



Q4 and FY 2023 Presentation
February 7, 2024

Forward Looking Statements

This presentation contains historical information and forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995 with respect to the business, financial condition and results of operations of Perion. The words "will," "believe," "expect," "intend," "plan," "should," "estimate" and similar expressions are intended to identify forward-looking statements. Such statements reflect the current views, assumptions and expectations of Perion with respect to future events and are subject to risks and uncertainties. Many factors could cause the actual results, performance or achievements of Perion to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, or financial information, including, but not limited to, the current war between Israel and Hamas and any worsening of the situation in Israel (such as further mobilizations), the failure to realize the anticipated benefits of companies and businesses we acquired and may acquire in the future, risks entailed in integrating the companies and businesses we acquire, including employee retention and customer acceptance; the risk that such transactions will divert management and other resources from the ongoing operations of the business or otherwise disrupt the conduct of those businesses, potential litigation associated with such transactions, and general risks associated with the business of Perion including intense and frequent changes in the markets in which the businesses operate and in general economic and business conditions, loss of key customers, unpredictable sales cycles, competitive pressures, market acceptance of new products, changes in applicable laws and regulations as well as industry self-regulation, data breaches, cyber-attacks and other similar incidents, inability to meet efficiency and cost reduction objectives, changes in business strategy and various other factors, whether referenced or not referenced in this presentation. Various other risks and uncertainties may affect Perion and its results of operations, as described in reports filed by Perion with the Securities and Exchange Commission from time to time, including its annual report on Form 20-F for the year ended December 31, 2022 filed with the SEC on March 15, 2023. Perion does not assume any obligation to update these forward-looking statements. Investors should read this presentation together with our respective quarterly press release furnished to the SEC.

Non-GAAP Measures

Non-GAAP financial measures consist of GAAP financial measures adjusted to exclude certain items. This presentation includes certain non-GAAP measures, including Contribution ex-TAC, non-GAAP Operating Expenses and Cost of Revenue, Adjusted EBITDA, non-GAAP net income and non-GAAP diluted earnings per share.

Contribution ex-TAC presents revenue reduced by traffic acquisition costs and media buy, reflecting a portion of our revenue that must be directly passed to publishers or advertisers and presents our revenue excluding such items. We believe Contribution ex-TAC is a useful measure in assessing the performance of the Company because it facilitates a consistent comparison against our core business without considering the impact of traffic acquisition costs and media buy related to revenue reported on a gross basis.

Non-GAAP Operating Expenses and Cost of Revenue is defined as Total Costs and Expenses excluding traffic acquisition costs and media buy, depreciation, amortization of acquired intangible assets, stock-based compensation expenses, retention and other acquisition-related expenses and gains and losses recognized with respect to changes in fair value of contingent consideration.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") is defined as income from operations excluding stock-based compensation expenses, depreciation, amortization of acquired intangible assets, retention and other acquisition-related expenses and gains and losses recognized with respect to changes in the fair value of contingent consideration.

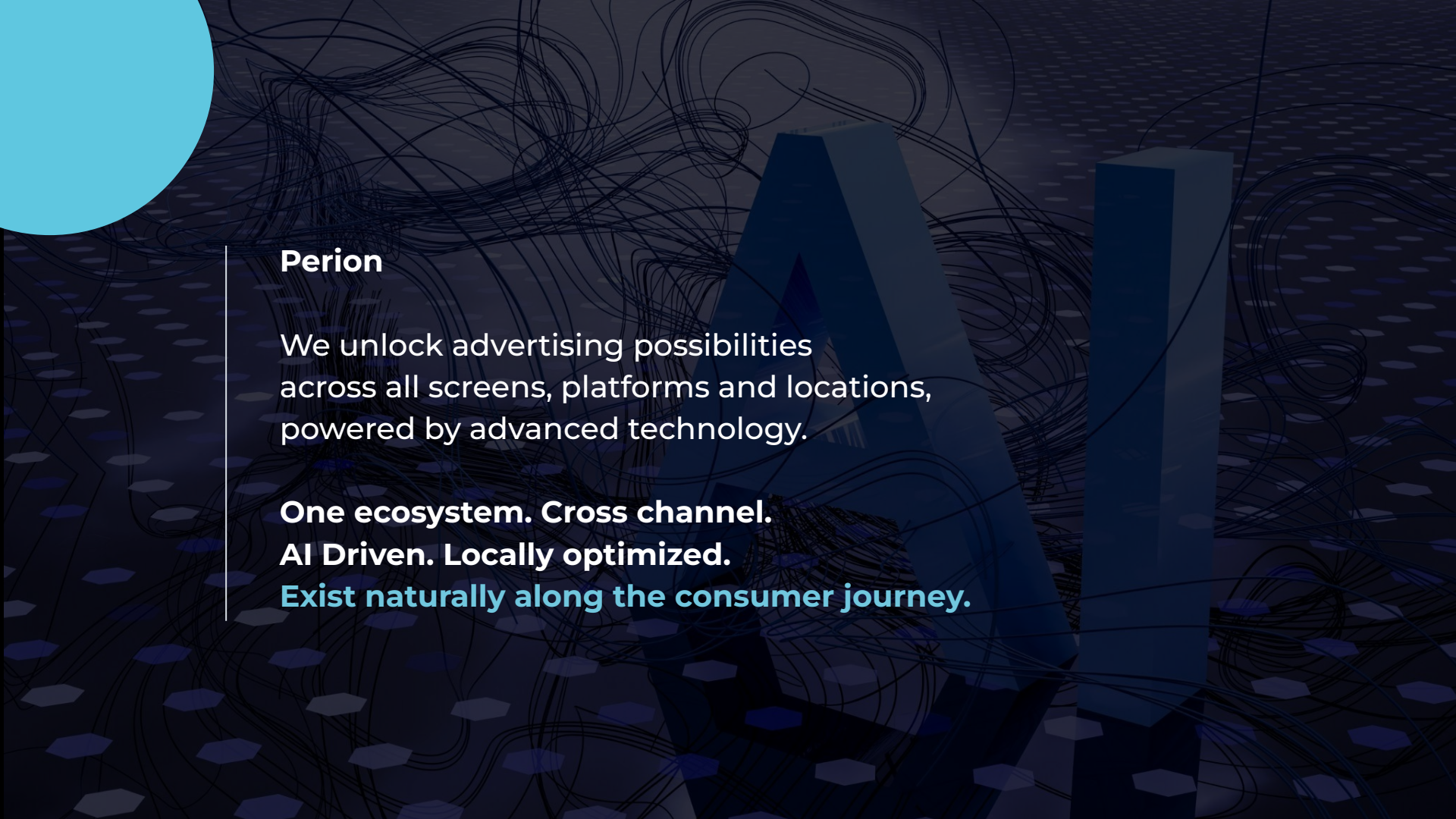
Non-GAAP net income and non-GAAP diluted earnings per share are defined as net income and net earnings per share excluding stock-based compensation expenses, retention and other acquisition-related expenses, revaluation of acquisition-related contingent consideration, amortization of acquired intangible assets and the related taxes thereon, non-recurring expenses, foreign exchange gains and losses associated with ASC-842, as well as gains and losses recognized with respect to changes in fair value of contingent consideration.

The purpose of such adjustments is to give an indication of our performance exclusive of non-cash charges and other items that are considered by management to be outside of our core operating results. These non-GAAP measures are among the primary factors management uses in planning for and forecasting future periods. Furthermore, the non-GAAP measures are regularly used internally to understand, manage and evaluate our business and make operating decisions, and we believe that they are useful to investors as a consistent and comparable measure of the ongoing performance of our business. However, our non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. Additionally, these non-GAAP financial measures may differ materially from the non-GAAP financial measures used by other companies. Due to the high variability and difficulty in making accurate forecasts and projections of some of the information excluded from these projected measures, together with some of the excluded information not being ascertainable or accessible, we are unable to quantify certain amounts that would be required for such presentation without unreasonable effort. Consequently, no reconciliation of the forward-looking non-GAAP financial measures is included in this presentation. A reconciliation between results on a GAAP and non-GAAP basis is provided in the appendix to this presentation.

