

Perion

the capture & convince company

Investor Presentation | August 2021

FORWARD LOOKING STATEMENTS

This presentation and our remarks contain forward-looking statements (within the meaning of The Private Securities Litigation Reform Act of 1995) that involve substantial risks and uncertainties, including statements regarding our expectations and beliefs about our business, strategy, and future operating performance. The words “will,” “believe,” “expect,” “intend,” “plan,” “should” and similar expressions are intended to identify forward-looking statements. Such statements reflect our current views, assumptions and expectations with respect to future events and are subject to risks and uncertainties. Many factors could cause our actual results, performance or achievements 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, among others, 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, the impact that COVID-19 will have on our operations going forward due to uncertainties that will be dictated by the length of time that the pandemic and related disruptions continue, the impact of governmental regulations that might be imposed in response to the pandemic and overall changes in consumer behavior and general risks associated with our business including intense and frequent changes in the markets in which our business operates and in general economic and business conditions, loss of key customers, unpredictable sales cycles, competitive pressures, market acceptance of new products, 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 our results of operations, as described in our reports filed with the Securities and Exchange Commission from time to time, including our annual report on Form 20-F for the year ended December 31, 2020. Although we may elect to update forward-looking statements in the future, we disclaim any obligation to do so, even if our assumptions and projections change, except where applicable law may otherwise require us to do so. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this presentation.

Perion Network Ltd. (the “Company”) has an effective shelf registration statement (including a prospectus) on file with the SEC. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any of the Company's securities. Any offering of securities will be made only by means of a prospectus supplement, which will be filed with the SEC. In the event that the Company conducts an offering, you may obtain a copy of the prospectus supplement and accompanying prospectus for the offering for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, the Company will arrange to send such information if you request it.

CAUTION CONCERNING NON-GAAP FINANCIAL INFORMATION

This presentation and our remarks include certain non-GAAP financial measures, including adjusted-EBITDA, EBIT and P&L. These non-GAAP financial measures are not in accordance with, or an alternative for, generally accepted accounting principles and may be different from non-GAAP financial measures used by other companies. In addition, these non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles. We believe that the presentation of these non-GAAP financial measures, when shown in conjunction with the corresponding GAAP measures, provide useful information to investors and management regarding financial and business trends relating to our financial condition and results of operations, as well as the net amount of cash generated by our business operations after considering capital. Additionally, we believe that non-GAAP financial measures have limitations in that they do not reflect all of the amounts associated with our results of operations as determined in accordance with GAAP and that these measures should only be used to evaluate our results of operations in conjunction with the corresponding GAAP measures. Reconciliation tables between results on a GAAP and non-GAAP are provided at the Appendix included at the end of this presentation.

