

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

FORM 10-Q

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

For the Quarterly Period Ended September 30, 2024

☐ 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  
(State or other jurisdiction of  
incorporation or organization)

Not Applicable  
(I.R.S. Employer  
Identification No.)

16 Madison Square West  
7th Floor  
New York , NY  
(Address of principal executive offices)

10010  
(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 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	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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. ☐

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

As of October 31, 2024 the Registrant had a total of 336,208,207 outstanding shares, which includes 291,997,801 Ordinary shares and 44,210,406 Non-voting Ordinary shares.

Taboola.com Ltd.  
Quarterly Report on Form 10-Q  
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#### NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements. All statements contained in this Quarterly Report on Form 10-Q other than statements of historical fact, including statements regarding our future results of operations and financial position, our business strategy and plans, and our objectives for future operations, are forward-looking statements. The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this Quarterly Report on Form 10-Q may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

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.

**PART I – FINANCIAL INFORMATION**
**Item 1. Financial Statements**
**TABOOLA.COM LTD.**
**CONSOLIDATED INTERIM BALANCE SHEETS**
**U.S. dollars in thousands, except share and per share data**

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
	<b>Unaudited</b>	
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 217,230	\$ 176,108
Short-term investments	—	5,725
Restricted deposits	1,312	1,407
Trade receivables (net of allowance for credit losses of \$ 7,640 and \$ 10,207 as of September 30, 2024 and December 31, 2023, respectively) (1)	297,330	306,307
Prepaid expenses and other current assets	61,995	69,865
Total current assets	577,867	559,412
<b>NON-CURRENT ASSETS</b>		
Long-term prepaid expenses	24,470	39,602
Commercial agreement asset	288,061	289,451
Restricted deposits	4,078	4,247
Operating lease right of use assets	60,329	61,746
Property and equipment, net	73,696	72,155
Intangible assets, net	78,485	125,258
Goodwill	555,931	555,931
Total non-current assets	1,085,050	1,148,390
Total assets	\$ 1,662,917	\$ 1,707,802
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Trade payables (2)	\$ 273,618	\$ 282,012
Short-term operating lease liabilities	21,873	20,264
Accrued expenses and other current liabilities	146,732	118,689
Current maturities of long-term loan	—	3,000
Total current liabilities	442,223	423,965
<b>LONG-TERM LIABILITIES</b>		
Long-term loan, net of current maturities	146,070	142,164
Long-term operating lease liabilities	44,970	49,450
Warrants liability	1,504	6,129
Deferred tax liabilities, net	3,853	14,815
Other long-term liabilities	12,482	14,217
Total long-term liabilities	208,879	226,775
<b>COMMITMENTS AND CONTINGENCIES (Note 11)</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Ordinary shares with no par value - Authorized: 700,000,000 as of September 30, 2024 and December 31, 2023; 322,370,752 and 310,911,091 shares issued, and 292,633,697 and 295,670,620 shares outstanding as of September 30, 2024 and December 31, 2023, respectively	—	—
Non-voting Ordinary shares with no par value - Authorized: 46,000,000 as of September 30, 2024 and December 31, 2023; 45,198,702 shares issued, and 44,210,406 and 45,198,702 shares outstanding as of September 30, 2024 and December 31, 2023, respectively	—	—
Treasury Ordinary shares, at cost - 30,725,351 ( 29,737,055 Ordinary shares and 988,296 Non-voting Ordinary shares) and 15,240,471 Ordinary shares as of September 30, 2024 and December 31, 2023, respectively	( 120,030)	( 55,513)
Additional paid-in capital	1,319,043	1,262,093
Accumulated other comprehensive income	165	942
Accumulated deficit	( 187,363)	( 150,460)
Total shareholders' equity	1,011,815	1,057,062
Total liabilities and shareholders' equity	\$ 1,662,917	\$ 1,707,802

(1) Includes related party trade receivables of \$ 51,758 and \$ 12,297 , as of September 30, 2024 and December 31, 2023, respectively.

(2) Includes related party trade payables of \$ 50,621 and \$ 38,657 , as of September 30, 2024 and December 31, 2023, respectively.

The accompanying notes are an integral part of these unaudited consolidated interim financial statements.

**CONSOLIDATED INTERIM STATEMENTS OF LOSS**

U.S. dollars in thousands, except share and per share data

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	Unaudited			
Revenues (1)	\$ 433,012	\$ 360,221	\$ 1,275,180	\$ 1,019,911
Cost of revenues:				
Traffic acquisition cost (2)	267,997	231,786	821,737	652,602
Other cost of revenues	32,138	27,776	96,835	80,001
Total cost of revenues	300,135	259,562	918,572	732,603
Gross profit	132,877	100,659	356,608	287,308
Operating expenses:				
Research and development	36,727	35,890	106,264	101,876
Sales and marketing	67,808	59,664	200,253	181,431
General and administrative	23,784	23,839	71,397	76,533
Total operating expenses	128,319	119,393	377,914	359,840
Operating income (loss)	4,558	( 18,734)	( 21,306)	( 72,532)
Finance expenses, net	( 1,106)	( 4,402)	( 3,740)	( 11,383)
Income (loss) before income taxes	3,452	( 23,136)	( 25,046)	( 83,915)
Income tax expenses	( 9,906)	—	( 11,857)	( 1,848)
Net loss	\$ ( 6,454)	\$ ( 23,136)	\$ ( 36,903)	\$ ( 85,763)
Net loss per share attributable to Ordinary and Non-voting Ordinary shareholders, basic and diluted	\$ ( 0.02)	\$ ( 0.07)	\$ ( 0.11)	\$ ( 0.25)
Weighted-average shares used in computing net loss per share attributable to Ordinary and Non-voting Ordinary shareholders, basic and diluted	342,886,216	352,591,043	343,606,187	345,631,022

(1) Includes revenues from related party of \$ 44,936 and \$ 12,307 , for the three months ended September 30, 2024 and 2023 , respectively, and \$ 157,362 and \$ 26,611 , for the nine months ended September 30, 2024 and 2023, respectively.

(2) Includes traffic acquisition cost to related party of \$ 53,104 and \$ 9,869 , for the three months ended September 30, 2024 and 2023, respectively, and \$ 205,148 and \$ 9,869 , for the nine months ended September 30, 2024 and 2023, respectively.

The accompanying notes are an integral part of these unaudited consolidated interim financial statements.

**CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS**

U.S. dollars in thousands

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	Unaudited			
Net loss	\$ ( 6,454)	\$ ( 23,136)	\$ ( 36,903)	\$ ( 85,763)
Other comprehensive income (loss):				
Unrealized and realized gains on available-for-sale marketable securities, net	—	46	6	503
Unrealized gains (losses) on derivative instruments, net	204	570	( 783)	113
Other comprehensive income (loss)	204	616	( 777)	616
Comprehensive loss	\$ ( 6,250)	\$ ( 22,520)	\$ ( 37,680)	\$ ( 85,147)

The accompanying notes are an integral part of these unaudited consolidated interim financial statements.

**CONSOLIDATED INTERIM STATEMENTS OF SHAREHOLDERS' EQUITY**

U.S. dollars in thousands, except share and per share data

	Non-voting Ordinary shares		Ordinary shares		Treasury Ordinary shares	Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income (loss)	Total shareholders' equity
	Number	Amount	Number	Amount					
Balance as of July 1, 2024 (unaudited)	44,210,406	\$ —	291,715,209	\$ —	(	\$1,301,159	\$ ( 180,909)	\$ ( 39)	\$ 1,010,233
Share-based compensation expenses	—	—	—	—	—	17,625	—	—	17,625
Repurchase of Ordinary shares	—	—	( 2,950,000)	—	10,052)	—	—	—	( 10,052)
Exercise of options and vested RSUs	—	—	3,287,091	—	—	968	—	—	968
Connexity issuance of Holdback	—	—	581,397	—	—	—	—	—	—
Payments of tax withholding for share-based compensation	—	—	—	—	—	( 709)	—	—	( 709)
Other comprehensive income	—	—	—	—	—	—	—	204	204
Net loss	—	—	—	—	—	—	( 6,454)	—	( 6,454)
Balance as of September 30, 2024 (unaudited)	44,210,406	\$ —	292,633,697	\$ —	(	\$1,319,043	\$ ( 187,363)	\$ 165	\$ 1,011,815

  

	Non-voting Ordinary shares		Ordinary shares		Treasury Ordinary shares	Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income (loss)	Total shareholders' equity
	Number	Amount	Number	Amount					
Balance as of July 1, 2023 (unaudited)	45,198,702	\$ —	300,637,035	\$ —	\$ ( 4,358)	\$1,226,572	\$ ( 131,047)	\$ ( 834)	\$ 1,090,333
Share-based compensation expenses	—	—	—	—	—	16,650	—	—	16,650
Repurchase of Ordinary shares	—	—	( 5,230,915)	—	18,799)	—	—	—	( 18,799)
Exercise of options and vested RSUs	—	—	4,705,408	—	—	2,750	—	—	2,750
Connexity issuance of Holdback	—	—	581,400	—	—	—	—	—	—
Payments of tax withholding for share-based compensation	—	—	—	—	—	( 1,305)	—	—	( 1,305)
Other comprehensive income	—	—	—	—	—	—	—	616	616
Net loss	—	—	—	—	—	—	( 23,136)	—	( 23,136)
Balance as of September 30, 2023 (unaudited)	45,198,702	\$ —	300,692,928	\$ —	(	\$1,244,667	\$ ( 154,183)	\$ ( 218)	\$ 1,067,109

The accompanying notes are an integral part of these unaudited consolidated interim financial statements.

**CONSOLIDATED INTERIM STATEMENTS OF SHAREHOLDERS' EQUITY**

U.S. dollars in thousands, except share and per share data

	Non-voting Ordinary shares		Ordinary shares		Treasury Ordinary shares	Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income (loss)	Total shareholders' equity
	Number	Amount	Number	Amount					
Balance as of January 1, 2024	45,198,702	\$ —	295,670,620	\$ —	\$ ( 55,513)	\$ 1,262,093	\$ ( 150,460)	\$ 942	\$ 1,057,062
Share-based compensation expenses	—	—	—	—	—	53,637	—	—	53,637
Repurchase of Ordinary shares	( 988,296)	—	14,496,584	—	( 64,517)	—	—	—	( 64,517)
Exercise of options and vested RSUs	—	—	10,296,864	—	—	5,709	—	—	5,709
Connexity issuance of Holdback	—	—	1,162,797	—	—	—	—	—	—
Payments of tax withholding for share-based compensation	—	—	—	—	—	( 2,396)	—	—	( 2,396)
Other comprehensive loss	—	—	—	—	—	—	—	( 777)	( 777)
Net loss	—	—	—	—	—	—	( 36,903)	—	( 36,903)
Balance as of September 30, 2024 (unaudited)	44,210,406	\$ —	292,633,697	\$ —	\$ (120,030)	\$ 1,319,043	\$ ( 187,363)	\$ 165	\$ 1,011,815

	Non-voting Ordinary shares		Ordinary shares		Treasury Ordinary shares	Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income (loss)	Total shareholders' equity
	Number	Amount	Number	Amount					
Balance as of January 1, 2023	—	\$ —	254,133,863	\$ —	\$ —	\$ 903,789	\$ ( 68,420)	\$ ( 834)	\$ 834,535
Share-based compensation expenses	—	—	—	—	—	50,599	—	—	50,599
Repurchase of Ordinary shares	—	—	( 6,672,915)	—	( 23,157)	—	—	—	( 23,157)
Exercise of options and vested RSUs	—	—	12,543,489	—	—	5,429	—	—	5,429
Connexity issuance of Holdback	—	—	1,162,800	—	—	—	—	—	—
Issuance of Ordinary shares and Non- voting Ordinary shares related to Commercial agreement	45,198,702	—	39,525,691	—	—	288,063	—	—	288,063
Payments of tax withholding for share-based compensation	—	—	—	—	—	( 3,213)	—	—	( 3,213)
Other comprehensive income	—	—	—	—	—	—	—	616	616
Net loss	—	—	—	—	—	—	( 85,763)	—	( 85,763)
Balance as of September 30, 2023 (unaudited)	45,198,702	\$ —	\$300,692,928	\$ —	\$ ( 23,157)	\$ 1,244,667	\$ ( 154,183)	\$ ( 218)	\$ 1,067,109

The accompanying notes are an integral part of these unaudited consolidated interim financial statements.



**CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**

U.S. dollars in thousands

	Nine months ended September 30,	
	2024	2023
	Unaudited	
<b>Cash flows from operating activities</b>		
Net loss	\$ ( 36,903)	\$ ( 85,763)
Adjustments to reconcile net loss to net cash flows provided by operating activities:		
Depreciation and amortization	75,976	70,709
Share-based compensation expenses	51,892	48,868
Commercial agreement asset amortization	1,390	—
Net loss (income) from financing expenses	( 1,131)	1,269
Revaluation of the Warrants liability	( 4,625)	( 733)
Amortization of loan and credit facility issuance costs	1,092	1,220
Amortization of premium and accretion of discount on short-term investments, net	230	( 923)
<b>Change in operating assets and liabilities:</b>		
Decrease in trade receivables, net (1)	12,977	24,590
Decrease in prepaid expenses and other current assets and long-term prepaid expenses	23,787	2,554
Increase (decrease) in trade payables (2)	( 12,901)	2,222
Increase in accrued expenses and other current liabilities and other long-term liabilities	23,027	5,377
Decrease in deferred taxes, net	( 10,962)	( 8,218)
Change in operating lease right of use assets	14,638	12,447
Change in operating lease liabilities	( 16,091)	( 12,038)
Net cash provided by operating activities	<u>122,396</u>	<u>61,581</u>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment, including capitalized internal-use software	( 25,130)	( 19,839)
Business acquisition deferred payment	( 719)	—
Investments in restricted deposits	—	( 594)
Proceeds from maturities of short-term investments	5,765	107,669
Purchase of short-term investments	—	( 21,991)
Net cash provided by (used in) investing activities	<u>( 20,084)</u>	<u>65,245</u>
<b>Cash flows from financing activities</b>		
Issuance costs	( 695)	—
Exercise of options and vested RSUs	5,709	5,429
Payment of tax withholding for share-based compensation expenses	( 2,396)	( 3,213)
Repurchase of Ordinary shares	( 64,517)	( 23,157)
Payments on account of repurchase of Ordinary shares	( 422)	—
Repayment of long-term loan	—	( 32,250)
Net cash used in financing activities	<u>( 62,321)</u>	<u>( 53,191)</u>
Exchange rate differences on balances of cash and cash equivalents	1,131	( 1,269)
Increase in cash and cash equivalents	41,122	72,366
Cash and cash equivalents - at the beginning of the period	176,108	165,893
Cash and cash equivalents - at end of the period	<u>\$ 217,230</u>	<u>\$ 238,259</u>

(1) Includes an increase in related party trade receivables of \$ 39,461 and \$ 4,791 , for the nine months ended September 30, 2024 and 2023, respectively.

(2) Includes an increase in related party trade payables of \$ 11,964 and \$ 4,717 , for the nine months ended September 30, 2024 and 2023, respectively.

The accompanying notes are an integral part of these unaudited consolidated interim financial statements.

**CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**

U.S. dollars in thousands

	Nine months ended September 30,	
	2024	2023
	Unaudited	
<b>Supplemental disclosures of cash flow information:</b>		
<u>Cash paid during the year for:</u>		
Income taxes	\$ 13,396	\$ 9,935
Interest	\$ 11,054	\$ 14,580
<u>Non-cash investing and financing activities:</u>		
Purchase of property and equipment, including capitalized internal-use software	\$ 4,508	\$ 5,694
Share-based compensation included in capitalized internal-use software	\$ 1,745	\$ 1,731
Creation of operating lease right-of-use assets	\$ 13,221	\$ 10,604

The accompanying notes are an integral part of these unaudited consolidated interim financial statements.

**NOTES TO THE CONSOLIDATED INTERIM 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 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 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. 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 Ordinary share class with an authorized share capital of 46,000,000. On January 17, 2023 (the "Transaction closing date"), the Company closed the transaction related agreements, including the issuance of 39,525,691 Ordinary shares and 45,198,702 Non-voting Ordinary 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.

The Non-voting Ordinary shares are not entitled to vote on or receive notices with respect to any matter pursuant to the Company's 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 have rights identical to the rights of Ordinary 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 issued to Yahoo for resale under the Securities Act of 1933, as amended.

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.

**NOTE 1:- GENERAL (Cont.)**

During the three months ended September 30, 2024, the Company concluded it had obtained exclusivity to the extent contemplated by the Commercial agreement as currently in effect, and therefore began to record amortization expenses of the Commercial agreement asset. For the three and nine months ended September 30, 2024, the Company recorded \$ 1,390 amortization expenses of the Commercial agreement asset. For the three and nine months ended September 30, 2023, the Company did not record amortization expenses of the Commercial agreement asset.

**NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

The accompanying unaudited consolidated interim financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the United States ("GAAP"), and applicable rules and regulations of the Securities and Exchange Commission ("SEC") regarding interim financial reporting and include the accounts of Taboola.com Ltd. and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

The consolidated balance sheet as of December 31, 2023, included herein, was derived from the audited consolidated financial statements as of that date, but does not include all of the disclosures, including certain notes required by GAAP on an annual reporting basis. Certain information and note disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations.

Therefore, these unaudited consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements and the related notes thereto included in the Company's Annual Report on Form 10-K as of and for the year ended December 31, 2023, filed with the SEC on February 28, 2024.

In the opinion of the Company's management, the unaudited consolidated interim financial statements have been prepared on a basis consistent with the annual consolidated financial statements and reflect all adjustments, which include only normal recurring adjustments necessary for the fair presentation of the Company's unaudited interim consolidated financial statements. The results of operations for the three and nine months ended September 30, 2024, are not necessarily indicative of the results to be expected for the full year ending December 31, 2024, or any other future interim or annual period.

***Use of Estimates***

The preparation of the interim consolidated financial statements in conformity with 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 interim 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.

**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 September 30, 2024, 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.

**Concentrations of Credit Risk**

The Company's trade receivables are geographically diversified and derived mainly from sales in the United 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 September 30, 2024, the Company had a single customer representing 17.4 % of the trade receivables balance. For the three and nine months ended September 30, 2024, the same customer accounted for 10.4 % and 12.3 % of total revenues, respectively (see Note 12).

As of December 31, 2023, no single customer represented 10 % or more of trade receivables. No single customer accounted for more than 10 % of total revenue for the three and nine months ended September 30, 2023.

**Significant Accounting Policies**

The Company's significant accounting policies are discussed in Note 2, *Summary of Significant Accounting Policies*, in the Company's Annual Report on Form 10-K as of and for the year ended December 31, 2023, as filed with the SEC on February 28, 2024. There have been no significant changes to these policies during the nine months ended September 30, 2024.

**Reclassification**

Certain amounts in the corresponding prior periods have been reclassified to conform with the current period presentation. Such reclassifications did not affect net loss, changes in the shareholders' equity or cash flows.

**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 is currently evaluating the impact of this guidance on its consolidated financial statement and related disclosures and will adopt the guidance effective January 1, 2025.

**NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

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:

	September 30, 2024	December 31, 2023
	Unaudited	
Cash	\$ 146,761	\$ 99,811
Money market funds	70,078	72,510
Time deposits	391	3,787
Total cash and cash equivalents	\$ 217,230	\$ 176,108

**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 during the nine months ended September 30, 2024.

The following table sets forth the Company's assets and liabilities that were measured at fair value as of September 30, 2024 and December 31, 2023, by level within the fair value hierarchy:

Description	Fair Value Hierarchy	Fair value measurements as of	
		September 30, 2024	December 31, 2023
		Unaudited	
<b>Assets:</b>			
<u>Cash equivalents:</u>			
Money market funds	Level 1	\$ 70,078	\$ 72,510
<u>Short-term investments:</u>			
Corporate debt securities	Level 2	\$ —	\$ 3,651
Commercial paper	Level 2	\$ —	\$ 2,074
<u>Derivative instruments asset:</u>			
Derivative instruments designated as cash flow hedging instruments	Level 2	\$ 165	\$ 948
<b>Liabilities:</b>			
<u>Warrants liability:</u>			
Public Warrants	Level 1	\$ ( 1,269)	\$ ( 4,253)
Private Warrants	Level 3	\$ ( 235)	\$ ( 1,876)

**NOTE 4:- FAIR VALUE MEASUREMENTS (Cont.)**

The Company classifies its money market funds as Level 1 based on quoted market prices in active markets.