Tal Jacobson
CEO



Maoz Sigron
CFO



Perion

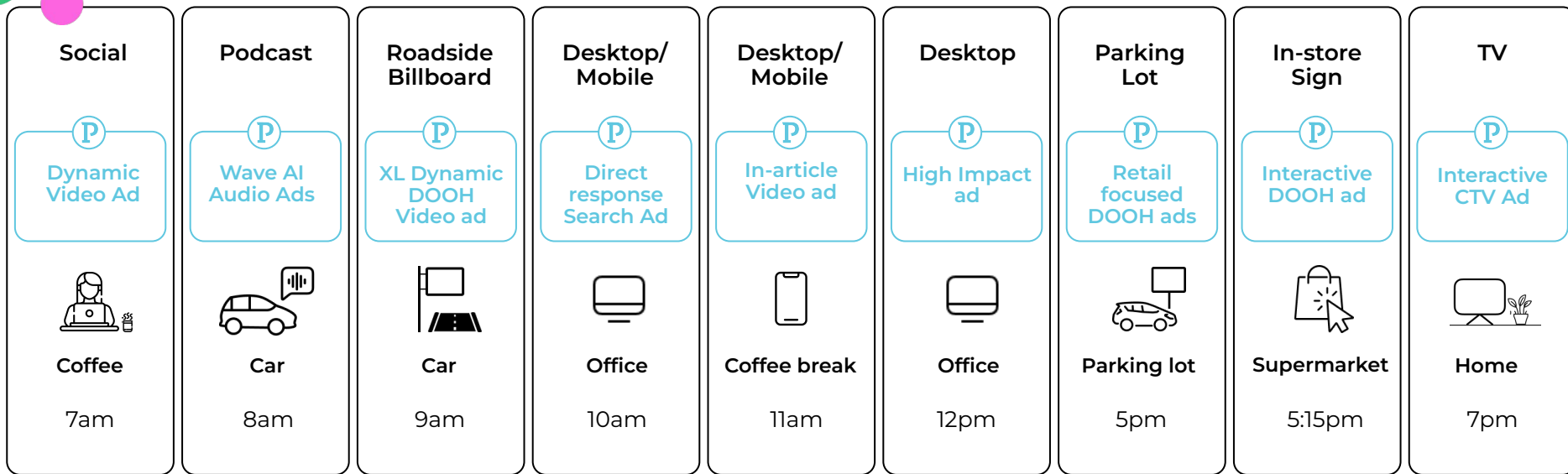
We unlock advertising possibilities across all screens, platforms and locations, powered by advanced technology.

One ecosystem. Cross channel.

AI Driven. Locally optimized.

Exist naturally along the consumer journey.

Perion along the Consumer Journey



Perion centralized hub - Measures results across campaigns, media channels, screens and locations, to ensure that we always have the optimal mix of options to flex with an ever-changing consumer behavior.



Q4 2023

Continued **profitable growth** through **diversification**.
Notable growth in **Search, CTV & Retail Media**.

Added Geo and **channel** expansion through the HiveStack acquisition.

2024

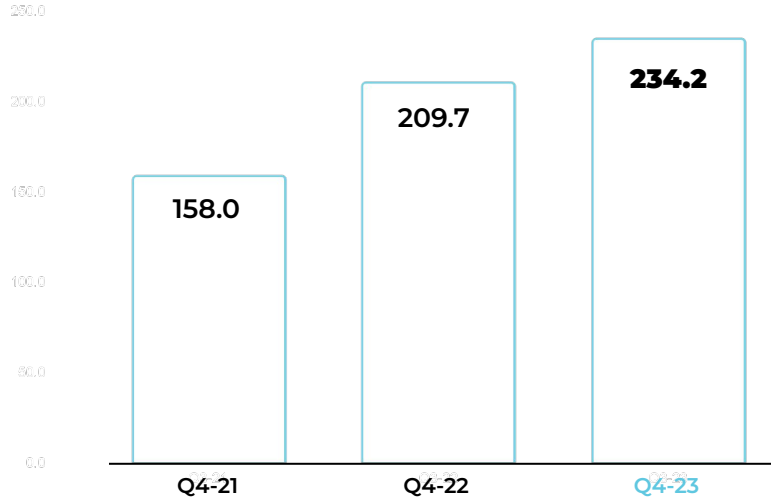
Continue to **build an immersive consumer journey through technology**. Increase our investment in technology with our own R&D teams (Including the new HiveStack teams) and through additional inorganic opportunities.

Q4 Consistent Growth

Q4 2023 Revenue (\$M)

22%
CAGR
Q4'21-23

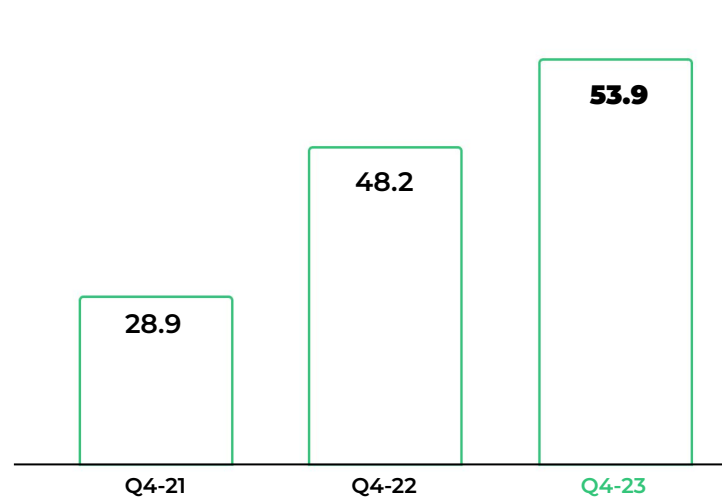
↑ **12%**
YoY
Growth



Q4 2023 Adjusted EBITDA¹ (\$M)

36%
CAGR
Q4'21-23

↑ **12%**
YoY
Growth



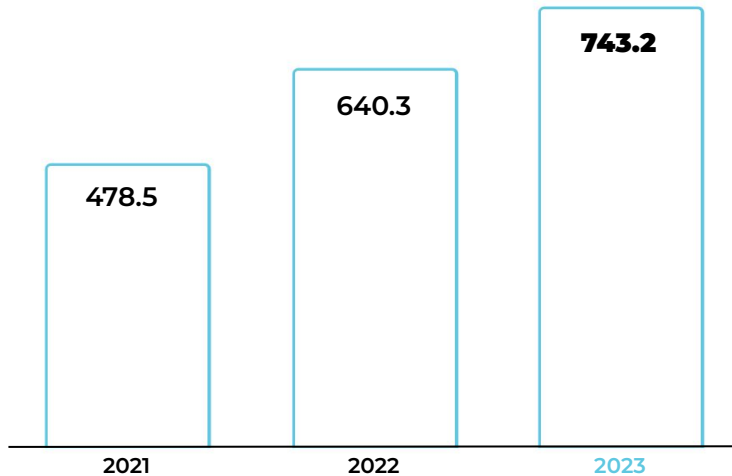
¹ Adjusted EBITDA is a non-GAAP metric. Please see the Appendix to this presentation for a reconciliation of each to the nearest GAAP metric.

Annual Growth

FY 2023 Revenue (\$M)