Introduction



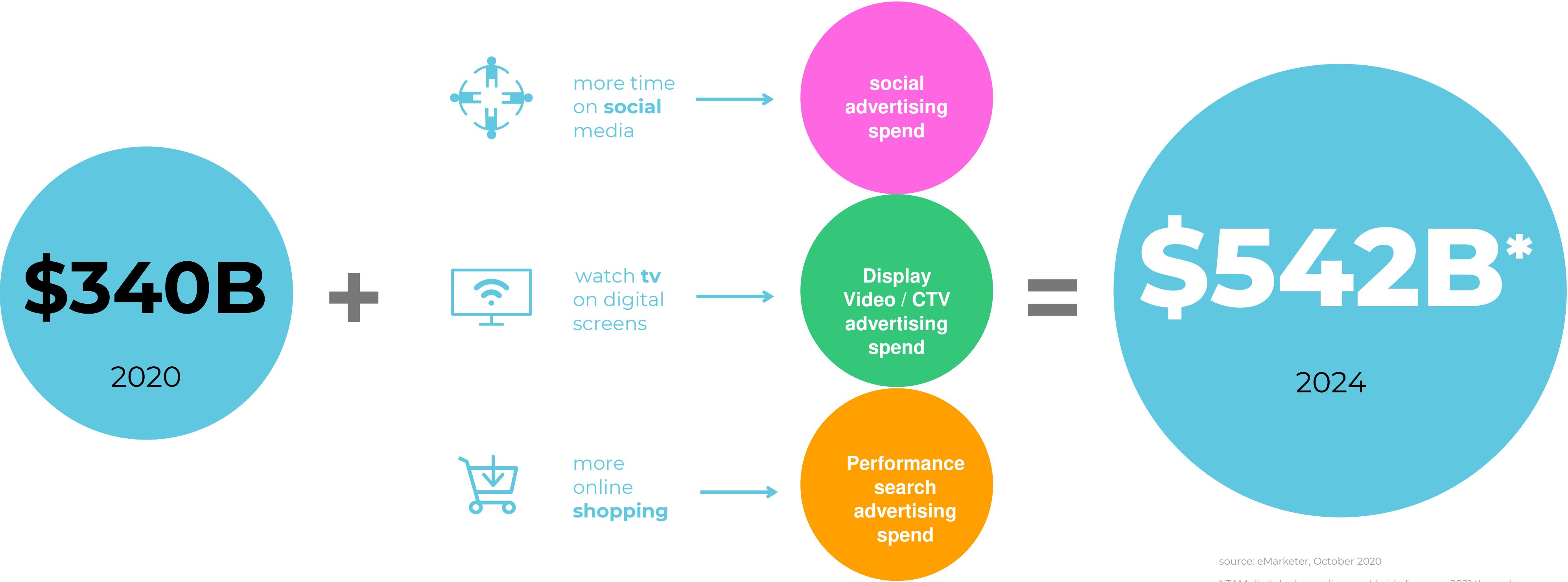
Doron Gerstel
CEO



Maoz Sigron
CFO

Sources of growth

Global **consumer behavior** trends affect digital advertiser spend

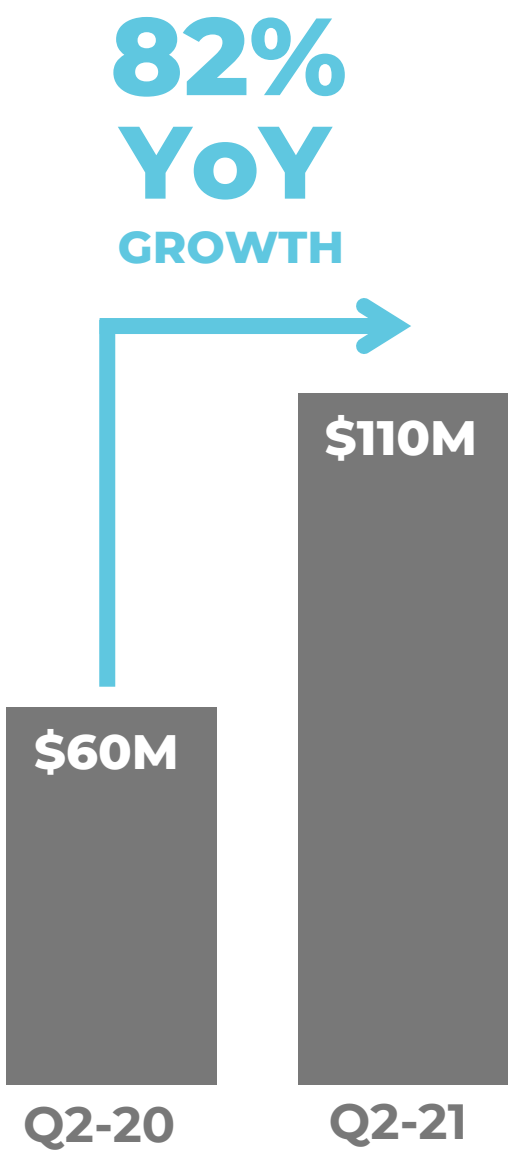


source: eMarketer, October 2020

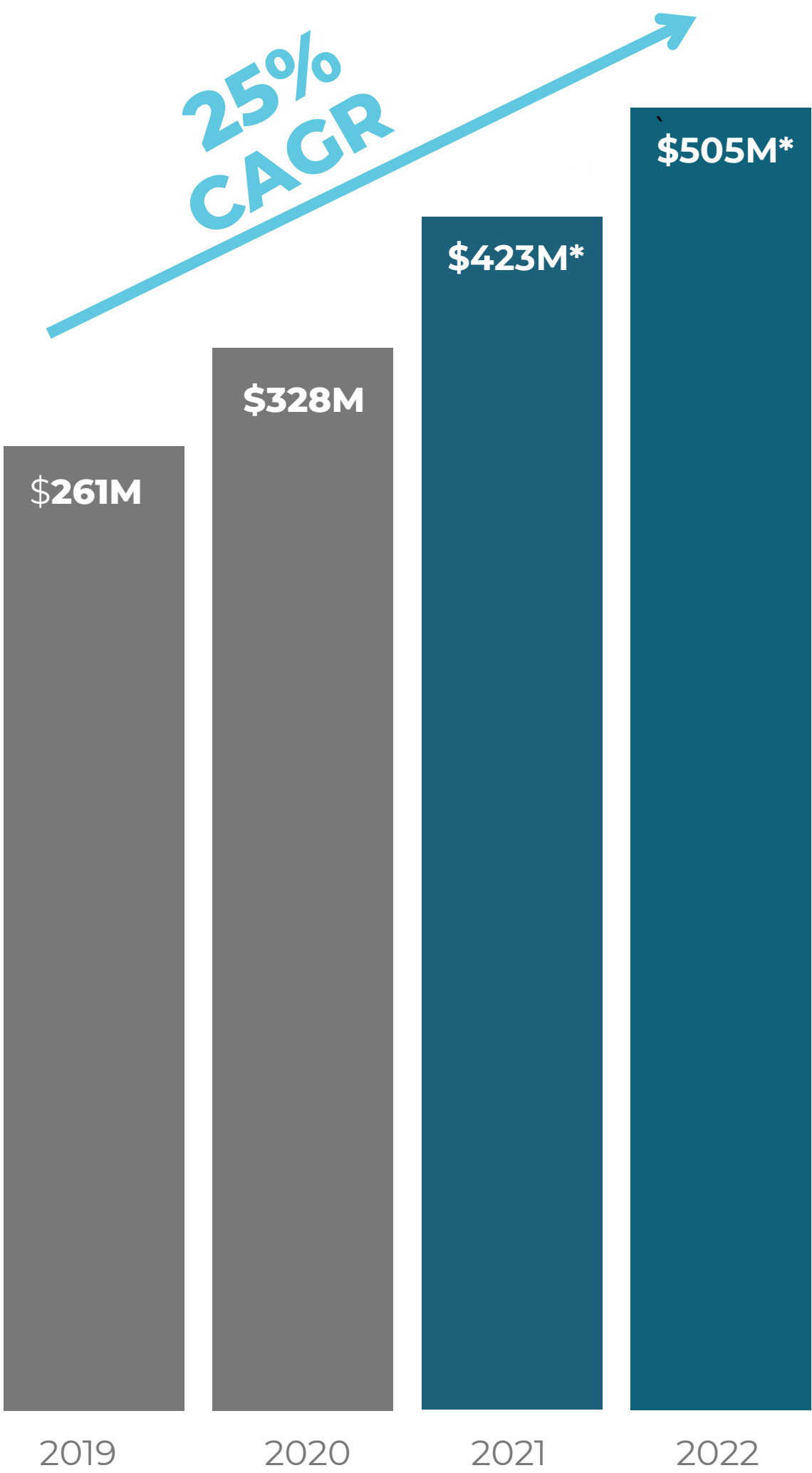
* TAM digital ad spending worldwide for years 2021 through 2024 are estimations and could materially change.

2021 Momentum driven by key 2020 revenue drivers:

- Advertising revenue fueled by broad based adoption of Video and CTV solutions
- Increase on performance advertising spent increased number of intent searches
- Significantly more dollars spent per campaign and increase in number of new clients



Proforma revenue growth from Q2 2020 to Q2 2021 65%

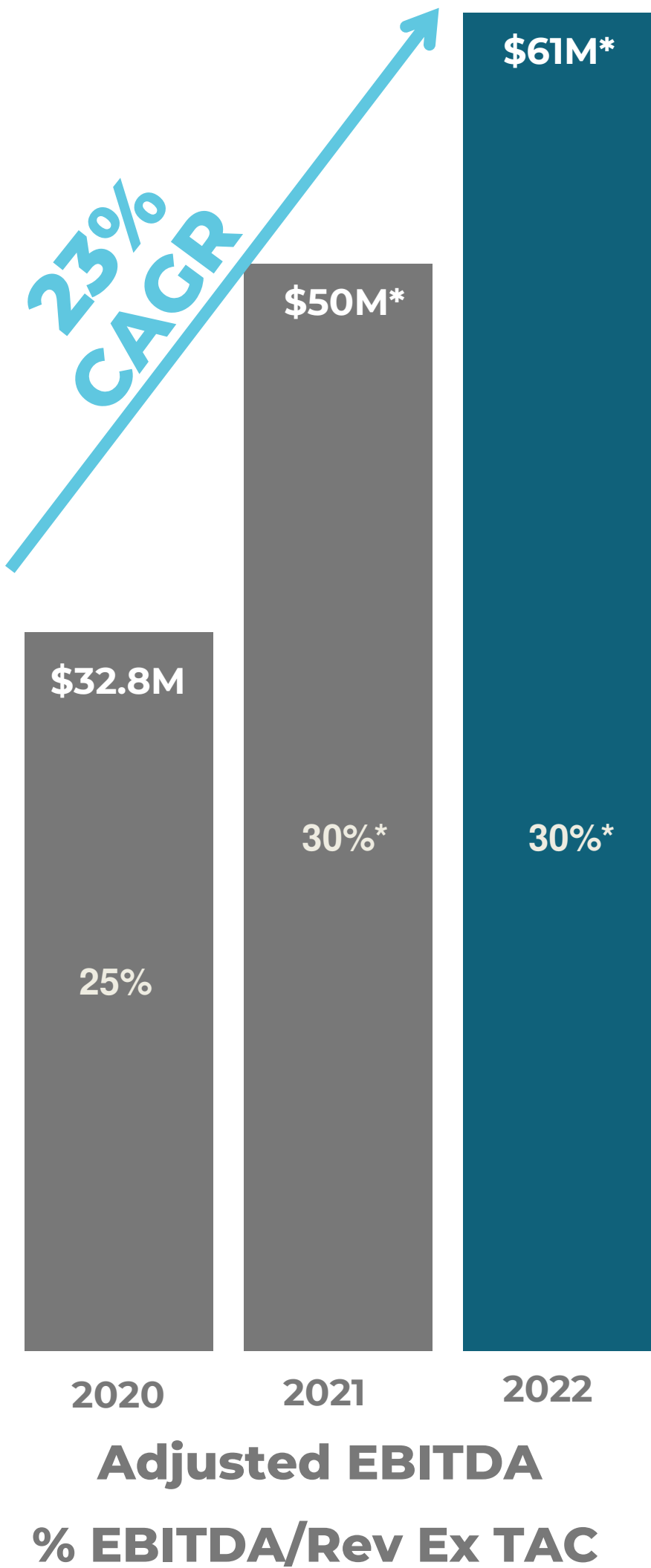
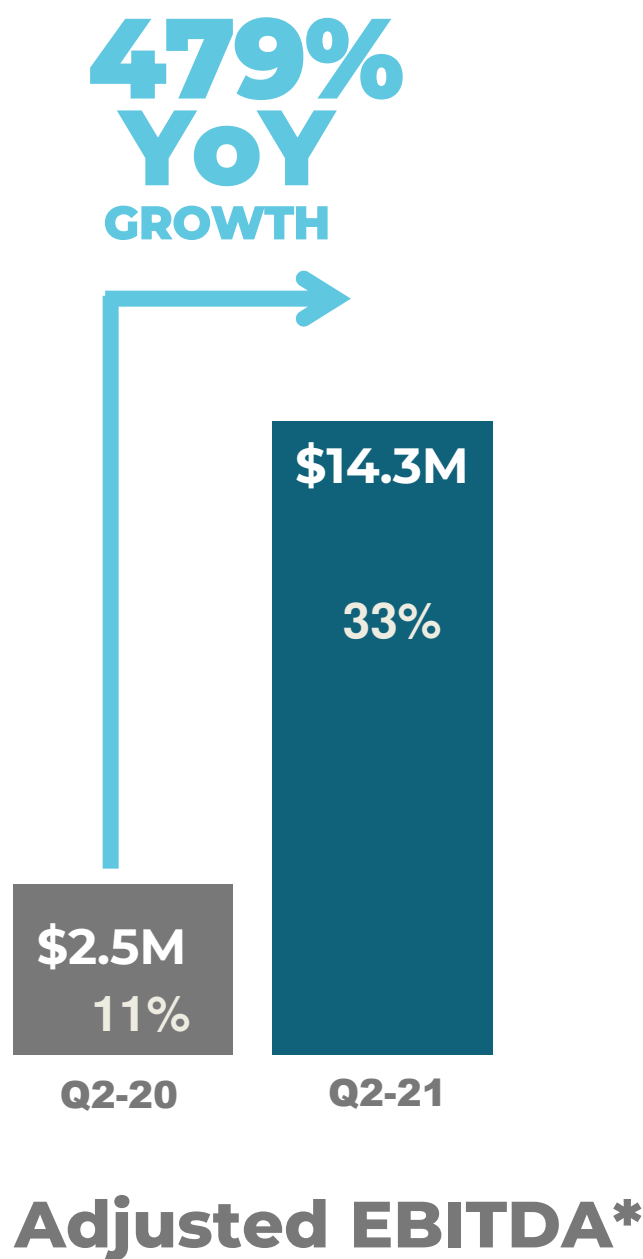


