee has withdrawn monies from the Pension Fund or Insurance Fund other than by reason of an Entitling Event; in such regard "Entitling Event" means death, disability or retirement at or after the age of 60 or more.

(3) This approval shall not derogate from the employee's right to severance pay under any law, collective agreement, expansion order or employment contract, in respect of salary over and above the Exempt Salary.

Eliyahu Yishai
Minister of Labor and Social Affairs

/s/ Hagai Gold
Company

/s/Eldad Maniv
Employee
Date: 31/8/2012

Exhibit 10.15

Amendment to Employment Agreement

This Amendment (the "**Amendment intent.**") to the Employment Agreement signed on August 31, 2012 (the "**Employment Agreement**"), by and between Taboola.Com Ltd., a company organized under the laws of the State of Israel, company number 51-387068-3 (the "**Company**") and Eldad Maniv, ID number [*], residing at [*] (the "**Employee**"), is executed as of this 24 day of January, 2021.

WHEREAS, the Company and the Employee are parties to the Employment Agreement; and

WHEREAS, the Company and the Employee wish to amend the Employment Agreement to reflect such understandings and other amendments as set forth herein effective as of the Commencement Date;

NOW, THEREFORE, 9.11. in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Amendment to the Employment Agreement.

1.1 Section 7(b) of theCounterparts. This RSU Award Agreement shall be deleted and replaced in its entirety with the following:

"*The Employee acknowledges that all "**Work Product**" (as defined below) is "work made for hire", will be the sole and exclusive property of the Company and the Employee hereby waives any right or title therein whatsoever. "**Work Product**" shall include all kinds of intellectual property, service inventions, discoveries, developments, improvements, formulae, processes, algorithm, codes (either in a binary or in a source configuration), research, know-how, technology, ideas, trade secrets, Digital and Social Media Assets (and all whether or not patentable or registerable under copyright or any similar laws), which are created, invented, performed, developed or raised as an idea or implemented or learned by the Employee, either personally or together with others: (a) as a result of the Employee's employment with the Company; and (b) which is related to the Company's business (as conducted or as expected to be conducted during Employees' employment with the Company. For the purpose of this Agreement the term "**Digital and Social Media Assets**" means pages, accounts, databases or profiles in all media, platform or service (including any social network, internet website and/or application) created per the Company's request or within the scope of the Employee's employment with the Company, whether explicit or not, contact information or login, and any other information necessary or useful to provide full access to pages, accounts, databases and profiles as stated, correspondence on any digital platform, followers, user networks, connections, information or statistics on followers and users, content, publications and any other information, rights and data required to manage and operate any of the foregoing assets."*

1.2 To the end of Section 8(a), the following definition shall be added:

*"The "**Field**" shall mean "any platform for recommending content on publisher sites and/or to content distribution"."*

2. General

2.1 This Amendment shall be deemed to all intents and purposes as an integral part of the Employment Agreement and/or any amendment thereof. All capitalized terms used in this Amendment and not defined hereto, shall have the meanings attributed to them in the Employment Agreement. In the event of any inconsistency between the provisions of this Amendment and the provisions of the Employment Agreement and/or any amendment thereof, this Amendment shall prevail. Except as provided explicitly hereto, all other provisions of the Employment Agreement shall continue to be in full force and effect, mutatis mutandis.

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2.2 This Amendment supersedes all prior agreements, written or oral, between the Parties relating to the subject matter of this Amendment.

2.3 This Amendment is effective as of the Commencement Date of the Employment Agreement.

2.4 The Employee hereby represents and confirms that he has read this Amendment, and that he received any and all clarifications and explanations he requested, understand its contents, meaning and consequences, and is executing this Amendment of his own free and un-coerced will, without any duress or undue influence on the part or behalf of the Company or any third party, and after he had the opportunity to consult with his own counsel and/or legal or other advisors.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused this Amendment (which may be executed in one or more counterparts, each of which shall be deemed an original and enforceable against the parties, and all of which together shall constitute be considered one and the same instrument) agreement, it being understood that all parties need not sign the same counterpart. The exchange of an executed agreement (in counterparts or otherwise) by facsimile transmission, electronic transmission or electronic signature shall be sufficient to be duly executed and delivered on and as of bind the date first written above.

COMPANY:

Taboola.Com Ltd.

By: /s/ Zvika Rimon

Name: Zvika Rimon

Title: Chairman of the BoD

EMPLOYEE:

Eldad Maniv

Signature: /s/ Eldad Maniv

[Signature Page- Taboola.Com Ltd. – Amendment to Employment Agreement (Eldad Maniv)]

Exhibit 10.16

AMENDMENT TO EMPLOYMENT AGREEMENT

THIS AMENDMENT TO THE EMPLOYMENT AGREEMENT (the "**Amendment**") is effective as of the Commencement Date by and between Taboola.Com Ltd., a company organized under the laws of the State of Israel, company number 51-387068-3 (the **"Company**") and the Employee.

WHEREAS, the Employee has been employed by the Company since the Prior Commencement Date, and the Employee has executed an agreement parties to the Employee's employment with the Company as of the Prior Commencement Date (the "**Prior Employment Agreement**"); and

WHEREAS, the parties have agreed to amend the terms of the Employee's continued employment by the Company, as set forth below, effective as of the Commencement Date; and

WHEREAS, the parties hereby confirm that the Amendment replaces in its entirety the Prior Employment Agreement.

NOW, THEREFORE, in consideration of the respective agreements of the parties contained herein, the parties agree as follows:

1. Definitions

All undefined terms herein shall have the meanings ascribed thereto in Exhibit A hereto, which exhibit constitutes an integral part hereof.

2. **Employment**

(a) The scope of the Employee's employment by the Company shall be the Scope of Employment.

(b) The Company agrees to employ the Employee in the Employment Position, and the Employee agrees to be employed by the Company in the Employment Position, reporting to the Supervising Officer, on the terms and conditions hereinafter set forth. The Employee's duties and responsibilities shall be those duties and responsibilities customarily performed by an employee in the Employment Position.

During the term of Employment hereunder, the Employee agrees to devote his or her total attention and time to the business and affairs of the Company as required to discharge the responsibilities assigned to the Employee hereunder; except for the Other Commitments. During the term of this Amendment, the Employee shall not be engaged in any other employment nor actively in any other business activities, or in any other activities which may hinder the Employee's performance hereunder, with or without compensation, for any other person, firm or company, without the prior written consent of the Company, except for the Other Commitments. The Employee warrants confirms and undertakes that the Employee is entitled to enter into this Amendment and to assume all the obligations pursuant hereto, that there is no contractual or other impediment on the Employee's entering into this Amendment and to the Employee's engagement by the Company, and that in entering into this Amendment the Employee is not in breach of any other Amendment or obligation to which Employee is or had been a party.

(c) The Employee shall perform the Employee's duties diligently, conscientiously and in furtherance of the Company's best interests. In the event that the Employee shall discover that he or she has or might have any direct or indirect personal interest in any of the Company's business or a conflict of interest with the duties required of the Employee by virtue of the Employee's employment with the Company, immediately upon such discovery the Employee shall so inform the Board of Directors of the Company in writing.

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(d) The parties hereto confirm that this is a personal services contract and that the relationship between the parties hereto shall not be subject to any general or special collective employment agreement or any industry custom or practice, or practice of the Company in respect of any of its other employees or contractors. The Employee agrees that the execution and delivery by the Employee of this Amendment and the fulfillment of the terms hereof (i) does not conflict with any agreement or undertaking by which the Employee is bound; and (ii) do not require the consent of any person or entity.

3. **Base Salary and Global Overtime Payment**

(a) In consideration for the services provided by the Employee hereunder, the Company shall pay to the Employee the gross Base Salary, on a monthly basis during the term of this Amendment. The Employee hereby confirms that the Base Salary includes reimbursement for transportation costs to and from work according to the applicable extension order.

(b) In addition to the Base Salary, the Company shall pay the Employee the Global Overtime Payment for additional and overtime work hours. The parties acknowledge that this payment is fixed on the assumption of both parties that the Employee will work additional and overtime hours in the amount equivalent to the Overtime Payment.

(c) The Employee is expected to work additional and overtime hours in accordance with the Company's needs and according to the instructions of the Supervising Officer.

(d) Without limitation of the foregoing, the Company shall pay the Employee Global Overtime Payment also when the Employee will be absent of work because of military reserve duty, sickness and vacation.

(e) The Employee shall not be entitled to any other additional amount or compensation for the Employee's additional or overtime hours, and the Global Overtime Payment shall be the sole compensation to the Employee with respect thereto.

(f) It is hereby agreed that the Employee's determining pay for the purpose of severance pay and all other social benefits and payments is the Base Salary, and payments and/or benefits and/or bonuses and/or refunds that are not included in the Base Salary, such as the Expense Reimbursements and the like, shall not be considered part of the Base Salary for all respects and purposes.

(g) All income and other taxes shall be deducted as required by law. Employee shall bear all tax payments deriving from the rights and benefits granted under this Amendment. It is hereby expressed that all the amounts specified in this Amendment are gross, and statutory tax and all the other compulsory payments, including health insurance contributions and national insurance contributions, shall be withheld at source by the Company from them and from all the rights and benefits received by the Employee pursuant this Amendment.

(h) The Base Salary and the Overtime Payment will be respectively adjusted from time-to-time in accordance with the Cost of Living Index *("Tosefet Yoker")* and other adjustments as required by law.

(i) The Base Salary and the Global Overtime Payment shall be payable monthly in arrears, and shall be paid to the Employee in accordance with Company policy.

4. **Employee Benefits**

The Employee shall be entitled to the following benefits:

(a) Sick Leave. The Employee shall be entitled to fully paid sick leave pursuant to the Sick Pay Law, 1976. It is hereby clarified that sick leave shall not be accruable or redeemable.

(b) Vacation. Subject to the provision of the Annual Vacation Law-1951 (the "**Annual Vacation Law**"), the Employee shall be entitled to the number of paid Annual Vacation Days as set forth in Exhibit A hereto, which shall be taken in accordance with the Company's policy and subject to prior approval by the Supervising Officer. The Annual Vacation Days may be accrued and redeemed through the immediately succeeding year (the "**Accrual Period**"), in accordance with the Annual Vacation Law.

(c) Annual Recreation Allowance *(Dme'i Havra'a)*.The Employee shall be entitled to annual recreation allowance, according to applicable law.

(d) Car; Travel Expenses. Subject to the Company's policy, the Employee shall be entitled to the use of a vehicle in consideration for a reduction of his or her Total Salary, under the terms and conditions set forth thereto in Exhibit B hereto, which exhibit constitutes an integral part hereof. In the event that the Employee does not receive a vehicle from the Company, the Base Salary of the Employee shall be deemed to include such compensation that the Employee is entitled to receive pursuant to the applicable extension order for reimbursement of travel expenses to and from work.

(e) Additional Benefits. The Company shall provide the Employee with the Additional Benefits, as set forth in Exhibit A.

5. **Term and Termination**

(a) The term of employment under this Amendment shall commence as of the Commencement Date, and will continue indefinitely, unless terminated under any of the following circumstances:

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(i) The Company may terminate the employment of the Employee immediately for Cause. For purposes of this Amendment, the term "**Cause**" will be defined to include matters such as: (1) blamed of any crime involving moral turpitude or dishonesty; (2) willful refusal to perform the lawful instructions of the Board pertaining to the Employee's employment under this Amendment provided, however, that if such refusal to perform is susceptible to cure, the Employee shall not have cured such refusal within five days of having been given written notice thereof; (3) any breach of the Employee's fiduciary duties or duties of care to the Company (except for conduct taken in good faith); (4) any conduct (other than conduct in good faith) materially detrimental to the Company; (5) a material breach of the terms of this Amendment; and (6) any other act or omission that would legally entitle the Company to dismiss the Employee without payment of severance pay in connection with such dismissal. If the employment of the Employee is terminated under this Section 5(a) (i), then, unless the parties otherwise mutually agree in writing, in full satisfaction of the Company's obligations under this Amendment, the Employee shall only be entitled to: (A) earned but unpaid Total Salary provided for herein up to and including the effective date of termination, prorated on a daily basis; (B) the Managers Insurance Policy, unless amounts thereunder may be withheld or reduced by law; (C) the Further Education Fund, unless amounts thereunder may be withheld or reduced by law; and (D) a cash payment for all unredeemed vacation days, if any, up to the maximum number permitted by law and this Amendment.

(ii) The Company may terminate the Employee's employment with the Company by sending a notice of termination to the Employee, provided that such notice determines a date of termination no earlier than the end of the Notice Period, it being understood that the Company may provide such notice at any time without cause and without the need to state the reason therefor.