25%
CAGR
2021-2023

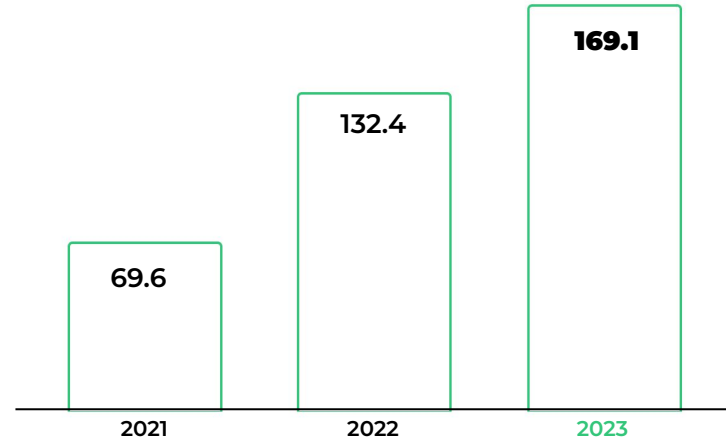
↑ **16%**
YoY
Growth



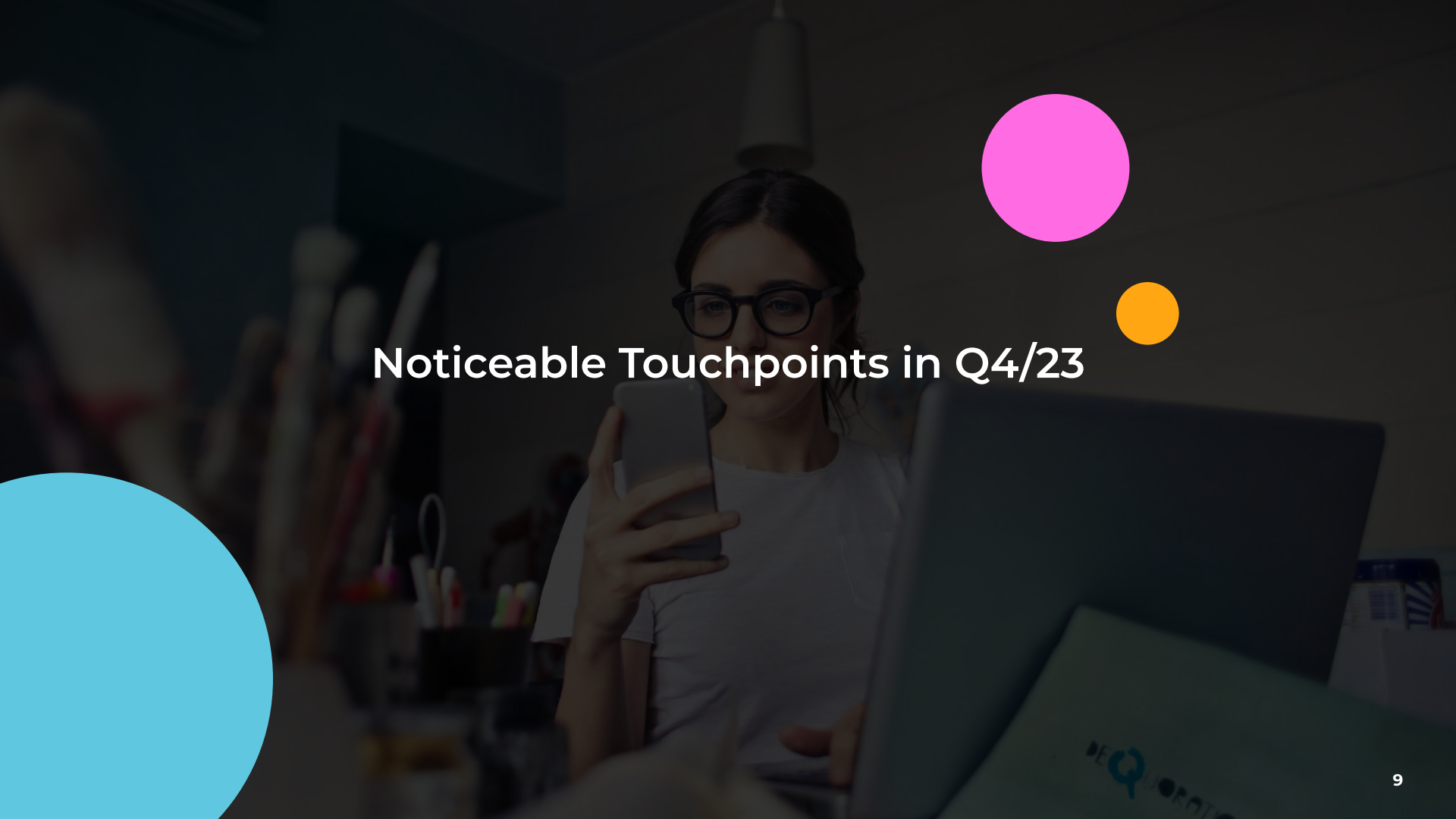
FY 2023 Adjusted EBITDA¹ (\$M)

56%
CAGR
2021-2023

↑ **28%**
YoY
Growth



¹ Adjusted EBITDA is a non-GAAP metric. Please see the Appendix to this presentation for a reconciliation of each to the nearest GAAP metric.

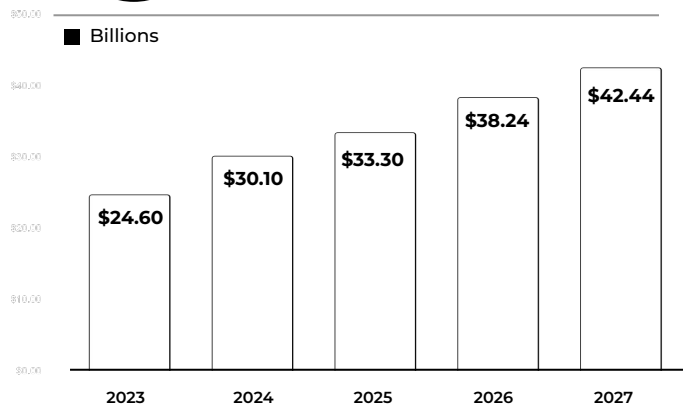


Noticeable Touchpoints in Q4/23

Perion CTV Growth Outpacing Market

**15%
CAGR**

**Connected TV
Ad Spending US, 2023-2027¹**



20.0%



Expected 2023 YoY CTV
US Market growth¹



Q4 2023

⬆️ **\$14.4M**
⬆️ **69% YoY**

FY 2023

⬆️ **\$33.5M**
⬆️ **56% YoY**

Pause Ads in partnership with DirecTV

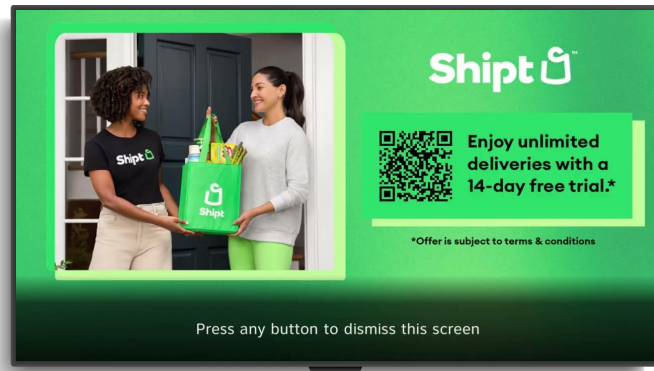
Branded TV moments for both linear and streaming

Memorable CTV ad units

Runs when viewers pause content

Technology enables segmented audiences for optimal reach

Shoppable experience to increase consumer action



Used by leading brands

paco rabanne

conEdison

Shipt

twilio

EVERSOURCE

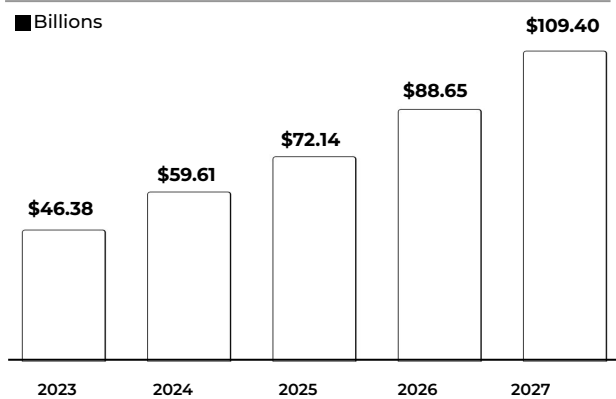
DRAFT
KINGS



Perion Retail Media Growth

24%
CAGR

**Retail Media Ad Spending
US, 2023-2027¹**



23.1%

 Expected 2023 YoY Retail Media
US Market growth¹



Q4 2023

FY 2023

  **\$20.2M**
 **196% YoY**

  **\$49.7M**
 **114% YoY**

WAVE gaining Retail traction - Pep Boys campaigns

WAVE AI-based Dynamic Audio ads part of the full consumer journey

More impactful. Personalized. Localized. Relevant. Shoppable.



Pep Boys

2.4 X Visit Rate Lift

117% Incremental Sales Lift

100% Generative AI

WAVE
By Perion

**Available on
multiple audio
platforms**

 **Audioboom**

 **SiriusXM**
SATELLITE RADIO


iHeart
RADIO


PODCASTONE


Spotify

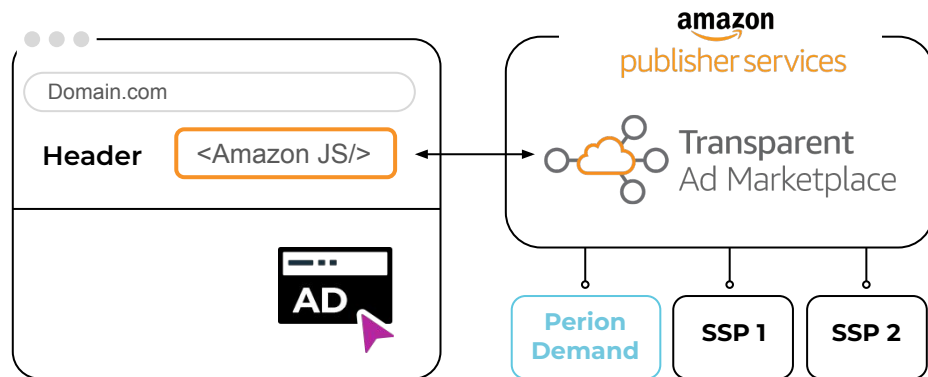
Amazon Publisher Services (APS) Integration

Frictionless integration with Perion demand

Access to premium publishers' inventory via APS

Any publisher that monetizes with Amazon can now easily connect Perion demand and campaigns.