The Company classifies its short-term investments and derivative 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.

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 key inputs into the Black-Scholes model for the Private Warrants were as follows:

<b>Input</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>
	<b>Unaudited</b>	
Risk-free interest rate	3.67 % - 3.90%	4.04 % - 4.28%
Expected term (years)	1.00 - 1.75	1.75 - 2.50
Expected volatility	44.2 % - 54.2%	61.1 % - 63.9%
Exercise price	\$ 11.50	\$ 11.50
Underlying share price	\$ 3.36	\$ 4.33

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 volatility is based on the Company's share price volatility. For periods prior January 1, 2024, 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, as the Company did not have sufficient trading history

The following table presents the changes in the fair value of Warrants liability:

<b>Input</b>	<b>Private Warrants</b>	<b>Public Warrants</b>	<b>Total Warrants</b>
Fair value as of December 31, 2023	\$ 1,876	\$ 4,253	\$ 6,129
Change from private to public holdings	( 87)	87	—
Change in fair value	( 1,554)	( 3,071)	( 4,625)
Fair value as of September 30, 2024 (unaudited)	\$ 235	\$ 1,269	\$ 1,504

**NOTE 5:- SHORT-TERM INVESTMENTS**

As of September 30, 2024, the Company did not hold available-for-sale marketable securities.

The following is a summary of available-for-sale marketable securities as of December 31, 2023:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Corporate debt securities	\$ 3,654	\$ —	\$ (3)	\$ 3,651
Commercial paper	2,077	—	(3)	2,074
<b>Total</b>	<b>\$ 5,731</b>	<b>\$ —</b>	<b>\$ (6)</b>	<b>\$ 5,725</b>

**NOTE 6:- DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES**

The Company enters into foreign currency forward contracts and put and call options with financial institutions 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 for up to twelve months. The Company's risk management strategy includes the use of derivative financial instruments to reduce the volatility of earnings and cash flows associated with changes in foreign currency exchange rates; these derivative instruments are designated as cash flow hedges. The Company does not enter into derivative transactions for trading or speculative purposes.

As of September 30, 2024 and December 31, 2023, the notional amounts of the Company's derivative instruments designated as cash flow hedging instruments outstanding in U.S. dollars amounted to \$ 38,253 and \$ 39,347, respectively.

Gross notional amounts do not quantify risk or represent assets or liabilities of the Company but are used in the calculation of settlements under the contracts.

The Company records all cash flow hedging instruments on the consolidated balance sheets at fair value. The fair values of outstanding derivative instruments designated as cash flow hedging instruments and recorded as assets were \$ 165 and \$ 948 as of September 30, 2024 and December 31, 2023, respectively, which were recorded in prepaid expenses and other current assets in the consolidated interim balance sheet.

The gains (losses) related to cash flow hedging instruments, recorded in the consolidated interim statements of loss, for the three and nine months ended September 30, 2024 and 2023, were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	<b>Unaudited</b>			
Cost of revenues	\$ —	\$ (60)	\$ 15	\$ (142)
Research and development	—	(627)	174	(1,478)
Sales and marketing	—	(114)	43	(270)
General and administrative	—	(117)	35	(270)
<b>Total gains (losses) recognized in the consolidated statements of loss, net</b>	<b>\$ —</b>	<b>\$ (918)</b>	<b>\$ 267</b>	<b>\$ (2,160)</b>



**NOTE 6:- DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES (Cont.)**
***Effect of Foreign Currency Contracts on Accumulated Other Comprehensive Income (Loss)***

Net unrealized gains (losses) of foreign currency contracts designated as cash flow hedging instruments are recorded in accumulated other comprehensive income (loss).

The changes in unrealized gains (losses) on the Company's derivative instruments recorded in accumulated other comprehensive income (loss) were as follows:

	<b>Nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
	<b>Unaudited</b>	
Unrealized gains (losses) on derivative instruments at the beginning of the period	\$ 948	\$ (313)
Changes in fair value of derivative instruments	(516)	(2,047)
Reclassification of losses (gains) recognized in the consolidated interim statements of loss from accumulated other comprehensive income (loss)	(267)	2,160
Unrealized gains (losses) on derivative instruments at the end of the period (unaudited)	\$ 165	\$ (200)

All net deferred gains in accumulated other comprehensive income as of September 30, 2024, are expected to be recognized over the next twelve months as operating expenses in the same financial statement line item in the consolidated interim statements of loss to which the derivative relates.

**NOTE 7:- GOODWILL AND INTANGIBLE ASSETS, NET**
***Goodwill***

There was no impairment or additions to goodwill during the three and nine months ended September 30, 2024.

***Intangible Assets, Net***

Definite-lived intangible assets, net consist of the following:

<b>September 30, 2024</b>	<b>Gross Fair Value</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>
Merchant/Network affiliate relationships	\$ 146,547	\$ (100,412)	\$ 46,135
Technology	74,193	(52,162)	22,031
Publisher relationships	42,933	(33,094)	9,839
Tradenames	24,097	(24,097)	—
Customer relationship	13,146	(12,666)	480
Total (unaudited)	\$ 300,916	\$ (222,431)	\$ 78,485
<b>December 31, 2023</b>	<b>Gross Fair Value</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>
Merchant/Network affiliate relationships	\$ 146,547	\$ (75,987)	\$ 70,560
Technology	74,193	(43,535)	30,658
Publisher relationships	42,933	(25,044)	17,889
Tradenames	24,097	(18,739)	5,358
Customer relationships	13,146	(12,353)	793
Total	\$ 300,916	\$ (175,658)	\$ 125,258

**NOTE 7:- GOODWILL AND INTANGIBLE ASSETS, NET (Cont.)**

Amortization expenses for intangible assets were \$ 15,080 and \$ 15,980 , for the three months ended September 30, 2024 and 2023, respectively, and \$ 46,773 and \$ 47,911 , for the nine months ended September 30, 2024 and 2023, respectively.

The estimated future amortization expense of definite-lived intangible assets as of September 30, 2024, is as follows (unaudited):

<b>Year Ending December 31,</b>	
2024 (Remainder)	\$ 13,745
2025	51,407
2026	13,244
2027	89
<b>Total</b>	<b>\$ 78,485</b>

**NOTE 8:- 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. In accordance with the terms of the Credit Agreement, 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 Term SOFR or Base Rate plus a fixed margin. The Facility will mature on the seventh anniversary of the closing date with the remaining principal amount due at maturity. Due to the Company's voluntary prepayments, the Company has satisfied in full and has no remaining obligations to make quarterly amortization payments under the Facility at a rate of 1.00 % per annum. 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 September 30, 2024, the Company was in compliance with the Facility covenants.

As of September 30, 2024, the Company's outstanding principal amount of debt under the Credit Agreement was \$ 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 shares of subsidiaries, subject to certain exceptions set forth in the Credit Agreement.

**NOTE 8:- FINANCING ARRANGEMENTS (Cont.)**

The total interest expenses, including issuance costs amortization, recognized in connection with the long-term loan were \$ 3,971 and \$ 5,141 , for the three months ended September 30, 2024 and 2023, respectively, and \$ 11,879 and \$ 15,641 , for the nine months ended September 30, 2024 and 2023, respectively. The long-term loan interest and issuance costs amortization, included as interest expenses, are recognized through the remaining term of the Credit agreement using the effective interest rate.

***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 Revolving 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.

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 September 30, 2024, the Company was in compliance with the financial covenants and had no outstanding borrowings under the Revolving Credit Agreement.

As of September 30, 2024 and December 31, 2023, deferred financing costs associated with entering into the Revolving Credit Agreement in the total amount of \$ 717 and \$ 893 , respectively, were included in short-term and long-term prepaid expenses in the Company's consolidated balance sheets.

The deferred financing costs are amortized on a straight-line basis over the term of the Revolving Credit Agreement. Deferred financing costs amortization amounted to \$ 61 and \$ 63 , for the three months ended September 30, 2024 and 2023, respectively, and \$ 176 and \$ 190 , for the nine months ended September 30, 2024 and 2023, respectively.

**NOTE 9:- SHAREHOLDERS' EQUITY AND SHARE INCENTIVE PLANS*****Share Capital***

Holders of Ordinary shares have the right to receive notice of, and to participate in, all general meetings of the Company, where each Ordinary share shall have one vote. Each holder has the right to receive dividends, if any, in proportion to their respective Ordinary 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 in proportion to their shareholdings.

**NOTE 9:- SHAREHOLDERS' EQUITY AND SHARE INCENTIVE PLANS (Cont.)**

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 Ordinary share class with an authorized share capital of 46,000,000 . In January 2023 the Company issued 45,198,702 Non-voting Ordinary shares to Yahoo. The Non-voting Ordinary 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 the Company's Articles, the Non-voting Ordinary shares will have rights identical to the rights of Ordinary shares as described above (see Note 1b).

**Share Buyback Program**

The Company's board of directors authorized a share buyback program of the Company's outstanding Ordinary shares, which commenced in June 2023 and does not have an expiration date (the "Buyback Program"). In 2023, the Company's board of directors authorized up to \$ 80,000 of buybacks under the Buyback Program. In February 2024, the Company's board of directors authorized up to \$ 100,000 for use under the Buyback Program, including any remaining authority from the 2023 board of directors authorization, subject to satisfying required conditions under the Israeli Companies Law and the Companies Regulations (Reliefs for Corporations, Whose Securities Are Listed on Foreign Stock Exchanges) - 2000. 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 the number of shares repurchased may depend upon market and economic conditions and other factors. The Buyback Program may be discontinued, modified or suspended at any time.

During the nine months ended September 30, 2024, the Company repurchased 15,484,880 of its shares, consisting of 14,496,584 Ordinary shares, and 988,296 Non-voting Ordinary shares (see Note 12) at an average price of \$ 4.14 per share (excluding broker and transaction fees of \$ 362 ). As of September 30, 2024, the Company had remaining authorization under the Buyback Program to repurchase Ordinary shares up to an aggregate amount of \$ 55,579 , subject to satisfying required conditions under the Companies Law and Companies Regulations.

**Share Incentive Plans**

- a. In addition to the Buyback Program detailed above, the Company utilizes a net issuance mechanism to satisfy tax withholding obligations related to equity-based compensation on behalf of its directors, officers and other employees (the "Net Issuances"). In April 2024, the Company satisfied the required conditions, as set forth in the Israeli Companies Law and the Companies Regulations, to conduct future repurchases of its Ordinary shares under the Buyback Program and Net Issuances in an aggregate amount up to \$ 100,000 , which amount was partly utilized under the Company's previous Israeli court authorization. The Company's board of directors have the authority to determine the amount to be utilized for Net Issuances and Ordinary share repurchases.

For the nine months ended September 30, 2024 and 2023, 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 \$ 2,396 and \$ 3,213 , respectively, which were recorded as a reduction of additional paid-in capital.

**NOTE 9:- SHAREHOLDERS' EQUITY AND SHARE INCENTIVE PLANS (Cont.)**

- b. The following is a summary of share option activity and related information for the nine months ended September 30, 2024 (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
Balance as of January 1, 2024	29,291,285	\$ 3.35	5.27	\$ 57,118
Exercised	( 2,808,002)	2.08	—	5,787
Forfeited	( 516,515)	4.00	—	—
Balance as of September 30, 2024 (unaudited)	25,966,768	\$ 3.48	4.93	\$ 32,179
Exercisable as of September 30, 2024 (unaudited)	23,291,098	\$ 3.13	4.73	\$ 30,357

During the nine months ended September 30, 2024, the Company did not grant options.

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.

As of September 30, 2024, unrecognized share-based compensation cost related to unvested share options was \$ 6,984 , which is expected to be recognized over a weighted-average period of 0.93 years.

- c. The following is a summary of the RSU activity and related information for the nine months ended September 30, 2024:

	Outstanding Restricted Shares Unit	Weighted Average Grant Date Fair Value
Balance as of January 1, 2024	23,479,308	\$ 5.13
Granted	13,969,685	4.63
Vested (*)	( 7,488,862)	5.34
Forfeited	( 1,648,529)	4.75
Balance as of September 30, 2024 (unaudited)	28,311,602	\$ 4.85

(\*) A portion of the shares that vested were netted out to satisfy the tax obligations of the recipients. During the nine months ended September 30, 2024 , a total of 593,721 RSUs were canceled to satisfy tax obligations, resulting in net issuance of 593,712 Ordinary shares.

The total release date fair value of RSUs was \$ 29,971 , during the nine months ended September 30, 2024.

As of September 30, 2024, unrecognized share-based compensation cost related to unvested RSUs was \$ 118,483 , which is expected to be recognized over a weighted-average period of 2.53 years.

**NOTE 9:- 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 three and nine months ended September 30, 2024 and 2023, was comprised as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	Unaudited			
Cost of revenues	\$ 933	\$ 999	\$ 3,040	\$ 3,082
Research and development	6,785	6,256	20,015	18,281
Sales and marketing	4,671	4,127	13,526	12,813
General and administrative	4,797	4,869	15,311	14,692
Total share-based compensation expense	\$ 17,186	\$ 16,251	\$ 51,892	\$ 48,868

**NOTE 10:- INCOME TAXES**

The Company's effective tax rate is highly dependent upon the geographic distribution of its worldwide earnings or losses and tax regulations. The Company's effective tax rates were ( 287.0 %) and 0.0 % for the three months ended September 30, 2024 and 2023, respectively, and ( 47.3 %) and ( 2.2 %) for the nine months ended September 30, 2024 and 2023, respectively. The negative effective tax rate results primarily from valuation allowance, as well as tax expenses in foreign jurisdictions, partially offset by tax benefits associated with acquired intangible assets mainly in the US.

**NOTE 11:- 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 September 30, 2024, the Company had outstanding non-cancelable purchase obligations in the amount of \$ 20,819.

**Legal Proceedings**

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 records 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 taken together, have a material adverse effect on its business, financial position, results of operations, or cash flows.

**NOTE 12:- RELATED PARTY TRANSACTIONS**

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).

In June 2024, the Company repurchased 988,296 of the Non-voting Ordinary shares at a price of \$ 4.07 per share, based on the terms stipulated in the agreement, for an aggregate purchase price of \$ 4,022 , as part of the Buyback Program (see Note 9).

The Company and its affiliates are parties to several agreements in the ordinary course of business with Yahoo and its affiliates. Revenues from the related party are derived from Yahoo's advertiser spend on the Company's network, for which Yahoo is the billing entity. Traffic acquisition cost to the related party is compensation for placing Taboola's platform on Yahoo's digital property. In connection with these agreements, the Company recorded revenues from Yahoo in the amount of \$ 44,936 and \$ 12,307 , for the three months ended September 30, 2024 and 2023, respectively, and in the amount of \$ 157,362 and \$ 26,611 , for the nine months ended September 30, 2024 and 2023, respectively. In addition, the Company recorded traffic acquisition costs related to Yahoo in the amount of \$ 53,104 and \$ 9,869 , for the three months ended September 30, 2024 and 2023, respectively, and in the amount of \$ 205,148 and \$ 9,869 , for the nine months ended September 30, 2024 and 2023, respectively. Certain traffic acquisition costs for the three and nine months ended September 30, 2024, noted herein, are unaffiliated with the Yahoo revenues recognized during the three and nine months ended September 30, 2024.

As of September 30, 2024 and December 31, 2023, in regards to Yahoo, the Company's balances of trade receivables were \$ 51,758 and \$ 12,297 , respectively, and its balances of trade payables were \$ 50,621 and \$ 38,657 , respectively, mainly associated with the revenues presented on both 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 expenses, net of \$ 416 and \$ 1,297 , for the three months ended September 30, 2024 and 2023, respectively, and of \$ 1,441 and \$ 3,920 , for the nine months ended September 30, 2024 and 2023, respectively.

**NOTE 13:- GEOGRAPHIC INFORMATION**

The following table represents total revenue by geographic area based on the Advertisers' billing address:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	Unaudited			
Israel	\$ 23,995	\$ 34,878	\$ 82,317	\$ 141,475
United States	192,986	138,131	591,218	376,838
Germany	36,471	33,392	108,901	94,829
United Kingdom	17,420	19,739	53,784	54,956
Rest of the world	162,140	134,081	438,960	351,813
Total	\$ 433,012	\$ 360,221	\$ 1,275,180	\$ 1,019,911

**NOTE 14:- NET LOSS PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS**

	Three months ended September 30,				Nine months ended September 30,			
	2024		2023		2024		2023	
	Ordinary shares	Non-voting Ordinary shares	Ordinary shares	Non-voting Ordinary shares	Ordinary shares	Non-voting Ordinary shares	Ordinary shares	Non-voting Ordinary shares
	Unaudited							
Numerator:								
Net loss attributable to Ordinary shareholders, basic and diluted	\$ ( 5,622)	\$ ( 832)	\$ ( 20,170)	\$ ( 2,966)	\$ ( 32,095)	\$ ( 4,808)	\$ ( 75,246)	\$ ( 10,517)
Denominator:								
Weighted-average shares used in computing net loss per share attributable to Ordinary shareholders, basic and diluted	298,675,810	44,210,406	307,392,341	45,198,702	298,843,067	44,763,120	303,246,891	42,384,131
Net loss per share attributable to Ordinary and non-voting Ordinary shareholders, basic and diluted	\$ ( 0.02)	\$ ( 0.02)	\$ ( 0.07)	\$ ( 0.07)	\$ ( 0.11)	\$ ( 0.11)	\$ ( 0.25)	\$ ( 0.25)

The potential shares of Ordinary 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 are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	Unaudited			
Warrants	12,349,990	12,349,990	12,349,990	12,349,990
RSUs	29,023,527	25,936,360	29,241,690	26,166,672
Outstanding share options	19,553,542	31,565,977	20,506,933	28,164,922
Issuable Ordinary shares related to Business Combination under holdback arrangement	387,600	1,356,592	710,601	1,679,592
Total	61,314,659	71,208,919	62,809,214	68,361,176



## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

*You should read the following discussion and analysis of our financial condition and results of operations together with Taboola's accompanying unaudited consolidated interim financial statements and the related notes included elsewhere in this Quarterly Report on Form 10-Q for the three and nine months ended September 30, 2024 (the "Quarterly Report") and audited consolidated financial statements and the related notes appearing in our Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 Form 10-K") filed with the U.S. Securities and Exchange Commission (the "SEC") on February 28, 2024. Some of the information contained in this discussion and analysis is set forth in our 2023 Form 10-K, 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 Part I, Item 1A "Risk Factors" in our 2023 Form 10-K and "Note Regarding Forward-Looking Statements" in our 2023 Form 10-K and elsewhere herein, 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

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.

## 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 Part II, Item 1A, “Risk Factors.”

### Business and Macroeconomic Conditions

Global economic and geopolitical conditions have been increasingly volatile. Factors such as inflation, rising interest rates, supply chain disruptions and the wars in Israel and Ukraine negatively impacted advertising demand and our yields in 2022 in particular. Further, while the impacts of inflation have relatively stabilized over recent quarters, the higher equipment and labor costs needed to operate our business negatively impacted our business in 2022 and 2023 and caused us to enter 2024 with a lower revenue and Adjusted EBITDA run rate. We do not currently expect additional impact from these factors during 2024, though we continue to monitor macroeconomic conditions closely.

### 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 digital property partners in the fourth quarters of 2023, 2022 and 2021, respectively. In 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 10% from Q4 2021 to Q4 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 17,000, 18,000 and 15,000 Advertiser clients working with us directly, or through advertising agencies, worldwide during the fourth quarters of 2023, 2022 and 2021, respectively. The decline from 2022 to 2023 was primarily driven by a channel partner that had a large number of small advertisers that they reduced in 2023. A large portion of our revenue comes from Advertisers with their own 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.

## **Improving Network Yield**

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 and 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 personnel 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, 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.

## Yahoo Partnership

In November 2022, we announced we had entered into a 30-year exclusive commercial agreement with Yahoo, under which we will power native advertising across all of Yahoo's digital properties, expanding our native advertising offering. In January 2023 we closed on the various related agreements, including the issuance of 39,525,691 Ordinary shares and 45,198,702 Non-voting Ordinary shares to Yahoo. For further information see Note 1b and Note 12 of Notes to the Unaudited Consolidated Interim Financial Statements.