(iii) The Employee may terminate the Employee's employment with the Company by sending a notice of termination to the Company, provided that such notice determines a date of termination no earlier than the end of the Notice Period, it being understood that the Employee may provide such notice at any time without cause and without the need to state the reason therefor.

(b) During the Notice Period, the Employee shall continue to receive the compensation set forth herein. At the option of the Company, the Employee shall continue to perform his or her duties during the Notice Period as set forth herein or remain absent from the premises of the Company during the Notice Period.

(c) Upon termination pursuant to Sections 5 (a) (ii) and 5 (a) (iii) above, the right to receive the Further Education Fund shall be automatically assigned to the Employee. With respect to the Managers Insurance Fund, the parties hereby adopt the General Approval of the Minister of Labor and Welfare, on *Employers' Payments to Pension Funds and Insurance Policies in lieu of Severance Pay according to Section 14 of the Severance Pay Law,* attached hereto as **Exhibit C**and the Employee acknowledges that this arrangement replaces the Employee's right to receive severance pay under applicable law. The Policy will be subject to an automatic transfer of ownership in the event the Employee's employment with the Company is terminated, except (i) in such circumstances in which Israeli Law denies the right for severance payment, in whole or in part, or (ii) in the event that the Employee withdrew monies from the Policy (other than by reason of an "Entitling Event", i.e. death, disability or retirement at or after the age of sixty (60)), such severance payment or transfer of ownership shall be made in the sole discretion of the Company.

(d) During the Notice Period, the Employee shall cooperate with the Company and use the Employee's best efforts to assist the integration into the Company's organization of the person or persons who will assume the Employee's responsibilities.

(e) In the event of any termination of the Employee's employment, whether or not for cause and whatever the reason, the Employee will promptly deliver to the Company all documents, data, records and other information pertaining to the Employee's employment and any Proprietary Information (as defined in Section 6) and Work Product (as defined in Section 7), and the Employee will not take with the Employee any documents or data, or any reproduction or excerpt of any documents or data, containing or pertaining to the Employee's employment or any Proprietary Information or Work Product.

6. **Proprietary Information**

(a) The Employee represents and warrants that he or she will keep the terms and conditions of this Amendment strictly confidential and will not disclose this Amendment nor provide a copy of it or any part thereof to any third person unless and to the extent required by applicable law.

(b) The Employee acknowledges and agrees that he or she will have access to confidential and proprietary information concerning the business and financial activities of the Company and information and technology regarding the Company's product research and development, including without limitation, the Company's banking, investments, investors, properties, employees, marketing plans, customers, suppliers, trade secrets, test results, processes, data and know-how, improvements, inventions, techniques and products (actual or planned). Such information, whether documentary, written, oral or computer generated, shall be deemed to be and referred to as "**Proprietary Information**".

(c) Proprietary Information shall exclude information that (i) was known to the Employee prior to his or her association with the Company and can be so proven; (ii) shall have appeared in any printed publication or patent or shall have become a part of the public knowledge except as a result of a breach of this Amendment by the Employee; (iii) shall have been received by the Employee from a third party having no obligation to the Company, (iv) reflects general skills and experience gained during the Employee's engagement by the Company, or (v) reflects information and data generally known within the industries in which the Company transacts business.

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(d) The Employee agrees and declares that all Proprietary Information, including patents and other rights in connection therewith shall be the sole property of the Company and its assigns. At all times, both during his or her engagement by the Company and after its termination, the Employee will keep in confidence and trust all Proprietary Information, and the Employee will not use or disclose any Proprietary Information or anything relating to it without the written consent of the Company, except as may be necessary in the ordinary course of performing the Employee's duties hereunder and in the best interests of the Company.

(e) The Employee recognizes that the Company received and will receive confidential or proprietary information from third parties subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. Such information shall be deemed "**Proprietary Information**" for all purposes hereunder, and shall, without limitation of the foregoing, be returned to the Company upon termination of the Employee's employment with the Company pursuant to Section 5(e) herein.

(f) The Employee's undertakings in this Section 6 shall remain in full force and effect after termination of this Amendment.

7. **Inventions**

(a) The Employee understands that the Company is engaged in a continuous program of research, development, production and marketing in connection with its business and that, as an essential part of his or her employment with the Company, the Employee is expected to make new contributions to, and create inventions of value for, the Company. The Employee agrees to share with the Company all the Employee's knowledge and experience, provided however that the Employee shall not disclose to the Company, or use for the advancement of the business of the Company, any information which the Employee has undertaken to third parties to keep confidential or in which third parties have any rights.

(b) The Employee acknowledges that all "**Work Product**" (as defined below) is "work made for hire", will be the sole and exclusive property of the Company and the Employee hereby waives any right or title therein whatsoever. "**Work Product**" shall include all inventions, improvements, designs, concepts, techniques, methods, systems, processes, know how, customer lists, computer software programs, databases, materials, mask works and trade secrets created, in whole or in part, by the Employee during the Employee's employment with the Company, or developed using equipment, supplies, facilities or trade secrets of the Company, or resulted from work performed by or for the Company, or related to the Company's business or current or anticipated research and development, whether or not copyrightable or otherwise protectable according to law.

(c) To the extent not already owned exclusively by the Company, the Employee hereby irrevocably transfers and assigns to the Company all the Employee's right, title and interest now and hereafter acquired in and to all Work Product (and all proprietary rights with respect thereto) and, when not otherwise assignable herein, agrees to assign in the future to the Company, all the Employee's right, title and interest in and to any and all such Work Product (and all proprietary rights with respect thereto), and further undertakes to execute all necessary documentation and take all further action as may be required in order to perform such assignment. The Employee will promptly disclose to the Company fully and in writing all Work Product authored, conceived or reduced to practice by the Employee, either alone or jointly with others.

(d) The Employee hereby forever waives and agrees never to assert any rights of paternity or integrity, any right to claim authorship of any Work Product, to object to any distortion, mutilation or other modification of, or other derogatory action in relation to any Work Product, whether or not such would be prejudicial to his or her honor or reputation, and any similar right, existing under judicial or statutory law of any country in the world, or under any treaty, even after termination of the Employee's work on behalf of the Company. However, Company shall consider giving appropriate recognition to each employee for the Employee's contribution to the creation of any Work Product.

(e) All trade secrets, inventions, ideas, processes, formulas, source and object codes, data, programs, other works of authorship, know-how, improvements, discoveries, developments, designs and techniques (hereinafter collectively referred to as "**Prior Inventions**"), if any, patented or unpatented, which the Employee made prior to the commencement of the Employee's employment with the Company are excluded from the scope of this Amendment. To preclude any possible uncertainty, a complete list of all Prior Inventions that the Employee has, alone or jointly with others, conceived, developed or reduced to practice or caused to be conceived, developed or reduced to practice prior to the commencement of the Employee's employment with the Company, that the Employee considers to be his or her property or the property of third parties and that the Employee wishes to have excluded from the scope of this Amendment is included in the definition of Prior Inventions in **Exhibit A**hereto. If disclosure of any such Prior Invention would cause the Employee to violate any prior confidentiality agreement, the Employee shall only disclose a cursory name for each such invention, a listing of the party(ies) to whom it belongs and the fact that full disclosure as to such inventions has not been made for that reason. If no such disclosure is attached, the Employee represents that there are no Prior Inventions. If, in the course of the Employee's employment with the Company, the Employee incorporates a Prior Invention into a Company product, process or machine, the Company is hereby granted and shall have a nonexclusive, fully paid up, royalty-free, irrevocable, perpetual, worldwide license (with rights to sublicense through multiple tiers of sub-licensees) to make, have made, modify, use, sell and commercialize such Prior Invention. Notwithstanding the foregoing, the Employee agrees that he or she will not incorporate, or permit to be incorporated, Prior Inventions in any inventions of the Company without the Company's prior written consent.

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(f) The Employee agrees to assist the Company in every proper way to obtain for the Company and enforce patents, copyrights, mask work rights, and other legal protections for the Company's Work Product in any and all countries. The Employee will execute any documents that the Company may reasonably request for use in obtaining or enforcing such patents, copyrights, mask work rights, trade secrets and other legal protections. The Employee's obligations under this Section 7(f) will continue beyond the termination of employment with the Company. The Employee hereby irrevocably appoints any of the Company's officers as the Employee's attorney-in-fact to execute documents on the Employee's behalf for this purpose.

(g) For the removal of any doubt, it is hereby clarified that the provisions contained in this Section 7 will apply also to any "Service Inventions" as defined in the Israeli Patent Law, 1967 (the "**Patent Law**"). However, in no event will such Service Invention become the Employee's property and the provisions contained in Section 132(b) of the Patent Law shall not apply unless the Company provides in writing otherwise. Employee will not be entitled to royalties or other payment with regard to any Work Product, Service Inventions or any of the intellectual property rights set forth above, including any commercialization of such Work Product, Service Inventions or other intellectual property rights.

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8. **Non-Competition**

(a) The Employee agrees and undertakes that, for as long as the Employee is employed by the Company and for the Non Compete Period thereafter - the Employee shall not become financially interested in, be employed by, or have any business connection with, any business or venture that is engaged in any activities competing with products or services offered by the Company, including, without limitation, any activities involving video content advertisement, web advertisements, video data mining and video recommendation systems, directly or indirectly, as owner, partner, joint venturer, shareholder, employee, broker, agent, principal, corporate officer, director, licensor or in any other capacity whatever; provided, however, that the Employee may own securities of any corporation which is engaged in such business and is publicly owned and traded, but in an amount not to exceed at any one time one percent of any class of stock or securities of such company, so long as he/she has no active role in the publicly owned and traded company as director, employee, consultant or otherwise.

(b) The Employee agrees and undertakes that during the period of his or her employment with the Company and for twelve months thereafter the Employee will not (i) employ or retain any person employed or retained by the Company or its affiliates on the date of the Employee's termination or during the preceding twelve months, directly or indirectly, including personally or in any business in which he or she is an officer, director or shareholder; (ii) solicit, canvass or approach or endeavor to solicit, canvass or approach any person or entity who was provided with services by the Company or its affiliates on the date of the Employee's termination or during the preceding twelve months, for the purpose of offering services or products which compete with the services or products supplied by the Company.

(c) If any one or more of the terms contained in this Section 8 shall, for any reason, be held to be excessively broad with regard to time, geographic scope or activity, the term shall be construed in a manner to enable it to be enforced to the extent compatible with applicable law.

(d) The Employee declares that he or she is aware that the Total Salary includes special consideration paid to the Employee for the Employee's undertakings set out in this Section 8.

9. **Continuity**

The Employee shall continue to be employed by the Company as of the Prior Commencement Date, and nothing contained herein shall derogate from all seniority rights that have accrued to the benefit of the Employee in the past under the Prior Employment Agreement.

10. **Notice**

For the purpose of this Amendment, notices and all other communications provided for in the Amendment shall be in writing and shall be deemed to have been duly given when personally delivered or sent by registered mail, postage prepaid, addressed to the respective addresses set forth below or last given by each party to the other, except that notice of change of address sball be effective only upon receipt; notice may also be provided by facsimile or by e-mail and shall be deemed received upon electronic or manual confirmation. The initial addresses of the parties for purposes of this Amendment shall be RSU Award Agreement, as follows:

The Company:	Taboola.Com Ltd. Agish Ravad Building 13 Noah Mozes St. Tel-Aviv 67442 Israel Fax: +972-3-696-6966
The Employee:	As set forth in Exhibit A

11. **Miscellaneous**

(a) The Company shall be entitled to set-off any amount owed to the Company by the Employee under the terms and provisions of this Amendment from any amount owed by the Company to the Employee under the terms and provisions of this Amendment or from any other source whatsoever.

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(b) No provision of this Amendment may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Employee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Amendment to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

(c) This Amendment shall be governed by and construed and enforced in accordance with the laws of the State of Israel, without giving effect to the rules with respect to conflicts-of-law.

(d) The provisions of this Amendment shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof.

(e) This Amendment constitutes the entire agreement between the parties hereto and supersedes all prior agreements, understandings and arrangements, oral or written, between the parties hereto with respect to the subject matter hereof. No agreement or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made to either party, which is not expressly set forth in this Amendment.

(f) This Amendment shall be binding upon and shall inure to the benefit of the Company, its successors and assigns. The term "successors and assigns" as used herein shall mean a corporation or other entity acquiring all or substantially all the assets and business of the Company (including this Amendment) whether by operation of law or otherwise.

(g) Neither this Amendment nor any right or interest hereunder shall be assignable or transferable by the Employee, his or her beneficiaries or legal representatives, except by will or by the laws of descent and distribution. This Amendment shall inure to the benefit of and be enforceable by the Employee's legal personal representative.

(h) The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Amendment.