No Technical integration is required, making it easier and faster to onboard premium publishers.



IMDb

VALNET

venatus

apartment therapy

boredpanda

PUBLISHER
COLLECTIVE

Partnering with Eletromidia Brazil with our DOOH solutions

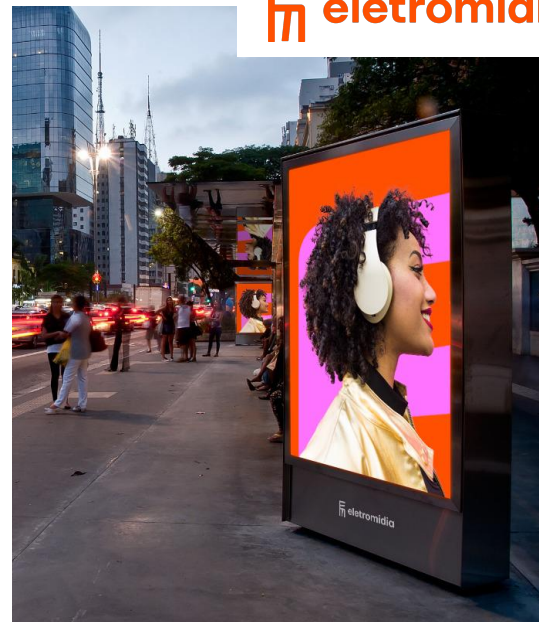
Delivering on our promise of GEO expansion

Reaching 29 million people daily

The largest OOH media company in Brazil with more than 64,000 screens in the country's largest cities, out of which more than 46,000 are designed for a high impact digital experience.

With this partnership we are offering Eletromidia's premium DOOH inventory to both global and local advertisers.

This brings exciting opportunities for our high-impact display solutions to enter the Brazilian market.



Perion's DOOH for Retail CPG in action

Helena Rubinstein leverages HiveStack to drive in-store visits

Advanced Geofence Targeting

Increase foot traffic into physical stores

Our advance technology to provide geofencing to plan and activate the campaign at specific DOOH screens in close proximity to Helena Rubinstein stores.

Results

3x uplift in foot traffic to physical stores across Hong Kong

231% uplift for new customer recruitment with the omnichannel (targeting and retargeting) approach

HR
HELENA RUBINSTEIN



Financial Results
& Outlook

FY 2023 Financial Highlights

Revenue



\$743.2M

16% YoY Growth

Adjusted
EBITDA¹



\$169.1M

28% YoY Growth
23% Margin
55% ex-TAC Margin

GAAP Net
Income



\$117.4M

18% YoY Growth
16% Margin

Non-GAAP
Net Income¹



\$167.4M

40% YoY Growth

Cash flow from
Operations



\$155.5M

27% YoY Growth

¹ Non-GAAP metrics. Please see the Appendix to this presentation for a reconciliation of each to the nearest GAAP metric.

Q4 2023 Financial Highlights

Revenue



\$234.2M

12% YoY Growth

Contribution
ex-TAC¹



\$90.6M

3% YoY Growth
39% Margin

Adjusted
EBITDA¹



\$53.9M

12% YoY Growth
23% Margin
59% ex-TAC margin

Non-GAAP
Net Income¹



\$52.9M

19% YoY Growth

Non-GAAP
Diluted EPS¹



\$1.04

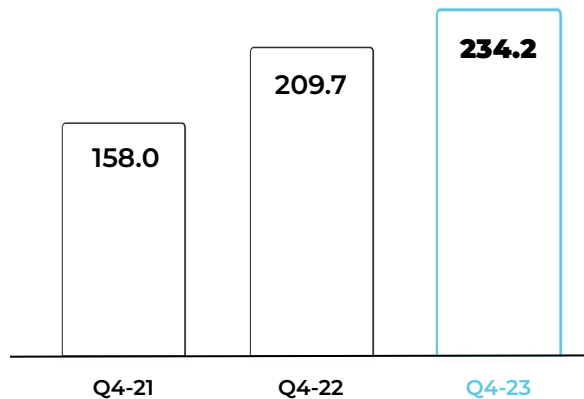
16% YoY Growth

¹ Non-GAAP metrics. Please see the Appendix to this presentation for a reconciliation of each to the nearest GAAP metric.

Revenue (\$M)

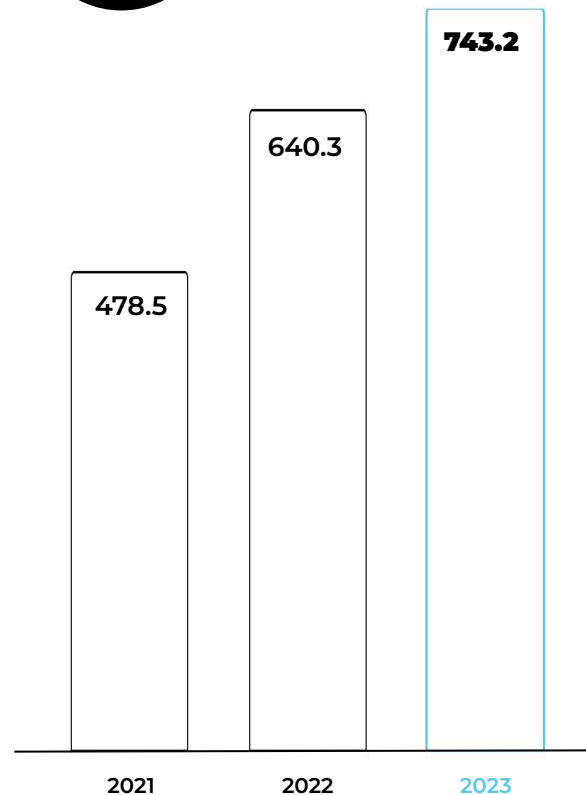
22%
CAGR
Q4'21-23

↑ **12%**
YoY
Growth

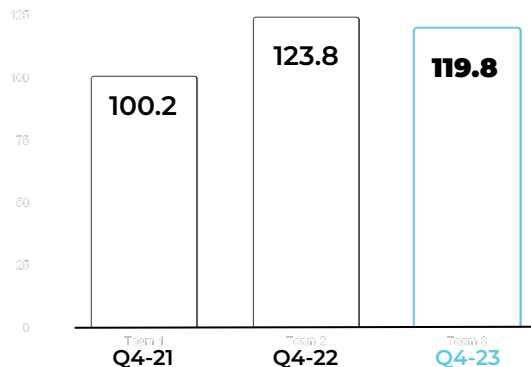


25%
CAGR
2021-2023

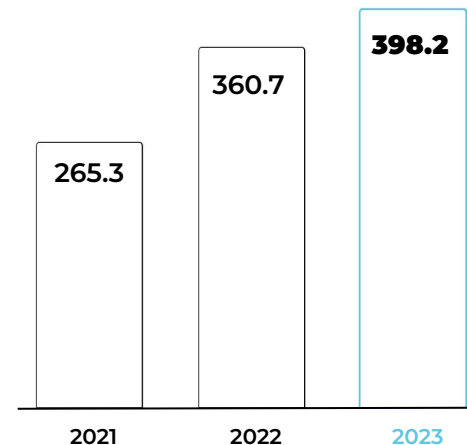
↑ **16%**
YoY
Growth



Display Advertising Revenue (\$M)



Retail Media¹ increased by 196%
CTV² increased by 69% YoY
Video decreased by 33% YoY



Retail Media¹ increased by 114%
CTV² increased by 56% YoY
Video decreased by 7% YoY

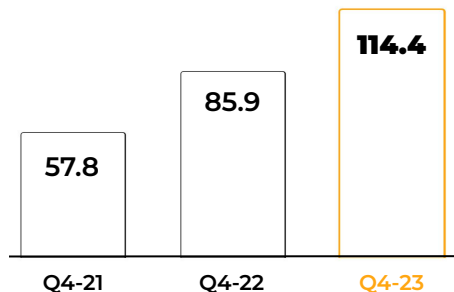
¹ Retail Media includes all media channels, such as, CTV, video and others

² We use our updated methodology for measuring CTV, as set out in our press release for the quarter

Search Advertising Revenue (\$M)