Annual Revenues

* Reflects midpoint of guidance

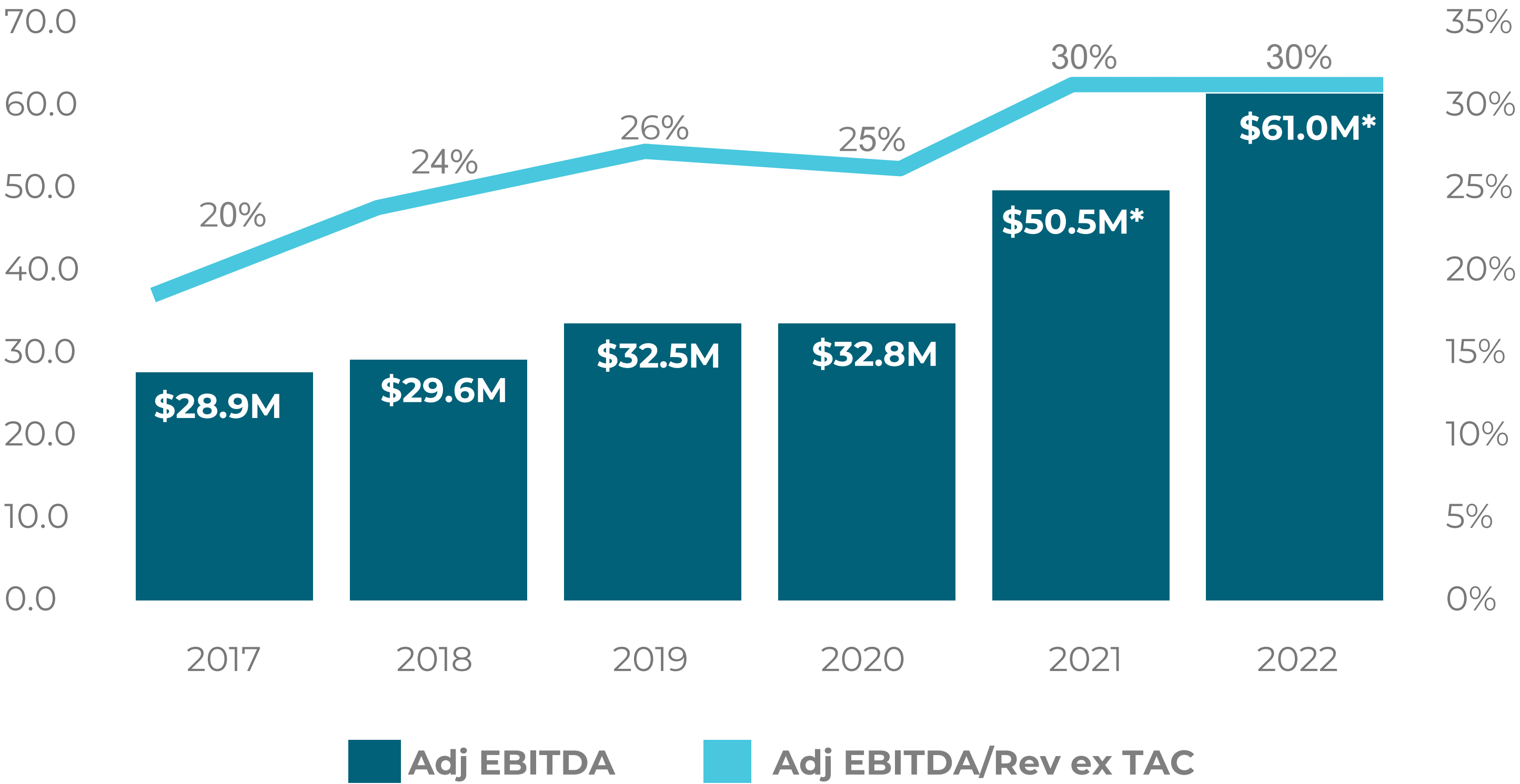
2020 momentum continues into 2021: EBITDA

Perion's Hub and Spoke Platform enables us to grow our bottom line faster than the top line.



* Reflects midpoint of guidance

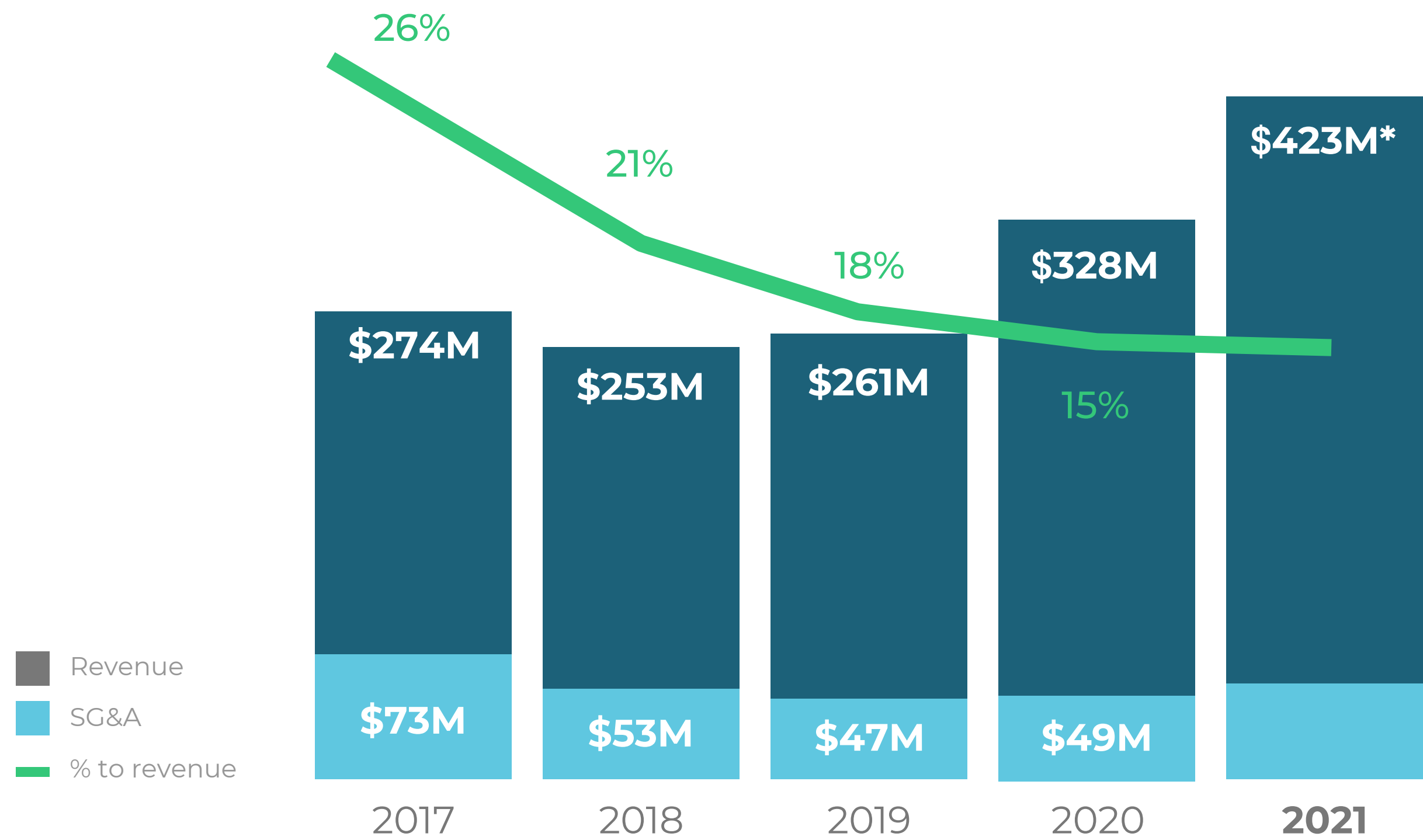
Adj EBITDA is Expected to Grow Significantly, as Perion Continues to Drive Costs Efficiencies to the Bottom Line



* Reflects midpoint of guidance.