NOTICE PERIOD	*Number of days' notice to be given for termination by Employee or Company*	During the first 3 months of employment, according to applicable law; thereafter, 30 days.
NON COMPETE PERIOD	*Period after the employee ceases to be an employee of the company during which he/she is restricted from competing with the company*	12 months if this Amendment was terminated or canceled by Company, or 18 (eighteen) months if this Amendment was terminated or canceled by the Employee.
PRIOR INVENTIONS	*Inventions made by the Employee which he/she requests to exclude from the amendment to employment agreement*	[None] OR *[to be filled in accordingly]. an original.*
OTHER COMMITMENTS	*Other commitments of the employee which he/she request to exclude from the amendment to employment agreement*	Notwithstanding Section 2, the Employee is entitled to continue serving in the board of directors / advisory board of the startup companies named Payoneer and Soluto. In this respect the Employee represents that: (i) the overall time required to fulfill his said obligations is immaterial (i.e., a couple of hours per month), and (ii) none of the said companies competes with the Company's business, as may be updated from time to time, in any way whatsoever.

[Signature Page to Taboola.Com Amendment to Employment Agreement]

IN WITNESS WHEREOF, the Company has caused parties have duly executed and delivered this Amendment to be executed by its duly authorized officer and the Employee has executed this Amendment **RESTRICTED SHARE UNITS AWARD AGREEMENT** as of the day and year first above written.

This Amendment will come into effect only upon the signature of both the Company and the Employee. date last written below.

TABOOLA.COM LTD.

/s/ Lior Golan
EMPLOYEE

By: /s/ Hagai Gold

Name: Hagai Gold

Title: VP Finance

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EXHIBIT A
TABOOLA.COM LTD.
AMENDMENT TO EMPLOYMENT AGREEMENT

TERM USED IN THE AMENDMENT Grantee:	EXPLANATION	**DETAILS**
PRIOR COMMENCEMENT DATE	*The date the employee commenced his/her employment with the company under the Prior Employment Agreement.*	April 1st, 2009 Taboola.com Ltd.
COMMENCEMENT DATE	*The effective date of this Amendment.*	January 1st, 2011
EMPLOYEE	*Name of employee:* *ID number of employee:* *Address of employee:*	Name: Lior Golan ID: [*] Address: [*]
SCOPE OF EMPLOYMENT	*The percentage of Full Time employment, which is defined as 186 hours per month based on a five day working week*	100%
EMPLOYMENT POSITION	*Position the employee will hold in the company*	VP R&D/Site Manager
SUPERVISING OFFICER	*The person or body to whom the employee will report, e.g. CEO, CTO or the board of directors*	CEO
BASE SALARY AND GLOBAL OVERTIME PAYMENT (together, the "TOTAL SALARY")	*The gross monthly salary paid to the employee, before taxes and payments are deducted which consists of (i) the base salary and (ii) the gross monthly amount payable to the Employee with respect to global additional and overtime hours performed by the Employee*	*Base Salary:* NIS 38,114 *Global Overtime Payment:* NIS 9,528 *Total Salary:* NIS *47,642*
ANNUAL VACATION DAYS	*Number of vacation days per year to which employee is entitled*	14 days + 1 additional day for each year of employment with the Company based on a Full Time position.

ADDITIONAL BENEFITS	
EXPENSE REIMBURSEMENTS	The Employee shall be entitled to receive prompt reimbursement of all direct expenses ("**Expense Reimbursements**") properly and necessarily incurred by the Employee in connection with the performance of the Employee's duties hereunder; *provided, however,* (i) that such expenses have been previously approved in writing by the Supervising Officer, and (ii) that the Employee has submitted such receipts and other documents as may be required by, and has otherwise complied with the Company's expense policy in effect at such time.
MANAGERS INSURANCE POLICY *("Bituach Minahalim")*	The Company shall effect a Manager's Insurance Policy in the name of the Employee, and shall pay a sum up to 15.83% of the Base Salary (except for the disability pension component, which shall be based on the salary of the Employee under the Prior Employment Agreement, as set forth herein) towards such Policy, of which 8.33% of the Base Salary will be on account of severance pay, 5% of the Base Salary on account of pension fund payments and up to a further 2.5% of the salary of the Employee under the Prior Employment Agreement on account of disability pension payments. The Company shall deduct 5% from the Base Salary to be paid on behalf of the Employee towards such Policy. The Employee may extend an existing policy or plan and incorporate it into the Policy at his or her discretion.

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FURTHER EDUCATION FUND *("Keren Hishtalmut")*	The Company and the Employee shall maintain an advanced study fund *(Keren Hishtalmut Fund)*. The Company shall contribute to such fund an amount equal to 7.5% (the "**Company Contribution**") of the Base Salary, and the Employee shall contribute to such fund an amount equal to 2.5% (the "**Employee Deduction**") of the Base Salary, *provided, however,* that to the extent that the Base Salary is in excess of NIS 20,000, then the Company shall deposit into the *Keren Hishtalmut Fund* only the Company Contribution and the Employee Deduction related to a monthly base salary of NIS 20,000. Any tax liability in connection with any deductions and/or contributions exceeding the exempt maximum total amount prescribed by the Income Tax Ordinance shall be borne by the Employee.
COMPANY MOBILE PHONE	The Employee shall be granted the use of a cellular phone in accordance with the Company's internal policies and procedures. The Company shall bear the costs relating to the use and maintenance of the cellular phone, including income tax imposed in connection therewith. The Employee undertakes to use the cellular phone in accordance with Company's procedures.

The Company:

/s/ Hagai Gold

Taboola.Com Ltd.

By: Hagai Gold

Title: VP Finance

Employee:

/s/ Lior Golan

Signature

Name of Employee: _____

[Signature Page to Taboola.Com Ltd Amendment to Employment Agreement - Exhibit A]

Exhibit B
TERMS OF USE OF COMPANY CAR

Subject to the Company's sole discretion and if the Employee elects to receive a car from the Company in accordance with the terms and conditions set forth hereunder, the Company shall provide the Employee with the use of a vehicle of a make that was formerly designated to be "Class 2", in accordance with the Company's policy and after consulting with the Employee (the "**Car**"). The Car shall belong to or be leased by the Company and shall be registered in the Company's name for use by the Employee only during the term of employment under this Amendment. The gross value for this benefit is NIS 3,200 (the "**Car Costs**"**),** which will be subtracted from the Total Salary (i.e., NIS 2,560 will be deducted from the Base Salary and NIS 640 will be deducted from the Global Overtime Payment) and neither the portion of the Car Costs relating to the Base Salary (i.e., NIS 2,560) nor to the Global Overtime Payment (i.e., NIS 640) shall be taken into account with regards to any and all social benefits that the Employee is entitled to under applicable law and this Amendment, including Managers Insurance Policy, Further Education Fund, vacation, sickness or severance pay under law, if applicable. Accordingly, the Employee's (i) Base Salary, (ii) Global Overtime Payment and (iii) Total Salary, after deducting the Car Costs, shall be: (i) NIS 35,554 (ii) NIS **8,888** and (iii) NIS 44,442 respectively, per month.

The Employee agrees that to the extent that he or she lives within forty (40) kilometers of the Company's address, the Employee shall be subject to a limitation of driving the Car no more than 25,000 kilometers per year; if the Employee lives more than forty (40) kilometers from the Company's address, such limitation shall be 30,000 kilometers per year (the "**Annual Limit**"). If the Employee exceeds the Annual Limit, the Employee hereby agrees that all related costs and additional fuel charges shall be deducted from the Employee's net salary. This limitation will be checked on a quarterly basis (every 3 months) respectively.

The Company shall install, at its expense, a *Pazomat* automatic refueling device in the Car and shall cover the costs relating to fuel expenses, subject to the Annual Limit, in accordance with the Pazomat reports regularly delivered to the Company and pursuant to the Company's policy and procedures as determined from time to time. The Employee shall be required to fill the Car only at authorized Paz gas stations, provided, however, that in the event of an emergency, the Employee may purchase fuel at another gas station, and submit the receipt to the administrative department for reimbursement. Subject to the Annual Limit, Employee shall bear and pay all taxes applicable to Employee in connection with the fuel expenses.

The Company will bear all of the fixed and variable maintenance costs, including license and insurance payments. Notwithstanding the aforesaid, the Employee will bear and pay the following: (i) all expenses relating to any violation of law committed in connection with the use of the Car; (ii) the cost of any deductible amount charged the Company for damage caused to the Car in connection with the use of the Car and/or any amount in compensation of any type charged the Company due to the use by the Employee of the Car; (iii) all costs charged by the leasing company - including without limitation penalties, in connection with the return of the car and/or the early termination of the car lease agreement - in the event that (x) Employee chooses to return the Company Car at any time during the Term or (y) Employee terminates the Amendment or (z) a termination for Cause, and the Company, at its sole discretion, terminates the car lease agreement and returns the Car to the leasing company. The Employee hereby irrevocably authorizes the Company to set off and deduct all amounts that may be owed to the Company under this paragraph from and against the Total Salary and/or any other amounts due to Employee from the Company under the Amendment.

The Employee agrees that the Car Costs stated herein is made in accordance with Company's policy and as specified in the Company's car price list as of the date hereof, and further agrees that such Car Costs may be updated from time to time, at the sole discretion of the Company. Should the Car Costs be increased (including any amount relating to the upgrade of the Car) as aforesaid, then such increase in Car Costs shall be deducted from the Employee's Total Salary and the Employee shall have no claims or demands to the Company in connection therewith.

Other than the Employee's spouse and children over the age of twenty-four (24), no person, shall be granted use of the car without the prior authorization of the Company.

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The Company:	Employee:
/s/ Hagai Gold	/s/ Lior Golan
	Signature
Taboola.Com Ltd.	Name of Employee:
By: Hagai Gold	
Name:	Name:
ID No.:	Title: VP Finance
Date:	Date:

[Signature Page to Taboola.Com Ltd. Amendment to Employment Agreement - Exhibit B]

Exhibit C

General Approval Regarding Employers' Contributions to Pension Fund and Insurance Fund in lieu of Severance Pay

(30/6/1998)

The following is a combined version of the general approval of June 9, 1998 as published in the official announcement gazette 4659 on June 30, 1998, as amended on August 23, 1999 and published in the official announcement gazette 4803 on September 19, 1999, and as amended and published in the official announcement gazette 4970 on March 12, 2001:

By virtue of my power under Section 14 of the Severance Pay Law, 5723-19631 (the "Law"), I hereby confirm, that contributions made by an employer for his employee, commencing as of the date of publication of this approval, to a comprehensive pension in a provident fund for annuity that is not an insurance fund within the meaning of such term in the Income Tax Regulations (Rules for the Approval and Management of Provident Funds), 5724-19642 (a "Pension Fund") or to a managers' insurance that includes the possibility of an annuity or a combination of payments to an annuity plan and to a non-annuity plan within such insurance fund (an "Insurance Fund"), including combined contributions made by the employer to a Pension Fund and to an Insurance Fund, whether or not the Insurance Fund includes an annuity plan (the "Employer's Contributions"), shall be payable in lieu of severance pay due to such employee in respect of the salary from which such contributions were made and the period they were made for (the "Exempt Salary"); provided, however, that all of the following conditions have been fulfilled:

(1) The Employer's Contributions -

(a) To the Pension Fund, are at a rate of no less than 14 1/3% of the Exempt Salary, or 12% of the Exempt Salary, if in addition thereto, the employer makes supplementary severance pay contributions for his employee to a provident fund for severance pay or to an Insurance Fund in the employee's name, at a rate of 2 1/3% of the Exempt Salary. In the event that the employer has not contributed such 2 1/3% in addition to said 12%, his contributions shall only replace 72% of the employee's severance pay;

(b) To the Insurance Fund are at a rate of no less than one of the following:

(1) 13 1/3% of the Exempt Salary, if in addition thereto, the employer makes contributions for his employee for securing monthly income in the event of disability to a plan approved by the Commissioner of the Capital Market, Insurance and Savings at the Ministry of Finance, at the rate required to secure at least 75% of the Exempt Salary or a rate of 2 1/2% of the Exempt Salary, whichever is lower ("Disability Insurance Contributions"); or

(2) 11% of the Exempt Salary, if the employer also made Disability Insurance Contributions, and in such case the Employer's Contributions shall only replace 72% of the Employee's severance pay; In the event that the employer has made, in addition to the foregoing, supplementary severance pay contributions to a provident fund for severance pay or to an Insurance Fund in the employee's name at a rate of 2 1/3% of the Exempt Salary, the Employer's Contributions shall replace 100% of the employee's severance pay.