## 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, except per share data)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	Unaudited			
Revenues	\$ 433,012	\$ 360,221	\$ 1,275,180	\$ 1,019,911
Gross profit	\$ 132,877	\$ 100,659	\$ 356,608	\$ 287,308
Net loss	\$ (6,454)	\$ (23,136)	\$ (36,903)	\$ (85,763)
EPS diluted (1)	\$ (0.02)	\$ (0.07)	\$ (0.11)	\$ (0.25)
Ratio of net loss to gross profit	(4.9%)	(23.0%)	(10.3%)	(29.9%)
Cash flow provided by operating activities	\$ 49,772	\$ 32,459	\$ 122,396	\$ 61,581
Cash, cash equivalents, short-term deposits and investments	\$ 217,230	\$ 250,726	\$ 217,230	\$ 250,726
<b>Non-GAAP Financial Data (2)</b>				
ex-TAC Gross Profit	\$ 166,405	\$ 128,435	\$ 454,833	\$ 367,309
Adjusted EBITDA	\$ 47,927	\$ 22,833	\$ 108,647	\$ 48,616
Non-GAAP Net Income	\$ 22,211	\$ 6,704	\$ 49,053	\$ 1,197
Ratio of Adjusted EBITDA to ex-TAC Gross Profit	28.8%	17.8%	23.9%	13.2%
Free Cash Flow	\$ 42,864	\$ 22,798	\$ 97,266	\$ 41,742

(1) The weighted-average shares used in the computation of the diluted EPS for the three months ended September 30, 2024 and 2023 are 342,886,216 and 352,591,043, respectively, and for the nine months ended September 30, 2024 and 2023 are 343,606,187 and 345,631,022, respectively.

The weighted-average shares for the three months ended September 30, 2024 and 2023 included 298,675,810 and 307,392,341 Ordinary shares, and 44,210,406 and 45,198,702 Non-voting Ordinary shares, respectively, and for the nine months ended September 30, 2024 and 2023 included 298,843,067 and 303,246,891 Ordinary shares, and 44,763,120 and 42,384,131 Non-voting Ordinary shares, respectively.

(2) Refer to "Non-GAAP Financial Measures" below for an explanation and reconciliation to GAAP metrics.

## **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.

### ***ex-TAC Gross Profit***

We calculate ex-TAC Gross Profit as gross profit adjusted to add back other cost of revenues and non-cash amortization of the Commercial agreement asset. We add back the non-cash amortization of the Commercial agreement asset because it is unique primarily due to the issuance of equity rather than cash, such that ex-TAC Gross Profit includes solely direct cash contribution components.

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:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	(dollars in thousands)			
Revenues	\$ 433,012	\$ 360,221	\$ 1,275,180	\$ 1,019,911
Traffic acquisition cost (1)	267,997	231,786	821,737	652,602
Other cost of revenues	32,138	27,776	96,835	80,001
Gross profit	\$ 132,877	\$ 100,659	\$ 356,608	\$ 287,308
Add back: Other cost of revenues and amortization (1)	33,528	27,776	98,225	80,001
ex-TAC Gross Profit	\$ 166,405	\$ 128,435	\$ 454,833	\$ 367,309

(1) The three and nine months ended September 30, 2024 included \$1,390 amortization expense of the non-cash based Commercial agreement asset. See Note 1b of Notes to the Unaudited Consolidated Interim Financial Statements.

#### **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 and non-cash amortization of the Commercial agreement asset, 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.

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, non-cash amortization of the Commercial agreement asset, 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:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	(dollars in thousands)			
Net loss	\$ (6,454)	\$ (23,136)	\$ (36,903)	\$ (85,763)
Adjusted to exclude the following:				
Finance expenses, net	1,106	4,402	3,740	11,383
Income tax expenses	9,906	—	11,857	1,848
Depreciation and amortization (1)	26,183	25,316	77,366	70,709
Share-based compensation expenses	15,423	13,605	44,838	41,022
Holdback compensation expenses (2)	1,763	2,646	7,054	7,846
Other costs (3)	—	—	695	1,571
Adjusted EBITDA	\$ 47,927	\$ 22,833	\$ 108,647	\$ 48,616

- (1) The three and nine months ended September 30, 2024 included \$1,390 amortization expense of the non-cash based Commercial agreement asset. See Note 1b of Notes to the Unaudited Consolidated Interim Financial Statements.
- (2) Represents share-based compensation due to holdback of Ordinary shares issuable under compensatory arrangements relating to Connexity acquisition.
- (3) The nine months ended September 30, 2024 and September 30, 2023 included one-time professional service costs and one-time costs related to the Commercial agreement, respectively.

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:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	(dollars in thousands)			
Gross profit	\$ 132,877	\$ 100,659	\$ 356,608	\$ 287,308
Net loss	\$ (6,454)	\$ (23,136)	\$ (36,903)	\$ (85,763)
Ratio of net loss to gross profit	(4.9%)	(23.0%)	(10.3%)	(29.9%)
ex-TAC Gross Profit	\$ 166,405	\$ 128,435	\$ 454,833	\$ 367,309
Adjusted EBITDA	\$ 47,927	\$ 22,833	\$ 108,647	\$ 48,616
Ratio of Adjusted EBITDA margin to ex-TAC Gross Profit	28.8%	17.8%	23.9%	13.2%

### Non-GAAP Net 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, amortization of acquired intangible assets and the non-cash based Commercial agreement asset, foreign currency exchange rate gains (losses), net, and other noteworthy items that change from period to period and related tax effects.

We believe that Non-GAAP Net Income (Loss) 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, amortization of acquired intangible assets and the non-cash based Commercial agreement asset, 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 (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 should not be used as a measure of liquidity.

The following table reconciles net income (loss) to Non-GAAP Net Income (Loss) for the periods shown:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	(dollars in thousands)			
Net loss	\$ (6,454)	\$ (23,136)	\$ (36,903)	\$ (85,763)
Amortization (1)	16,474	15,980	48,163	47,911
Share-based compensation expenses	15,423	13,605	44,838	41,022
Holdback compensation expenses (2)	1,763	2,646	7,054	7,846
Other costs (3)	—	—	695	1,571
Revaluation of Warrants	(737)	241	(4,624)	(733)
Foreign currency exchange rate losses (gains) (4)	(738)	859	650	625
Income tax effects	(3,520)	(3,491)	(10,820)	(11,282)
Non-GAAP Net Income	\$ 22,211	\$ 6,704	\$ 49,053	\$ 1,197

(1) The three and nine months ended September 30, 2024 included \$1,390 of amortization expense related to the non-cash based Commercial agreement asset. See Note 1b of Notes to the Unaudited Consolidated Interim Financial Statements.

(2) Represents share-based compensation due to holdback of Ordinary shares issuable under compensatory arrangements relating to Connexity acquisition.

(3) The nine months ended September 30, 2024 and September 30, 2023 included one-time professional service costs and one-time costs related to the Commercial agreement, respectively.

(4) 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.



## 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 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.

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	(dollars in thousands)			
Net cash provided by operating activities	\$ 49,772	\$ 32,459	\$ 122,396	\$ 61,581
Purchases of property and equipment, including capitalized internal-use software	(6,908)	(9,661)	(25,130)	(19,839)
Free Cash Flow	\$ 42,864	\$ 22,798	\$ 97,266	\$ 41,742

## 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 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 and the amortization of the non-cash based Commercial agreement asset (see Note 1b of Notes to the Unaudited Consolidated Interim Financial Statements) which are amortized over the shorter of respective contractual 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 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.

### **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, content cost, 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.

### **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.

**Income tax benefit (expenses)**

The statutory corporate tax rate in Israel was 23% for the nine months ended September 30, 2024 and 2023, although we are entitled to certain tax benefits under Israeli law.

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 Enterprise" status, we were granted a tax exemption status for the years 2018 and 2019.

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 research and development expenditure and 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.

As of September 30, 2024, we have an accumulated tax loss carry-forward of approximately \$64.5 million in Israel. The tax loss can be offset indefinitely. Non-Israeli subsidiaries are taxed according to the tax laws in their respective jurisdictions.

The following table provides consolidated statements of income (loss) data for the periods indicated:

(dollars in thousands)	Three months ended September 30,	
	2024	2023
	Unaudited	
Revenues	\$ 433,012	\$ 360,221
Cost of revenues:		
Traffic acquisition cost	267,997	231,786
Other cost of revenues	32,138	27,776
Total cost of revenues	300,135	259,562
Gross profit	132,877	100,659
Operating expenses:		
Research and development	36,727	35,890
Sales and marketing	67,808	59,664
General and administrative	23,784	23,839
Total operating expenses	128,319	119,393
Operating income (loss)	4,558	(18,734)
Finance expenses, net	(1,106)	(4,402)
Income (loss) before income taxes	3,452	(23,136)
Income tax expenses	(9,906)	—
Net loss	\$ (6,454)	\$ (23,136)

#### Comparison of the three months ended September 30, 2024 and 2023

Revenues increased by \$72.8 million, or 20.2%, for the three months ended September 30, 2024 compared to the three months ended September 30, 2023. 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) increased by approximately \$51.1 million. This increase was primarily driven by new revenue from advertisers transferred from Yahoo, as well as growth in spend from existing Taboola advertisers. New digital property partners contributed approximately \$21.7 million of new Revenues on a 12-month run rate basis calculated based on their first full month on the network.

Gross profit increased by \$32.2 million, or 32.0%, for the three months ended September 30, 2024 compared to the three months ended September 30, 2023.

Ex-TAC Gross Profit, a non-GAAP measure, increased by \$36.6 million, or 28.5%, for the three months ended September 30, 2024 compared to the three months ended September 30, 2023, primarily due to revenue from advertisers transferred from Yahoo, as well as growth in spend from existing Taboola advertisers.

Total cost of revenues increased by \$40.6 million, or 15.6%, for the three months ended September 30, 2024 compared to the three months ended September 30, 2023.

Traffic acquisition cost increased by \$36.2 million, or 15.6%, for the three months ended September 30, 2024 compared to the three months ended September 30, 2023.

Traffic acquisition cost increased at a rate lower than revenue primarily due to increased effective margin on our Yahoo partnership as a result of applying the mediation accruals as TAC offset rather than recognizing them as revenue.

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 was approximately 20% for the three months ended September 30, 2024 and September 30, 2023.

Other cost of revenues increased by \$4.4 million, or 15.7%, for the three months ended September 30, 2024 compared to the three months ended September 30, 2023, mainly as a result of a \$2.8 million increase in data, content, communication and IT related expenses and a \$0.9 million increase in employee related costs.

Research and development expenses increased by \$0.8 million, or 2.3%, for the three months ended September 30, 2024 compared to the three months ended September 30, 2023, primarily attributable to depreciation expenses.

Sales and marketing expenses increased by \$8.1 million, or 13.6%, for the three months ended September 30, 2024 compared to the three months ended September 30, 2023, primarily due to two factors. First, the year ago period was favorably impacted by a decrease in employee and subcontractors related costs. Second, employee and subcontractor headcount and related costs, including share-based compensation expenses, increased as we invested in resources to help support our revenue growth.

General and administrative expenses decreased by \$0.1 million, or 0.2%, for the three months ended September 30, 2024 compared to the three months ended September 30, 2023, primarily attributable to decrease of \$0.3 million in credit losses expenses, partially offset by an increase of \$0.2 million in employee and subcontractor headcount and related costs, including share-based compensation expenses.

Finance expenses, net decreased by \$3.3 million for the three months ended September 30, 2024 compared to the three months ended September 30, 2023, mainly attributable to \$1.6 million increase in foreign currency exchange rate gains, net, increase of \$1.0 million due to Warrants liability devaluation and decrease of \$0.8 million in interest expenses.

Income tax expenses increased by \$9.9 million for the three months ended September 30, 2024 compared to the three months ended September 30, 2023. This increase was primarily driven by higher taxable income overall as well as adjustments in deferred tax expenses related to the U.S. entity.

The following table provides consolidated statements of loss data for the periods indicated:

	Nine months ended September 30,	
	2024	2023
	Unaudited	
(dollars in thousands)		
Revenues	\$ 1,275,180	\$ 1,019,911
Cost of revenues:		
Traffic acquisition cost	821,737	652,602
Other cost of revenues	96,835	80,001
Total cost of revenues	918,572	732,603
Gross profit	356,608	287,308
Operating expenses:		
Research and development	106,264	101,876
Sales and marketing	200,253	181,431
General and administrative	71,397	76,533
Total operating expenses	377,914	359,840
Operating loss	(21,306)	(72,532)
Finance expenses, net	(3,740)	(11,383)
Loss before income taxes	(25,046)	(83,915)
Income tax expenses	(11,857)	(1,848)
Net loss	\$ (36,903)	\$ (85,763)

**Comparison of the nine months ended September 30, 2024 and 2023**

Revenues increased by \$255.3 million, or 25.0%, for the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023. New digital property partners contributed approximately \$268.6 million of new Revenues on a 12-month run rate basis calculated based on their first full month on the network. 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 \$13.3 million. This decrease was primarily driven by lower advertiser rates on existing digital property partners due to spend being served on new Yahoo supply added to the network partially mitigated by continued growth on Yahoo supply.

Gross profit increased by \$69.3 million, or 24.1%, for the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023.

Ex-TAC Gross Profit, a non-GAAP measure, increased by \$86.1 million, or 23.5%, for the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023, primarily due to revenue from advertisers transferred from Yahoo, as well as growth in spend from existing Taboola advertisers.

Total cost of revenues increased by \$186.0 million, or 25.4%, for the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023.

Traffic acquisition cost increased by \$169.1 million, or 25.9%, for the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023.

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 19% and 20% for the nine months ended September 30, 2024 and September 30, 2023, respectively.

Other cost of revenues increased by \$16.8 million, or 21.0%, for the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023, primarily as a result of a \$8.8 million increase in data, content, communication and IT related expenses, \$3.4 million increase in depreciation expenses related to new product innovation and \$2.8 million increase in digital service tax expenses.

Research and development expenses increased by \$4.4 million, or 4.3%, for the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023, primarily attributable to \$2.5 million increase in employee and subcontractor headcount and related costs, including share-based compensation expenses, reflecting our continued effort to enhance our product offerings and a \$1.7 million increase in depreciation expenses.

Sales and marketing expenses increased by \$18.8 million, or 10.4%, for the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023, primarily attributable to \$16.9 million increase in employee and subcontractor headcount and related costs, including share-based compensation expenses, supporting our growth, and \$1.4 million in other marketing activities.

General and administrative expenses decreased by \$5.1 million, or 6.7%, for the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023, a result of a decrease of \$2.3 million in insurance expenses in connection with the Yahoo arrangement, a decrease of \$2.3 million in credit losses expenses and a decrease of \$1.7 million in employee and subcontractors related costs, including share-based compensation expenses, and, partially offset by an increase of \$1.1 million in depreciation expenses.

Finance expenses, net decreased by \$7.6 million for the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023, mainly attributable to \$3.9 million Warrants liability devaluation and \$3.8 million decrease in interest expense due to the voluntary repayments of a portion of the long-term loan in 2023.

Income tax expenses increased by \$10.0 million for the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023. This increase was primarily driven by higher taxable income overall as well as adjustments in deferred tax expenses related to the U.S. entity.

#### **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. For the nine months ended September 30, 2024 and 2023, we generated cash from operations of \$122.4 million and \$61.6 million, 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 September 30, 2024 and December 31, 2023, we had \$217.2 million and \$176.1 million of cash and cash equivalents, respectively, and \$5.4 million and \$5.7 million in short and long-term restricted deposits, respectively, used, mainly, as security for our lease commitments and \$5.7 million of short-term investments as of December 31, 2023. As of September 30, 2024 we did not hold short-term investments. Cash and cash equivalents consist of cash in banks and highly liquid marketable securities investments and money market 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 (the “Amended Credit Agreement”). The Amended Credit Agreement provides for borrowings in an aggregate principal amount of up to \$90.0 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 September 30, 2024, we had no outstanding borrowings under the Revolving Facility.

As of September 30, 2024, our outstanding principal amount of debt under our long-term loan was \$152.7 million with the remaining principal amount due at maturity on September 1, 2028.

#### Share Buyback Program

Our board of directors authorized a share buyback program for the repurchase of our outstanding Ordinary shares, which commenced in June 2023 and does not have an expiration date (the “Buyback Program”). In 2023, our board of directors authorized up to \$80.0 million of buybacks under the Buyback Program. 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 2023 board of directors authorization, subject to satisfying required conditions under the Israeli Companies Law and the Companies Regulations (Reliefs for Corporations, Which Securities Are Listed on Foreign Stock Exchanges), 2000. 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 intended to comply with Rule 10b5-1, at the discretion of our management and as permitted by securities laws and other legal requirements, including Rule 10b-18 of the Exchange Act. The Buyback Program does not obligate the Company to repurchase any specific number of shares and the number of shares repurchased may depend upon market and economic conditions and other factors. The Buyback Program may be discontinued, modified or suspended at any time.

During the nine months ended September 30, 2024, we repurchased 15.5 million of our shares consisting of 14.5 million Ordinary shares and 1.0 million Non-voting Ordinary shares at an average price of \$4.14 per share (excluding broker and transaction fees of \$0.4 million). As of September 30, 2024 the Company had remaining authorization from our board of directors to repurchase Ordinary shares up to an aggregate amount of \$55.6 million, subject to satisfying required conditions under the Israeli Companies Law and the Companies Regulations. See Part II, Item 2. Unregistered Sales of Equity Securities and Use of Proceeds, Note 9 and Note 12 of Notes to the Unaudited Consolidated Interim Financial Statements.

Our future capital requirements and the adequacy of available funds will depend on many factors, including the risks and uncertainties set forth in our 2023 Form 10-K under Item 1A. “Risk Factors,” and in our subsequent filings with the SEC.

	Nine months ended	
	September 30,	
	2024	2023
	Unaudited	
<b>Cash Flow Data:</b>		
Net cash provided by operating activities	\$ 122,396	\$ 61,581
Net cash provided by (used in) investing activities	(20,084)	65,245
Net cash used in financing activities	(62,321)	(53,191)
Exchange rate differences on balances of cash and cash equivalents	1,131	(1,269)
Increase in cash and cash equivalents	\$ 41,122	\$ 72,366



### **Operating Activities**

During the nine months ended September 30, 2024 net cash provided by operating activities was \$122.4 million, an increase of \$60.8 million, compared to \$61.6 million for the same period in 2023. The \$122.4 million was related to our net loss of \$36.9 million adjusted by non-cash charges of \$124.8 million and positive changes in working capital of \$34.5 million.

The \$124.8 million of non-cash charges primarily consisted of depreciation and amortization of \$76.0 million, share-based compensation expense related to vested equity awards of \$51.9 million and Commercial agreement asset amortization of \$1.4 million, partially offset by decrease of \$4.6 million due to revaluation of Warrants liability.

The \$34.5 million increase in cash resulting from changes in working capital primarily consisted of a \$23.8 million decrease in prepaid expenses and other assets, \$23.0 million increase in accrued expenses and other liabilities and \$13.0 million decrease in trade receivables, net, partially offset by a \$12.9 million decrease in trade payables and \$11.0 million decrease in deferred taxes, net.

Net cash provided by operating activities of \$61.6 million for the nine months ended September 30, 2023 was related to our net loss of \$85.8 million adjusted by non-cash charges of \$120.4 million and changes in working capital of \$26.9 million.

The \$120.4 million of non-cash charges primarily consisted of depreciation and amortization of \$70.7 million and share-based compensation expense related to vested equity awards of \$48.9 million.

The \$26.9 million increase in cash resulting from changes in working capital primarily consisted of \$24.6 million decrease in trade receivables, net, increase of \$5.4 million in accrued expenses and other current liabilities and other long-term liabilities, \$2.6 million decrease in prepaid expenses and other current assets and long-term prepaid expenses and \$2.2 million increase in trade payables, partially offset by \$8.2 million decrease in deferred taxes, net.

### **Investing Activities**

During the nine months ended September 30, 2024 net cash used in investing activities was \$20.1 million, a decrease of \$85.3 million, compared to \$65.2 million in net cash provided in the same period in 2023. Net cash used in investing activities for the nine months ended September 30, 2024 primarily consisted of \$25.1 million purchase of property and equipment, including capitalized internal-use software partially offset by \$5.8 million proceeds from maturities of short-term investments.