SG&A % to Revenue continues to decrease

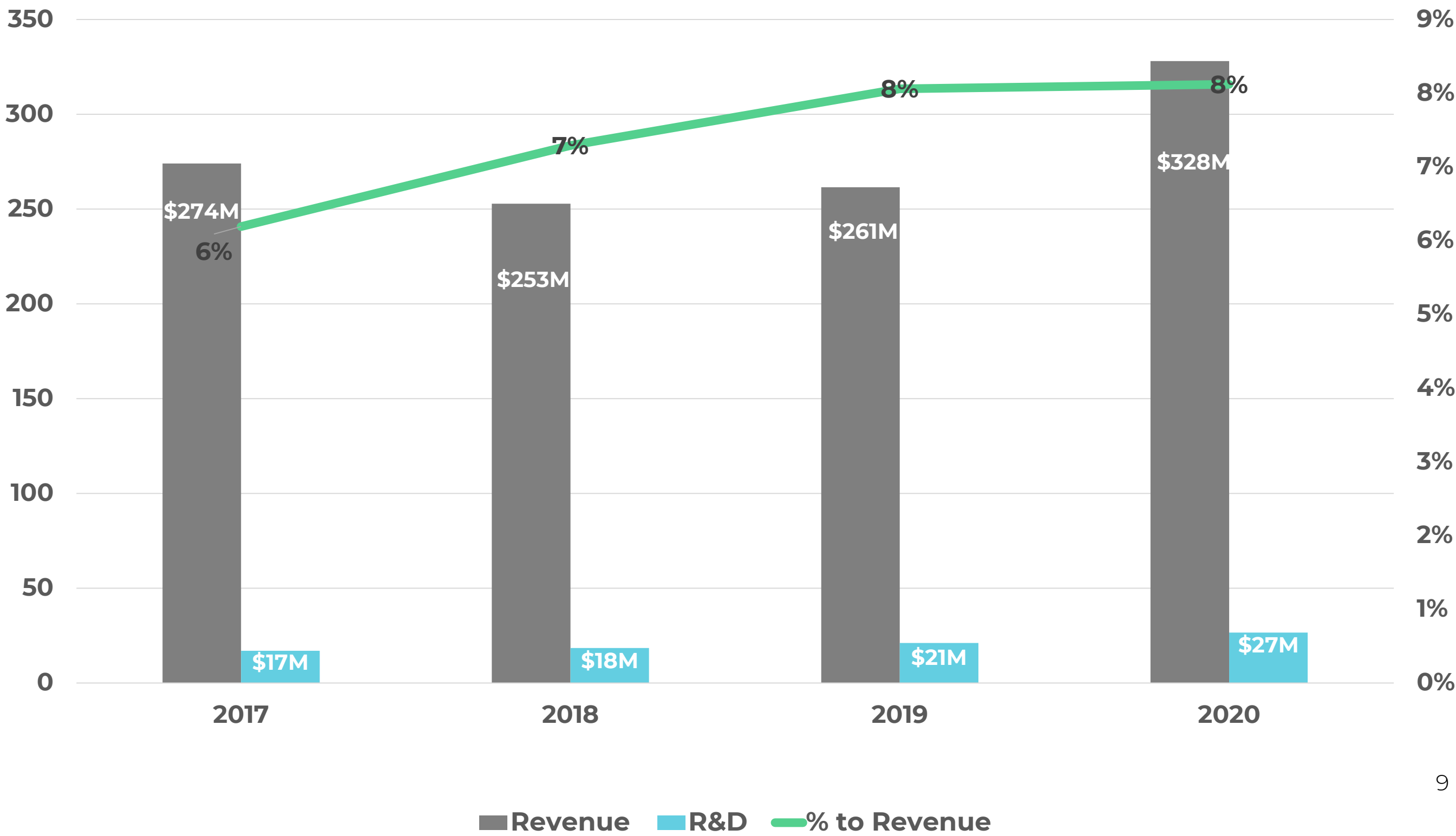
- Improve Budget control
- Enhance Process automation
- Renegotiate commercial terms



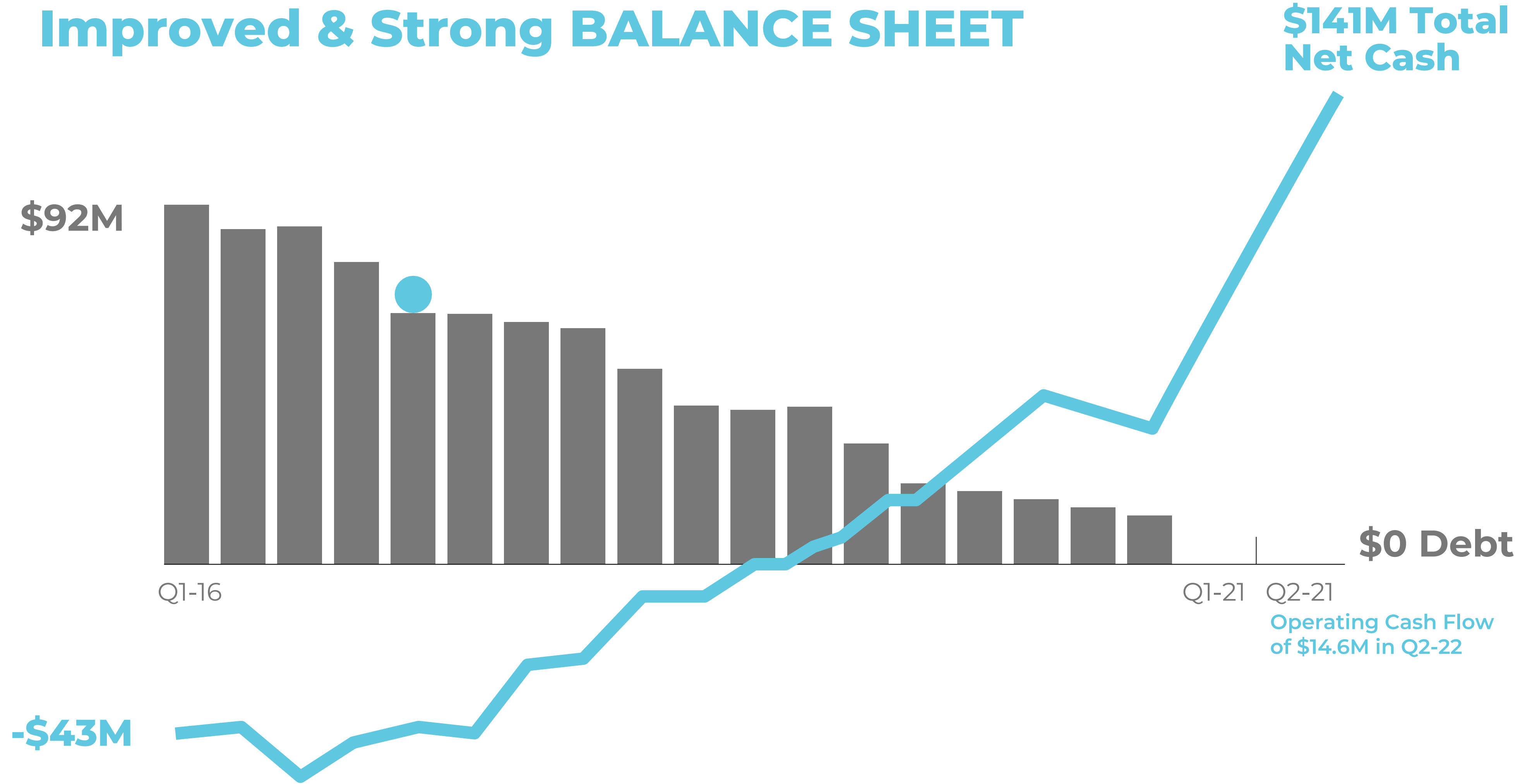
* Reflects midpoint of guidance
Non GAAP figures

Non-GAAP R&D – Investing in Growth

R&D % to Revenue increased to 8%, reflecting Perion Growth strategy, we believe that this is what differentiates our offering from competition.