↑ 33%
YoY
Growth

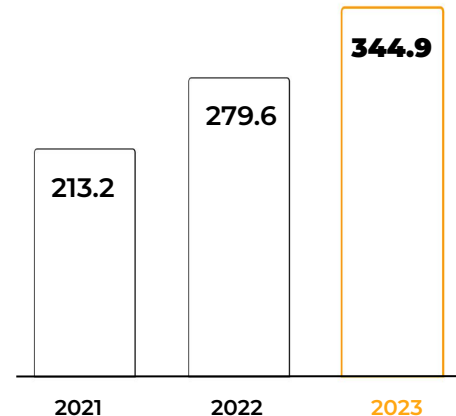


↑ 30.2 million average daily searches
An increase of 37% YoY

↑ 162 publishers
An increase of 4% YoY



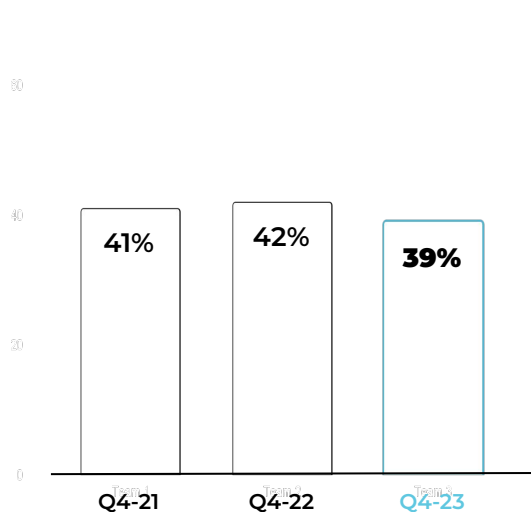
↑ 23%
YoY
Growth



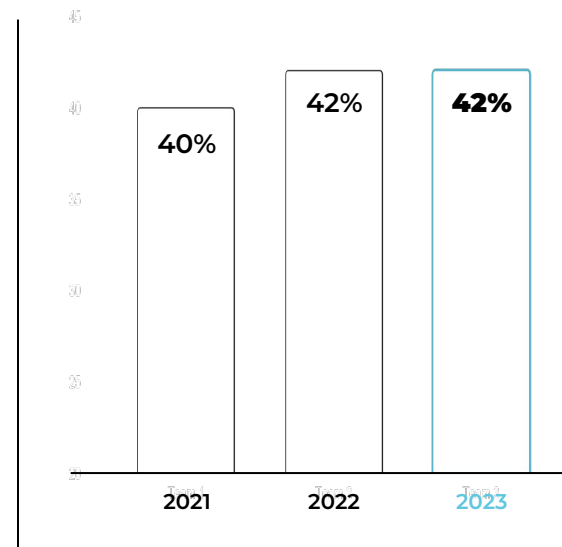
↑ 29.1 million average daily searches
An increase of 57% YoY

↑ 160 publishers (annual average)
An increase of 18% YoY

Contribution Ex-TAC



Change in
Product mix
with ongoing
optimization



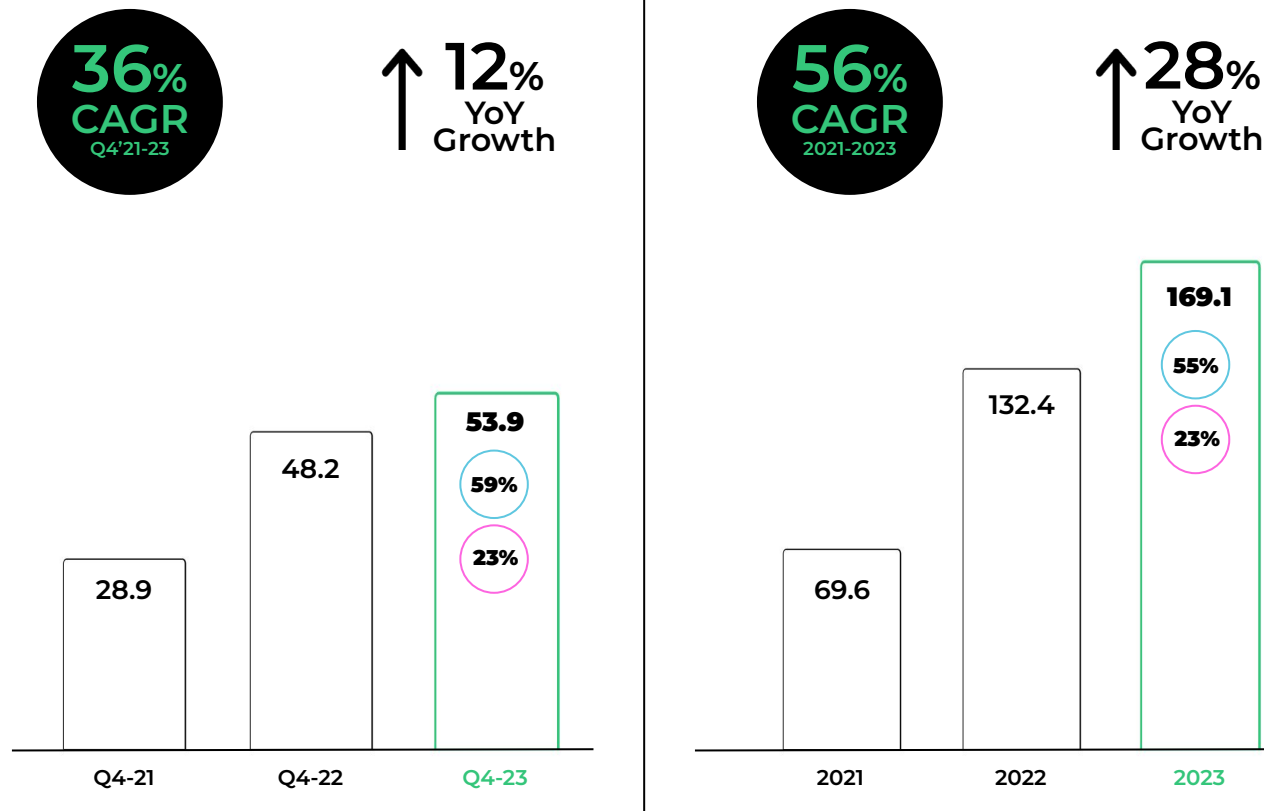
Media buying
optimization
of our supply and demand
assets through iHUB

Gaining Market
share
in a competitive
environment

Adjusted EBITDA¹ (\$M)

Adjusted EBITDA/Contribution ex-TAC

Adjusted EBITDA/Revenue



¹ Adjusted EBITDA is a non-GAAP metric. Please see the Appendix to this presentation for a reconciliation of each to the nearest GAAP metric.

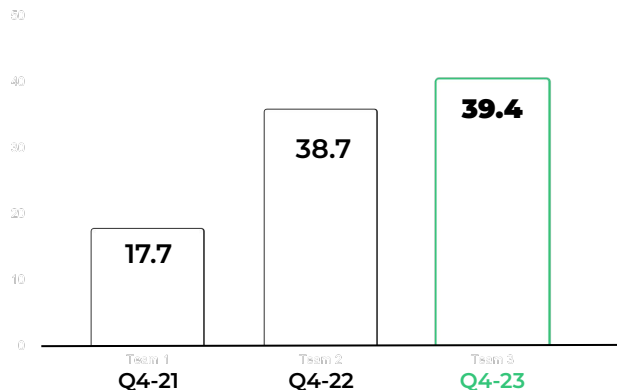
Q4 2023

GAAP/
Non-GAAP
Net Income
(\$M)



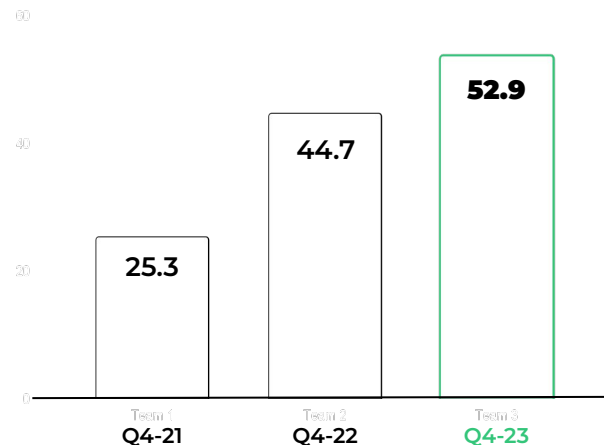
↑ 2%
YoY
Growth

GAAP
Net Income



↑ 19%
YoY
Growth

Non-GAAP
Net Income¹



¹ Non-GAAP net income is a non-GAAP metric. Please see the Appendix to this presentation for a reconciliation to the nearest GAAP metric