Net cash provided by investing activities was \$65.2 million for the nine months ended September 30, 2023 primarily consisted of \$107.7 million proceeds from sales and maturities of short-term investments partially offset by \$22.0 million purchase of short-term investments and \$19.8 million purchase of property and equipment, including capitalized internal-use software.

### **Financing Activities**

During the nine months ended September 30, 2024 net cash used in financing activities was \$62.3 million, an increase of \$9.1 million, compared to \$53.2 million net cash used in the same period in 2023. Net cash used in financing activities for the nine months ended September 30, 2024 primarily consisted of \$64.5 million repurchase of Ordinary shares and \$2.4 million payment of tax withholding for share-based compensation expenses, partially offset by \$5.7 million proceeds received from exercise of options and vested RSUs.

Net cash used in financing activities was \$53.2 million for the nine months ended September 30, 2023 consisted of \$32.3 million repayment of the current portion of our long-term loan, \$23.2 million repurchase of Ordinary shares and \$3.2 million payment of tax withholding for share-based compensation, offset by \$5.4 million proceeds received from share option exercises and vested RSUs

### Contractual Obligations

The following table discloses aggregate information about material contractual obligations and the periods in which they are due as of September 30, 2024. Future events could cause actual payments to differ from these estimates.

	Contractual Obligations by Period					
	2024	2025	2026	2027	2028	Thereafter
	(dollars in thousands)					
Debt Obligations (1)	\$ —	\$ —	\$ —	\$ —	\$ 152,735	\$ —
Operating Leases (2)	6,594	23,171	18,688	11,805	6,050	8,531
Non-cancellable purchase obligations (3)	9,778	6,898	3,383	760	—	—
Total Contractual Obligations	\$ 16,372	\$ 30,069	\$ 22,071	\$ 12,565	\$ 158,785	\$ 8,531

(1) Due to our voluntary prepayments, we have no remaining obligations to make quarterly amortization payments under our long-term loan.

(2) Represents future minimum lease commitments under non-cancellable operating lease agreements.

(3) Primarily represents non-cancelable 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 September 30, 2024.

As of September 30, 2024, we have a provision related to unrecognized tax benefit liabilities totaling \$9.5 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

During the period covered by this report, there were no material recent accounting pronouncements impacting our accounting policies that are not already discussed in our 2023 Form 10-K.

## Critical Accounting Estimates

Our discussion and analysis of financial condition results of operations are based upon our consolidated interim 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 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. There have been no material changes to our critical accounting policies and estimates of and for the year ended December 31, 2023, included in our 2023 Form 10-K.

### Item 3. Quantitative and Qualitative Disclosures About Market Risk

#### 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) as follows:

		Operating income (loss) impact nine months ended September 30,			
		2024		2023	
		(dollars in thousands)			
		+10%	-10%	+10%	-10%
NIS/USD		\$ (1,260)	\$ 1,260	\$ 398	\$ (398)
EUR/USD		\$ 3,077	\$ (3,077)	\$ 214	\$ (214)
GBP/USD		\$ (2,183)	\$ 2,183	\$ (470)	\$ 470
JPY/USD		\$ 700	\$ (700)	\$ 639	\$ (639)

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 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

Interest rate risk is the risk that the value or yield of fixed-income investments may decline if interest rates change.

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.

As of September 30, 2024, we had approximately \$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.

#### **Inflation Risk**

The impacts of inflation have resulted in higher equipment and labor costs, consistent with its impact on the general economy. 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. 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.

As of September 30, 2024, we had a single customer representing 17.4% of the trade receivables balance. For the three and nine months ended September 30, 2024, we had a single customer accounted for 10.4% and 12.3%, respectively, of total revenues. As of December 31, 2023, no single customer represented 10% or more of trade receivables. No single customer accounted for more than 10% of total revenue for the three and nine months ended September 30, 2023. See Notes 2 and 12 of Notes to the Unaudited Consolidated Interim Financial Statements.

As of September 30, 2024, we maintained cash balances primarily in banks in the United States, the United Kingdom and Israel. 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. In Israel, commercial banks do not have government-sponsored deposit insurance. Historically we have not experienced losses related to these balances and believe our credit risk in this area is reasonable. As of September 30, 2024, 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. We regularly monitor bank financial strength and other factors in determining where to maintain cash deposits but may not be able to fully mitigate the risk of possible bank failures.

As of September 30, 2024 the Company did not hold short-term investments.

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.

**Item 4. 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 (the "Exchange Act") 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 September 30, 2024. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2024, our disclosure controls and procedures were effective to accomplish their objectives at the reasonable assurance level.

**Changes in Internal Control**

There were no changes in our internal control over financial reporting identified in management's evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Exchange Act during the period covered by this Quarterly Report on Form 10-Q that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II – OTHER INFORMATION

### Item 1. 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 1A. Risk Factors

Investing in our Ordinary shares involves a high degree of risk. We describe risks associated with our business in Part I, Item 1A: “Risk Factors” of our 2023 Form 10-K. Each of the risks described in those Risk Factors may be relevant to decisions regarding an investment in or ownership of our Ordinary shares. The occurrence of any such risks could have a significant adverse effect on our reputation, business, financial condition, revenue, results of operations, growth, or ability to accomplish our strategic objectives, and could cause the trading price of our Ordinary shares to decline. You should carefully consider such risks and the other information contained in this report, including our condensed consolidated interim financial statements and related notes and Management’s Discussion and Analysis of Financial Condition and Results of Operations, before making investment decisions related to our Ordinary shares.

There are no additional material changes to the Risk Factors in our 2023 Form 10-K of which we are currently aware; but our Risk Factors cannot anticipate and fully address all possible risks of investing in our Ordinary shares, the risks of investing in our Ordinary shares may change over time, and additional risks and uncertainties that we are not aware of, or that we do not consider to be material, may emerge. Accordingly, you are advised to consider additional sources of information and exercise your own judgment in addition to the information we provide.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table presents Ordinary shares repurchased pursuant to our Ordinary share buyback program for the three months ended September 30, 2024.

Period	(a) Total Number of Shares Repurchased	(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)
July 1 - July 31, 2024	900,000	\$ 3.40	900,000	\$ 62,496,523
August 1 - August 31, 2024	1,100,000	\$ 3.48	1,100,000	\$ 58,670,668
September 1 - September 30, 2024	950,000	\$ 3.25	950,000	\$ 55,579,093

(1) Excludes broker and transaction fees.

(2) Our board of directors authorized a share buyback program of our outstanding Ordinary shares, which commenced in June 2023 and does not have an expiration date (the “Buyback Program”). In 2023, our board of directors authorized up to \$80.0 million of buybacks under the Buyback Program. 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 2023 board of directors authorization, subject to satisfying required conditions under the Israeli Companies Law and the Companies Regulations (Reliefs for Corporations, Which Securities Are Listed on Foreign Stock Exchanges) 2000. 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.

**Item 3. Defaults upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures**

Not applicable.

**Item 5. Other Information**

None .

**Item 6. Exhibits**

<b>Exhibit No.</b>	<b>Exhibit Description</b>
<a href="#">10.1#</a>	Digital Property and Demand Services Agreement, dated as of November 28, 2022, and amendments through June 30, 2024, by and between Taboola, Inc. and Yahoo Inc. and its affiliates
<a href="#">31.1</a>	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer
<a href="#">31.2</a>	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer
<a href="#">32</a>	Section 1350 Certifications
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL 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 Labels Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

# Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit.



**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Quarterly Report on Form 10-Q to be signed on its behalf by the undersigned, thereunto duly authorized, in New York, New York, on this 7th day of November 2024.

By: /s/ Stephen Walker  
Name: Stephen Walker  
Title: Chief Financial Officer

Certain confidential information contained in this document, marked by brackets [\*\*\*], has been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K.



**TABOOLA, INC.**  
**DIGITAL PROPERTY AND DEMAND SERVICES AGREEMENT**

This Digital Property and Demand Services Agreement, together with the attached Terms and Conditions and Appendices (collectively, the “**Agreement**”) is entered into by and between **Taboola, Inc.** (“**Taboola**”) and the below named Company and its Affiliates and subsidiaries (the “**Parties**”, each individually, a “**Party**”), and effective as of November 28, 2022 (the “**Effective Date**”).

**Whereas**, this Agreement sets forth the terms under which Company shall (i) provide Taboola with Placements (as defined below) on Company’s owned and operated digital properties and mobile applications listed in Section II below (the “**Properties**”, each individually, a “**Property**”), (ii) book Native Advertisement campaigns from Company’s advertiser clients (“**Company Advertisers**”) through the UCAM/Taboola Interface; (iii) provide Taboola with certain data and information in order for Taboola to optimize the Services (as defined below); and (iv) engage Taboola in connection with Additional Taboola Offerings (as defined below), subject to Section XI;

**Whereas**, with respect to Taboola’s supply side business, Taboola shall provide code for its content distribution platform (the “**Platform**”) for Company to implement on the Placements, and such code will allow Taboola to use its proprietary algorithm, along with certain data and information provided by Company, to optimize, personalize, analyze, and recommend to users or visitors of the Properties (the “**Visitors**”) the following:

- (i) at Company’s election, content, videos, engagement experiences, tools, and utilities owned or created by or licensed to Company with the ability for Company to grant the rights as contemplated in the Agreement (collectively, the “**Company Content**”, where if the Company Content is licensed from a third party it shall be deemed “**Company Licensed Content**”);
- (ii) Native Advertisements from Company Advertisers to be displayed on the Properties (which shall also be Company Content); and
- (iii) Native Advertisements from Taboola’s advertisers (“**Taboola Advertisers**”) to be displayed on the Placements (the “**Taboola Sponsored Content**”, together with the Company Content, the “**Recommendations**”) for which Taboola Advertisers pay Taboola advertising fees to distribute on its network of digital properties.

**Whereas**, Taboola’s provision of (i) Recommendations to Visitors via the Platform, or SDK technology (if applicable) to deliver the Platform; (ii) Native Advertisement services to Company Advertisers through the UCAM/Taboola Interface; and (iii) related support services with respect to (i) and (ii) (i.e., optimization, attribution, reporting, or analytics) is referred to herein as the “**Services**”.

**Now therefore**, in consideration of the covenants herein and for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

<b>I. Company Information:</b>	
Company’s Legal Entity Name (“ <b>Company</b> ”): Yahoo Inc.	
Business Type: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Sole Trader / Individual	Office Street: 770 Broadway
State of Incorporation: Delaware	Office City: New York
Company Corporate ID / Tax ID:	Office State / Province: New York
Main Contact Name:	Office Postal Code: 10003
Main Contact Title:	Office Country: US
Main Contact Email:	Billing Contact Name:
Main Contact Phone:	Billing Contact Title:
Billing Currency: USD	Billing Contact Email:
Taboola Sales Representative:	Billing Contact Phone:

## II. Definitions:

**"Ads"** means graphical, interactive, mobile, video, rich media, artwork, copy, active URLs for advertisements, or text-based advertisements, and the tags therefor, including banner advertisements, buttons, towers, and/or skyscrapers, as well as non-graphical elements such as tracking pixels and third-party pixels.

**"Advertiser First Party Data"** means data provided by a Company Advertiser (e.g., mobile advertising IDs, hashed email addresses) for targeting an advertising campaign.

**"Affiliate"** means an entity that controls, is controlled by, or is under common control with such party, where "**control**" means the power to direct the management and policies of such party or ownership of at least fifty percent (50%) of the common stock or other voting interests of such party; provided that, with respect to Company (Yahoo), the term "Affiliate" shall be limited to only those entities that are directly or indirectly controlled by Yahoo Inc. or Yahoo Aggregation Holdings LLC.

**"Aggregate eCPM"** means Gross Revenue across all Placements divided by the aggregate Viewable Impressions across all Placements multiplied by one thousand (1,000).

**"Anonymized"** means the removal or replacement of personal identifiers in data records so that the resulting data is no longer personally identifiable. Company uses a multi-step process to replace, truncate, or delete identifiers in order to anonymize data.

**"Bad Debt"** means collection costs, defaults, charge backs and reversals to Taboola Advertisers.

**"Bid Request Data"** means data transmitted from Company to Taboola for the purpose of soliciting bids on a Viewable Impression by Taboola and its Programmatic Bidders.

**"Company Audience Data"** means [\*\*\*].

**"Company Data"** means collectively the Company Audience Data and Company Targeting Data.

**"Company DSP"** means the buy-side technology platform owned by Company that is designed to enable advertisers to manage and buy advertising inventory programmatically.

**"Company Targeting Data"** means [\*\*\*].

**"eCPM"** means Gross Revenue per thousand impressions.

**"ex-TAC"** means Gross Revenue less the Revenue Share.

**"Gross Revenue"** means [\*\*\*]: (i) [\*\*\*]; and (ii) [\*\*\*].

**"HB Bid"** an offer made by Taboola for a particular HB Placement.

**"Initial Baseline Uplift"** means the [\*\*\*] of ex-TAC value provided by Taboola [\*\*\*].

**"Native Advertisement"** means integration of Ads in the form of content (including video) within a website or application regardless of device in such a way that such Advertisements are not distinct from the rest of the site/application in terms of content, format, style or placement. For the avoidance of doubt, Native Advertisements do not include the standard IAB ad unit display ads and display video advertisements, in banner video advertisements, ecommerce advertisements, affiliate links, product listings, or results delivered on a search results page.

**"Native API Advertisers"** means Company Advertisers that only purchase Native Advertisements with Company programmatically through UCAM using the Gemini API.

**"Native Only Advertisers"** means Company Advertisers that only purchase Native Ads from Company through UCAM.

**"No Fault Adverse Change"** means any event, change, development or effect on the business, condition (financial or otherwise) or results of operations of a Party that directly results from (i) general changes or developments in the economy or the financial, debt, capital, credit or securities markets in the United States or elsewhere in the world, including as a result of changes in geopolitical conditions, (ii) general changes or developments in the industries in which a Party operates, (iii) changes in any applicable Laws, including any interpretation or enforcement thereof, (iv) any natural disaster, act of God or other comparable events, or any epidemics, pandemics, disease outbreaks, or public health emergencies, (v) any outbreak or escalation of hostilities or war (whether or not declared), military actions or any act of sabotage, terrorism, or national or international political or social conditions and (vi) any action taken or omitted to be taken by or at the prior written request, or with the prior written consent of, the other Party or that is expressly required or expressly permitted by this Agreement.

**"Omnichannel Advertiser"** means a Company Advertiser that can purchase various forms of Ads from Company. Omnichannel Advertisers include Native Only Advertisers and Native Only API Advertisers that do not migrate to Taboola as part of the Demand Migration and Services Plan.

**"Performance Decrease"** occurs where the actual volume of Viewable Impressions and/or the eCPM is lower than [\*\*\*].

**"Programmatic Bidder"** means a platform (e.g., a demand-side platform) that bids programmatically into the Taboola [\*\*\*] (e.g., via real time bidding) for the purchase of advertising inventory on behalf of the bidder's advertisers.

**"[\*\*\*] Ad Spend"** means [\*\*\*] of gross revenue earned by Company during [\*\*\*] (annualized) from Native Advertisements on the Placements.

**"Responsible Party"** means a Party deemed responsible for [\*\*\*].

**"Revenue Share Percentage"** means the percentage of Gross Revenue that Company is entitled to, namely [\*\*\*], or as adjusted by the Parties in Section VII.1.3.c.

**"Seasonality Index"** means an index of the eCPM based on historical monthly performance of the [\*\*\*] and Viewable Impressions for each Placement Group based on historical quarterly volume over the [\*\*\*]. The Parties may mutually agree to modify the definition of Seasonality Index at any time throughout the Term.

**"Taboola Ads"** means the demand-side platform owned and operated by Taboola.

**"Taboola Network"** means the network of third-party digital properties and mobile applications in which Taboola has the right to monetize the ad inventory on such digital properties and mobile applications.

**"Taboola RPM Index"** means: [\*\*\*][\*\*\*].

**"Taboola Data"** shall mean the pseudonymized data Taboola collects from providing its Services to its third-party publisher network (excluding Company Properties) which optimizes its algorithm.

**"Taboola [\*\*\*]"** means the supply-side technology platform owned by Taboola that is designed to enable publishers to manage and sell their advertising inventory.

**"UCAM"** means the unified campaign management flow on Company DSP through which Company advertisers can book advertising campaigns for various advertising formats, including without limitation, Native Advertisements, display advertising, video advertising, digital out-of-home and connected TV.

**"UCAM/Taboola Interface"** means the interface between UCAM and Taboola Ads that enables Company Advertisers to purchase Native Advertisement inventory on Taboola's network of publishers.

**"Verified Ad Spend"** is the [\*\*\*] Aggregate eCPM multiplied by [\*\*\*].

**"Viewable Impressions"** means in the case of Native Advertisements, an ad is deemed viewable when at least fifty percent (50%) of its pixels appear on-screen for at least one (1) second and, in the case of video, a video ad is deemed viewable when at least fifty percent (50%) of its pixels appear on-screen for at least two (2) consecutive seconds.

**"Winning Bid"** an HB Bid that is selected by the Header Bidding Integration (measured in cost per thousand impressions) for a particular HB Placement.

### III. List of the Properties where the Platform will be implemented\*:

1. See Appendix A. [\*\*\*].

\*To the extent Company acquires any additional property during the Term (each an “**Additional Property**”), such additional property will be added to this Agreement as a “Property” by mutual written agreement (email shall not be sufficient) and shall be subject to the exclusivity restriction set forth in Paragraph 5 of the Terms and Conditions upon the closing date of Company’s acquisition thereof, provided however, if such Additional Property is subject to an exclusive Native Advertisement agreement, the Additional Property will be added hereto, and be subject to the exclusivity restriction set forth in Paragraph 5, after the expiration of such agreement.

An Additional Property will not be factored into the Baseline until twelve (12) months after: (1) the closing date of Company’s acquisition thereof; or (2) the expiration of an exclusive Native Advertisement agreement for such Additional Property, if applicable.

### IV. Transition Period:

The Services will be implemented during a transition period (“**Transition Period**”), which will commence on the Effective Date and the Transition Period will conclude on the date when the conditions described below have been achieved (the “**Transition Period End Date**”):

#### A. **Placements/Audience Segment:**

- (i) Completion of the JavaScript Implementation Period (as defined below) [\*\*\*]
- (ii) [\*\*\*]; and [\*\*\*].

#### B. **Demand Services:** Company will [\*\*\*] to transition Native API and Native Only Advertisers to Taboola (as further described in Section X) [\*\*\*], more specifically:

- (i) Native API Advertisers and Native Only Advertisers will be transferred to Taboola (where reasonably possible); and
- (ii) Omnichannel Advertisers can use the UCAM/Taboola Interface to buy Native Advertisement inventory.

#### C. **Technical Integration Plan:** Completion of Phase(s) 0 through 2 of the Technical Integration Plan attached hereto as Appendix B or a mutually agreed upon threshold for migrated Company Advertisers to be defined within Phase 2.

### V. Placements Screenshots & Placement Groups:

- A. Attached hereto as Appendix C are Native Advertisement format screenshots that illustrate the Native Advertising placements of specific Native Advertisement format categories [\*\*\*] on the Properties in which Taboola will serve Recommendations and implement the Platform (collectively, the “**Placements**”). [\*\*\*]. [\*\*\*]. The Placements shall be comprised of: [\*\*\*].
- B. Company has grouped such Placements [\*\*\*], and each such group of Placements shall be defined as a “**Placement Group**” and collectively, “**Placement Groups**.” [\*\*\*].
- C. Unless otherwise mutually agreed upon by the Parties, the Parties will review and evaluate the structure and composition of the Placement Groups at the same time the Baseline is set each year. [\*\*\*].
- D. In some instances, certain Placements will not merit their own Placement Group due to characteristics that do not align or perform similarly with any other Placement Groups. The Parties will group these “miscellaneous” Placements together (the “**Miscellaneous Placement Group**”). [\*\*\*].
- E. Between the Effective Date and ninety (90) days after the Transition Period End Date, Company will ensure that the volume of the Viewable Impressions generated by each Placement Group does not decline by more than [\*\*\*].
- F. [\*\*\*] after the Transition Period End Date, [\*\*\*]. [\*\*\*] (i) [\*\*\*]; or (ii) [\*\*\*].