Improved & Strong BALANCE SHEET



Net cash is calculated as cash + cash equivalents + short term bank deposit – short- and long-term loans

PerionFinancial Strategy:

“Additionally, we believe PERI's risk is lower than other open internet ad-driven competitors”

diversification



To align

social

\$157B



display / ctv

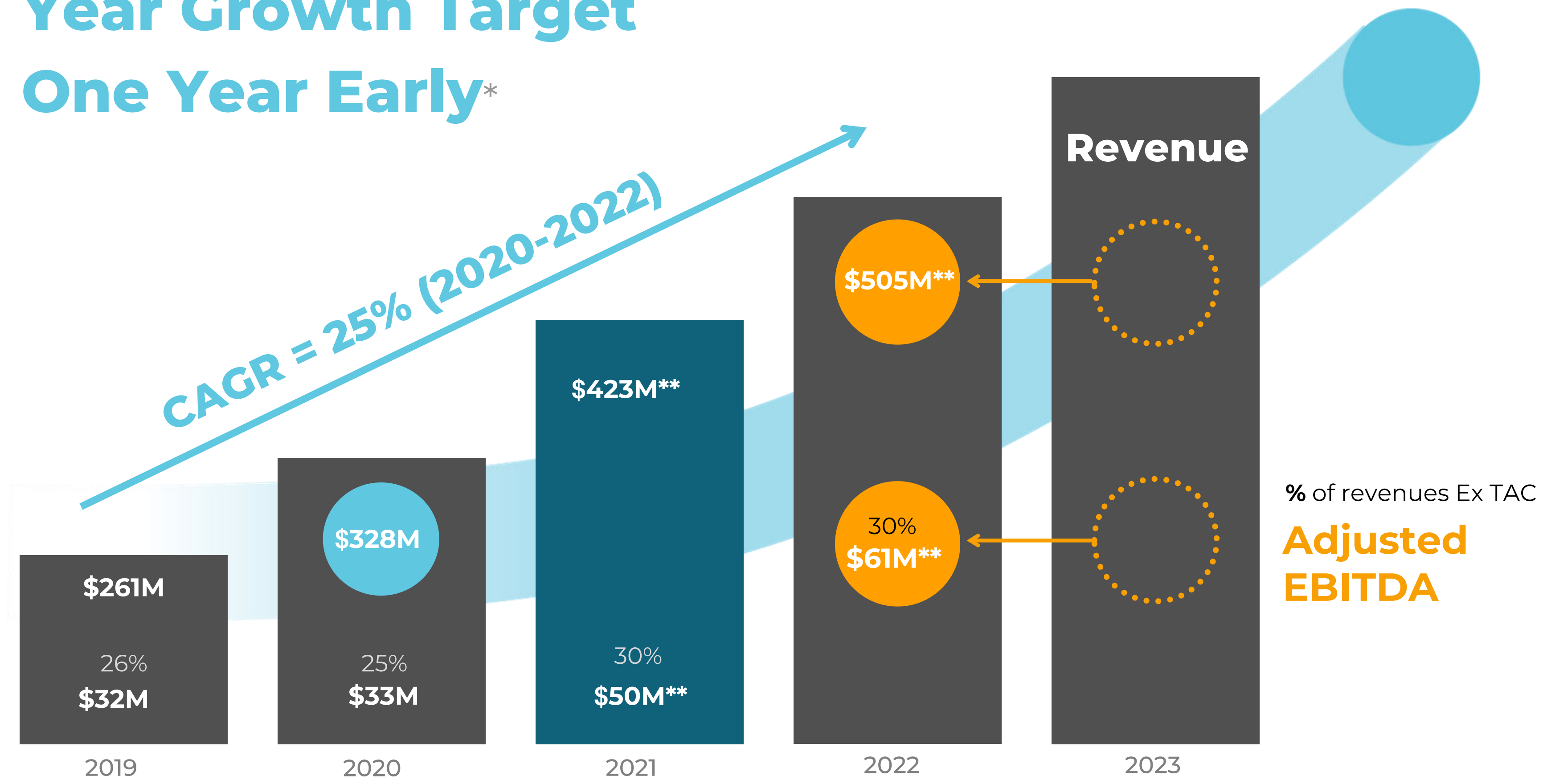
\$173B



search

\$211B

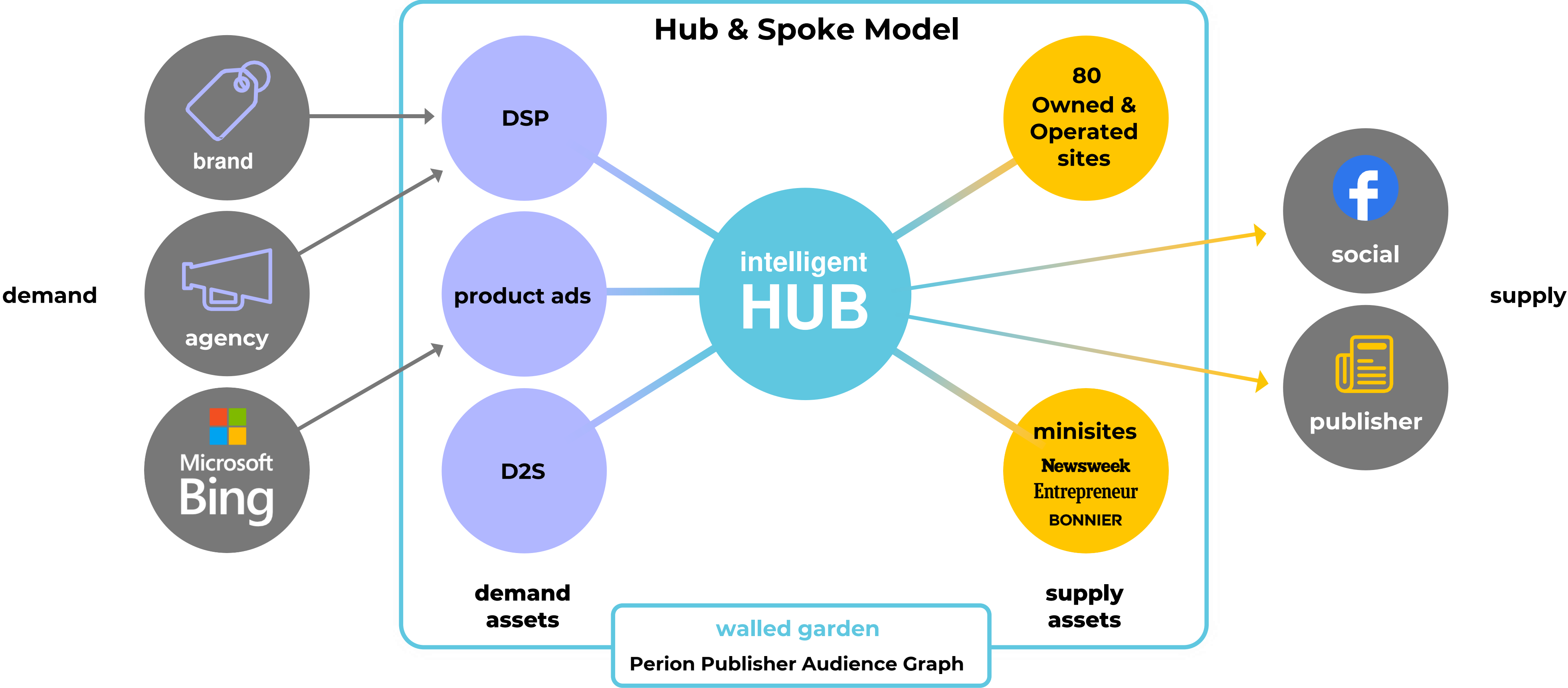
Achieving Perion 3 Year Growth Target One Year Early*



* This company's estimates are forward-looking and subject to significant business, economic, regulatory and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management and are based upon assumptions with respect to user behavior and future decisions, which are subject to change. Actual results will vary, and those variations may be material. For a discussion of some of the important factors that could cause these variations, please see the "Risk Factors" section in the Company's 2020 annual report on Form 20-F. Nothing in this presentation should be regarded as a representation by any person that this estimates will be achieved, and the Company undertakes no duty to update its estimates.