(2) By no later than three months of the commencement date of the Employer's Contributions, a written agreement is executed between the employer and the employee that includes:

(a) The employee's consent to the arrangement pursuant to this approval in a form specifying the Employer's Contributions, and the Pension Fund and Insurance Fund, as applicable; such agreement shall also include the form of this approval;

(b) The employer's advance waiver of any right he may have to a refund of monies from his contributions, unless the employee's right to severance pay has been revoked by virtue of Sections 16 or 17 of the Law, and to the extent so revoked, or the employee has withdrawn monies from the Pension Fund or Insurance Fund other than by reason of an Entitling Event; in such regard "Entitling Event" means death, disability or retirement at or after the age of 60 or more.

(3) This approval shall not derogate from the employee's right to severance pay under any law, collective agreement, expansion order or employment contract, in respect of salary over and above the Exempt Salary.

Eliyahu Yishai
Minister of Labor and Social Affairs

/s/ Hagai Gold	/s/ Lior Golan
Company	Employee
	Date:

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March 2, 2023

Stephen Walker
stephen.w@taboola.com

Dear Steve,

You started your employment with Taboola, Inc. (the "Company") on July 30th, 2014. This amended and restated offer letter ("Offer Letter") supersedes and replaces any previous offer letter that may have been provided to you by the Company, and once signed by both you and the Company, serves as a complete and final expression of the terms and conditions of your employment with the company.

Section 1.START DATE, POSITION AND DUTIES. You will hold the title of CFO, reporting to the CEO and Founder, Adam Singolda. You shall be responsible for managing the financial operations of a company, including financial planning and analysis, budgeting, accounting, financial reporting, and risk management. You shall be part of the Company's senior executive team and will also be responsible for any other duties that may be assigned to you by the company from time to time. Your principal place of employment will be in Los Angeles, California. Your title, job duties, and reporting relationship may be changed by the company, at any time, in its sole discretion. Your employment will be on a full-time basis, and you shall devote your full business time, attention, skill, and best efforts to the performance of your duties. You shall not engage in any other activities that will interfere with your employment or present a conflict of interest with your employment while employed by the company.

Section 2. COMPENSATION

(a) Base Pay. You will be paid an annual base salary of $465,000 on a bi-weekly basis at the rate salary of $17,884. You will be paid in accordance with the regular payroll practices of the Company, which may be amended at any time by the Company in its sole discretion. Your compensation will be subject to federal, state and local withholdings and deductions that the Company is obligated to make under applicable law. Your position is exempt, which means that you are not entitled to overtime pay under federal and state law.

(b) Discretionary Bonus. You may be eligible to receive an annual discretionary bonus at target of $302,250 a year ("Discretionary Bonus"). The actual amount of such discretionary bonus, if any, and its payout schedule, will be determined by the Company in its sole discretion, based upon, among other things, the Company's performance, your achievement of a series of performance milestones, and any other factors that the Company deems appropriate. For partial calendar years, the Discretionary Bonus, if any, will be pro-rated. Please note that your achievement of such milestones, as well as the amount of any bonus, is at the sole discretion of the Company. To be eligible for a bonus payment, if any, you must be employed in good standing by the Company, and you must not have given or received notice of your termination on, or prior to, the date of payment of such bonus.

Section 3.AT-WILL EMPLOYMENT. By reviewing and signing this Offer Letter, you confirm your understanding that your employment with the Company will be "at-will," meaning that either you or the Company can terminate your employment at any time, for any reason, with or without notice. Neither this Offer Letter nor the Company's maintenance of any personnel policies, procedures or benefits constitutes a contract of employment for a set period of time or a guarantee of specific benefits or treatment. Although the Company's personnel policies, procedures and benefits may change from time to time, the "at-will" nature of your employment may only be changed in an express written agreement signed by you and a duly authorized officer of the Company.

Section 4. EMPLOYEE BENEFITS AND FLEXIBLE TIME OFF.

(a) You will be eligible to participate in health insurance and other benefits provided by the Company effective on your first day of the month after your employment begins. Currently, the Company offers, among others, the following benefits, as detailed in the Company's handbook and internal policies: flexible time off, medical, dental, vision, FSA, dependent care FSA and pre-taxed transit. Nothing contained herein shall be construed to limit the Company's ability, in its sole discretion, to modify, amend, suspend, or terminate any employee benefit plan or policy at any time, with or without notice.

Section 5.NON-DISCLOSURE AGREEMENT. As a condition of your employment with the Company, and in consideration of the compensation set forth herein, you agree to execute, deliver to the Company, and fully abide by the Company's Non-Disclosure, Non-Solicitation and Assignment of Developments Agreement ("Non-Disclosure Agreement"), enclosed herewith.

Section 6. ELIGIBILITY TO WORK

(a) Employment Eligibility. If you accept this offer, it will be necessary for you to verify your eligibility to work in the United States by completing a Form I-9 and providing appropriate documentation on your first day of employment. An Employment Eligibility Verification form ("Form I-9") and instructions for its completion are enclosed. You must complete Section 1 of Form I-9 and bring it and proper proof of identity and employment eligibility (described on page 9 of the Form I-9) on your first day of employment with the Company.

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Section 7. GOVERNING LAW; DISPUTE RESOLUTION.

(a) Governing Law. This Offer Letter shall be governed and construed in all respects by the laws of the State of California, without giving effect to the conflict of laws principles of such state.

(b) Dispute Resolution. The Company's standard Mutual Agreement to Arbitrate Claims ("Arbitration Agreement") is enclosed. Arbitration is not a mandatory condition of your employment at the Company, and you may opt out of arbitration.

Section 8.ENTIRE AGREEMENT. This Offer Letter, together with the Arbitration Agreement and the Non-Disclosure Agreement attached hereto, constitutes the entire understanding and agreement between you and the Company regarding your employment, and supersedes all prior negotiations, discussions, correspondence, communications, understandings, and agreements (oral or written) between you and the Company relating to the subject matter set forth herein.

Section 9.COUNTERPARTS. This Offer Letter may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. The execution of this Offer Letter may be by actual, electronic or facsimile signature.

On behalf of the Company, we are extremely excited at the prospect of you joining Taboola. You may indicate your agreement with the aforementioned terms and conditions and accept our offer by signing and dating this Offer Letter, the attached Arbitration Agreement and the attached Non-Disclosure Agreement.

TABOOLA, INC.

/s/ Blythe Holden
By: Blythe Holden
Title: General Counsel

AGREED AND ACCEPTED:

Stephen Walker
Print Name

/s/ Stephen Walker
Signature

March 3, 2023
Date

Attachments
Non-Disclosure Agreement
Arbitration Agreement

Non-Disclosure, Non-Solicitation and Assignment of Developments Agreement

I, Stephen Walker, in consideration of my employment at will with Taboola, Inc. ("the "Company"), and the salary or other compensation to be paid for my services during my employment with the Company, agree as follows:

1. **Duties.** I accept new employment or continuing employment with the Company. I agree that I will devote my full business time, attention, and ability to the business affairs of Company. I acknowledge that as an employee, I have a duty of loyalty to the Company.
2. **Nature of Employment**. My employment with the Company is voluntarily entered into, and I am free to resign at will at any time, with or without cause. Similarly, the Company may terminate the employment relationship at will at any time, with or without notice or cause, so long as there is no violation of applicable federal or state law.
3. **Confidential Information.**

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1. **Definition of Confidential Information**. For the purpose of this agreement, Confidential Information means proprietary or confidential information of the Company that is not otherwise generally known to the public, relating or pertaining to the Company's business, projects, products, customers, inventions, or trade secrets, including, but not limited to, business and financial information; Company techniques, technology, practices, operations, and methods of conducting business; information technology systems and operations; algorithms, software, and other computer code; information concerning the identities of the Company's business partners and clients or potential business partners and clients, including names, addresses, and contact information; customer information, including prices paid, purchase history and needs; supplier names, addresses, and pricing; and Company pricing policies, marketing strategies, research projects or developments, products, legal affairs, and future plans relating to any aspect of the Company's present or anticipated businesses. The definition of "Confidential Information" does not include employee terms and conditions of employment, and I understand that I have a right under the law to discuss my terms and conditions of employment with others.

2. **Non-Disclosure of Confidential Information**. In my employment with the Company, I will have access to Confidential Information. The protection of Confidential Information is vital to the interests and success of the Company. As such, I agree that I will not acquire, use, publish, disclose or communicate any Confidential Information to any person or entity (a) during my employment, except as expressly authorized by and for the benefit of the Company and in the course of my duties as an employee or (b) at any time after my employment ends. However, nothing in this agreement prohibits me from reporting an event that I reasonably and in good faith believe is a violation of law to the relevant law-enforcement agency (such as the Securities and Exchange Commission, Equal Employment Opportunity Commission or Department of Labor), or from cooperating in an investigation conducted by such a government agency. This may include disclosure of trade secret or confidential information within the limitations permitted by the Defend Trade Secrets Act ("DTSA"). The DTSA provides that no individual will be held criminally or civilly liable under federal or state trade secret law for disclosure of a trade secret (as defined in the Economic Espionage Act) that is: (A) made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and made solely for the purpose of reporting or investigating a suspected violation of law; or, (B) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal so that it is not made public. And, an individual who pursues a lawsuit for retaliation by an employer for reporting a suspected violation of the law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document contain the trade secret under seal, and does not disclose the trade secret, except as permitted by court order.

4. **Access to and Return of the Company's Property.** I acknowledge and agree that during my employment I shall not make, use or permit to be used by any person any Company property, including, but not limited to, computers, cell phones, software programs, software code, data, keys, access cards, and any materials or documentation containing Confidential Information, in any manner other than for the benefit of the Company. I have no privacy rights with respect to any such property, and that I will turn over to the Company any such property immediately upon request. I further agree that upon the termination of my employment with the Company, I will immediately return to the Company any and all the Company property in my possession or under my control.
5. **Assignment of Developments.**
    1. **Definition of Developments.** For the purpose of this Agreement, Developments shall mean any and all inventions, discoveries, designs, developments, concepts, techniques, procedures, algorithms, products, improvements, business plans, and intellectual property.
    2. **Assignment of Developments.** By signing this agreement, I agree to make prompt and complete written disclosure to the Company, and assign to the Company or its designee, my entire right, title, and interest in and to Developments that I may solely or jointly develop, reduce to practice, or otherwise produce during my employment with the Company, whether or not during working hours, if those Developments pertain to the business of the Company, are aided by the use of time, material or facilities of the Company, and/or relate to any of my work during the period of my employment with the Company. I further agree that my disclosure and assignment obligations under this paragraph apply to any Developments made by me within one (1) year following the termination of my employment with the Company, if those Developments involve research of the Company and/or incorporate any Confidential Information.
    3. **Non-Assignable Developments.** This Agreement does not apply to an a non-assignable invention under California Labor Code section 2870 *et seq*.. I have reviewed the notification in Exhibit B and agree that my signature on this Agreement acknowledges receipt of the notification.

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4. **Other Developments**. If I wish to clarify that a Development created by me prior to my employment, which relates or may relate to the Company's actual or proposed business, is not within the scope of the Assigned Developments under this Agreement, then I have listed it on Exhibit A in a manner that does not violate any third party rights. If I use or disclose any prior Developments when acting within the scope of my employment, I hereby grant to the Company a perpetual, irrevocable, worldwide, royalty-free, non-exclusive, transferable, sub-licensable right and license to use, disclose, exploit and exercise all rights in such prior Developments, including any Intellectual Property Rights therein.

5. **Assistance.** I agree that I will execute all documents and take all other actions reasonably requested by the Company in order to carry out and confirm the assignments contemplated by this Agreement, including without limitation applications for patents, registered designs, certificates of authorship, and other instruments or intellectual property protections appropriate to protect and enforce intellectual property rights throughout the world. I understand this obligation applies both during my employment and thereafter.

6. **Non-Solicitation of Customers, Employees and Business Partners.**

    1. **Customers.** Except with the prior written consent of the Company, during the period of my employment with the Company and for a period of one (1) year after the cessation of my employment with the Company, I will not, in any manner whatsoever, directly or indirectly, on my own behalf or on behalf of or in association with any other person or entity, except for the benefit of the Company, (a) solicit, procure, accept, refer, place, service or encourage the business or accounts (i) of any customer of the Company with whom I had knowledge, contact or dealings during my employment, (b) encourage any customer to discontinue doing business with the Company, (c) reveal the names and addresses of any such customers to anyone without the customer's express, written permission, (d) provide information relating to these customers to anyone else or conspire with others to enable them to solicit or obtain said customers or to do what I am prohibited from doing myself, or (e) interfere in any manner with the Company's relationship(s) with its customers.

    2. **Employees and Business Partners.** Except with the prior written consent of the Company, during the period of my employment with the Company and for a period of one (1) year after the cessation of my employment with the Company, I will not, in any manner whatsoever, directly or indirectly, on my own behalf or on behalf of or in association with any other person or entity, solicit or attempt to hire or attempt to induce, encourage or entice (1) any employee of the Company to terminate his or her employment with the Company or (2) any business partner (including suppliers, contractors, vendors, franchisors and licensors) to discontinue dealing with the Company, to terminate any franchise or license and/or to in any way affect the Company's contractual or economic relationship with any employee or business partner.