## VI. The Platform:

Subject to the prior written approval of Company (email shall be sufficient) (on a per Placement basis), the Platform will be displayed in the Placements and will consist of one (1) or more of the following components: (a) one (1) or more units for Native Advertisements that consist of a thumbnail image, text, or both that link to Recommendations (the “**Widget**”); (b) various cards displayed in either rows, thumbnails, or units displaying Recommendations (collectively, the “**Content Cards**”), which Taboola will (i) reasonably select in a manner to best optimize performance and personalize the Visitor experience and (ii) present in a continuously scrolling feed (the “**Feed**”) [\*\*\*] and (c) any new components added to a Widget, Content Card or Feed or any new formats or elements that Taboola may develop in the future. Any changes to existing components of a format with the Platform (e.g., size, font, color, location of elements) do not require Company approval.

## VII. [\*\*\*]

### A. [\*\*\*] Definition. [\*\*\*]

### B. [\*\*\*]

#### 1. Ninety (90) days after the Transition Period End Date (the “[\*\*\*] Date”):

##### a. The Parties will calculate: (i) the [\*\*\*]; (ii) [\*\*\*]; and (iii) [\*\*\*] as follows:

i. The Parties will calculate an [\*\*\*] (the “[\*\*\*]”). Appendix D hereto provides an example of how the [\*\*\*] is calculated.

ii. The Parties will compare the [\*\*\*] described in subsection VII.C below (“[\*\*\*]”).

##### b. [\*\*\*].

### C. [\*\*\*]. For the purpose of calculating the [\*\*\*] as described below, [\*\*\*].

#### 1. [\*\*\*].

a. *For example*, [\*\*\*].

b. *For example*, [\*\*\*].

c. *For example*, [\*\*\*].

#### 2. [\*\*\*].

a. *For example*, [\*\*\*].

#### 3. The calculation of the [\*\*\*] as described above shall only occur at the [\*\*\*] Date and at no other point.

### D. [\*\*\*].

#### 1. To the extent that [\*\*\*] as follows:

a. [\*\*\*].

b. [\*\*\*].

### E. [\*\*\*].[\*\*\*]. For each calendar year, the [\*\*\*] will be based on (i) [\*\*\*]; and (ii) the [\*\*\*]. Notwithstanding the foregoing, if [\*\*\*]. [\*\*\*].

### F. [\*\*\*].[\*\*\*].

- G. [\*\*\*].[\*\*\*].
- H. [\*\*\*].[\*\*\*].
- I. [\*\*\*].
1. [\*\*\*].[\*\*\*]:
    - a. [\*\*\*]; and
    - b. [\*\*\*].
    - c. [\*\*\*].
  2. [\*\*\*].[\*\*\*]:
    - a. [\*\*\*]; and
    - b. [\*\*\*].
  3. [\*\*\*].[\*\*\*].
    - a. [\*\*\*]:
      - i. [\*\*\*]; and
      - ii. [\*\*\*].
    - b. [\*\*\*],
      - i. [\*\*\*].
      - ii. [\*\*\*].
    - c. [\*\*\*]:
      - i. [\*\*\*].
      - ii. [\*\*\*].
      - iii. [\*\*\*].
      - iv. [\*\*\*].
    - d. [\*\*\*].
    - e. [\*\*\*].[\*\*\*].
  4. [\*\*\*].[\*\*\*].
  5. [\*\*\*]. This provision applies in instances of [\*\*\*] (as defined below). "[\*\*\*]." means the [\*\*\*].
    - a. [\*\*\*], as follows:
      - (i) [\*\*\*].
      - (ii) [\*\*\*].
      - (iii) [\*\*\*].
    - b. [\*\*\*].
    - c. [\*\*\*].
  6. [\*\*\*].[\*\*\*]:
    - a. [\*\*\*].[\*\*\*] (i) [\*\*\*]; or (ii) [\*\*\*].
    - b. [\*\*\*].[\*\*\*] (i) [\*\*\*]; or (ii) [\*\*\*].
    - c. [\*\*\*].[\*\*\*].

#### VIII. Obligations:

- A. *JavaScript Implementation.* Unless caused by undue delay on Taboola's part, Company agrees that the Platform will be integrated on the Properties via JavaScript within [\*\*\*] from the Effective Date ("**JavaScript Implementation Period**"). Prior to implementing JavaScript on the Properties and during the Term, Taboola shall ensure that such JavaScript complies with all instructions, policies, guidelines, and terms and conditions provided by Company to Taboola in writing (email to suffice) and applicable to Taboola's implementation of JavaScript on the Properties, including with respect to data security, data policy, and data privacy matters (e.g., where Company requires a modification to reduce the risk of malware).
- B. [\*\*\*]. [\*\*\*].
- C. *Audience Segments.* Subject to Paragraph 1.f and the Technical Integration Plan attached hereto as Appendix B, Company will enable the development of [\*\*\*].
- D. *Header Bidding.* As of the Effective Date, Company utilizes a header bidding solution (the "**Header Bidding Integration**") to manage and monetize its advertising inventory (the "**HB Placement**"). In order to facilitate Taboola's participation in Company's Header Bidding Integration, the Parties shall amend and adopt the Ad Platforms Agreement – Exchange entered into by Taboola.com Ltd. And Yahoo EMEA Ltd. effective as of December 1, 2020 ("**Exchange Agreement**"), and such amendment shall be substantially similar to the form attached hereto as Appendix F. Company shall include Taboola's header bidding adapter (the "**Header Bidding Adapter**") where Company's header bidding wrapper is implemented on the Properties; provided that Taboola adheres to the header bidding service level agreement required by Company. Company agrees to add Taboola's Header Bidding Adapter to Company's Header Bidding Integration based on the prebid.js protocol, provided however, Company may change the protocol supporting Company's Header Bidding Integration upon written notice to Taboola (email to suffice). Taboola grants to Company: (i) the right to access and use the Header Bidding Adapter; and (ii) a non-transferable, non-sublicensable, limited, and non-exclusive right to copy, encode, distribute, publish, and display in real time Ads (defined below) to Visitors served by Taboola. Company will not modify Taboola's HB Bid without Taboola's consent (email shall be sufficient).
- E. *Company DSP.* [\*\*\*], Company will integrate Company DSP with Taboola's [\*\*\*] to enable bidding by Company's advertisers on Taboola's advertising inventory. Company and Taboola shall enter into a separate exchange agreement containing Company's customary terms and conditions for similar exchange agreements to support such integration. [\*\*\*].

#### IX. Company's Compensation:

In consideration for the Services described herein, Company's compensation shall be comprised of the following:

- (i) A launch fee in the form of Taboola.com Ltd ordinary shares and non-voting ordinary shares paid to the Company in accordance with the Omnibus Agreement (the "**Launch Fee**"); and
- (ii) Gross Revenue multiplied by the Revenue Share Percentage (the "**Revenue Share**").

The Launch Fee and the Revenue Share shall be hereinafter referred to as the "**Compensation**."

#### X. Demand Services and Demand Migration Agreement:

- A. **Demand Services and Demand Migration Plan.** Within thirty (30) days of the Effective Date, the Parties agree in good faith to develop and finalize a Demand Services and Migration Plan which will be based on the preliminary key provisions set forth in Appendix G ("**Demand Transition Key Provisions**"). The Demand Services and Migration Plan will address the (i) transition of Native Only Advertisers and Native API advertisers and their campaigns from Company to Taboola's parent company Taboola.com Ltd.; and (ii) enablement Omnichannel Advertisers to purchase Native Advertisement inventory through the UCAM/Taboola Interface.
- B. [\*\*\*].
- (i) [\*\*\*]
  - (ii) [\*\*\*]

#### XI. Additional Taboola Offerings:

*Additional Taboola Offerings.* At any time during the Term, Company may, at its discretion, elect to use additional Taboola offerings such as (i) Company's paid search advertising administered by Taboola, or (ii) e-Commerce advertising (collectively, the "**Additional Taboola Offerings**"). Company's use of Additional Taboola Offerings, shall be governed by a separate written agreement between the Parties. For avoidance of doubt, Company's use of Additional Taboola Offerings will not be incorporated into the Services. In addition, the Parties will explore in good faith other opportunities on which to collaborate during the Term.



## XII. Term and Termination:

A. The Term (as defined below) of this Agreement will commence upon the Effective Date (as defined below) and will, unless earlier terminated as set forth herein, continue for a period of thirty (30) years from the Effective Date (the "**Initial Term**"). At the end of the Initial Term, this Agreement will automatically renew for additional, successive twenty-four (24) month periods (each, a "**Renewal Term**" and the Initial Term and all Renewal Terms collectively, the "**Term**"), unless one Party notifies the other in writing (email shall be sufficient) of its intention not to renew at least ninety (90) days prior to the end of the then-current Term.

B. [\*\*\*].

C. Subject to Section 10, either Party may terminate this Agreement in the event of a material breach of this Agreement by the other party which remains uncured after sixty (60) days of written notice thereof.

D. Either party may terminate this Agreement immediately, upon written notice (email shall be sufficient), in the event a Party (a) becomes insolvent or makes a general assignment of assets for the benefit of creditors; (b) suffers or permits the appointment of a conservator or receiver for its business or assets or any similar action by a governmental entity for the purpose of assuming operation or control of the party due to the financial condition of the party; (c) becomes subject to any proceeding under any bankruptcy or insolvency law whether domestic or foreign, and such proceeding or action has not been dismissed within a thirty (30) day period; or (d) has wound up or liquidated its business, voluntarily or otherwise.

E. This Agreement will terminate automatically upon the termination of the Omnibus Agreement, dated as of November 28, 2022, by and among Taboola.com Ltd., College Top Holdings Inc. and Yahoo AdTech JV, LLC, in accordance with its terms.

F. Notwithstanding anything to the contrary in this Agreement, each provision of this Agreement that is operative from and after the Effective Date will be subject to review and approval of the Parties' antitrust counsels, and will only be implemented if and to the extent that the Parties' antitrust counsels mutually confirm that it is compliant with the provisions of the Israeli Competition law and the competition laws of each other jurisdiction in which the companies operate, and will otherwise be deferred until receipt of approval from the Israeli Competition Authority and each other competition authority the approval of which is required (the "**Required Approvals**"). For the avoidance of doubt, prior to the receipt of any Required Approvals, it is the intention of the Parties only to prepare for the implementation of this Agreement and not to implement joint changes to any commercial agreements or relationships with third parties.

[SIGNATURE PAGE FOLLOWS]

Taboola and Company enter into this Agreement based upon the terms, covenants, and conditions set forth in the attached Terms and Conditions.

**ACCEPTED AND AGREED:**

**TABOOLA, INC.**

By: /s/ Adam Singolda  
Name: Adam Singolda  
Title: Chief Executive Officer  
Date: November 27, 2022

By: /s/ Stephen Walker  
Name: Stephen Walker  
Title: Chief Financial Officer  
Date: November 27, 2022

**Address for Notice**

Taboola, Inc.  
16 Madison Square West, 7th Floor  
New York, New York 10010  
With a copy to [\*\*\*]

**YAHOO INC.**

By: /s/ Matthew Garber  
Name: Matthew Garber  
Title: Assistant Secretary  
Date: November 27, 2022

**Address for Notice**

CEO, Yahoo Inc.  
770 Broadway 4th Floor  
New York., New York  
With a copy to:  
Deputy General Counsel, Transactions  
Yahoo Inc.  
770 Broadway 4th Floor  
New York, New York  
With a copy sent by email to [\*\*\*]

**TABOOLA.COM LTD.  
DIGITAL PROPERTY SERVICES AGREEMENT  
TERMS AND CONDITIONS**

**1. Grant of Rights:**

- a. Taboola grants Company a limited, non-exclusive, non-assignable, non-transferable (subject to Paragraph 15 (Assignment)), non-sublicensable, royalty-free right during the Term to access and use (a) the Platform (including Recommendations) and any associated APIs, code, or software (including any updates and enhancements) on the Properties as described above and as mutually agreed between the Parties, and (b) Taboola's proprietary analytics and management dashboard (the "**Analytics Dashboard**") solely for purposes of tracking performance of the Platform and reviewing the analytics associated with the Properties. For clarity, during the Term, Company shall have the right to use, to the extent made available at scale to other digital properties, the following additional Platform capabilities: (i) Taboola Newsroom: Taboola's proprietary editorial analytics platform; (ii) Taboola Audience Exchange: Taboola's digital properties content exchange platform, which allows Company to exchange traffic with Company's partners; and (iii) Taboola Read More: Taboola code that truncates the Property article and replaces the removed text with a "Read More" button and the Platform implemented directly below, until a user clicks on the "Read More" button, which will cause the article to expand and the Platform to appear directly below the end of the full article. During the Term, Taboola may also offer Company the right to use certain experimental features that are made available on a test basis ("**Beta Features**"), which Taboola may modify or remove at any time upon notice to Company (email to suffice) if such Beta Features are used by Company. Taboola may modify features and shall prior Company with prior written notice as soon as commercially practicable (including those as mutually agreed between the Parties) to the extent necessary to comply with any applicable law, self-regulatory rule or principle, or consumer disclosure standard or best practice. For clarity, Company's use of the above-referenced additional Platform capabilities, including Beta Features, shall not be included in the Services.
- b. In addition, during the Term, where applicable, Taboola hereby grants Company a non-exclusive, non-transferable, non-sublicensable, limited, and revocable right to copy and use the SDK (including any related documentation) with mobile application Properties, solely to serve Recommendations as set forth herein and in a manner that complies with the technical and implementation requirements as informed by Taboola. If Taboola makes available any upgrades, patches, enhancements, or fixes for the SDK ("**Updates**"), such Updates will become part of the SDK. Taboola shall provide Company with written notice of any such Updates (email shall be sufficient), and Company shall use reasonable efforts to implement the Updates within [\*\*\*] of its release. Company shall not (a) copy, modify, or adapt the SDK or any technology therein, or (b) rent, lease, sublicense, sell, assign (subject to Paragraph 15 (Assignment), loan, or otherwise transfer the SDK or any technology therein. Taboola may stop supporting the SDK or any features within the SDK with prior written notice to Company as soon as commercially practicable and as long as Taboola provides a technology comparable to the SDK (if the SDK is no longer supported) or the features within the SDK that are no longer supported. For clarity, "Company Audience Data" includes data collected by the SDK.
- c. Company grants Taboola the right during the Term to (i) place the Platform, Taboola Sponsored Content (and any associated APIs, code, software, or cookies involved in providing the Services), and Company Licensed Content on the Properties; (ii) [\*\*\*]; (iii) track and analyze the performance of the Services; (iv) conduct tests on how Visitors interact with the Properties or Recommendations to facilitate maintenance and optimization of the Services; (v) conduct automated A/B tests of different variations of the Platform on up to [\*\*\*] of Company's traffic; and (vi) serve programmatic advertising within the Platform subject to the terms and conditions below.
- d. To the extent that the Parties agree, at any time during the Term, that Taboola will integrate Company Licensed Content into the Feed, Company grants Taboola the right to (i) move its location; (ii) reduce the size or hide it entirely; (iii) add a scroll bar; and (iv) add a "Show More" button with an attribution to Taboola.
- e. **Ownership.**
- (i) **Taboola.** As between the Parties, Taboola owns all rights in and to the Services, Taboola Data, inclusive of Taboola's cookie ID, and Taboola's Confidential Information, Company is not required to provide any feedback or suggestions to Taboola. To the extent Company does provide any such feedback or suggestions, Company hereby grants to Taboola and its Affiliates a non-exclusive, perpetual, irrevocable, royalty-free, transferable, worldwide right, and license to use, reproduce, disclose, sublicense, distribute, modify, and otherwise exploit all such feedback and suggestions without restriction, provided however, Company provides such feedback on an "as-is" basis. (ii) **Company.** As between the Parties, Company owns all rights in and to the Properties (and related data), Company Content, Company Data, and Company's Confidential Information. Taboola is not required to provide any feedback or suggestions to Company. To the extent Taboola does provide any such feedback or suggestions, Taboola hereby grants to Company and its Affiliates a non-exclusive, perpetual, irrevocable, royalty-free, transferable, worldwide right, and license to use, reproduce, disclose, sublicense, distribute, modify, and otherwise exploit all such feedback and suggestions without restriction, provided however, Taboola provides such feedback on an "as-is" basis.
- f. [\*\*\*].
- (i) [\*\*\*]. [\*\*\*].
- (ii) [\*\*\*]. [\*\*\*].
- (iii) [\*\*\*]. [\*\*\*].
- (iv) [\*\*\*]. [\*\*\*].
- (a) [\*\*\*]
- (b) [\*\*\*];

- (c) [\*\*\*]; and
- (d) [\*\*\*].
- (v) [\*\*\*].
- (vi) [\*\*\*].
- (a) [\*\*\*]
- (b) [\*\*\*]
- (c) [\*\*\*]. [\*\*\*]:
  - i. [\*\*\*].
  - ii. [\*\*\*].
  - iii. [\*\*\*].
- (vii) [\*\*\*]. [\*\*\*]

g. **Taboola's Data Use Disclosure.** Assuming that the disclosures of Taboola have been materially complete, accurate and do not withhold any other material information, Company acknowledges and agrees that Taboola has provided adequate disclosures regarding its processing of Personal Data and its overall data practices in connection with the Personal Data referred to in this Agreement (including, but not limited to, user personal data and customer personal data). Taboola represents and warrants and such uses and practices are consistent with its privacy policy as set forth in Taboola's Privacy Policy located here: <https://www.taboola.com/policies/privacy-policy>. In addition, Taboola will provide Company a copy of Taboola's Privacy Policy on a semi-annual basis which will be emailed to Company's privacy team at [privacy@yahooinc.com](mailto:privacy@yahooinc.com). In the event that Taboola makes any material changes to its Privacy Policy, it will provide notice to Company of the specific material change in its semi-annual update. In the event that there is a conflict between Taboola's use of Personal Data or Company Data under this Agreement and its privacy policy, the terms of this Agreement shall supersede the terms of the privacy policy.

h. [\*\*\*].

## 2. Terms of Use:

- a. Company will include a clear and conspicuous advertising disclosure on the Recommendations in a form to be mutually agreed upon by the Parties.
- b. **Acceptable Use Policy.** Company will not implement the Platform on any Properties that promote any material or content that is, or that may reasonably be considered: illegal, unlawful, or infringing under any applicable laws (including, without limitation, content that infringes a third-party copyright, trademark, patent, or trade secret), in violation of relevant economic sanctions or trade restrictions, pornographic, profane, promotional of drugs and drug paraphernalia (including, but not limited to, recreational and prescription drugs), gambling-related (unless legal in the location offered), fake or deceptive, libelous, defamatory, invasive to privacy, violent, threatening, promotional of known violent organizations or, content designed to promote hatred of any societal group based on, but not limited to, ethnicity, race, religion, sexual orientation, gender or trans-gender status, or designed to harass, offend, shock, or cause or promote harm to any individual (e.g. "doxing"), in breach of confidence or any other right of any third party, or lacking in necessary authorizations, approvals, consents, or licenses, or used on Properties that are directed or targets Visitors under the age of sixteen (16) (collectively "**Prohibited Content**"). Taboola reserves the right to remove the Platform from the impacted Placements on the page if Prohibited Content is displayed and the Platform would be restored to the impacted pages once the Prohibited Content has been removed. Notwithstanding anything set forth in this subparagraph, Taboola recognizes that Company (i) reports on news, provides editorial content and consequently such news or editorial content may include controversial topics, and (ii) the Properties may contain user-generated content (inclusive of comments) and Taboola agrees that the publication of news content, editorial content for reporting purposes and user-generated content shall not be considered a violation of this subparagraph 3.b.
- c. Company shall not (i) reverse engineer, decompile, or disassemble the Services (including, without limitation, any SDK Technology); (ii) copy, modify, or adapt the Services; (iii) modify, change, edit, amend, truncate, alter, override, bypass, or reorder any aspect of the Services; (iv) place the Platform in an iFrame or in a container subject to the last sentence of this subparagraph 2.c hereof add its own code to the Platform; (v) rent, lease, sublicense, sell, assign, loan, or otherwise transfer the Services; (vi) use the Platform in a manner that threatens the integrity, performance, or availability of the Platform; (viii) redirect, block, or impede Visitors' engagement with the Services once they click on a Recommendation; or (ix) minimize, remove, cover or otherwise inhibit the full and complete display of the Platform. Notwithstanding subparagraph 1.c., Company may require that the Platform be placed in an iFrame or in a container provided that Company will [\*\*\*]. The Parties will (i) monitor performance on implementations of the Platform in an iFrame or container [\*\*\*] caused by the placement of the Platform in an iFrame or container; and [\*\*\*] (ii) work together in good faith to determine a limit on the volume of Viewable Impressions within an iFrame or container following an analysis to be carried out by Company immediately between the Effective Date and the Transition Period End Date, as long as such limit does not create a security risk for Company.
- d. Company shall not attempt to access or use the Services in an unauthorized manner, including, without limitation, any attempt to gain access to the accounts of other Taboola customers or to extract, crawl or cache data from the Analytics Dashboard or Taboola Newsroom for commercial purposes.
- e. Company shall not generate clicks on Recommendations or generate Recommendation Pageviews (as defined below) through any automated, deceptive, fraudulent, invalid, incentivized, or other means that are designed to generate clicks or Recommendation Pageviews.