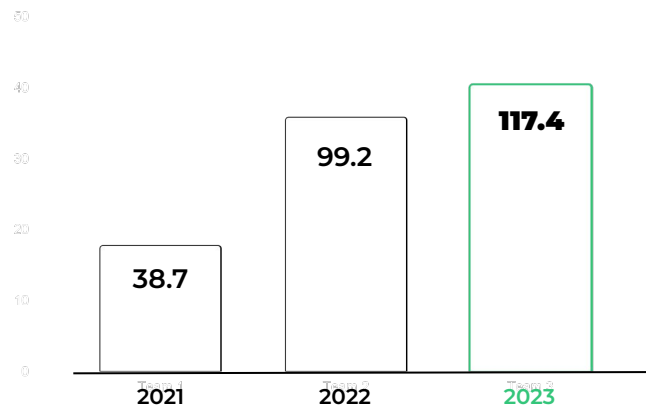
FY 2023

GAAP/
Non-GAAP
Net Income
(\$M)



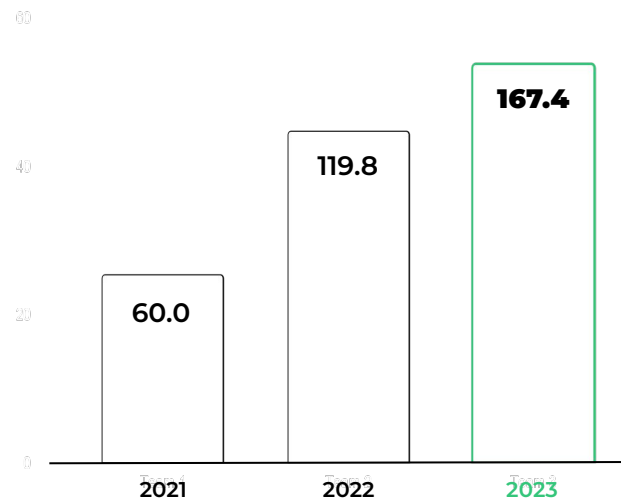
GAAP
Net Income

↑ 18%
YoY
Growth



Non-GAAP
Net Income¹

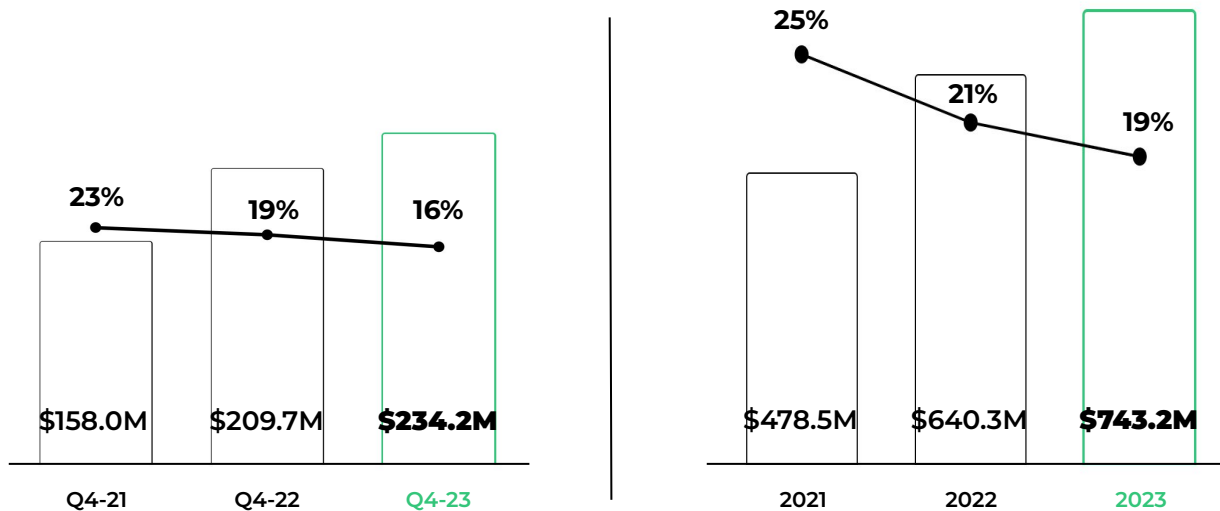
↑ 40%
YoY
Growth



¹ Non-GAAP net income is a non-GAAP metric. Please see the Appendix to this presentation for a reconciliation to the nearest GAAP metric

Continuous Growth in Cost Efficiency

□ Revenue — % OPEX+COGS¹

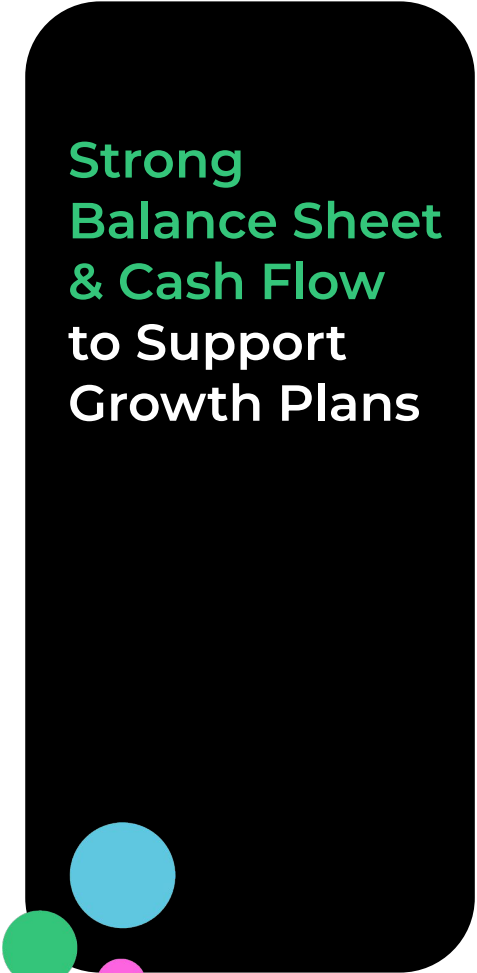


Use of process
Automation

Favorable exchange
rate (ILS/US\$)

Offshoring our
operations

¹ Non-GAAP Operating Expenses and Cost of Revenue. Please see the Appendix to this presentation for a reconciliation to the nearest GAAP metric



Strong Balance Sheet & Cash Flow to Support Growth Plans

Financial Metric (\$M)	Q4-22	Q4-23	2023
Net cash ¹	429.6	472.7	472.7
Operating Cash Flow	38.2	50.2	155.5

¹ As of end of period. Net cash includes cash and cash equivalents, short-term bank deposits and marketable securities

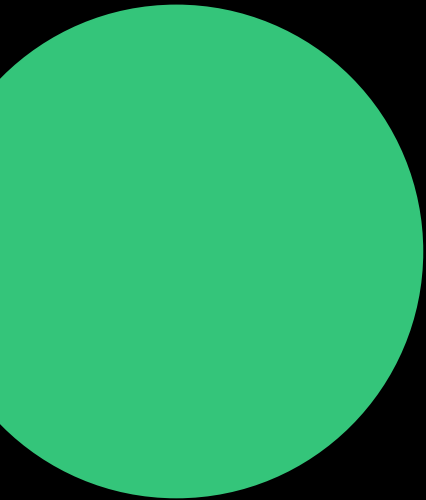


Guidance

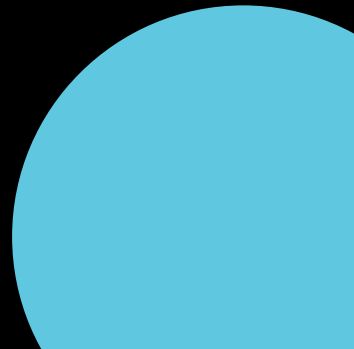
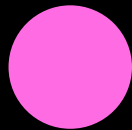
In \$ Millions