7. **No Conflicting Obligations.** By signing this Agreement, I represent and warrant as follows:

    1. I am not bound by the terms of any agreement containing any non-competition, non-solicitation or similar restriction that would prevent or interfere in any way with my ability to accept the Company's offer of employment and/or to fully perform my duties and responsibilities in my employment.
    2. I have not taken, and will not disclose or use in my employment with the Company, any trade secret, confidential and/or proprietary information or materials from any past employer or other third party.
    3. I have disclosed, complied with, and will comply with, any and all covenants, agreements or contracts I have entered into with any past employer.

8. **Disclosure of Restrictions**. During my employment with the Company and for one year thereafter, I will disclose and provide a copy of this Agreement to any prospective new employer, business partner, or investor before accepting employment or engaging in any business venture.

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9. **Enforcement.** I acknowledge and agree that the restrictive covenants contained in Paragraphs 3, 5, and 6 are reasonably necessary to protect the legitimate business interests of the Company and that any a violation of any term, provision, covenant, or condition of Paragraphs 3, 5 or 6 by me shall result in irreparable injury and damage to the Company that cannot be adequately compensated in money damages, and that the Company will have no adequate remedy at law for such violation(s). Accordingly, the Company and I agree that, in addition to any other legal and equitable remedies the Company may have, including money damages, the Company shall be entitled to such temporary, preliminary or permanent restraining orders, decrees or injunctions as may be deemed necessary to protect the Company against or to halt such violation(s), without the necessity of posting a bond. I further agree that the Company shall be entitled to recover costs and reasonable attorneys' fees incurred by the Company in enforcing the provisions of this Agreement.

10. **Entire Agreement.** This Agreement supersedes all previous written or oral agreements with respect to the subject matter hereof. I acknowledge that this agreement does not create a contract of employment for any particular term, and shall not be deemed to alter the at-will nature of my employment with the Company. I further acknowledge and understand that either the Company or I can terminate my employment at any time, for any reason or no reason at all, with or without notice. I further acknowledge that no verbal or written statements of any kind by any person may contradict or alter the terms of this agreement or my at-will status, unless contained in a separate written contract signed by a duly authorized officer of the Company.

11. **Severability.** If any provision or part of a provision of this Agreement is found to be in violation of law or otherwise unenforceable in any respect, the remaining provisions or part of a provision shall remain unaffected and the Agreement shall be reformed and construed to the maximum extent possible as if such a provision or part of a provision held to be in violation of law or otherwise unenforceable had never been contained herein.

12. **Applicable Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of California as though made and to be fully performed in said State.

13. **Successors and Assigns.** This Agreement shall be binding upon my heirs, executors, administrators and assigns and shall be enforceable by the Company and its successors and assigns.

Employee: /s/ Stephen Walker Date: March 3, 2023

Signature

EXHIBIT A
List of Developments

EXHIBIT B

California Labor Code section 2872 provides that the Company does not require you to assign or offer to assign to Company any invention that you developed entirely on your own time without using Company's equipment, supplies, facilities or trade secret information except for those inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to Company's business, or actual or demonstrably anticipated research or development of Company; or

(2) Result from any work performed by you for Company.

To the extent a provision in the foregoing Agreement purports to require you to assign an invention otherwise excluded from the preceding Section, the provision is against the public policy of California and is unenforceable.

This limited exclusion does not apply to any patent or invention covered by a contract between Company and the United States or any of its agencies requiring full title to a patent or invention to be in the United States.

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ARBITRATION AGREEMENT

1. **Arbitration**. This Agreement is governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). This Agreement applies to any dispute arising out of or related to Employee's (sometimes "you" or "your") employment with Taboola Inc. ("Company") or relationship with any of its agents, employees, affiliates, successors, subsidiaries, assigns or parent companies or termination of employment regardless of its date of accrual and survives after the employment relationship terminates. Except as it otherwise provides, this Agreement is intended to apply to the resolution of disputes that otherwise would be resolved in a court of law or before a forum other than arbitration. Except as otherwise stated in this Agreement, you and the Company agree that any legal dispute or controversy covered by this Agreement, or arising out of, relating to, or concerning the validity, enforceability or breach of this Agreement, shall be resolved by binding arbitration in accordance with the Employment Arbitration Rules of the American Arbitration Association ("AAA Rules") then in effect, and not by court or jury trial, to be held (unless the parties agree in writing otherwise) within 45 miles of where you are or were last employed by the Company. The AAA Rules may be found at www.adr.org or by searching for "AAA Employment Arbitration Rules" using a service such as www.Google.com or www.Bing.com or by asking the Company's Human Resources Manager (Tel. 212-206-7663) for a copy of the rules. If for any reason the AAA will not administer the arbitration, either party may apply to a court of competent jurisdiction with authority over the location where the arbitration will be conducted for appointment of a neutral Arbitrator.

Except as it otherwise provides, this Agreement also applies, without limitation, to disputes with any entity or individual arising out of or related to the application for employment, background checks, privacy, the employment relationship or the termination of that relationship, trade secrets, unfair competition, compensation, classification, minimum wage, seating, expense reimbursement, overtime, breaks and rest periods, termination, retaliation, discrimination or harassment and claims arising under the Fair Credit Reporting Act, Defend Trade Secrets Act, Civil Rights Act of 1964, 42 U.S.C. §1981, Rehabilitation Act, Civil Rights Acts of 1866 and 1871, the Civil Rights Act of 1991, the Pregnancy Discrimination Act, Equal Pay Act, Americans With Disabilities Act, Age Discrimination in Employment Act, Family Medical Leave Act, Fair Labor Standards Act, Employee Retirement Income Security Act (except for claims for employee benefits under any benefit plan sponsored by the Company and (a) covered by the Employee Retirement Income Security Act of 1974 or (b) funded by insurance), Affordable Care Act, Genetic Information Non-Discrimination Act, Uniformed Services Employment and Reemployment Rights Act, Worker Adjustment and Retraining Notification Act, state statutes or regulations addressing the same or similar subject matters, and all other federal or state legal claims arising out of or relating to your employment or the termination of employment (including without limitation torts and post-employment defamation or retaliation).

All claims in arbitration are subject to the same statutes of limitation that would apply in court. You and the Company shall follow the AAA Rules applicable to initial filing fees, but in no event will you be responsible for any portion of those fees in excess of the filing or initial appearance fees applicable to court actions in the jurisdiction where the arbitration will be conducted. The Company otherwise shall pay all costs and expenses unique to arbitration, including without limitation the arbitrator's fees. Discovery will be conducted in accordance with the AAA Rules. The arbitrator must follow applicable law and may award only those remedies that would have applied had the matter been heard in court. The arbitrator's decision must be in writing and contain findings of fact and conclusions of law. Judgment may be entered on the arbitrator's decision in any court having jurisdiction.

This Agreement does not apply to litigation between you and the Company pending in a state or federal court as of the date of your receipt of this Agreement. This Agreement also does not apply to claims for workers compensation, state disability insurance or unemployment insurance benefits. Nothing contained in this Agreement shall be construed to prevent or excuse you (individually or in concert with others) or the Company from utilizing the Company's existing internal procedures for resolution of complaints, and this Agreement is not intended to be a substitute for the utilization of such procedures. A party may apply to a court of competent jurisdiction for temporary or preliminary injunctive relief in connection with an arbitrable controversy, but only upon the ground that the award to which that party may be entitled may be rendered ineffectual without such relief; provided, however, that all issues of final relief shall be decided in arbitration, and the pursuit of the temporary or preliminary injunctive relief described herein shall not constitute a waiver of rights under this Agreement.

Nothing in this Agreement prevents you from making a report to or filing a claim or charge with a government agency, including without limitation the Equal Employment Opportunity Commission, U.S. Department of Labor, U.S. Securities and Exchange Commission, or the National Labor Relations Board. Nothing in this Agreement prevents the investigation by a government agency of any report, claim or charge otherwise covered by this Agreement. This Agreement also does not prevent federal administrative agencies from adjudicating claims and awarding remedies based on those claims, even if the claims would otherwise be covered by this Agreement. Nothing in this Agreement prevents or excuses a party from satisfying any conditions precedent and/or exhausting administrative remedies under applicable law before bringing a claim in arbitration. The Company will not retaliate against me for filing a claim with an administrative agency or for exercising rights (individually or in concert with others) under Section 7 of the National Labor Relations Act.

Disputes between the parties that may not be subject to predispute arbitration agreement as provided by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203) or as provided by an Act of Congressare excluded from the coverage of this Agreement.

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2. **Class and Collective Action Waiver.Private attorney general representative actions are not arbitrable, not within the scope of this Agreement and may be maintained in a court of law. However, this Agreement affects your ability to participate in class or collective actions.** Both the Company and you agree to bring any dispute in arbitration on an individual basis only, and not on a class or collective basis on behalf of others. There will be no right or authority for any dispute to be brought, heard or arbitrated as a class or collective action, or as a member in any such class or collective proceeding ("Class Action Waiver"). Notwithstanding any other provision of this Agreement or the AAA Rules, disputes regarding the validity, enforceability or breach of the Class Action Waiver may be resolved only by a civil court of competent jurisdiction and not by an arbitrator. In any case in which (1) the dispute is filed as a class or collective action and (2) there is a final judicial determination that all or part of the Class Action Waiver is unenforceable, the class or collective action to that extent must be litigated in a civil court of competent jurisdiction, but the portion of the Class Action Waiver that is enforceable shall be enforced in arbitration. You will not be retaliated against, disciplined or threatened with discipline as a result of your exercising your rights under Section 7 of the National Labor Relations Act by the filing of or participation in a class or collective action in any forum. However, the Company may lawfully seek enforcement of this Agreement and the Class Action Waiver under the Federal Arbitration Act and seek dismissal of such class or collective actions or claims. The Class Action Waiver shall be severable in any case in which the dispute is filed as an individual action and severance is necessary to ensure that the individual action proceeds in arbitration.

3. Jury Trial Waiver. By signing this Agreement, you and the Company IRREVOCABLY WAIVE THE RIGHT TO TRIAL BY JURY in any action, claim or proceeding arising out of this Agreement or your employment with the Company. This jury trial waiver does not in any way modify the arbitration provisions in Paragraph 1 or the class and collective action waiver in Paragraph 2.

4.**Enforcement of this Agreement.** This Agreement replaces all prior agreements regarding the arbitration of disputes (including without limitation any arbitration provisions contained in an employee handbook) and is the full and complete agreement relating to the formal resolution of disputes covered by this Agreement. In the event any portion of this Agreement is deemed unenforceable, the remainder of this Agreement will be enforceable. This Agreement does not in any way alter the "at-will" status of Employee's employment.

AGREED: Taboola, Inc.
AGREED AND RECEIVED:
EMPLOYEE NAME PRINTED: Stephen Walker

EMPLOYEE SIGNATURE: /s/ Stephen Walker
DATE: March 3, 2023

Exhibit 10.18

August 1, 2019

Kristy Sundjaja
sundjaja@gmail.com
Dear Kristy,

We are thrilled at the prospect of you joining Taboola, Inc. (the "Company"). When signed by both you and the Company, this letter ("Offer Letter") will set forth the terms and conditions of your employment with the Company.

Section 1. START DATE, POSITION AND DUTIES. Your anticipated start date is Oct. 1st, 2019. You will hold the title of SVP People Operations, reporting to the President & COO, currently Eldad Maniv. You shall be in charge of managing the strategy and processes related to building and retaining and exceptional team of professionals as well as be an advocate of Taboola's culture and values, partnering with our business leaders to help them build their organizations and constantly improve them. You shall perform duties customarily associated with your position, including, but not limited to providing consultation to the business regarding HR related items, plan and roll-out HR programs and initiatives, and identify and propose solutions to improve HR policies. You shall be part of the Company's senior executive team and will also be responsible for any other duties that may be assigned to you by the company from time to time. Your principal place of employment will be in New York, New York. Your title, job duties, and reporting relationship may be changed by the company, at any time, in its sole discretion. Your employment will be on a full-time basis, and you shall devote your full business time, attention, skill, and best efforts to the performance of your duties. You shall not engage in any other activities that will interfere with your employment or present a conflict of interest with your employment while employed by the company.

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Section 2. COMPENSATION

(a) Base Pay. You will be paid an annual base salary of $300,000 on a semi-monthly basis at the rate salary of $12,500. You will be paid in accordance with the regular payroll practices of the Company, which may be amended at any time by the Company in its sole discretion. Your compensation will be subject to federal, state and local withholdings and deductions that the Company is obligated to make under applicable law. Your position is exempt, which means that you are not entitled to overtime pay under federal and state law.