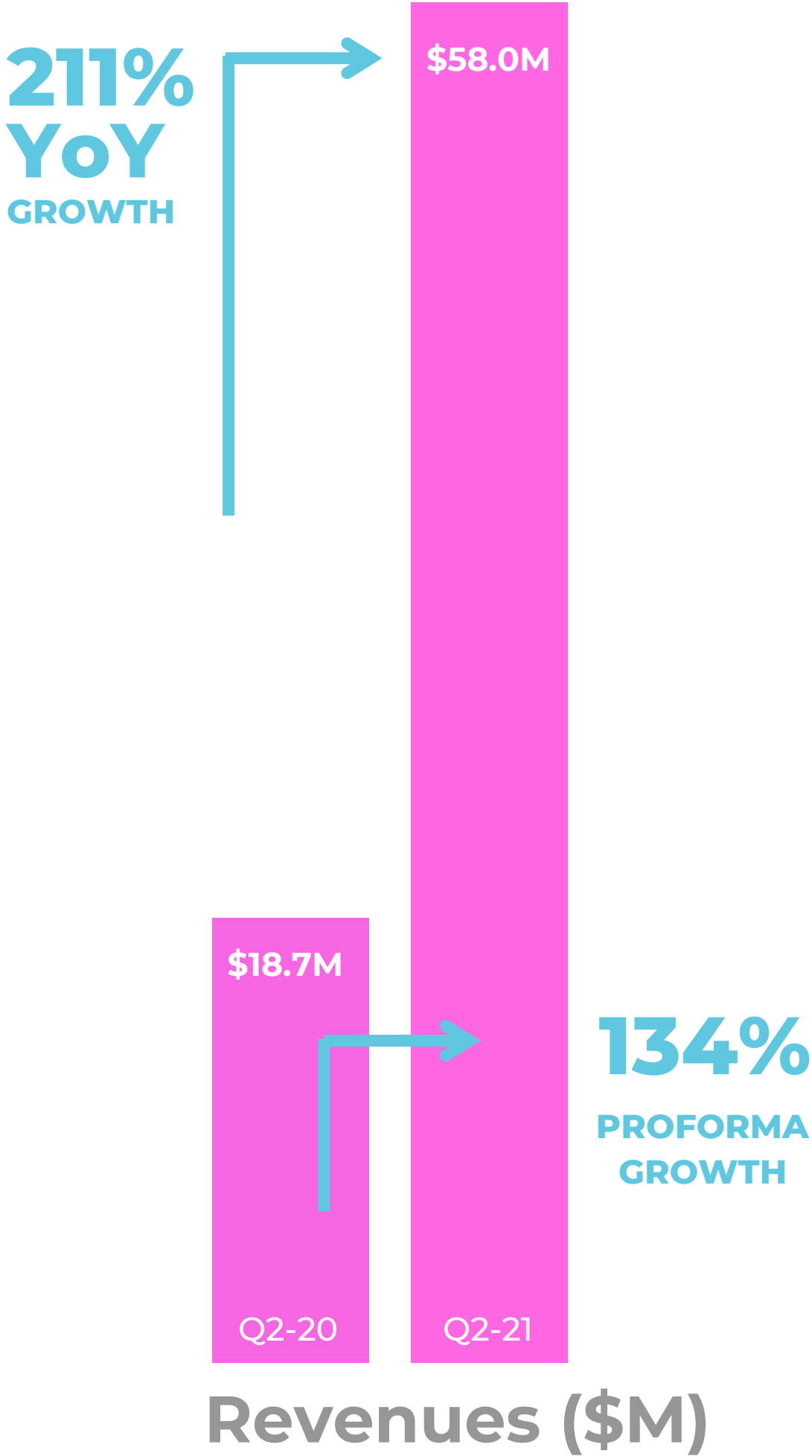
** Reflects midpoint of guidance

Perion Product strategy



Generating revenue from both demand and supply sides of the open internet

Display & Social Advertising Revenues



Why we're growing:

- 1. Accelerated growth of CTV and video ad spend
- 2. Intelligent high-impact creative ad units lead to bigger ad spend with us / greater average deal size
- 3. Business synergy of content monetization system / capability to provide other adv assets
- 4. Average deal size growth

Perion Growth Drivers

Cross-screen
High impact creative
Video / CTV

Content
monetization
system

Search Adv.
monetization

US CTV users
>200M
80% of households

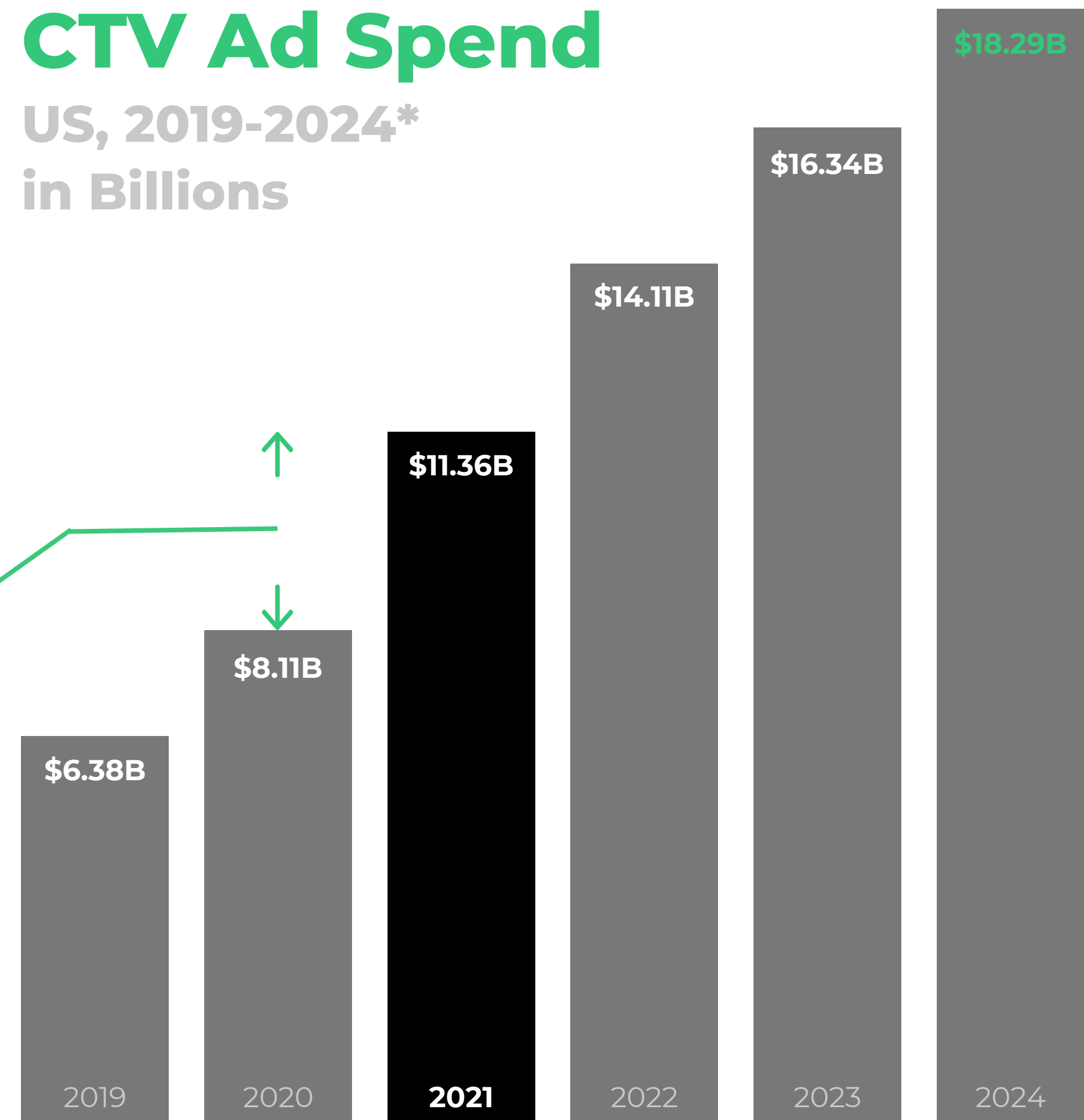
source: eMarketer, November 2020

CTV viewing times
↑81%
YOY increase

source: Nielsen, April 2020

CTV Ad Spend

US, 2019-2024*
in Billions



* CTV Ad Spend US for years 2021 through 2024 is an estimation and could materially change.