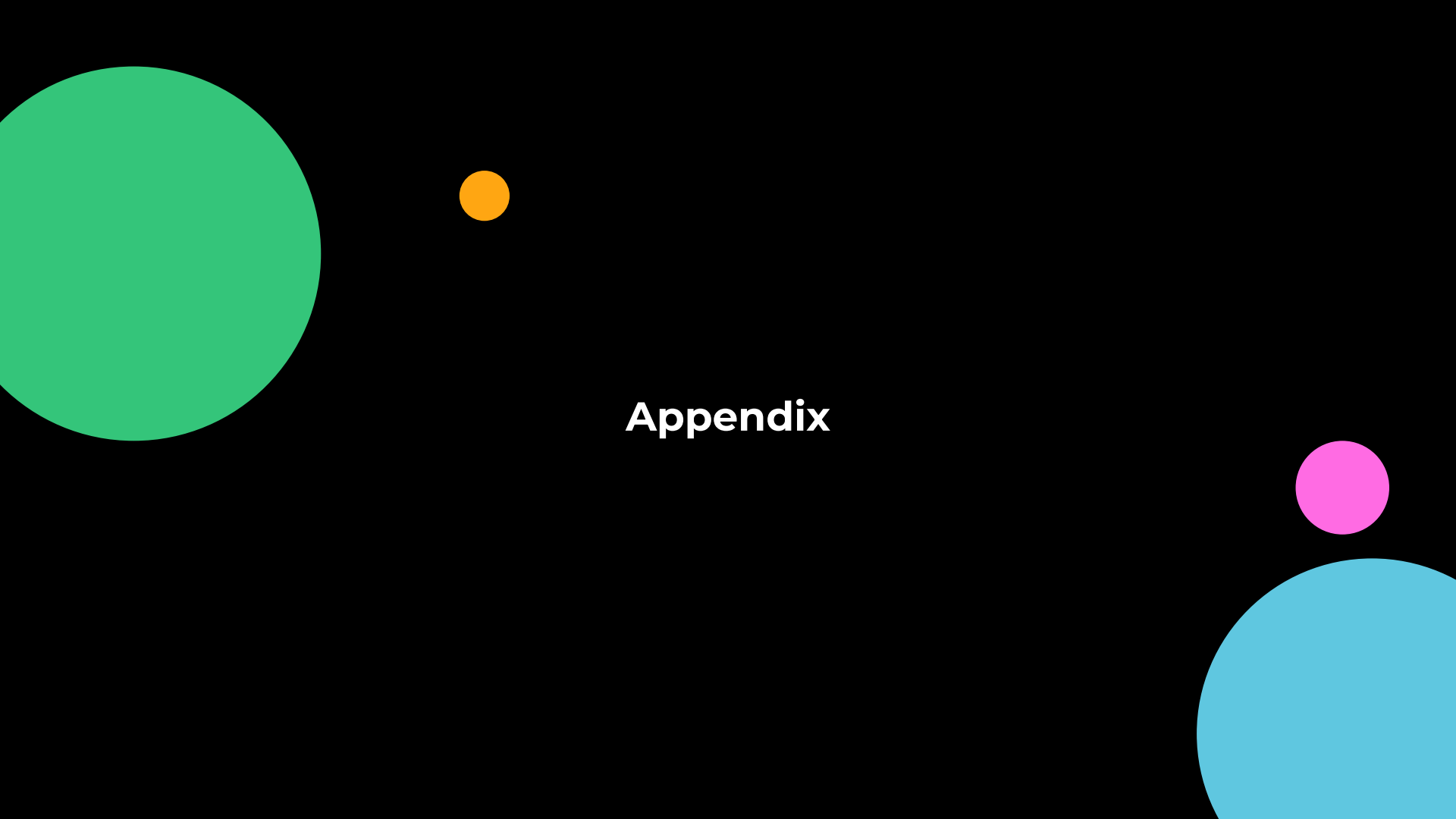
	2023	2024 Guidance	YoY Growth ¹	YoY Proforma Growth ¹
Revenue	\$743.2	\$860-\$880	17%	10%
Adjusted EBITDA	\$169.1	\$178-\$182	6%	10%
Adjusted EBITDA to Revenue	23%	21% ¹		
Adjusted EBITDA to Contribution ex-TAC	55%	51% ¹		

¹ Calculated at revenue and adjusted EBITDA guidance midpoint.



Thank You





Appendix

Balance Sheet Overview (\$M)

Condensed Consolidated Balance Sheets

Current Assets	31/12/2023	31/12/2022
Cash and cash equivalents	187.6	176.2
Restricted cash	1.3	1.3
Short-term bank deposit	207.5	253.4
Marketable Securities	77.6	0.0
Accounts receivable, net	231.5	160.5
Prepaid expenses and other current assets	21.0	12.0
	726.6	603.5

Long-Term Assets		
Property and equipment, net	3.2	3.6
Operating lease right-of-use assets	6.6	10.1
Goodwill and Intangible assets, net	338.0	247.2
Deferred taxes and Other assets	2.9	5.8
	350.7	266.8

Total Assets	1077.3	870.2
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Current Liabilities	31/12/2023	31/12/2022
Accounts payable	217.2	155.9
Accrued expenses and other liabilities	42.6	37.9
Short-term operating lease liability	4.2	3.9
Deferred revenue	2.3	2.4
Short-term payment obligation related to acquisitions	73.7	34.6
	340.0	234.6

Long-Term Liabilities		
Payment obligation related to acquisitions	0.0	33.1
Long-term operating lease liability	3.4	7.6
Other long-term liabilities	15.6	11.8
	19.1	52.5

Total Shareholders' Equity	718.1	583.1
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Total Liabilities and Shareholders' Equity	1077.3	870.2
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Income Statement (\$M)

Consolidated Statements Of Operations - GAAP													Full Year ended		
	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23	2021	2022	2023
Display Advertising revenue	38.1	58.0	69.0	100.2	68.6	81.6	86.8	123.8	79.9	99.4	99.2	119.8	265.3	360.7	398.2
Search Advertising revenue	51.7	51.6	52.0	57.8	56.7	65.1	71.8	85.9	65.3	79.1	86.1	114.4	213.2	279.6	344.9
Total Revenue	89.8	109.7	121.0	158.0	125.3	146.7	158.6	209.7	145.2	178.5	185.3	234.2	478.5	640.3	743.2
Cost of revenue	5.4	6.2	6.3	7.3	6.6	6.9	7.5	9.4	7.6	9.6	9.8	10.9	25.2	30.4	37.8
Traffic acquisition costs and media buy	54.9	66.2	73.6	93.3	71.0	86.0	93.6	122.0	79.9	101.5	108.0	143.6	288.0	372.6	432.9
Research and development	8.5	8.9	8.6	9.2	9.0	8.3	7.8	9.3	8.4	8.2	7.8	8.7	35.3	34.4	33.1
Selling and marketing	10.6	12.9	12.9	16.8	13.3	14.0	12.6	16.1	15.0	13.9	14.2	15.0	53.2	56.0	58.0
General and administrative	4.1	4.6	5.3	9.1	5.7	6.5	7.6	7.9	6.5	7.4	7.7	10.1	23.1	27.6	31.8
Changes in fair value of contingent consideration	-	-	-	(2.2)	-	-	(3.8)	-	-	14.6	2.0	2.1	(2.2)	(3.8)	18.7
Depreciation and amortization	2.4	2.0	1.9	3.6	3.2	3.2	3.7	3.7	3.4	3.4	3.4	3.9	9.9	13.8	14.1
Total Costs and Expenses	86.0	100.8	108.6	137.2	108.8	124.8	129.0	168.5	120.6	158.6	152.8	194.3	432.6	531.1	626.4
% of Revenues	95.8%	91.9%	89.8%	86.8%	86.8%	85.1%	81.3%	80.4%	83.1%	88.9%	82.5%	83.0%	90.4%	82.9%	84.3%
Income from Operations	3.9	8.9	12.4	20.8	16.5	21.9	29.6	41.2	24.5	19.9	32.5	39.9	45.9	109.2	116.7
% of Revenues	4.3%	8.1%	10.2%	13.2%	13.2%	14.9%	18.7%	19.6%	16.9%	11.1%	17.5%	17.0%	9.6%	17.1%	15.7%
Financial income (expense), net	0.2	(0.3)	-	(0.5)	0.6	0.9	1.0	2.0	3.4	5.2	6.1	6.3	(0.6)	4.5	21.0
Income before Taxes on income	4.1	8.6	12.4	20.3	17.1	22.8	30.6	43.2	27.9	25.0	38.6	46.1	45.3	113.7	137.7
Taxes on income	0.8	1.5	1.7	2.6	1.6	3.3	5.0	4.5	4.1	3.6	5.7	6.7	6.6	14.4	20.3
Net Income	3.3	7.1	10.6	17.7	15.5	19.5	25.6	38.7	23.8	21.4	32.8	39.4	38.7	99.2	117.4
% of Revenues	3.7%	6.5%	8.8%	11.2%	12.4%	13.3%	16.1%	18.5%	16.4%	12.0%	17.7%	16.8%	8.1%	15.5%	15.8%
Net Earnings per Share - Basic	0.10	0.21	0.31	0.48	0.35	0.44	0.57	0.84	0.51	0.46	0.69	0.83	1.13	2.21	2.49
Net Earnings per Share - Diluted	0.09	0.19	0.28	0.44	0.33	0.41	0.53	0.79	0.48	0.43	0.65	0.78	1.02	2.06	2.34
No. of shares - Basic (M)	32.1	34.1	34.6	36.8	44.0	44.4	45.1	45.8	46.4	47.0	47.4	47.8	34.4	44.9	47.1
No. of shares - Diluted (M)	35.8	37.1	37.9	40.3	47.0	47.3	48.0	48.9	49.5	49.6	50.3	50.6	37.8	48.1	50.1