(b) Target Bonus. You may be eligible to receive an annual discretionary bonus of up to $150,000 a year ("Target Bonus"). The actual amount of such discretionary bonus, if any, will be determined by the Company in its sole discretion, based upon, among other things, the Company's performance, your achievement of a series of performance milestones, and any other factors that the Company deems appropriate. For partial calendar years, the Target Bonus, if any, will be pro-rated. Please note that your achievement of such milestones, as well as the amount of any bonus, is at the sole discretion of the Company. To be eligible for a bonus payment, if any, you must be employed in good standing by the Company, and you must not have given or received notice of your termination on, or prior to, the date of payment of such bonus.

(c) Stock Options. We will recommend to the Board of Directors of the Company's parent company, Taboola.com LTD, an Israeli company (the "Parent Company"), that you be granted an option to purchase up to 75,000 (seventy-five thousand) ordinary shares of the Parent Company under its stock option plan dated as of September 1, 2016 (the "Plan"). Shares may be purchased at fair market value as determined by the Board of Directors of the Parent Company on the date the Board approves such grant. You will vest in 25% of the option grant after 12 months of continuous service, and an additional 6.25% of the option grant per quarter thereafter, so long as you remain employed by the Company and in good standing. Notwithstanding the foregoing, the grant of such options is subject to the Parent Company's approval and is not a promise of compensation or intended to create any obligations on the part of the Company. Further details on the Plan and any specific option grant to you will be provided upon approval of such grant by Parent Company's Board. Your participation in any stock option or benefit does not guarantee continuing employment for any particular period of time.

(d) Restricted Stock Units. We will recommend to the Board of Directors of the Parent Company that you be granted an award of restricted stock units with respect to 75,000 (seventy-five thousand) ordinary shares of the Parent Company (the "RSUs"). The RSUs will be subject to vesting as follows: 25% of the RSUs will vest after 12 months of continuous service, and an additional 6.25% of the RSUs will vest each quarter thereafter, so long as you remain employed by Company and in good standing, and will be further subject to additional vesting conditions as will be specified in the Parent Company's standard Restricted Share Unit Award Agreement that will be executed by you and the Parent Company. Notwithstanding the foregoing, the grant of such RSUs is subject to the Parent Company's approval and is not a promise of compensation or intended to create any obligations on the part of the Company. Further details on the RSUs will be provided upon approval of such grant by the Parent Company's Board. Your participating in any RSU or benefit does not guarantee continuing employment for any particular period of time.

(e) Notwithstanding the foregoing vesting schedules in subparagraphs (c) and (d) of this paragraph, vesting will be fully accelerated in the event of a Merger/Sale transaction (as such term is defined in the Plan) if your engagement with the Company is terminated by the Company without Cause (as such term is defined in the Plan) or by you for Good Reason within 12 months following consummation of such Merger/Sale transaction. "Good Reason" shall mean any of the following: (i) a material reduction in your level of base compensation or other material benefits; (ii) a material breach by the Company of this Offer Letter that is not cured within 14 days from the time of receipt by the Company of a written demand to cure such breach, or (iii) a material and adverse change in your title, duties or responsibilities with the Company. Notwithstanding the foregoing, the following shall not be deemed a basis for termination for Good Reason: (i) any change in the terms of engagement, duties or responsibilities agreed with you in advance in writing; and (ii) the decision of Board of Directors of the Parent Company that you are not entitled to receive any discretionary bonus amount or any other discretionary payment or benefit.

Section 3. AT-WILL EMPLOYMENT. By reviewing and signing this Offer Letter, you confirm your understanding that your employment with the Company will be "at-will," meaning that either you or the Company can terminate your employment at any time, for any reason, with or without notice. Neither this Offer Letter nor the Company's maintenance of any personnel policies, procedures or benefits constitutes a contract of employment for a set period of time or a guarantee of specific benefits or treatment. Although the Company's personnel policies, procedures and benefits may change from time to time, the "at-will" nature of your employment may only be changed in an express written agreement signed by you and a duly authorized officer of the Company.

Section 4. EMPLOYEE BENEFITS AND PAID TIME OFF.

(a) You will be eligible to participate in health insurance and other benefits provided by the Company effective on your first day of the month after your employment begins. Currently, the Company offers the following benefits: medical, dental, vision, FSA, dependent care FSA, and pre-taxed transit. Additionally, you will be eligible for up to 15 PTO days per year, pro-rated based on your start date and any partial years. Further information regarding the Company's PTO policies and Company holidays will be provided in the Company's handbook when you begin your employment. Nothing contained herein shall be construed to limit the Company's ability, in its sole discretion, to modify, amend, suspend, or terminate any employee benefit plan or policy at any time, with or without notice.

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Section 5. NON-DISCLOSURE AGREEMENT. As a condition of your employment with the Company, and in consideration of the compensation set forth herein, you agree to execute, deliver to the Company, and fully abide by the Company's Non-Disclosure, Non-Competition, Non-Solicitation and Assignment of Developments Agreement ("Non-Disclosure Agreement"), enclosed herewith.

Section 6. ELIGIBILITY TO WORK

(a) Employment Eligibility. If you accept this offer, it will be necessary for you to verify your eligibility to work in the United States by completing a Form I-9 and providing appropriate documentation on your first day of employment. An Employment Eligibility Verification form ("Form I-9") and instructions for its completion are enclosed. You must complete Section 1 of Form I-9 and bring it and proper proof of identity and employment eligibility (described on page 9 of the Form I-9) on your first day of employment with the Company.

Section 7. GOVERNING LAW; DISPUTE RESOLUTION.

(a) Governing Law. This Offer Letter shall be governed and construed in all respects by the laws of the State of New York without giving effect to the conflict of laws principles of such state.

(b) Dispute Resolution. The Company's standard Mutual Agreement to Arbitrate Claims ("Arbitration Agreement") is enclosed. Arbitration is not a mandatory condition of your employment at the Company, and you may opt out of arbitration as set forth the Arbitration Agreement.

Section 8. ENTIRE AGREEMENT. This Offer Letter, together with the Arbitration Agreement and the Non-Disclosure Agreement attached hereto, constitutes the entire understanding and agreement between you and the Company regarding your employment, and supersedes all prior negotiations, discussions, correspondence, communications, understandings, and agreements (oral or written) between you and the Company relating to the subject matter set forth herein.

Section 9. COUNTERPARTS. This Offer Letter may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. The execution of this Offer Letter may be by actual, electronic or facsimile signature.

On behalf of the Company, we are extremely excited at the prospect of you joining Taboola. You may indicate your agreement with the aforementioned terms and conditions and accept our offer by signing and dating this Offer Letter, the attached Arbitration Agreement (if you do not opt-out) and the attached Non-Disclosure Agreement, and returning same to Mackenzie Sulenski. This offer, if not accepted, will expire at the close of business on August . We look forward to you working at Taboola.

TABOOLA, INC.
/s/ Adam Singolda
By: Adam Singolda
Title: CEO

AGREED AND ACCEPTED:

Kristy Sundjaja
Print Name

/s/ Kristy Sundjaja
Signature

September 4, 2019
Date

Attachments
Non-Disclosure Agreement
Arbitration Agreement

Non-Disclosure, Non-Competition, Non-Solicitation and Assignment of Developments Agreement

I, Kristy Sundjaja, in consideration of my employment at will with Taboola, Inc. ("the "Company"), and the salary or other compensation to be paid for my services during my employment with the Company, agree as follows:

1. Duties. I accept new employment or continuing employment with the Company. I agree that I will devote my full business time, attention, and ability to the business affairs of Company. I acknowledge that as an employee, I have a duty of loyalty to the Company.

2. Nature of Employment. My employment with the Company is voluntarily entered into, and I am free to resign at will at any time, with or without cause. Similarly, the Company may terminate the employment relationship at will at any time, with or without notice or cause, so long as there is no violation of applicable federal or state law.

3. Confidential Information.

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a. Definition of Confidential Information. For the purpose of this agreement, Confidential Information means proprietary or confidential information of the Company that is not otherwise generally known to the public, relating or pertaining to the Company's business, projects, products, customers, inventions, or trade secrets, including, but not limited to, business and financial information; Company techniques, technology, practices, operations, and methods of conducting business; information technology systems and operations; algorithms, software, and other computer code; information concerning the identities of the Company's business partners and clients or potential business partners and clients, including names, addresses, and contact information; customer information, including prices paid, purchase history and needs; supplier names, addresses, and pricing; and Company pricing policies, marketing strategies, research projects or developments, products, legal affairs, and future plans relating to any aspect of the Company's present or anticipated businesses. The definition of "Confidential Information" does not include employee terms and conditions of employment, and I understand that I have a right under the law to discuss my terms and conditions of employment with others.

b. Non-Disclosure of Confidential Information. In my employment with the Company, I will have access to Confidential Information. The protection of Confidential Information is vital to the interests and success of the Company. As such, I agree that I will not acquire, use, publish, disclose or communicate any Confidential Information to any person or entity (a) during my employment, except as expressly authorized by and for the benefit of the Company and in the course of my duties as an employee or (b) at any time after my employment ends. However, nothing in this agreement prohibits me from reporting an event that I reasonably and in good faith believe is a violation of law to the relevant law-enforcement agency (such as the Securities and Exchange Commission, Equal Employment Opportunity Commission or Department of Labor), or from cooperating in an investigation conducted by such a government agency. This may include disclosure of trade secret or confidential information within the limitations permitted by the Defend Trade Secrets Act ("DTSA"). The DTSA provides that no individual will be held criminally or civilly liable under federal or state trade secret law for disclosure of a trade secret (as defined in the Economic Espionage Act) that is: (A) made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and made solely for the purpose of reporting or investigating a suspected violation of law; or, (B) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal so that it is not made public. And, an individual who pursues a lawsuit for retaliation by an employer for reporting a suspected violation of the law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document contain the trade secret under seal, and does not disclose the trade secret, except as permitted by court order.

4. Access to and Return of the Company's Property. I acknowledge and agree that during my employment I shall not make, use or permit to be used by any person any Company property, including, but not limited to, computers, cell phones, software programs, software code, data, keys, access cards, and any materials or documentation containing Confidential Information, in any manner other than for the benefit of the Company. I have no privacy rights with respect to any such property, and that I will turn over to the Company any such property immediately upon request. I further agree that upon the termination of my employment with the Company, I will immediately return to the Company any and all the Company property in my possession or under my control.

5. Assignment of Developments.

a. Definition of Developments. For the purpose of this Agreement, Developments shall mean any and all inventions, discoveries, designs, developments, concepts, techniques, procedures, algorithms, products, improvements, business plans, and intellectual property.

b. Assignment of Developments. By signing this agreement, I agree to make prompt and complete written disclosure to the Company, and assign to the Company or its designee, my entire right, title, and interest in and to Developments that I may solely or jointly develop, reduce to practice, or otherwise produce during my employment with the Company, whether or not during working hours, if those Developments pertain to the business of the Company, are aided by the use of time, material or facilities of the Company, and/or relate to any of my work during the period of my employment with the Company. I further agree that my disclosure and assignment obligations under this paragraph apply to any Developments made by me within one (1) year following the termination of my employment with the Company, if those Developments involve research of the Company and/or incorporate any Confidential Information.

c. Other Developments. If I wish to clarify that a Development created by me prior to my employment, which relates or may relate to the Company's actual or proposed business, is not within the scope of the Assigned Developments under this Agreement, then I have listed it on Exhibit A in a manner that does not violate any third party rights. If I use or disclose any prior Developments when acting within the scope of my employment, I hereby grant to the Company a perpetual, irrevocable, worldwide, royalty-free, non-exclusive, transferable, sub-licensable right and license to use, disclose, exploit and exercise all rights in such prior Developments, including any Intellectual Property Rights therein.

d. Assistance. I agree that I will execute all documents and take all other actions reasonably requested by the Company in order to carry out and confirm the assignments contemplated by this Agreement, including without limitation applications for patents, registered designs, certificates of authorship, and other instruments or intellectual property protections appropriate to protect and enforce intellectual property rights throughout the world. I understand this obligation applies both during my employment and thereafter.