source: eMarketer, November 2020

Cross-screen
High impact creative
Video / CTV

Content
monetization
system

Search Adv.
monetization

iCTV interactive ad

maximize onscreen engagement

40%

lift in
engagement
rate

validated with over 100
Perion clients

85 sec

earned with engaged
users

based on company's
data/report

capture

convince



📍 nyc

♀ female
30-40



📍 tokyo

♂ male
20-25



iCTV as part of a multi-screen experience

CTV solution served as a
key factor for new customer
acquisition and primary
contributor to 11% increase
in average deal size



Perion Growth Drivers

Cross-screen
High impact creative
Video / CTV

Content
monetization
system

Search Adv.
monetization

Publishers are struggling

Digital Magazine Ad Spending

US, 2019-2020

-8.8%

Digital Newspaper Ad Spending

US, 2019-2020

-8.4%

source: eMarketer, October 2020

Perion Growth Drivers

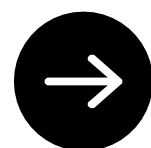
Cross-screen
High impact creative
Video / CTV

Content
monetization
system

Search Adv.
monetization

content monetization system

min
cpc



content ad

capture new
audience

personalized
content,
layout, and
creative

5-7
min
stay

the right
ad at the
right time

predictive
analytics

- Perion Owned & Operated
- **Newsweek**
- Entrepreneur



max
revenue
per
session

Perion Growth Drivers

Cross-screen
High impact creative
Video / CTV

Content
monetization
system

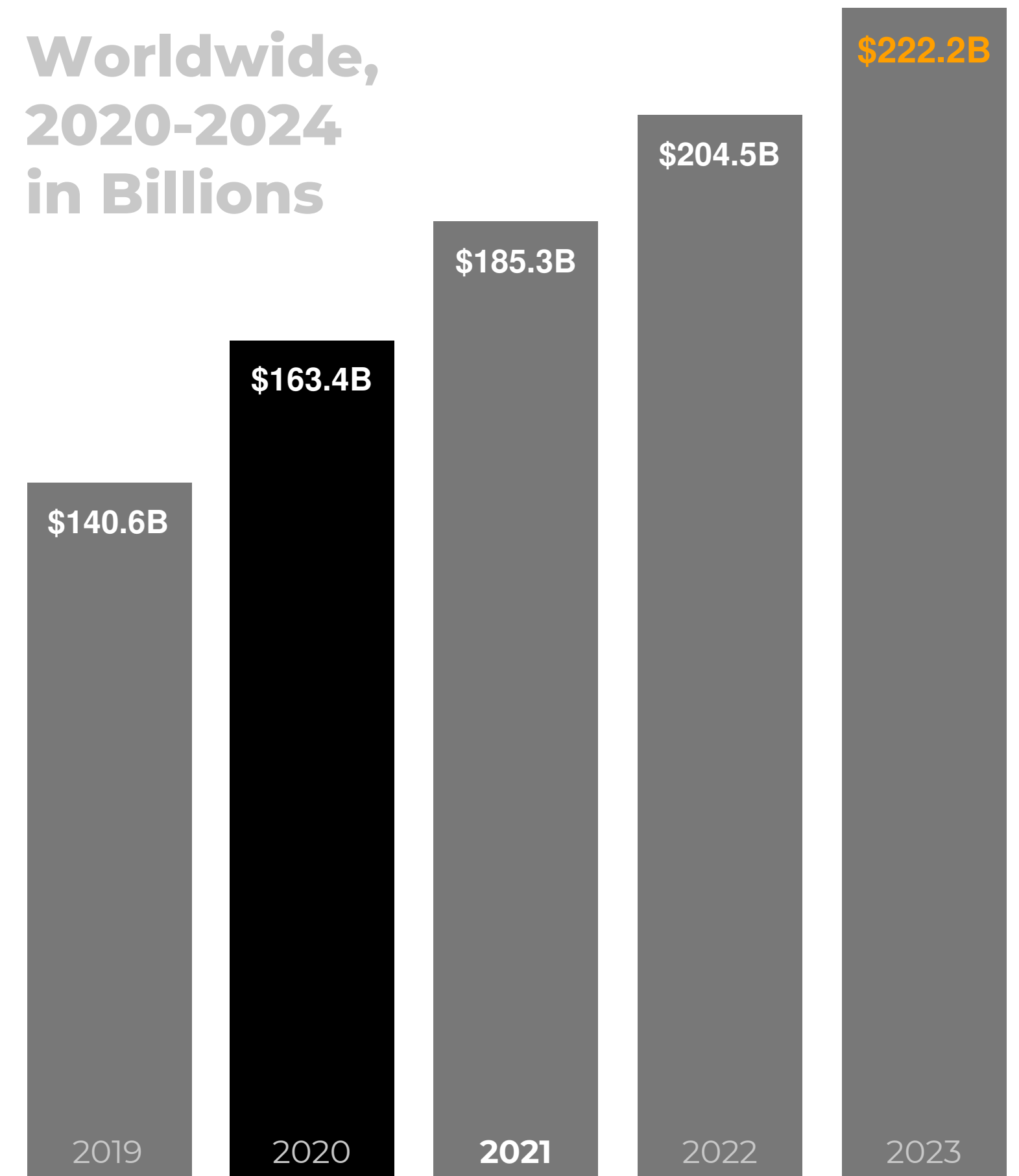
Search Adv.
monetization

Key Growth Drivers

1. eCommerce **tipping point**
2. **"Search before you buy"**
consumer behavior
3. A huge growth in
online retailers "hunting"
for new customers
via ad search

Search Ad Spending*

Worldwide,
2020-2024
in Billions



source: eMarketer, October 2020

* Worldwide Search Ad Spending for years 2021 through 2024 are estimations and could materially change.