Numbers may not add due to rounding

Cash Flow Overview (\$M)

													Full Year ended		
Condensed Consolidated Statements of Cash Flows	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23	2021	2022	2023
Cash flows from operating activities															
Net Income	3.3	7.1	10.6	17.7	15.5	19.5	25.6	38.7	23.8	21.4	32.8	39.4	38.7	99.2	117.4
Adjustments required to reconcile net income to net cash	10.2	7.5	3.6	11.1	8.1	6.2	9.1	(0.5)	(6.0)	26.0	7.3	10.8	32.4	22.9	38.1
Net cash provided by operating activities	13.5	14.6	14.2	28.8	23.6	25.7	34.7	38.2	17.8	47.4	40.1	50.2	71.1	122.1	155.5
Investing activities															
Deposits, marketable securities and other	(43.4)	(27.2)	22.9	(157.2)	(32.7)	(1.2)	31.3	(34.7)	(49.4)	5.0	(28.2)	41.2	(205.0)	(37.2)	(31.4)
Cash paid in connection with acquisitions, net of cash acquired	0.0	(3.4)	0.0	(35.0)	(3.4)	(6.2)	0.0	0.0	0.0	0.0	0.0	(101.9)	(38.4)	(9.6)	(101.9)
Net cash provided by (used in) investing activities	(43.4)	(30.6)	22.9	(192.2)	(36.1)	(7.3)	31.3	(34.7)	(49.4)	5.0	(28.2)	(60.7)	(243.5)	(46.8)	(133.4)
Financing activities															
Net cash provided by (used in) financing activities	54.3	2.2	1.1	171.5	0.9	(8.7)	3.1	1.4	(11.2)	0.1	0.2	0.1	229.1	(3.3)	(10.8)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	0.0	0.0	0.0	0.0	0.0	(0.1)	(0.1)	0.2	0.1	0.0	(0.1)	0.2	0.0	(0.1)	0.1
Net increase (decrease) in cash and cash equivalents and restricted cash	24.3	(13.8)	38.1	8.1	(11.6)	9.5	69.0	5.1	(42.8)	52.5	11.9	(10.2)	56.7	72.0	11.4
Cash and cash equivalents and restricted cash at beginning of period	48.9	73.2	59.4	97.4	105.5	94.0	103.4	172.4	177.5	134.7	187.2	199.2	48.9	105.5	177.5
Cash and cash equivalents and restricted cash at end of period	73.2	59.4	97.4	105.5	94.0	103.4	172.4	177.5	134.7	187.2	199.2	188.9	105.5	177.5	188.9

Numbers may not add due to rounding

Non-GAAP Reconciliations (\$M)

Reconciliation of GAAP to Non-GAAP Measures	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23	Full Year ended		
													2021	2022	2023
Revenue	89.8	109.7	121.0	158.0	125.3	146.7	158.6	209.7	145.2	178.5	185.3	234.2	478.5	640.3	743.2
Traffic acquisition costs and media buy	(54.9)	(66.2)	(73.6)	(93.3)	(71.0)	(86.0)	(93.6)	(122.0)	(79.9)	(101.5)	(108.0)	(143.6)	(288.0)	(372.6)	(432.9)
Contribution ex-TAC	34.9	43.5	47.4	64.7	54.3	60.7	65.0	87.7	65.3	77.0	77.3	90.6	190.5	267.7	310.3

	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23	Full Year ended		
													2021	2022	2023
GAAP Costs and Expenses	86.0	100.8	108.6	137.2	108.8	124.8	129.0	168.5	120.6	158.6	152.8	194.3	432.6	531.1	626.4
Traffic acquisition costs and media buy	(54.9)	(66.2)	(73.6)	(93.3)	(71.0)	(86.0)	(93.6)	(122.0)	(79.9)	(101.5)	(108.0)	(143.6)	(288.0)	(372.6)	(432.9)
Depreciation and amortization	(2.4)	(2.0)	(1.9)	(3.6)	(3.2)	(3.2)	(3.7)	(3.7)	(3.4)	(3.4)	(3.4)	(3.9)	(9.9)	(13.8)	(14.1)
Stock-based compensation expenses	(0.8)	(1.2)	(1.7)	(3.3)	(2.4)	(2.7)	(3.2)	(3.2)	(3.4)	(3.1)	(4.4)	(4.7)	(7.0)	(11.6)	(15.6)
Retention and other acquisition-related expenses	(1.8)	(2.2)	(1.6)	(3.5)	(0.6)	(0.7)	(0.3)	(0.1)	-	(0.3)	(0.4)	(3.3)	(9.1)	(1.6)	(4.0)
Changes in fair value of contingent consideration	-	-	-	2.2	-	-	3.8	-	-	(14.6)	(2.0)	(2.1)	2.2	3.8	(18.7)
Non-GAAP Operating expenses and Cost of Revenue	26.1	29.2	29.8	35.7	31.6	32.2	32.0	39.5	33.9	35.7	34.6	36.7	120.8	135.3	141.1

Numbers may not add due to rounding

Non-GAAP Reconciliations (\$M)

Full Year ended

Reconciliation of GAAP to Non-GAAP Results	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23	2021	2022	2023
GAAP Income from Operations	3.9	8.9	12.4	20.8	16.5	21.9	29.6	41.2	24.5	19.9	32.5	39.9	45.9	109.2	116.7
Stock-based compensation expenses	0.8	1.2	1.7	3.3	2.4	2.7	3.2	3.2	3.4	3.1	4.4	4.7	7.0	11.6	15.6
Retention and other acquisition-related expenses	1.8	2.2	1.6	3.5	0.6	0.7	0.3	0.1	-	0.3	0.4	3.3	9.1	1.6	4.0
Changes in fair value of contingent consideration	-	-	-	(2.2)	-	-	(3.8)	-	-	14.6	2.0	2.1	(2.2)	(3.8)	18.7
Amortization of acquired intangible assets	1.3	1.4	1.4	2.8	2.8	2.8	3.3	3.0	3.0	3.0	3.0	3.5	6.9	11.9	12.4
Depreciation	1.0	0.6	0.6	0.8	0.4	0.4	0.4	0.8	0.4	0.4	0.4	0.4	3.0	2.0	1.6
Adjusted EBITDA	8.8	14.3	17.6	28.9	22.7	28.5	33.0	48.2	31.3	41.2	42.7	53.9	69.6	132.4	169.1
GAAP Net Income	3.3	7.1	10.6	17.7	15.5	19.5	25.6	38.7	23.8	21.4	32.8	39.4	38.7	99.2	117.4
Stock-based compensation expenses	0.8	1.2	1.7	3.3	2.4	2.7	3.2	3.2	3.4	3.1	4.4	4.7	7.0	11.6	15.6
Amortization of acquired intangible assets	1.3	1.4	1.4	2.8	2.8	2.8	3.3	3.0	3.0	3.0	3.0	3.5	6.9	11.9	12.4
Retention and other acquisition related expenses	1.8	2.2	1.6	3.5	0.6	0.7	0.3	0.1	-	0.3	0.4	3.3	9.1	1.6	4.0
Changes in fair value of contingent consideration	-	-	-	(2.2)	-	-	(3.8)	-	-	14.6	2.0	2.1	(2.2)	(3.8)	18.7
Foreign exchange gains (losses) associated with ASC-842	(0.3)	0.1	-	0.2	(0.2)	(0.5)	(0.1)	-	(0.1)	(0.1)	(0.1)	0.1	-	(0.8)	(0.2)
Revaluation of acquisition-related contingent consideration	0.2	0.2	0.1	0.3	0.1	0.1	0.3	0.2	0.1	0.1	0.1	0.1	0.8	0.8	0.6
Taxes on the above items	(0.1)	0.2	(0.1)	(0.2)	(0.4)	(0.8)	1.1	(0.5)	(0.3)	(0.3)	(0.3)	(0.3)	(0.1)	(0.7)	(1.2)
Non-GAAP Net Income	7.0	12.3	15.4	25.3	20.7	24.5	29.9	44.7	29.9	42.1	42.4	52.9	60.0	119.8	167.4
Non-GAAP diluted earnings per share	0.19	0.33	0.40	0.62	0.44	0.51	0.61	0.90	0.60	0.84	0.84	1.04	1.57	2.47	3.33
No. of shares - Diluted (M)	36.1	37.4	38.4	40.6	47.6	47.9	48.9	49.5	49.7	49.9	50.5	50.9	38.2	48.5	50.3

Numbers may not add due to rounding