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6. Non-Solicitation of Customers, Employees and Business Partners.

a. Customers. Except with the prior written consent of the Company, during the period of my employment with the Company and for a period of one (1) year after the cessation of my employment with the Company, I will not, in any manner whatsoever, directly or indirectly, on my own behalf or on behalf of or in association with any other person or entity, except for the benefit of the Company, (a) solicit, procure, accept, refer, place, service or encourage the business or accounts (i) of any customer of the Company with whom I had knowledge, contact or dealings during my employment, (b) encourage any customer to discontinue doing business with the Company, (c) reveal the names and addresses of any such customers to anyone without the customer's express, written permission, (d) provide information relating to these customers to anyone else or conspire with others to enable them to solicit or obtain said customers or to do what I am prohibited from doing myself, or (e) interfere in any manner with the Company's relationship(s) with its customers.

b. Employees and Business Partners. Except with the prior written consent of the Company, during the period of my employment with the Company and for a period of one (1) year after the cessation of my employment with the Company, I will not, in any manner whatsoever, directly or indirectly, on my own behalf or on behalf of or in association with any other person or entity, solicit or attempt to hire or attempt to induce, encourage or entice (1) any employee of the Company to terminate his or her employment with the Company or (2) any business partner (including suppliers, contractors, vendors, franchisors and licensors) to discontinue dealing with the Company, to terminate any franchise or license and/or to in any way affect the Company's contractual or economic relationship with any employee or business partner.

7. Non-Competition. During the period of my employment with the Company and for a period of one (1) year after the cessation of my employment with the Company for any reason, I agree that I will not, in any manner whatsoever, directly or indirectly, whether on my own behalf or on behalf of any other entity, engage in or support the development, manufacture, marketing, or sale of any product or service that competes or is intended to compete with any product or service sold, offered, or otherwise provided by the Company (or intended to be sold, offered, or otherwise provided by the Company in the future).

8. No Conflicting Obligations. By signing this Agreement, I represent and warrant as follows:

a. I am not bound by the terms of any agreement containing any non- competition, non-solicitation or similar restriction that would prevent or interfere in any way with my ability to accept the Company's offer of employment and/or to fully perform my duties and responsibilities in my employment.

b. I have not taken, and will not disclose or use in my employment with the Company, any trade secret, confidential and/or proprietary information or materials from any past employer or other third party.

c. I have disclosed, complied with, and will comply with, any and all covenants, agreements or contracts I have entered into with any past employer.

9. Disclosure of Restrictions. During my employment with the Company and for one year thereafter, I will disclose and provide a copy of this Agreement to any prospective new employer, business partner, or investor before accepting employment or engaging in any business venture.

10. Enforcement. I acknowledge and agree that a violation of any term, provision, covenant, or condition of Paragraphs 3, 5, 6 or 7 by me shall result in irreparable injury and damage to the Company that cannot be adequately compensated in money damages, and that the Company will have no adequate remedy at law for such violation(s). Accordingly, the Company and I agree that, in addition to any other legal and equitable remedies the Company may have, including money damages, the Company shall be entitled to such temporary, preliminary or permanent restraining orders, decrees or injunctions as may be deemed necessary to protect the Company against or to halt such violation(s), without the necessity of posting a bond. I further agree that the Company shall be entitled to recover costs and reasonable attorneys' fees incurred by the Company in enforcing the provisions of this Agreement.

11. Entire Agreement. This Agreement supersedes all previous written or oral agreements with respect to the subject matter hereof. I acknowledge that this agreement does not create a contract of employment for any particular term, and shall not be deemed to alter the at- will nature of my employment with the Company. I further acknowledge and understand that either the Company or I can terminate my employment at any time, for any reason or no reason at all, with or without notice. I further acknowledge that no verbal or written statements of any kind by any person may contradict or alter the terms of this agreement or my at-will status, unless contained in a separate written contract signed by a duly authorized officer of the Company.

12. Severability. If any provision or part of a provision of this Agreement is found to be in violation of law or otherwise unenforceable in any respect, the remaining provisions or part of a provision shall remain unaffected and the Agreement shall be reformed and construed to the maximum extent possible as if such a provision or part of a provision held to be in violation of law or otherwise unenforceable had never been contained herein.

13. Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York as though made and to be fully performed in said State.

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14. Successors and Assigns. This Agreement shall be binding upon my heirs, executors, administrators and assigns and shall be enforceable by the Company and its successors and assigns.

Employee: /s/ Kristy Sundjaja Date: 9/5/2019
Signature

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1.Arbitration. This Agreement is governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). This Agreement applies to any dispute arising out of or related to Employee's (sometimes "you" or "your") employment with Taboola Inc. ("Company") or relationship with any of its agents, employees, affiliates, successors, subsidiaries, assigns or parent companies or termination of employment regardless of its date of accrual and survives after the employment relationship terminates. Except as it otherwise provides, this Agreement is intended to apply to the resolution of disputes that otherwise would be resolved in a court of law or before a forum other than arbitration. Except as otherwise stated in this Agreement, you and the Company agree that any legal dispute or controversy covered by this Agreement, or arising out of, relating to, or concerning the validity, enforceability or breach of this Agreement, shall be resolved by binding arbitration in accordance with the Employment Arbitration Rules of the American Arbitration Association ("AAA Rules") then in effect, and not by court or jury trial, to be held (unless the parties agree in writing otherwise) within 45 miles of where you are or were last employed by the Company. The AAA Rules may be found at www.adr.org or by searching for "AAA Employment Arbitration Rules" using a service such as www.Google.com or www.Bing.com or by asking the Company's Human Resources Manager (Tel. 212-206-7663) for a copy of the rules. If for any reason the AAA will not administer the arbitration, either party may apply to a court of competent jurisdiction with authority over the location where the arbitration will be conducted for appointment of a neutral Arbitrator.

Except as it otherwise provides, this Agreement also applies, without limitation, to disputes with any entity or individual arising out of or related to the application for employment, background checks, privacy, the employment relationship or the termination of that relationship, trade secrets, unfair competition, compensation, classification, minimum wage, seating, expense reimbursement, overtime, breaks and rest periods, termination, retaliation, discrimination or harassment and claims arising under the Fair Credit Reporting Act, Defend Trade Secrets Act, Civil Rights Act of 1964, 42 U.S.C. §1981, Rehabilitation Act, Civil Rights Acts of 1866 and 1871, the Civil Rights Act of 1991, the Pregnancy Discrimination Act, Equal Pay Act, Americans With Disabilities Act, Age Discrimination in Employment Act, Family Medical Leave Act, Fair Labor Standards Act, Employee Retirement Income Security Act (except for claims for employee benefits under any benefit plan sponsored by the Company and (a) covered by the Employee Retirement Income Security Act of 1974 or (b) funded by insurance), Affordable Care Act, Genetic Information Non-Discrimination Act, Uniformed Services Employment and Reemployment Rights Act, Worker Adjustment and Retraining Notification Act, state statutes or regulations addressing the same or similar subject matters, and all other federal or state legal claims arising out of or relating to your employment or the termination of employment (including without limitation torts and post-employment defamation or retaliation).

All claims in arbitration are subject to the same statutes of limitation that would apply in court. You and the Company shall follow the AAA Rules applicable to initial filing fees, but in no event will you be responsible for any portion of those fees in excess of the filing or initial appearance fees applicable to court actions in the jurisdiction where the arbitration will be conducted. The Company otherwise shall pay all costs and expenses unique to arbitration, including without limitation the arbitrator's fees. Discovery will be conducted in accordance with the AAA Rules. The arbitrator must follow applicable law and may award only those remedies that would have applied had the matter been heard in court. The arbitrator's decision must be in writing and contain findings of fact and conclusions of law. Judgment may be entered on the arbitrator's decision in any court having jurisdiction.

This Agreement does not apply to litigation between you and the Company pending in a state or federal court as of the date of your receipt of this Agreement. This Agreement also does not apply to claims for workers compensation, state disability insurance or unemployment insurance benefits. Nothing contained in this Agreement shall be construed to prevent or excuse you (individually or in concert with others) or the Company from utilizing the Company's existing internal procedures for resolution of complaints, and this Agreement is not intended to be a substitute for the utilization of such procedures. A party may apply to a court of competent jurisdiction for temporary or preliminary injunctive relief in connection with an arbitrable controversy, but only upon the ground that the award to which that party may be entitled may be rendered ineffectual without such relief; provided, however, that all issues of final relief shall be decided in arbitration, and the pursuit of the temporary or preliminary injunctive relief described herein shall not constitute a waiver of rights under this Agreement.

Nothing in this Agreement prevents you from making a report to or filing a claim or charge with a government agency, including without limitation the Equal Employment Opportunity Commission, U.S. Department of Labor, U.S. Securities and Exchange Commission, or the National Labor

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Relations Board. Nothing in this Agreement prevents the investigation by a government agency of any report, claim or charge otherwise covered by this Agreement. This Agreement also does not prevent federal administrative agencies from adjudicating claims and awarding remedies based on those claims, even if the claims would otherwise be covered by this Agreement. Nothing in this Agreement prevents or excuses a party from satisfying any conditions precedent and/or exhausting administrative remedies under applicable law before bringing a claim in arbitration. The Company will not retaliate against me for filing a claim with an administrative agency or for exercising rights (individually or in concert with others) under Section 7 of the National Labor Relations Act.

Disputes between the parties that may not be subject to predispute arbitration agreement as provided by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203) or as provided by an Act of Congress are excluded from the coverage of this Agreement.

Notwithstanding anything to the contrary herein, claims for sexual harassment (i.e., quid pro quo or hostile environment claims, as defined by the U.S. Supreme Court interpreting federal law) are not subject to mandatory arbitration; rather, I may elect to arbitrate such claims (in accordance with the terms of this Agreement) or pursue such claims in court, and my election shall be binding on Taboola and me. However, nothing in this arbitration agreement prevents or excuses me from satisfying any conditions precedent and/or exhausting administrative remedies under applicable law before bringing any such claim in court or arbitration. In addition, nothing in this arbitration agreement constitutes a waiver of either party's right to seek a stay of court proceedings, pursuant to 9 U.S.C. § 3.

2.Class and Collective Action Waiver. **Private attorney general representative actions are not arbitrable, not within the scope of this Agreement and may be maintained in a court of law. However, this Agreement affects your ability to participate in class or collective actions**. Both the Company and you agree to bring any dispute in arbitration on an individual basis only, and not on a class or collective basis on behalf of others. There will be no right or authority for any dispute to be brought, heard or arbitrated as a class or collective action, or as a member in any such class or collective proceeding ("Class Action Waiver"). Notwithstanding any other provision of this Agreement or the AAA Rules, disputes regarding the validity, enforceability or breach of the Class Action Waiver may be resolved only by a civil court of competent jurisdiction and not by an arbitrator. In any case in which (1) the dispute is filed as a class or collective action and (2) there is a final judicial determination that all or part of the Class Action Waiver is unenforceable, the class or collective action to that extent must be litigated in a civil court of competent jurisdiction, but the portion of the Class Action Waiver that is enforceable shall be enforced in arbitration. You will not be retaliated against, disciplined or threatened with discipline as a result of your exercising your rights under Section 7 of the National Labor Relations Act by the filing of or participation in a class or collective action in any forum. However, the Company may lawfully seek enforcement of this Agreement and the Class Action Waiver under the Federal Arbitration Act and seek dismissal of such class or collective actions or claims. The Class Action Waiver shall be severable in any case in which the dispute is filed as an individual action and severance is necessary to ensure that the individual action proceeds in arbitration.

3.Your Right to Opt Out of Arbitration. Arbitration is not a mandatory condition of your employment at the Company, and therefore you may submit a statement notifying the Company that you wish to opt out and not be subject to this Agreement. In order to opt out, you must notify the Company of your intention to opt out by submitting a signed and dated statement on an "Arbitration Agreement Opt Out Form" that can be obtained from and returned to the Company's Human Resources Manager, 1115 Broadway, 7th Floor, New York, NY, 10010 (Tel. 212-206-7663) or by submitting to Karen Warner a written notice stating that you are opting out of this Agreement. In order to be effective, your opt out notice must be provided within 30 days of your receipt of this Agreement. If you opt out as provided in this paragraph, you will not be subject to any adverse employment action as a consequence of that decision and may pursue available legal remedies without regard to this Agreement. If you do not opt out within 30 days of your receipt of this Agreement, continuing your employment constitutes mutual acceptance of the terms of this Agreement by you and the Company. You have the right to consult with counsel of your choice concerning this Agreement.

4.Enforcement of this Agreement. This Agreement replaces all prior agreements regarding the arbitration of disputes (including without limitation any arbitration provisions contained in an employee handbook) and is the full and complete agreement relating to the formal resolution of disputes covered by this Agreement. In the event any portion of this Agreement is deemed unenforceable, the remainder of this Agreement will be enforceable. This Agreement does not in any way alter the "at-will" status of Employee's employment.

AGREED: Taboola, Inc.
AGREED AND RECEIVED:
EMPLOYE NAME PRINTED: Kristy Sundjaja
EMPLOYEE SIGNATURE: /s/ Kristy Sundjaja
DATE: 9/5/2019

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Exhibit 21

Significant Subsidiaries of Taboola.com Ltd.