- f. Company will declare Taboola as an authorized seller and the pre-approved list of Taboola's demand partners as authorized resellers of Company's advertising inventory by adding Taboola's designated ads.txt code ("**Taboola Ads.txt Code**") to the ads.txt file on Company's root domain. The pre-approved list of authorized resellers are as follows:

[\*\*\*]

Any demand partner that Taboola seeks to include in the Taboola Ads.txt Code shall be subject to Company's prior written approval (email shall suffice) in its sole discretion. Taboola may request Company to update the Taboola Ads.txt Code on the Properties from time to time and Company shall consider Taboola's request. Company may remove any authorized reseller from the Taboola Ads.txt Code in its reasonable discretion upon written notice to Taboola (email shall suffice); provided Company provide Taboola with documentation that states with specificity the reasoning for the removal of the demand partner.

- g. Company shall ensure that each of its Properties contains meaningful and accurate contact information (including, but not limited to, Company's legal entity name, mailing address, and working phone number and email address) in either a footer or relevant contact page so that Visitors may contact Company directly about copyright and trademark concerns relating to Company Content.
- h. Upon termination, it shall be Company's obligation to remove any pixels, tags, or scripts provided by Taboola. Taboola shall have no liability related to or arising out of Company's failure to do so.

3. **Sales Obligations:**

- a. Taboola shall use [\*\*\*]. Without limiting the foregoing:

(i) **Sales.**

- (a) Taboola shall provide the Services using (i) no less than reasonable skill and care; and (ii) best practices and technologies available to Taboola.
- (b) Taboola shall not direct Native Advertisement spend away from the Placements as a way to increase margin for Taboola at the expense of Company.
- (c) As of the date that the Company Advertisers can use UCAM/Taboola interface to purchase Native Advertisement inventory, Taboola shall ensure that Omnichannel Advertisers have the same access to Placements that Taboola Advertisers do.

- (ii) **Company Advertising Policies.** Taboola shall ensure that all Ads served into the Properties comply with: (i) Company's Global Yahoo Advertising Policies located at <https://adspecs.yahoo-inc.com/pages/policies-guidelines/yahoo-ad-policy> (or a successor link, and as may be updated by Company from time to time in its sole reasonable discretion; and (ii) any other advertising policies or terms that Company provides to Taboola from time to time.

- (iii) **Approved 3<sup>rd</sup> party servers and pixels.** [\*\*\*].

- (iv) **Competitive Exclusions/Advertiser Blocks.** [\*\*\*].

- (v) **Malware.** Prior to serving any Taboola Sponsored Content into the Placements, Company shall ensure that all such content have been scanned by Taboola for malware using at least current industry standard measures.

- (vi) **Service Level Agreement.** [\*\*\*].

- (vii) **Programmatic demand.** [\*\*\*].

- (viii) **Advertiser First-Party Data.** [\*\*\*].

- b. [\*\*\*]:

- (i) For those Omnichannel Advertisers that use the UCAM/Taboola interface to purchase Native Advertisement inventory on the Taboola Network (outside of the Properties), all such Native Advertisements will comply with Taboola's Advertising Policies located at <http://www.taboola.com/advertising-policies> as updated from time to time on reasonable prior notice to Company.
- (ii) Company will continue to manage and support non-migrated Company Advertisers and Omnichannel Advertisers through sales support and maintenance of the UCAM/Taboola Interface.
- (iii) Company will provide ongoing technological support for UCAM/Taboola Interface maintenance and updates.
- (iv) Parties will use commercially reasonable efforts to work together to incorporate new formats and other capabilities for the benefit of Company Advertisers and Taboola Advertisers and the ongoing optimizations and competitiveness of the partnership in the digital ad market, including any updates or modifications due to governmental, regulatory or industry related changes or requirements.

- (v) [\*\*\*].

- (vi) [\*\*\*].

4. **Compensation:**

- a. For each month of the Term, Company shall receive the Revenue Share set forth in Section IX above and the Header Bidding Fee set forth in Paragraph 4.c below, as set forth in Paragraph 4.d hereof.
  - b. Company shall not be compensated for any unauthorized implementation of the Platform, for any implementation of the Platform that makes it impossible to click or track clicks, or for any fraudulent or invalid clicks, traffic, or Recommendation Pageviews (as defined below). Fraudulent or invalid clicks means (a) clicks or taps on Recommendation originating from a non-human program or automated agent (e.g., internet robot or spider) for the purpose of manipulating click or tap measurement activity, or (b) impressions or clicks that result from activity designed to manipulate legitimate ad serving or measurement processes or to create fictitious activity that leads to inflated counts as measured by (i) Company's traffic is converting at less than [\*\*\*] of Taboola's network average for similar type of integrations or (ii) the Recommendation Pageviews are the result of transfers or referrals of Visitors by a third-party traffic source and result in a monthly click-through rate that is less than [\*\*\*] of the click-through rate experienced by the remainder of the Recommendation Pageviews that occurred on the Properties during the same month.
  - c. **Header Bidding Fee.** In addition to Company's Compensation in Section IX, for each month of the Term, Company shall receive the Header Bidding Fee (as defined below) for any HB Placements monetized via the Header Bidding Adapter. For the purposes of this Agreement, the "**Header Bidding Fee**" shall mean the sum of the aggregate Winning Bids (as defined below) for all HB Placements purchased by Taboola. Company's measurements are the definitive measurements to calculate the Header Bidding Fee. Any discrepancy with respect to Taboola's measurements and Company's measurements will be addressed pursuant to the Exchange Agreement.
  - d. All payments shall be remitted to Company in U.S. dollars within forty-five (45) days after the end of the calendar month in which that revenue was generated, provided that Company has registered and continues to be registered with Taboola's payment services company, Payoneer. Any objection to any invoice shall be stated in writing to Taboola within ninety (90) days of receipt of the invoice, [\*\*\*]. [\*\*\*] Company is responsible for providing accurate payment information, including, but not limited to, the correct entity name.
  - e. Taboola may also offer certain services and products to Taboola Advertisers (e.g., data products, brand safety) that are separate and independent from the Services and fees for such services are not included in the Gross Revenue.
  - f. **Delay of Payment.** To ensure proper payment, Company is solely responsible for providing and maintaining accurate contact and payment information associated with Company's account. Failure to comply shall result in delay of Company's due payment.
  - g. **Taxes.** Each Party will be responsible, as required under applicable law, for identifying and paying all taxes and other governmental fees and charges (and any penalties interest, and other additions thereto) that are imposed on that Party upon or with respect to the transactions and payments received by it under this Agreement. Any Revenue Share (as applicable) payable by Taboola to Company hereunder is exclusive of all national, state, or local sales taxes, use taxes, or value added taxes. If any deductions or withholdings are required by law, Taboola shall pay Company in respect of all amounts required to be paid under this Agreement, such sum or consideration as will, after such deduction or withholding has been made, leave Company with the same amount of consideration as it would have been entitled to receive in the absence of any such requirement to make a deduction or withholding. Each of the Parties shall cooperate in good faith with any applicable withholding agent to mitigate or eliminate any deduction or withholdings, including by providing reasonably requested tax forms or other relevant documentation in respect of withholding taxes.
  - h. **Analytics Dashboard.** Company acknowledges that any analytics provided in the Analytics Dashboard are estimates only and will only be finalized fourteen (14) days after the conclusion of any calendar month.
5. **Exclusivity:** Excluding Company's owned and operated native advertising marketplace (referred to between the Parties as "Gemini"), Taboola will be Company's exclusive third-party provider of Native Advertisements on the Properties. [\*\*\*].

6. **Property Divestiture:**

- a. Company may divest a Property (or Properties) during the Term. If Company divests a Property, the Parties shall reduce the then-current Baseline proportionately based on the sale of the Divested Asset (as defined below) subject to the following conditions:
  - i. [\*\*\*]
  - ii. [\*\*\*]
  - iii. [\*\*\*]
  - iv. [\*\*\*]
- b. Notwithstanding the foregoing, any Property (or Properties) that Company divests but otherwise retains sufficient management and control thereof to continue to perform its obligations under the Agreement shall not be considered a Divested Asset for purposes of this Paragraph 6. For clarity, if Company no longer retains such management and control of the Property (or Properties), then the Property (or Properties) will become a Divested Asset and subject to Paragraph 6.a above.

7. **Privacy and Data Protection:**

a. **Privacy Definitions.** In this Paragraph 5, the following terms shall have the following meanings:

- i. **"Applicable Privacy Laws"** means all applicable international, national, federal, and state data protection and privacy laws including requirements relating to the collection, use, storage, deletion, security and transfer of Personal Data, (including but not limited to EU Privacy Law as applicable to the processing of Personal Data in the European Union, UK Data Protection Law, and California Privacy Law as applicable to the processing of Personal Data of California residents) enacted and effective during the Term and any legislation replacing or updating any of the foregoing;
- ii. **"California Privacy Law"** means California Consumer Privacy Act of 2018, Cal. Civil Code § 1798.100 et seq., and any amendments or legislation replacing or updating any of the foregoing (also, **"CCPA"**);
- iii. **"Controller"** means an entity that determines the purposes and means of processing Personal Data;
- iv. **"EU Privacy Law"** means: (aa) EU Regulation 2016/679 (the **"General Data Protection Regulation"**) and any applicable national legislation made under or pursuant to it; and (bb) EU Directive 2002/58/EC as implemented by relevant member states and any applicable national legislation implementing it; in each case as amended or superseded; and
- v. **"Personal Data"** shall have the meanings given in Applicable Privacy Laws.
- vi. **"Self-Regulatory Principles"** means all applicable industry self-regulatory rules, codes and guidelines of which each Party upholds (including, without limitation and as applicable, the rules, codes and guidelines of the Interactive Advertising Bureau (IAB), the Network Advertising Initiative (NAI), the Digital Advertising Alliance (DAA); the European Digital Advertising Alliance (EDAA)).
- vii. **"Sensitive Data"** means any information that falls under a subset of Personal Data determined to be particularly sensitive such that unlawfully processing the data can result in a high risk of harm to an individual as defined by Applicable Privacy Laws or Self-Regulatory Principles (e.g., Sensitive Information under the NAI code, Special Categories of Personal Data under the GDPR, Children's data under COPPA).
- viii. **"UK Data Protection Law"** means the UK Data Protection Act of 2018 as may be amended or superseded.

b. **Role of the Parties.** The Parties shall continue to process data in accordance with the Data Processing Addendum (**"DPA"**) executed by the Parties on May 28, 2018. Subject to the terms of the DPA, Taboola acknowledges that Company is a Controller of Personal Data relating to its Visitors of the Properties. Subject to the restrictions set forth in this Agreement, Company acknowledges that Taboola shall also be an independent Controller of Personal Data that it processes about Visitors to provide its Services (both to Company and to Taboola's other digital properties). In no event shall the Parties process Personal Data that they each collect about Visitors as joint Controllers. If changes in any law evolve such that Taboola and Company may no longer be considered separate and independent Controllers, the Parties shall negotiate in good faith a new data processing addendum to account for such change.

c. **Compliance.** Each Party shall comply with its responsibilities under Applicable Privacy Laws. In particular, each Party shall process Visitors' Personal Data in accordance with this Agreement and only for purposes that have been properly notified to Visitors (in accordance with Paragraph 5.d below) and shall ensure that it has a lawful basis for processing Visitors' Personal Data consistent with the requirements of Applicable Privacy Laws and any necessary consents obtained from Visitors. As of the effective date of this Agreement, each Party represents that it is a member of the NAI, Digital Advertising Alliance (**"DAA"**), and European Interactive Digital Advertising Alliance (**"EDAA"**) and is committed to maintaining adherence with the NAI, DAA, and EDAA Self-Regulatory Principles. Each Party agrees that it shall take no intentional action (or negligently fail to take an action) that would jeopardize the other Party's membership in these organizations or cause the other Party to violate the Self-Regulatory Principles.

d. **Transparency.** Each Party shall, at all times during the Term, comply with its respective published privacy and cookie policies and disclosures. Each Party shall ensure that its website (and as to Company, each Property) includes prominently posted privacy and cookie policies that describe in a legally sufficient manner the Personal Data that it collects, how it uses and shares such Personal Data, and how users and Visitors can opt out of such use in accordance with Applicable Privacy Laws.

Taboola: Specifically, Taboola agrees that its privacy policy shall describe (i) the types of data collected by Taboola including but not limited to its use of cookies, unique identifiers, and non-cookie technologies for interest-based advertising and analytics, (ii) how, and for what purpose the data will be used or transferred to third parties, and shall provide a clear and conspicuous link to either the NAI's industry opt-out page at <http://www.networkadvertising.org>, the DAA's industry opt-out page at <http://www.aboutads.info>, or (as to European web-based media and data collection) a link to the EDAA opt-out link at <http://www.youronlinechoices.eu>, in a manner that meets the requirements of all Applicable Privacy Laws.

The Parties shall agree using the IAB TCF (as defined below) to pass along user preferences unless and until such time that the IAB TCF is discontinued or determined to be unlawful, and thereafter the Parties shall agree to work in good faith to adopt a mechanism for Company to pass on any opt out requests it receives from Visitors and shall work together in good faith to ensure that any data subject rights are appropriately honored by the Parties. Similarly, Taboola shall continue to honor any end user opt outs it receives for Taboola Data. Taboola agrees that it will implement all Company-recommended privacy controls and safeguards, to the satisfaction of Company, for the purposes of honoring Visitor opt outs and for facilitating data subject requests under Applicable Privacy Laws, including but not limited to integrating with the Yahoo Privacy Dashboard and any opt-out technology provided to Taboola by Company and that it shall action the following: Virginia, California and National Section GPP Signals for Opt-out of sale/share/targeted advertising and any other privacy strings or user preference signaling mechanism that may later go into effect during the Term. Additionally, Company will pass Taboola an identifier associated with an erasure request to enable Taboola to effectuate such erasure. Taboola agrees that erasure shall be completed within 30 days of receipt of the identifier. Additionally, in the event that the Parties agree to utilize Company's ConnectID solution, Taboola agrees to participate in the NAI's audience match opt-out portal and any other industry opt-outs that may be relevant or applicable during the Term.

Company: Specifically, Company agrees that:

- i. as to its web-based Properties, Company's Privacy Policy shall describe the use of cookies, unique identifiers, and non-cookie technologies by third parties (i.e. Taboola) for interest-based advertising and analytics (on and off the Properties), and shall provide a link to either the NAI's industry opt-out page at <http://www.networkadvertising.org>, the DAA's industry opt-out page at <http://www.aboutads.info>, or (as to European web-based media and data collection) a link to the EDAA opt-out link at <http://www.youronlinechoices.eu>, in a manner that meets the requirements of EU Privacy Law;
- ii. as to mobile app-based Properties, Company's Privacy Policy shall describe the use on its mobile apps of SDKs and collection of mobile ad identifiers for interest-based or cross-app advertising and analytics (on and off the Properties); and provide a description of how users and Visitors may opt out of the collection of mobile data for cross-app advertising through device settings; and
- iii. for its EU-facing Properties, Company shall ensure that it obtains the Visitors' freely given, specific, informed, and unambiguous consent in accordance with EU Privacy Law, with respect to placing or accessing any Taboola cookies or any other unique identifiers on the users' and Visitors' device(s).

Each Party represents that it shall remain a member in good standing of the IAB Transparency and Consent ("IAB TCF") Framework and in the event that the IAB TCF is determined to be unlawful, subject to the terms of this Agreement, the Parties shall work together in good faith to determine a lawful method for Taboola to process and use Company Data in the EU.

- e. **California Privacy Law.** Taboola is an independent Business, as defined under California Privacy Law, in regard to the Personal Data it collects from individual California Visitors. As a Business, Taboola shall honor (i) individual California Visitors' requests to access, verify, and delete their Personal Data via Taboola's Subject Access Request Portal (the "Portal"), available at <https://accessrequest.taboola.com>, and (ii) individual California Visitors' instructions to not sell their data, which may be received in one of two ways: (a) Company may implement and pass signals via the IAB CCPA Compliance Framework or some other agreed upon framework, or (b) if Company does not implement (a), then Taboola shall implement its own in-Platform California Privacy Law notice (either, the "Signal"). Upon receipt of a Signal, Taboola shall immediately stop any subsequent sales of Personal Data regarding that California Visitor. Where Taboola engages service providers, as defined under California Privacy Law, Taboola shall enter into written agreements with each such provider to limit any post-Signal uses of Personal Data to only those specific business purposes set forth by Taboola.
- f. **Additional Representations and Warranties.** Each Party represents and warrants that (ii) it will comply with all applicable laws, it has obtained all rights, permissions and consents necessary under Applicable Privacy Laws to disclose, transfer or transmit any data to the other Party for use consistent with this Agreement (iii) no data or processes used hereunder by either Party to transfer or transmit such data shall infringe on or violate (a) any intellectual property rights (b) any other proprietary right or other right of any third party, including but not limited to any third party right to privacy (c) any Applicable Privacy Laws or any Self-Regulatory Principles. Each Party represents and warrants to the other Party that it shall not make use of any Sensitive Data in the performance of its obligations under this Agreement and shall not pass any Sensitive Data to the other Party.
- g. **Data Retention.** Taboola shall not retain Company Data for longer than the lesser of: (i) the time period during which Taboola has a legitimate need to retain such data in order to perform its obligations under this Agreement; and (ii) 13 months from the date on which such data was first collected by Taboola or provided by Company. Taboola shall provide Company with a copy of all Company Data that was transferred to Taboola and retained by Taboola (in a manner that is wholly separate from the Taboola Data and/or has not been integrated in any of Taboola's algorithms or systems in a way that transforms the data so that it is no longer distinguishable as Company Data but has become Taboola Data) by Company promptly upon Company's request from time to time.
- h. **Not Legal Advice.** During the Term, Taboola may provide recommended privacy policy or disclosure language to Company. Company acknowledges that it shall not rely on such recommended language as, or as a substitute for, legal advice and that Company itself is solely responsible for any disclosures in its privacy policy or on its website.
- i. **Security.** Taboola shall comply with Company's Network Security Terms attached hereto Appendix I and to be updated from time to time with 10 days notice. Taboola shall also not, nor authorize third parties to: (a) insert Company-unapproved code into, redirect, or otherwise "piggyback" tags onto Company-approved tags (except where approved by Company, e.g., conversion pixels); (b) serve code in any manner that prompts a Visitor to install any type of software, such as browser-helper object, or any similar software, (c) use any security exploits or oversights in a Visitor's browser to install any type of software, browser helper object, or any similar mechanism, (d) utilize any technology that creates any kind of persistent identification object/element that, when used, will bypass a Visitor's browser preferences and settings or restore deleted cookies and other cached objects; or (e) use JavaScript or any other software for any other purpose not approved by Company, including: (i) materially manipulating page content, (ii) materially moving page content or moving advertising (except where directed by Company through the Platform UI), or (iii) hijacking or otherwise manipulating destination URLs.
- j. **Cooperation.** If either Party receives any inquiry, complaint or correspondence (a "Third Party Notice") from an individual, regulator, or other third party concerning the processing of Visitors' Personal Data in connection with the Services, it shall promptly inform the other Party and the Parties shall cooperate in good faith and as reasonably necessary to address the requirements of such Third Party Notice.