	Legal Name of Subsidiary		Direct Parent Company	Jurisdiction of Organization
Taboola, Inc.	Taboola.com Ltd.	Delaware, USA		
Taboola Europe Limited	Taboola, Inc.		Taboola.com Ltd.	Delaware, USA
	Taboola Cayman Ltd.		Taboola.com Ltd.	Cayman Islands
	Connexity, Inc.		Taboola, Inc.	Delaware, USA
	Skimbit Ltd.		Connexity, Inc.	United Kingdom

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

(1) Post-effective Amendment No. 1 to Registration Statement (Form F-3 on Form S-3. No. 333-257879) of Taboola.com Ltd., and

(1) Post-effective Amendment No. 3 to Registration Statement (Form F-1 on Form F-3. No. 333-257879) of Taboola.com Ltd., and

(2) Registration Statements (Form S-8 No. 333-257478 and 333-263827) pertaining to the 2021 Share Incentive Plan, Employee Stock Purchase Plan, 2020 Share Incentive Plan, 2016 Share Incentive Plan, and 2007 Share Option Plan of Taboola.com Ltd;

(2) Registration Statements (Form S-8 Nos. 333-270495, 333-263827 and 333-257478) pertaining to the 2021 Share Incentive Plan, Employee Stock Purchase Plan, 2020 Share Incentive Plan, 2016 Share Incentive Plan, and 2007 Share Option Plan of Taboola.com Ltd.;

of our reports dated March 13, 2023 February 28, 2024, with respect to the consolidated financial statements of Taboola.com Ltd. and the effectiveness of internal control over financial reporting of Taboola.com Ltd. included in this Annual Report (Form 10-K) of Taboola.com Ltd. for the year ended December 31, 2022 December 31, 2023.

March 13, 2023
February 28, 2024 /s/ Kost Forer Gabbay & Kasierer
Tel-Aviv, Israel A Member of Ernst & Young EY Global

Exhibit 31.1

I, Adam Singolda, certify that:

1. I have reviewed this Annual Report on Form 10-K of Taboola.com Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

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(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 13, 2023
February 28, 2024

By: /s/ Adam Singolda

Adam Singolda
Chief Executive Officer
(*Principal Executive Officer*)

Exhibit 31.2

I, Stephen Walker, certify that:

1. I have reviewed this Annual Report on Form 10-K of Taboola.com Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

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(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 13, 2023
February 28, 2024

By: /s/ Stephen Walker

Stephen Walker
Chief Financial Officer
(*Principal Financial Officer*)

Exhibit 32

Certification
Pursuant to 18 U.S.C. §1350

Solely for the purposes of complying with 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Sarbanes- Oxley Act of 2002, we, the undersigned Chief Executive Officer and Chief Financial Officer of Taboola.com Ltd. (the "Company"), hereby certify, based on our knowledge, that the Annual Report on Form 10-K of the Company for the year ended December 31, 2022 December 31, 2023 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in the Report fairly presents, in all material respects, the financial condition, and results of operations of the Company.

Date: March 13, 2023
February 28, 2024

By: /s/ Adam Singolda

Adam Singolda
Chief Executive Officer
(Principal Executive Officer) Officer)

By: /s/ Stephen Walker
Stephen Walker
Chief Financial Officer
(Principal Financial Officer)

Exhibit 97

TABOOLA.COM LTD.

POLICY FOR RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

Taboola.com Ltd. (the "***Company***") has adopted this Policy for Recovery of Erroneously Awarded Compensation (the "***Policy***"), effective as of October 2, 2023 (the "***Effective Date***"). Capitalized terms used in this Policy but not otherwise defined herein are defined in Section 11 of this Policy.

1. Persons Subject to Policy

This Policy shall apply to and be binding and enforceable on current and former Officers. In addition, the Committee and the Board may apply this Policy to persons who are not Officers, and such application shall apply in the manner determined by the Committee and the Board in their sole discretion.

2. Compensation Subject to Policy

This Policy shall apply to Incentive-Based Compensation received on or after the Effective Date. For purposes of this Policy, the date on which Incentive-Based Compensation is "received" shall be determined under the Applicable Rules, which generally provide that Incentive-Based Compensation is "received" in the Company's fiscal period during which the relevant Financial Reporting Measure is attained or satisfied, without regard to whether the grant, vesting or payment of the Incentive-Based Compensation occurs after the end of that period.

3. Recovery of Compensation

In the event that the Company is required to prepare a Restatement, the Company shall recover, reasonably promptly and in accordance with Section 4 below, the portion of any Incentive-Based Compensation that is Erroneously Awarded Compensation, unless the Committee and the Board have determined that recovery from the relevant current or former Officer would be Impracticable. Recovery shall be required in accordance with the preceding sentence regardless of whether the applicable Officer engaged in misconduct or otherwise caused or contributed to the requirement for the Restatement and regardless of whether or when restated financial statements are filed by the Company. For clarity, the recovery of Erroneously Awarded Compensation under this Policy will not give rise to any Officer's right to voluntarily terminate employment for "good reason" or due to a "constructive termination" (or any similar term of like effect) under any plan, program or policy of or agreement with the Company or any of its affiliates.

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4. Manner of Recovery; Limitation on Duplicative Recovery

The Committee and the Board shall, in its sole discretion, determine the manner of recovery of any Erroneously Awarded Compensation, which may include, without limitation, reduction or cancellation by the Company or an affiliate of the Company of Incentive-Based Compensation or Erroneously Awarded Compensation, reimbursement or repayment by any person subject to this Policy, and, to the extent permitted by law, an offset of the Erroneously Awarded Compensation against other compensation payable by the Company or an affiliate of the Company to such person. Notwithstanding the foregoing, unless otherwise prohibited by the Applicable Rules, to the extent this Policy provides for recovery of Erroneously Awarded Compensation already recovered by the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 or Other Recovery Arrangements, the amount of Erroneously Awarded Compensation already recovered by the Company from the recipient of such Erroneously Awarded Compensation may be credited to the amount of Erroneously Awarded Compensation required to be recovered pursuant to this Policy from such person.

5. Administration

This Policy shall be administered, interpreted and construed by the Committee, which is authorized to make all determinations necessary, appropriate or advisable for such purpose. The Board may re-vest in itself the authority to administer, interpret and construe this Policy in accordance with applicable law, and in such event references herein to the "Committee" shall be deemed to be references to the Board. Subject to any permitted review by the applicable national securities exchange or association pursuant to the Applicable Rules, all determinations and decisions made by the Committee pursuant to the provisions of this Policy shall be final, conclusive and binding on all persons, including the Company and its affiliates, shareholders and employees. The Committee may delegate administrative duties with respect to this Policy to one or more directors or employees of the Company, as permitted under applicable law, including any Applicable Rules.

6. Interpretation

This Policy shall be interpreted and applied in a manner that is consistent with the requirements of the Applicable Rules, and to the extent this Policy is inconsistent with such Applicable Rules, it shall be deemed amended to the minimum extent necessary to ensure compliance therewith.

7. No Indemnification; No Liability

The Company shall not indemnify or insure any person against the loss of any Erroneously Awarded Compensation pursuant to this Policy, nor shall the Company directly or indirectly pay or reimburse any person for any premiums for third-party insurance policies that such person may elect to purchase to fund such person's potential obligations under this Policy. None of the Company, an affiliate of the Company or any member of the Committee or the Board shall have any liability to any person as a result of actions taken under this Policy.

8. Application; Enforceability

Except as otherwise determined by the Committee or the Board, the adoption of this Policy does not limit, and is intended to apply in addition to, any Other Recovery Arrangements. Without limiting the foregoing, in the event of a conflict between this Policy and the Compensation Policy, the Compensation Policy shall prevail, except with respect to the recovery of any portion of Incentive-Based Compensation that is Erroneously Awarded Compensation that would not be recoverable under the Compensation Policy, in which case this Policy shall prevail. Subject to Section 4, the remedy specified in this Policy shall not be exclusive and shall be in addition to every other right or remedy at law or in equity that may be available to the Company or an affiliate of the Company or is otherwise required by applicable law and regulations.

9. Severability

The provisions in this Policy are intended to be applied to the fullest extent of the law; provided, however, to the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

10. Amendment and Termination

The Board or the Committee may amend, modify or terminate this Policy in whole or in part at any time and from time to time in its sole discretion. This Policy will terminate automatically when the Company does not have a class of securities listed on a national securities exchange or association in the U.S.

11. Definitions

"***Applicable Rules***" means Section 10D of the Exchange Act, Rule 10D-1 promulgated thereunder, the listing rules of the national securities exchange or association on which the Company's securities are listed, and any applicable rules, standards or other guidance adopted by the Securities and Exchange Commission or any national securities exchange or association on which the Company's securities are listed.

"***Board***" means the Board of Directors of the Company.

"***Compensation Policy***" means the Company's compensation policy for officers and directors, as adopted in accordance with the Israeli Companies Law 5759-1999 and as in effect from time to time.

"***Committee***" means the Compensation Committee of the Board or, in the absence of such a committee, a majority of the independent directors serving on the Board.

"***Erroneously Awarded Compensation***" means the amount of Incentive-Based Compensation received by a current or former Officer that exceeds the amount of Incentive-Based Compensation that would have been received by such current or former Officer based on a restated Financial Reporting Measure, as determined on a pre-tax basis in accordance with the Applicable Rules.

"***Exchange Act***" means the Securities Exchange Act of 1934, as amended.

"***Financial Reporting Measure***" means any measure determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures derived wholly or in part from such measures, including GAAP, (or if applicable

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IFRS) and non-GAAP (or if applicable non-IFRS) financial measures, as well as stock price and total shareholder return.

"***GAAP***" means United States generally accepted accounting principles.

"***IFRS***" means international financial reporting standards as adopted by the International Accounting Standards Board.

"***Impracticable***" means (a) the direct expense paid to third parties to assist in enforcing recovery would exceed the Erroneously Awarded Compensation; provided that the Company has (i) made reasonable attempt(s) to recover the Erroneously Awarded Compensation, (ii) documented such reasonable attempt(s) and (iii) provided such documentation to the relevant listing exchange or association, (b) the recovery would violate the Company's home country laws adopted prior to November 28, 2022 pursuant to an opinion of home country counsel; provided that the Company has (i) obtained an opinion of home country counsel, acceptable to the relevant listing exchange or association, that recovery would result in such a violation and (ii) provided such opinion to the relevant listing exchange or association, or (c) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and the regulations thereunder.

"***Incentive-Based Compensation***" means, with respect to a Restatement, any compensation that is granted, earned, or vested based wholly or in part upon the attainment of one or more Financial Reporting Measures and received by a person: (a) after such person began service as an Officer; (b) who served as an Officer at any time during the performance period for that compensation; (c) while the Company has a class of securities listed on a national securities exchange or association; and (d) during the applicable Three-Year Period.

"***Officer***" means each person who the Company determines serves as a Company officer, as defined in Section 16 of the Securities Exchange Act of 1934, as amended.

"***Other Recovery Arrangements***"means any clawback, recoupment, forfeiture or similar policies or provisions of the Company or its affiliates, including any such policies or provisions of such effect contained in any employment agreement, bonus plan, incentive plan, equity-based plan or award agreement thereunder or similar plan, program or agreement of the Company or an affiliate or required under applicable law (including, without limitation, the Compensation Policy).

"***Restatement***" means an accounting restatement to correct the Company's material noncompliance with any financial reporting requirement under securities laws, including restatements that correct an error in previously issued financial statements (a) that is material to the previously issued financial statements or (b) that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

"***Three-Year Period***" means, with respect to a Restatement, the three completed fiscal years immediately preceding the date that the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare such Restatement, or, if earlier, the date on which a court, regulator or other legally authorized body directs the Company to prepare such Restatement. The "Three-Year Period" also includes any transition period (that results from a change in the Company's fiscal year) within or immediately following the three completed fiscal years identified in the preceding sentence. However, a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to 12 months shall be deemed a completed fiscal year.

ACKNOWLEDGMENT AND CONSENT TO
POLICY FOR RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

The undersigned has received a copy of the Policy for Recovery of Erroneously Awarded Compensation (the "Policy") adopted by Taboola.com Ltd. (the "Company"), and has read and understands the Policy. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Policy.

As a condition of receiving Incentive-Based Compensation from the Company, the undersigned agrees that any Incentive-Based Compensation received on or after the Effective Date is subject to recovery pursuant to the terms of the Policy. To the extent the Company's recovery right conflicts with any other contractual rights the undersigned may have with the Company, the undersigned understands that the terms of the Policy shall supersede any such contractual rights. The terms of the Policy shall apply in addition to any right of recoupment against the undersigned under the Compensation Policy or applicable law and regulations.

Signature: _____

Name: _____

Title: _____

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