- k. **International Data Transfers.** Neither Party shall process (nor permit any third party to process) any Personal Data relating to EU Visitors in a territory that is outside of the European Economic Area unless it first implements appropriate safeguards consistent with the requirements of EU Privacy Law to enable such processing to occur lawfully outside of the European Economic Area.
8. **Audit Rights and Reporting Obligations.**
- a. **Reporting.** Taboola shall deliver reporting in the Analytics Dashboard via a data feed to Company that will be accessible in a manner to be agreed upon the Parties (e.g., API) and updated daily.
- b. **Financial Audit.**
- (i) Taboola shall maintain, all books, documents, records, sales data, impression counts, papers, or other materials related to this Agreement (the "**Relevant Records**"). During the Term [\*\*\*] (or a longer period if required by applicable law) after the expiration or termination of this Agreement, Company shall have the right to audit Relevant Records using an independent third-party auditor that has entered into a confidentiality agreement that is no less restrictive as the confidentiality terms herein. Taboola shall establish and maintain a reasonable accounting system that enables Company and its audit-related agents to identify revenues, expenses, expenditures, costs of goods, margins, discounts, rebates or other payments received and use of funds related to this Agreement. The audit period shall cover no more than the completed quarters of the current period and prior year ("**Audit Term**"), provided however, Company can expand the scope of an audit beyond the Audit Term if: (1) Company has a reasonable belief that there are errors in payments made by Taboola beyond the Audit Term; or (2) Company has a reasonable belief based on the discovery of facts or actions that material errors were made in payments beyond the Audit Term.
- (ii) Company shall provide Taboola with at least forty-five (45) days' prior written notice of Company's intent to exercise its rights under this subparagraph 8(b)(ii) Taboola shall ensure that the Relevant Records and, if requested, relevant employees, will be made available to Company's auditor or its audit-related agents during normal business hours at Taboola's office or place of business. If no such location is available, then Taboola will ensure that the Relevant Records, and if requested, relevant employees, will be made available at a time and location that Company will determine.
- (iii) Company shall provide Taboola with a summary and/or report of such audit. If any audit reveals an underpayment to Company, Taboola shall promptly pay Company the shortfall. If any shortfall is more than [\*\*\*] of the amount properly due to Company, then Taboola shall also promptly pay Company all reasonable costs associated with such audit.
9. **Representations and Warranties:**
- a. **Company Representations.** Company represents and warrants that (i) it either owns and operates the Properties or otherwise has the full right and authority to grant the rights granted hereunder; (ii) the Company Content is either owned by Company or properly licensed; (iii) the Properties, the Company Content (excluding Native Advertisements from Company Advertisers and Company Licensed Content), and Taboola's use of the Properties or the Company Content (excluding Native Advertisements from Company Advertisers and Company Licensed Content) in accordance with this Agreement will not infringe upon the intellectual property rights of any third party; (iv) as it relates to the Company Licensed Content, it has the full right and authority to grant the rights granted herein and such grant does not violate the terms of any agreements it has with any third party; (v) Company's Native Advertisement inventory on the Properties will be included in the Placements and the documentation containing Company's Placements as presented to Taboola in the "Native Format Screenshot" and "[\*\*\*]" files provided by Company represent the Native Advertising inventory on the Properties and are true and correct as of the Effective Date, (vi) it is not subject to nor owned or controlled by any person that is subject to sanctions or export control restrictions imposed pursuant to the laws of the United States, Israel, or any other jurisdiction whose laws are applicable to the performance of this Agreement; (vii) it will comply with all applicable laws, including but not limited to all Applicable Privacy Laws, and regulations in its performance of this Agreement, including with respect to the use of the Services, and including but not limited to economic sanctions and export control laws and regulations of the United States, Israel, and, as applicable, other jurisdictions; and (viii) it will not take any action that could result in economic sanctions or other trade control restrictions or penalties being imposed on Taboola. Company shall ensure that each of its mobile applications included as Properties complies with any applicable Apple/iOS and Android rules, guidelines, or requirements and any agreements into which Company has entered with such platform entities. Company shall further ensure that any signal or flag indicating that an end user has opted its mobile ad identifier out of cross-app or interest-based advertising (e.g., an "LMT=1" signal) is communicated to Taboola [\*\*\*].
- a. **Taboola Representations and Disclaimers.** Taboola represents and warrants that (i) has the full right and authority to grant the rights granted hereunder, (ii) it is not subject to nor owned or controlled by any person that is subject to sanctions or export control restrictions imposed pursuant to the laws of the United States, Israel, or any other jurisdiction whose laws are applicable to the performance of this Agreement; (iii) it will comply with all applicable laws and regulations in its performance of this Agreement, including but not limited to all Applicable Privacy Laws, economic sanctions and export control laws and regulations of the United States, Israel, and, as applicable, other jurisdictions; (iv) it will not take any action that could result in economic sanctions or other trade control restrictions or penalties being imposed on Company; and (v) the Services (excluding the Recommendations), SDK (if applicable), Analytics Dashboard, Platform (and related technologies), Taboola Ads, and Company's use of any of the foregoing will not infringe the intellectual property rights of any third party; (v) the Services, SDK, Taboola Sponsored Content, Analytics Dashboard, Widgets, Content Cards, Feeds, Platform (and related technologies), and Taboola Ads are free of any viruses, Trojan horses, trap doors, back doors, Easter eggs, worms, time bombs, cancelbots or other computer programming routines that may potentially damage, interfere with, intercept, disable, deactivate or expropriate any information. EXCEPT AS PROVIDED HEREIN, TABOOLA PROVIDES THE SERVICES "AS IS."
- b. **DISCLAIMER OF WARRANTIES.** EXCEPT AS PROVIDED HEREIN, EACH PARTY EXPRESSLY DISCLAIMS, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL OTHER REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING THE IMPLIED WARRANTIES OF TITLE, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. ALL BETA FEATURES PROVIDED BY TABOOLA ARE PROVIDED ON AN "AS IS" BASIS, WITHOUT ANY REPRESENTATIONS, WARRANTIES, COVENANTS, OR OBLIGATIONS OF ANY KIND. ANY USE BY COMPANY OF BETA FEATURES IS SOLELY AT COMPANY'S OWN RISK.

**10. Indemnification:**

- a. Taboola shall indemnify, defend, and hold harmless Company and its parent, subsidiaries, and Affiliates, and its and their representatives, officers, directors, agents, and employees, from and against any and all third-party claims, damages, fines, penalties, awards, judgments, and liabilities (including reasonable outside attorneys' fees and costs) (collectively, the "**Losses**") resulting from, arising out of, or related to: (i) Taboola's breach or alleged breach of any of Taboola's representations, warranties or obligations set forth herein; or (ii) a claim that the Platform (and related technologies), SDK, Taboola Sponsored Content, Services (excluding Company Content), Platform, Analytics Dashboard, Taboola Ads, violates a third party patent, trademark, trade secret, copyright, or privacy right, except to the extent that such claim arises solely due to the combination of the Platform with the Company Content or a Property (where, but for such combination, such claim would not have arisen). If the Platform or Services are held in a suit or proceeding to infringe any intellectual property rights of a third party, and the use of such Platform or Services is enjoined, or Taboola reasonably believes that it is likely to be found to infringe or likely to be enjoined, then Taboola may, at its sole cost, expense, and option either (a) procure the right to continue using such Platform or Services, or (b) modify such Platform or Services so that it becomes non-infringing without affecting the basic functionality of such Platform or Services.
- b. Company shall indemnify, defend, and hold harmless Taboola and its parent, subsidiaries, and Affiliates, and its and their representatives, officers, directors, agents, and employees, from and against all Losses resulting from, arising out of, or related to (i) Company's breach or alleged breach of any of Company's representations, warranties, or obligations herein; (ii) a claim that the Properties or the Company Content violates a third-party trademark, trade secret, copyright, patent, or privacy right; or (iii) a claim that Company did not comply with its Privacy Policy or any claim arising from Company Data (not as a result of Taboola's misuse of Company Data or Taboola's breach of obligations imposed on Taboola with respect to use of Company Data) or Taboola's use of the Company Data for the purposes as contemplated herein.
- c. The Parties agree that in claiming any indemnification hereunder, the Party claiming indemnification (the "**Claimant**") shall (i) promptly notify the other Party in writing of the claim; (ii) grant the indemnifying Party sole control of the defense (except that the Claimant may, at its own expense, assist in the defense); and (iii) provide the indemnifying Party, at the indemnifying Party's expense, with all assistance, information, and authority reasonably required for the defense of the claim. In no event shall the indemnifying Party enter into any settlement or agree to any disposition of the indemnified claim(s) without the prior written consent of the Claimant.

**11. Limitation of Liability:**

**LIMITATION ON LIABILITY.** EXCEPT FOR ANY LIABILITY ARISING UNDER [\*\*\*], AND A PARTY'S WILLFUL MISCONDUCT AND GROSS NEGLIGENCE (both as capped below), TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE AGGREGATE LIABILITY OF EITHER PARTY ARISING UNDER THIS AGREEMENT SHALL IN NO EVENT EXCEED [\*\*\*].

- (a) **EXCLUSION OF CERTAIN DAMAGES.** IN NO EVENT SHALL A PARTY BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE, OR EXEMPLARY DAMAGES, INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS OR LOSS OF BUSINESS OPPORTUNITY, EVEN IF SUCH DAMAGES ARE FORESEEABLE AND WHETHER OR NOT EITHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY THEREOF.

**12. Confidentiality:** During the Term, either Party may receive (the "**Receiving Party**") certain information and materials concerning the other Party's business, technology, customers, and products that are confidential and of substantial value to the other Party (the "**Disclosing Party**"). The Receiving Party will not use or disclose to any third party the Disclosing Party's Confidential Information (as defined below) except as necessary for the performance of this Agreement or for enforcement of its terms in the event of a breach; the Receiving Party may make such disclosure only to those individuals who are bound by confidentiality obligations at least as restrictive as those set forth herein (provided that the Receiving Party hereby agrees that it shall be responsible for any violation of the terms of this Agreement by such third parties). The Receiving Party will protect and preserve the Confidential Information as confidential, using no less care than it protects and preserves its own confidential and proprietary information (but in no event less than a reasonable degree of care), and shall not use the Confidential Information for any purpose except as necessary to carry out its obligations under this Agreement. The foregoing obligations will not restrict the Receiving Party from disclosing Confidential Information of the Disclosing Party (a) pursuant to a court order from a court of competent jurisdiction, an administrative agency, or other governmental body, provided that the Receiving Party, to the extent permitted by law, gives reasonable prior written notice to the Disclosing Party so that it may contest such order and, in the event that disclosure is required, only discloses the portion of Confidential Information that its legal counsel advises is legally required; (b) pursuant to a regulatory investigation or enforcement or in response to any governmental agency request; or (c) to any existing or potential investors, acquirers and financiers as part of a due diligence process. The foregoing shall also not restrict Taboola from disclosing Company's contact information in response to any claim that the Properties or the Company Content infringes upon, violates, or misappropriates any third-party Intellectual Property Rights. The "Confidential Information" consists of (a) Taboola Data, any technical information or plans concerning the Services, the Platform, or any software or other technology of Taboola or the Properties; (b) Company Data, any financial information of the Company; (c) other information disclosed by the Disclosing Party to the Receiving Party that is marked as confidential or should reasonably be assumed to be confidential under the circumstances; and (d) the content of this Agreement. Confidential Information does not include information that: (i) is or becomes generally known to the public through no fault of or breach of the Receiving Party; (ii) is rightfully known by the Receiving Party at the time of disclosure without an obligation of confidentiality; (iii) is independently developed by the Receiving Party without use of the Disclosing Party's Confidential Information; or (iv) is rightfully obtained by the Receiving Party from a third party that has no duty of Confidentiality to the Disclosing Party.

**13. Applicable Law and Jurisdiction:** This Agreement will be governed by and construed in accordance with the laws of the State of New York excluding its conflicts of law principles. Any legal action or proceeding arising under this Agreement will be brought exclusively in the federal or state courts located in the County of New York, New York and the Parties hereby irrevocably consent to personal jurisdiction and venue therein. If either Party commences litigation to enforce any provision of this Agreement, the prevailing Party shall be entitled to recover its reasonable legal fees, costs, and expenses of litigation.

14. **Negotiation/Mediation/Arbitration.** [\*\*\*]

1. [\*\*\*]
2. [\*\*\*]
3. [\*\*\*]
4. [\*\*\*]
5. [\*\*\*]
6. [\*\*\*]
7. [\*\*\*]
8. [\*\*\*]
9. [\*\*\*]
10. [\*\*\*]
11. [\*\*\*]

15. **Assignment:** The rights and obligations of each Party hereunder shall inure to the benefit of the respective successors and assigns of the Parties hereto, provided that, except as expressly provided herein, this Agreement and any rights or obligations hereunder shall not be assigned or delegated without the prior written consent of the other Party, except that, either Party, may assign this Agreement to an Affiliate, without the other Party's prior written consent, as long as such Affiliate agrees to be fully bound by the terms and conditions set forth in this Agreement. In addition, notwithstanding the foregoing, Company may assign this Agreement without Taboola's consent to a party that acquires all or substantially all of the outstanding capital stock of Company or a third party that purchases all or substantially all of the assets of Company. Taboola may assign this Agreement without Company's consent to a party that acquires all or substantially all of the outstanding capital stock of Taboola or a third party that purchases all or substantially all of the assets of Taboola. Notwithstanding the foregoing, Taboola shall not assign this Agreement to [\*\*\*], without Company's prior written consent.

16. **Taboola's Provision of Services:** Company acknowledges that as between the Parties, Taboola's parent company, Taboola.com Ltd., owns all intellectual property rights in and to the Platform and the Services, and that Taboola is just an authorized reseller and distributor of the Platform and the Services. Accordingly, Company understands and agrees that Taboola.com Ltd. will provide the Platform to Taboola for purposes of licensing and distribution by Taboola in the provision of its Services, and will perform certain other backend services on behalf of Taboola. Company hereby consents to Taboola's delegation of the performance of some of the Services hereunder to Taboola.com Ltd., subject to Taboola remaining liable for the complete and correct discharge of all its responsibilities hereunder.

17. **Publicity and Marks:**

a. **Press Release.** Neither Party shall issue a press release or make any other announcement regarding the relationship of the Parties under this Agreement without the other Party's prior written consent, which shall not be unreasonably withheld or delayed.

b. **Public Representations.** Either Party may represent to the public that it is an authorized seller of the Placements and may accurately represent it can sell the Placements after taking into consideration any adjustments to Placements for any reason (i.e., if Property has been divested pursuant to Paragraph 6 of the Terms and Conditions, a Party's representations must change accordingly). In addition, any general positioning in regard to the Placements will be mutually agreed upon. Any general positioning any use of previously approved or substantially similar general positioning included in new or revised sales materials approved within the previous 6 months will not require the other Party's approval.

c. **Marks.**

1. **Company Authorized Logos.** Company grants to Taboola a non-exclusive, non-transferable, revocable, royalty-free license to use the Company Authorized Logos during the Term, solely in accordance with the branding specifications provided by Company from time to time (and updated by Company from time to time) and other terms of this Agreement, and solely in connection with Taboola's performance of the Services under this Agreement. Company reserves all rights not expressly granted in this Paragraph 17(c)(1). Taboola acknowledges Company's sole ownership of the Company Authorized Logos and all associated goodwill, and that Company retains all right, title, and interest in and to the Company Authorized Logos. All goodwill arising from Taboola's use of the Company Authorized Logos shall inure to the sole benefit of Company. Taboola shall not use any Company Authorized Logo in any manner specifically prohibited by Company, or that will or may diminish or otherwise damage Company's goodwill in the Company Authorized Logo. Taboola shall not adopt, use, or register any corporate name, trade name, trademark, domain name, service mark, certification mark, or other designation that violates Company's rights in any Company Authorized Logo. Company shall have the sole right to, and in its sole discretion may, control any action concerning any Company Authorized Logo. Taboola shall fully correct and remedy any deficiencies in its use of an Company Authorized Logo, or the quality of an Company Authorized Logo in connection with its sales efforts, within a reasonable time after it receives notice from Company. This Agreement does not grant Taboola any license or other right to use any other trademark, service mark, trade name or trade dress of Company.

2. **Taboola Authorized Logos.** Taboola grants to Company a non-exclusive, non-transferable, revocable, royalty-free license to use the Taboola Authorized Logos during the Term, solely in accordance with the branding specifications provided by Taboola from time to time (and updated by Taboola from time to time) and other terms of this Agreement, and solely in connection with Taboola's performance of the Services under this Agreement. Taboola reserves all rights not expressly granted in this Paragraph 17(c)(2). Company acknowledges Taboola's sole ownership of the Taboola Authorized Logos and all associated goodwill, and that Taboola retains all right, title, and interest in and to the Taboola Authorized Logos. All goodwill arising from Company's use of the Taboola Authorized Logos shall inure to the sole benefit of Taboola. Company shall not use any Taboola Authorized Logo in any manner specifically prohibited by Taboola, or that will or may diminish or otherwise damage Taboola's goodwill in the Taboola Authorized Logos. Company shall not adopt, use, or register any corporate name, trade name, trademark, domain name, service mark, certification mark, or other designation that violates Taboola's rights in any Taboola Authorized Logo. Taboola shall have the sole right to, and in its sole discretion may, control any action concerning any Taboola Authorized Logo. Company shall fully correct and remedy any deficiencies in its use of a Taboola Authorized Logo, within a reasonable time after it receives notice from Company. This Agreement does not grant Taboola any license or other right to use any other trademark, service mark, trade name or trade dress of Company.

d. **Marketing Materials.** Neither Party shall distribute or otherwise use any marketing materials relating to this Agreement unless use of such marketing materials comply with this Agreement, and the brand guidelines and marketing guidelines provided by other Party.

18. **Notices:** Notices under this Agreement are sufficient if given by internationally recognized overnight courier service or electronic mail with electronic confirmation or personal delivery to the other Party at the address for that Party listed on the signature page. Notice is effective: (a) when delivered personally; (b) on the business day after sending by a nationally recognized courier service; or (c) on the business day after sending electronic mail with electronic confirmation to the sender. Either Party may from time to time change the notice address by giving the other Party notice of the change in accordance with this Paragraph 18.

19. **Force Majeure:** Neither Party will be responsible for any failure or delay in its performance under this Agreement due to causes beyond its reasonable control, including, but not limited to, labor disputes, strikes, any prohibition, admonishment, encouragement or restriction by any government or other legal authority that affects this Agreement and is not in force on the date of this Agreement, lockouts, failures of the Internet, shortages of or inability to obtain energy, raw materials, or supplies, pandemics, war, terrorism, riot, or acts of God.

20. **Miscellaneous:** This Agreement constitutes the complete and exclusive understanding and agreement between the Parties regarding the subject matter herein, and supersedes all prior or contemporaneous agreements or understandings, written or oral, relating to its subject matter. The failure of either Party to enforce strict performance by the other Party of any provision of this Agreement or to exercise any right under this Agreement shall not be construed as a waiver of that Party's right. Any waiver, modification, or amendment of any provision of this Agreement will be effective only if in writing and signed by a duly authorized representative of each Party. Nothing in this Agreement shall be construed to create a partnership, joint venture, agency, employment, or any other relationship between Company and Taboola. Except as otherwise specifically set forth herein, neither Party will (i) represent itself to be a partner, employee, representative, or agent of the other Party; or (ii) enter into any agreement on the other Party's behalf, in the other Party's name, or otherwise bind the other Party to any agreement or obligation. Should any section or part of a section within this Agreement be rendered void or unenforceable by any court of competent jurisdiction, the remaining provisions of this Agreement shall nevertheless be binding upon the Parties with the same effect as though the void or unenforceable part had been severed and deleted. Paragraphs 1.e, 4.d, 8.b (for 2 years after the termination or expiration of this Agreement) 10-14 and 20 of these Terms and Conditions shall survive the termination of this Agreement. Each Party agrees that this Agreement may be executed by electronic signature. Electronic execution of this Agreement by a Party is intended to authenticate this writing and have the same force and effect as a manual signature. Neither Party may challenge the authenticity or validity of this Agreement on the basis that it was signed electronically.

21. **Further Assurances.** The Parties hereby agree to discuss in good faith any potential amendments or clarifications to this Agreement as may be reasonably proposed by either Party to the other for the purposes of further refining or improving this Agreement.

**Appendix A**  
**List of Properties**

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**Appendix E**  
**Minimum Margin Chart**

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Appendix F  
Form of Header Bidding Amendment

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**Appendix G**  
**Demand Services Migration Key Provisions**

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## Addendum for RTB Buying

This Addendum (this "**Addendum**") adds the functionality described below to the Digital Property and Demand Services Agreement (the "**Agreement**") between Taboola, Inc. ("**Taboola**") and Yahoo Inc. ("**Yahoo**"). This Addendum is made and effective as of May 1, 2023 (the "**Addendum Effective Date**") and continue until terminated as provided in the Agreement. Yahoo and Taboola may each be referred to as a "**Party**" or collectively as the "**Parties**".

This Addendum governs Taboola's access to and purchase of Placements made available by Yahoo on a programmatic basis (e.g., via real time bidding, as further described below). This Addendum shall, upon acceptance by Taboola and Yahoo, become an Addendum to the Agreement. Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Agreement. In the event of any inconsistency between the terms of this Addendum and the Agreement, the terms of this Addendum shall prevail.

1. **Placement Availability.** Yahoo may make Placements available to Taboola on a programmatic basis (e.g., via real time bidding) (the "**RTB Connection**"). The terms and conditions of the "Ad Platforms Agreement – Exchange" between Yahoo EMEA Limited (formerly, Verizon Media EMEA Limited) and Taboola.com Ltd. dated December 1, 2020 (the "**Exchange Agreement**") are hereby adopted by Yahoo and Taboola and shall apply to the Parties' access to and use of the RTB connection. References to "**You**" or "**Your**" in the Exchange Agreement shall mean Taboola and references to "**Verizon Media**", "**We**", "**Us**" or "**Our**" shall mean "**Yahoo**".
  2. **Other Changes to The Adopted Exchange Agreement.** Section 15 of the adopted Exchange Agreement shall be replaced in its entirety by Sections 13 and 14 of the Agreement. Payments to Yahoo shall be made pursuant to Section 4 of the Terms and Conditions of the Agreement. Yahoo and Taboola shall maintain this RTB Connection for a period of time as further agreed to in good faith by the Parties. The Parties agree to replace the advertising policies and specifications link described in the cover page with the following: <https://adspecs.yahooinc.com/native-ads>. Section 7.1.1 (a) (Privacy Policy) is deleted and replaced with the following: "*conspicuously post on your website(s) and mobile application(s) (and on your Advertisers' website(s) and mobile applications) and adhere to a privacy policy that complies with all applicable laws, rules, regulations, and self-regulatory principles, including as applicable the principles of the Digital Advertising Alliance, Interactive Advertising Bureau, American Association of Advertising Agencies and Network Advertising Initiative ("NAI")*". The URL referenced in Section 7.1.2 (Tracking Mechanisms) shall be changed to <https://legal.yahoo.com/xw/en/yahoo/privacy/enterprise/pixelandcustomaudience/index.html>. Section 15 (Applicable Law) shall be deleted and replaced with the following: "*The terms of the Advertising Agreement and any dispute relating thereto or between you and us will be governed by the laws of the State of New York, without regard to conflict/choice of law principles. The United Nations Convention on Contracts for the International Sale of Goods does not apply to the Advertising Agreement. You and We agree to submit to the exclusive jurisdiction of the state and federal courts located in the borough of Manhattan, New York. Any claim against Us will be adjudicated on an individual basis and will not be consolidated in any proceeding with any claim or controversy of any other party.*".
  3. **Bidding and Payment.** [\*\*\*]. Payment shall be delivered as specified in Section 4(d) of the Digital Property Services Agreement Terms and Conditions.
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4. Reporting.

4.1. Online Reporting. Taboola shall provide Yahoo with online access to current data similar to the data provided in Section 4.2 below, which shall be updated at least daily, for Yahoo's planning and forecasting purposes. Such data shall be considered preliminary data and may be adjusted by Taboola as needed before being finalized in the reporting provided in Section 4.2 below.

4.2. Monthly Reporting. Along with the payment described in Section 3 above, Taboola agrees to provide Yahoo with reporting regarding such payment with details reasonably sufficient for Yahoo to independently calculate and verify the amounts paid to Yahoo. Such reporting shall include at least the fields listed in Exhibit A. Yahoo and Taboola may agree on reasonable additions to such reporting to support Yahoo in meeting its compliance and accounting obligations.

4.3. [\*\*\*].

4.4. [\*\*\*]

5. Term. This Addendum shall remain in effect until terminated by the Parties upon at least 30 days' written notice. This Addendum may be terminated separately from the Agreement and termination of this Addendum shall have no impact upon the term of the Agreement.

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IN WITNESS WHEREOF, the Parties hereto, have executed this Addendum as of the Addendum Effective Date:

**Yahoo Inc.**

By: /s/ Matt Sanchez

Name (Print): Matt Sanchez

Title: President, Home Ecosystem

Date: 9/27/2023

**Taboola, Inc.**

By: /s/ James Arthur

Name: James Arthur

Title: VP, Global Strategic Partnerships

Date: 9/26/2023

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### Payment, Data and Security Amendment

This Amendment (this "**Amendment**") modifies the Digital Property and Demand Services Agreement dated November 28, 2022 between Taboola, Inc. ("**Taboola**") and Yahoo Inc. and its Affiliates ("**Yahoo**" or "**Company**") (the "**Agreement**"). This Amendment is made and effective as of July 14, 2023 (the "**Amendment Effective Date**") and continues so long as the Agreement remains in effect. Yahoo and Taboola may each be referred to as a "**Party**" or collectively as the "**Parties**".

This Amendment governs: (a) Yahoo's payment obligations to Taboola for the Omnichannel Advertisers' purchase of Native Advertisements through the UCAM/Taboola Interface, and (b) Taboola's use and protection of certain data of certain Omnichannel Advertisers passed to Taboola by Yahoo. This Amendment shall, upon acceptance by Taboola and Yahoo, become an Amendment to the Agreement. Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Agreement. In the event of any inconsistency between the terms of this Amendment and the Agreement, the terms of this Amendment shall prevail.

1. With effect from the Amendment Effective Date, Taboola's affiliate Taboola.com Ltd. shall be added as a party to the Agreement, as amended hereby. For purposes of the Agreement, "Taboola" shall also refer to Taboola.com Ltd.
2. Data Usage. Yahoo receives data from its Company Advertisers under Yahoo's current Pixel and Custom Audience policy, attached hereto in Exhibit A (the "**Pixel Policy**"), which Yahoo may update from time to time upon written notice to Taboola (email to suffice). [\*\*\*]. The Pixel Policy defines two types of data received by Yahoo from its Company Advertisers: Code Data and Audience Data.
  - 2.1. General Use Cases. Audience Data (as defined in the Pixel Policy) is the same as Advertiser First Party Data defined in the Agreement. [\*\*\*]
  - 2.2. Special Use Cases. [\*\*\*]
  - 2.3. Campaign Data. [\*\*\*]
3. Data Security. Taboola represents and warrants that it shall treat the Code Data and Audience Data of Omnichannel Advertisers, whether received from or through Yahoo or directly from Omnichannel Advertisers, in a manner consistent with Taboola's obligations in Appendix I of the Agreement. [\*\*\*]
4. Disclosures to Omnichannel Advertisers. Taboola shall allow Yahoo to convey assurances consistent with Taboola's obligations in Sections [1](#) and [3 above](#) to Omnichannel Advertisers or potential Omnichannel Advertisers.
5. FLA Data. [\*\*\*]

"[\*\*\*]"

[\*\*\*]

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6. Payments to Taboola.

6.1. Taboola shall invoice Yahoo for the Closing Price (as defined below) of Native Advertisements delivered through the UCAM/Taboola Interface (" **Omnichannel Advertiser Spend**") in each calendar month (each such calendar month a "**Calendar Month**"). Such invoice shall be provided within five (5) business days of the end of the Calendar Month. Yahoo shall pay each such invoice in U.S. dollars within forty-five (45) days after the end of the Calendar Month. Each Party may designate an affiliate to send or receive an invoice and/or send or receive payment. As of the Amendment Effective Date, Yahoo designates Yahoo Ad Tech LLC to receive and pay invoices for Omnichannel Advertiser Spend and Taboola designates Taboola.com Ltd. to issue invoices to Yahoo Ad Tech LLC. The invoice shall disclose all Closing Prices of Omnichannel Advertiser Spend for the Calendar Month. For the purposes of this Amendment, "**Closing Price**" means [\*\*\*]. [\*\*\*]. Yahoo shall send Taboola its reporting for the Omnichannel Advertiser Spend (the "**Omnichannel Spend Report**") by the third day of the calendar month immediately following the Calendar Month. Yahoo shall ensure that the Omnichannel Spend Report contains information reasonably relevant to Omnichannel Advertiser Spend, which shall include the following fields: [\*\*\*]. The fields provided in the Omnichannel Spend Report may be adjusted throughout the Term as determined in good faith between the parties.

6.2. Payments made under this Amendment, including those by Yahoo Ad Tech LLC to Taboola.com Ltd., for Omnichannel Advertiser Spend will be included in [\*\*\*] of the Agreement.

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IN WITNESS WHEREOF, the Parties hereto, have executed this Amendment as of the Amendment Effective Date:

**Yahoo Inc.**

By: /s/ Monica Mijaleski  
Name: Monica Mijaleski  
Title: CFO  
Date: 12/30/2023

**Taboola, Inc.**

By: /s/ Blythe Holden  
Name: Blythe Holden  
Title: General Counsel  
Date: 12/30/2023

**Taboola.com Ltd.**

By: /s/ Eldad Maniv  
Name: Eldad Maniv  
Title: President & COO  
Date: 12/30/2023

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Exhibit A  
Yahoo Pixel and Custom Audience Policy  
[\*\*\*]

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Account	
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## **THE PREBID ADDENDUM**

This Prebid Addendum (this “**Addendum**”) adds the functionality described below to the Digital Property and Demand Services Agreement (the “**Underlying Agreement**”) between Taboola, Inc. (“**Company**”) and Yahoo Inc. (“**Yahoo**”). Reference is made to the “Ad Platforms Agreement – Exchange” between Yahoo EMEA Limited (formerly, Verizon Media EMEA Limited) and Taboola.com Ltd. dated December 1, 2020, which was adopted pursuant to the Underlying Agreement by and between Yahoo and Company (each, a “**Party**”, and collectively, the “**Parties**”), and amended by the Parties through the “Addendum for RTB Buying”, as of May 1, 2023 (collectively, the “**Exchange Agreement**”). This Addendum, effective as of the date of the last signature below (the **Addendum Effective Date**), shall become a further Addendum to the Underlying Agreement by supplementing the terms of the Exchange Agreement as set forth below. All capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Exchange Agreement.

WHEREAS, Yahoo and Company entered into the Exchange Agreement for Services so that Company’s Media Buyers could buy and bid on online media Inventory using Yahoo’s Exchange; and

WHEREAS, pursuant to the Underlying Agreement, Yahoo desires to utilize a Prebid Product (defined below) to enable Company’s Ad spend on or monetization of Yahoo Ad Inventory; for purposes of this Addendum, “**Yahoo Ad Inventory**” means Yahoo’s owned, operated and/or managed Ad inventory where Yahoo is a Media Seller (excluding any Native Advertisement inventory) and “**Prebid Product**” means any header bidding solution used by Yahoo on Yahoo Ad Inventory (whether first-party or third-party solutions). For the avoidance of doubt the Ad inventory referenced in Yahoo Ad Inventory shall mean display ads and display video advertisements.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree to supplement the terms of the Exchange Agreement, solely for purposes of whenever the Company is monetizing the Yahoo Ad Inventory through the Prebid Product, as follows with respect to the terms:

1. Yahoo Entity: Invoicing. The Parties agree and acknowledge that Paragraph 4.c. (Header Bidding Fee) of the Underlying Agreement shall apply to HB Placements (as defined therein) monetized via the Header Bidding Adapter (as defined therein) in connection with the Prebid Product. With respect to any payment terms in the Exchange Agreement, Yahoo may at times invoice Company through an Affiliate; in such case, so long as Company pays the Yahoo Affiliate that has issued the invoice to Company, Company’s payment obligations to Yahoo under the Exchange Agreement for such invoice amount shall be considered satisfied, subject to all other applicable terms set forth in the Underlying Agreement. [\*\*\*].
2. Prebid Product. When Company is monetizing Yahoo Ad Inventory through the Prebid Product, any references made to Yahoo’s “Exchange” (or “Yahoo’s Ad Exchange”) or to “Ad Platforms” (or through use of “Ad Platforms”, where in context such phrase means through use of Yahoo’s Exchange by Company or its Media Buyers for purposes of bidding to purchase Media Sellers’ Ad inventory), or substantially similar in principle, shall instead be replaced by the term “Prebid Product”. Any reference to the term “Services” (if any such term is used thereunder) includes, without limitation, when Company’s Media Buyers bid directly through the Prebid Product.
3. Authorized Use. [\*\*\*]. [\*\*\*]. Through Company’s use of the Prebid Product, Company will receive the Bid Request Stream (defined below) containing certain bid requests as well as information from Yahoo intended to help Company and its Media Buyers identify certain characteristics related to Placements and submit Bids on such Placements (collectively, “**Bid Request Data**”). “**Bid Request Stream**” means the series of bid requests transmitted from Yahoo to Company for the purpose of soliciting Bids on Placements. In addition, subject to compliance with data privacy, security and operational restrictions as determined by Yahoo, Yahoo will work with Company in good faith on: (a) enabling local storage for the Prebid Product, and (b) using a version of Prebid.js open source software that is compatible with the Header Bidding Adapter.
4. Restrictions. [\*\*\*].
5. Sharing Data Feeds. [\*\*\*].
6. Industry Signals. [\*\*\*].

Except as expressly modified by the supplemental provisions hereunder solely for purposes of this Addendum, all of the terms and conditions set forth in the Exchange Agreement and the Underlying Agreement, shall remain in full force and effect. This Addendum may be executed in one or more counterparts, each deemed an original, but all of which together constitute one and the same.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed by their duly authorized representatives as of the Addendum Effective Date.

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YAHOO INC.

By: /s/ Monica Mijaleski  
Name: Monica Mijaleski  
Title: Chief Financial Officer  
Date: February 14, 2024

TABoola, INC.

By: /s/ Blythe Holden  
Name: Blythe Holden  
Title: Secretary & General Counsel  
Date: February 14, 2024

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*Amendment No. [3]*

This Amendment No. [3] (the “**Amendment**”) modifies the Digital Property and Demand Services Agreement dated November 28, 2022 between Taboola, Inc. (“**Taboola**”) and Yahoo Inc. and its Affiliates (“**Yahoo**” or “**Company**”) (the “**Agreement**”), as amended. This Amendment is made and effective as of June 30, 2024 (the “**Amendment Effective Date**”). Yahoo and Taboola may each be referred to as a “**Party**” or collectively as the “**Parties**”. Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Agreement. In the event of any inconsistency between the terms of this Amendment and the Agreement, the terms of this Amendment shall prevail.

WHEREAS, Yahoo and Taboola are Parties to the Agreement; and WHEREAS, the Parties wish to amend the Agreement in certain respects;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereto hereby agree as follows:

1. **Supply Mediation Program.**

1.1. **Program.** [\*\*\*] (the “**Supply Mediation Term**”).

1.2. **Set-Up/Collaboration.** Senior representatives from each Party (i.e., Vice President or above) shall meet regularly and in good faith to discuss and implement the technical requirements necessary to fulfill the Supply Mediation Program by June 30, 2024.

1.3. **Pacing.** The Parties shall ensure that the pacing of Mediated Impressions allocated to Yahoo will increase proportionately on a weekly basis [\*\*\*]. Once ramped, monthly volumes should be evenly distributed over the entire Supply Mediation Term, to the extent practicable.

1.4. **Random Allocation.** [\*\*\*].

1.5. **Header Bidding Integration.** During the Supply Mediation Term, Yahoo shall make Mediated Impressions available to Taboola for bidding through the Header Bidding Integration. [\*\*\*]. Yahoo will include Taboola’s Header Bidding Adapter into the Header Bidding Integration when Taboola delivers such Header Bidder Adapter to Yahoo. [\*\*\*].

1.6. **Fees and Payment.** [\*\*\*].

a. **Program Fee.** [\*\*\*]. **Fixed CPM.** [\*\*\*]

b. **Minimum CPM Payment.** [\*\*\*].

c. **Payment Timing/Reporting from the Parties.** [\*\*\*]. Yahoo shall provide Taboola with weekly reporting for Mediated Impressions of Placements monetized by Yahoo (i.e., number of impressions, win rate, viewability, CPM, platform, Placement) based on Yahoo internal reporting. [\*\*\*]. [\*\*\*].

d. [\*\*\*].

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- 1.7. **Operational Meeting.** [\*\*\*].
  - 1.8. **Termination by Yahoo.** Notwithstanding anything to the contrary, Yahoo may terminate the Supply Mediation Program [\*\*\*].
  - 1.9. **Termination by Taboola.** Notwithstanding anything to the contrary, Taboola may terminate the Supply Mediation Program [\*\*\*] .
  - 1.10. **Wind Down Period.** Upon expiration or termination of the Supply Mediation Program, the Parties will work in good faith to affect an orderly wind down of such program over thirty (30) days with the objective of reasonably mitigating material impact to the Properties and/or the Taboola Network.
  2. **Native Sales Force.** [\*\*\*]
  3. [\*\*\*]
  4. **RTB Buying by Company DSP on Taboola.** Taboola shall develop and support a technical integration that enables Omnichannel Advertisers to bid on and purchase programmatically (i.e., real time bidding) through Company DSP the same Native Advertisement Inventory made available through the UCAM/Taboola Interface. This technical integration shall be ready for testing no later than [\*\*\*].
  5. [\*\*\*]. [\*\*\*].
  6. **Baseline.** [\*\*\*]. To that end, in the period following signing of this Amendment, senior executives or their designees will meet regularly to agree upon a baseline mechanism.
  7. **Viewable Impressions.** [\*\*\*].
  8. **Miscellaneous.** Except as expressly set forth herein, the terms and conditions of the Agreement are unmodified and remain in full force and effect. Upon the effectiveness of this Amendment, each reference in the Agreement to "this Agreement," "hereof," "hereunder," "herein," or words of like import referring to the Agreement shall be deemed to refer to the Agreement, as amended, supplemented or otherwise modified by this Amendment; provided that references in the Agreement to "as of the date hereof" or "as of the date of this Agreement" or words of like import shall continue to refer to November 28, 2022. This Amendment may be executed in one or more counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same instrument. An electronically transmitted signature via pdf or facsimile shall be deemed the equivalent to an original ink signature. In the event of a conflict between any of the terms and conditions of the Agreement and any of the terms and conditions of this Amendment, the terms and conditions of this Amendment shall control. The provisions set forth Sections 10 through 21 of the Terms and Conditions to the Agreement are hereby incorporated into, and shall apply to, this Amendment, *mutadis mutandis*.
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IN WITNESS WHEREOF, the Parties hereto, have executed this Amendment as of the Amendment Effective Date.

**Yahoo Inc.**

By: /s/ Jim Lanzone  
Name (Print): Jim Lanzone  
Title: CEO  
Date: June 30, 2024

**Taboola, Inc.**

By: /s/ Blythe Holden  
Name (Print): Blythe Holden  
Title: Secretary and General Counsel  
Date: June 30, 2024

**Taboola.com Ltd.**

By: /s/ Adam Singolda  
Name (Print): Adam Singolda  
Title: CEO and Founder  
Date: June 30, 2024

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I, Adam Singolda, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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
  - (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: November 7, 2024

By: /s/ Adam Singolda  
Adam Singolda  
Chief Executive Officer  
(Principal Executive Officer)

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I, Stephen Walker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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
  - (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: November 7, 2024

By: /s/ Stephen Walker  
Stephen Walker  
Chief Financial Officer  
(Principal Financial Officer)

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**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 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 Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2024 (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: November 7, 2024

By: /s/ Adam Singolda  
Adam Singolda  
Chief Executive Officer  
(Principal Executive Officer)

By: /s/ Stephen Walker  
Stephen Walker  
Chief Financial Officer  
(Principal Financial Officer)

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