new monetization opportunities

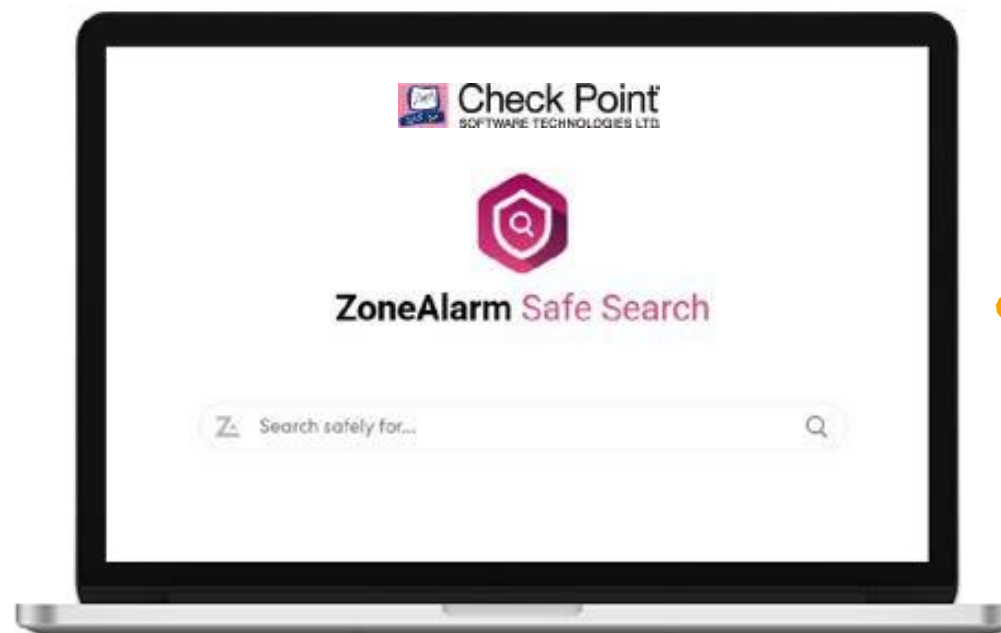
within apps

Check Point

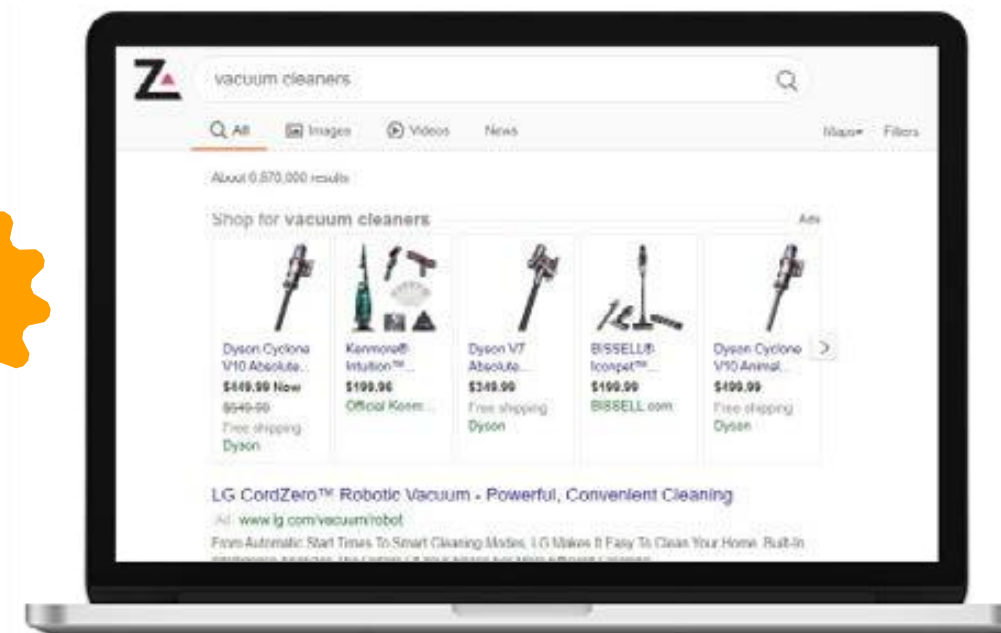
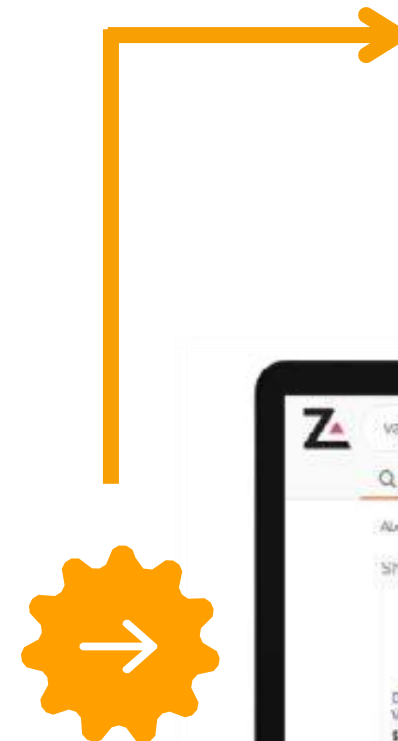
ZoneAlarm

use case

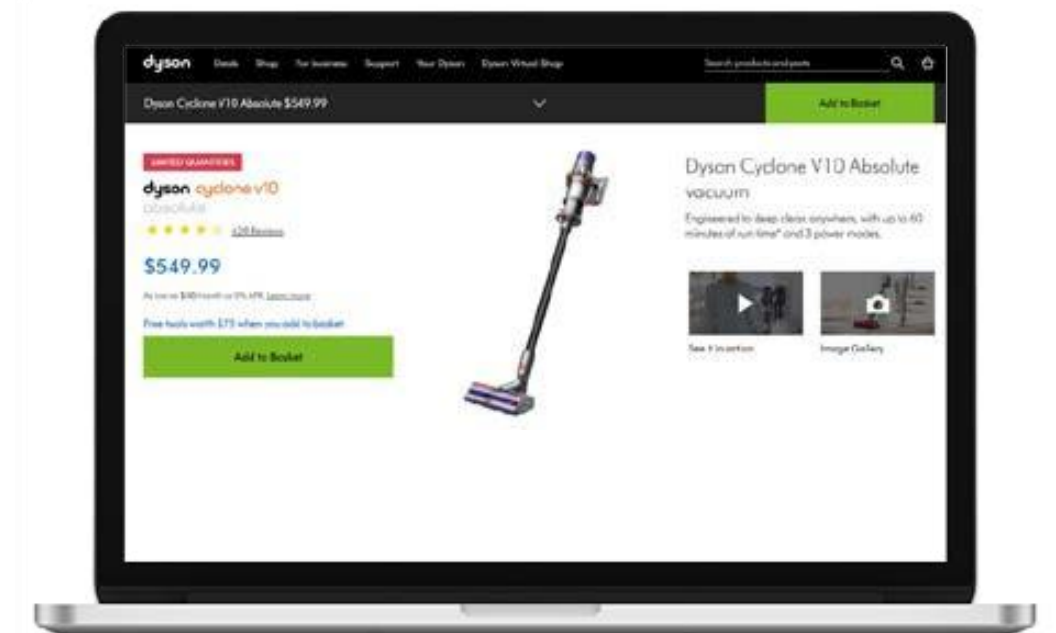
 Microsoft Bing /  Yandex



1 capture



2 Search ads



3 convince

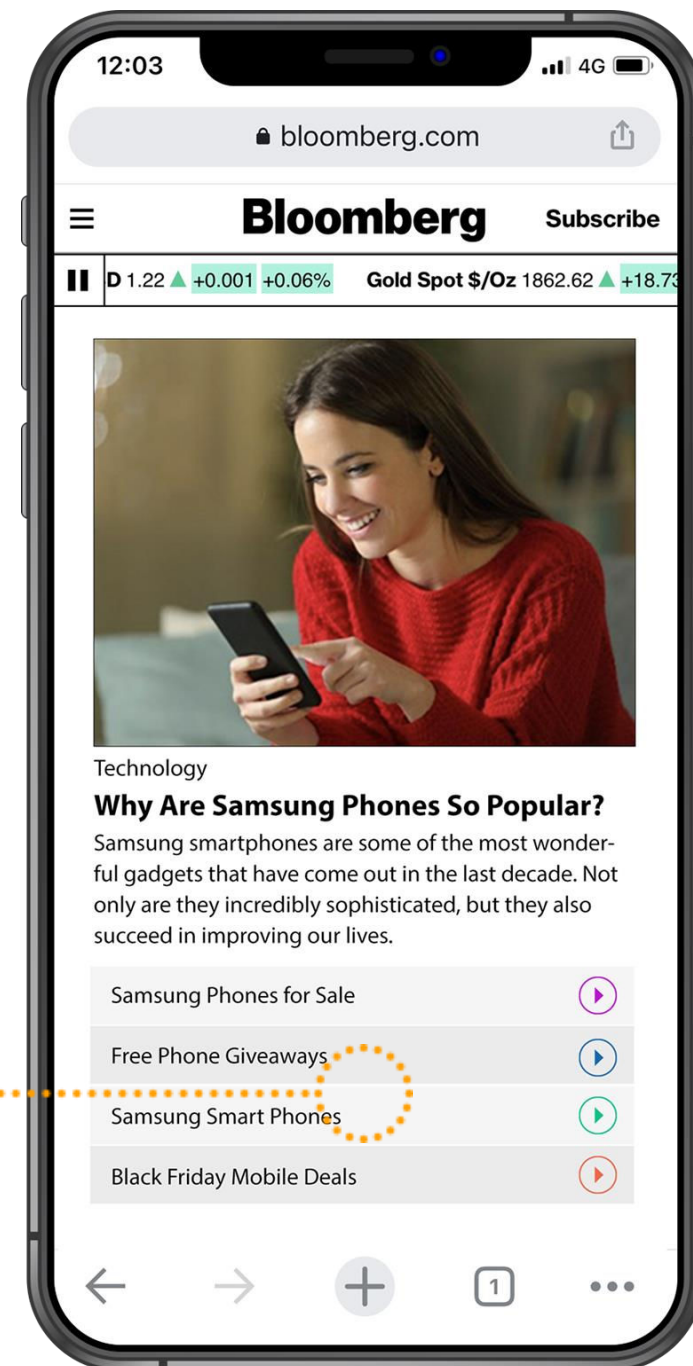
Cross-screen
High impact creative
Video / CTV

Content
monetization
system

Search Adv.
monetization

Search mediation for publishers

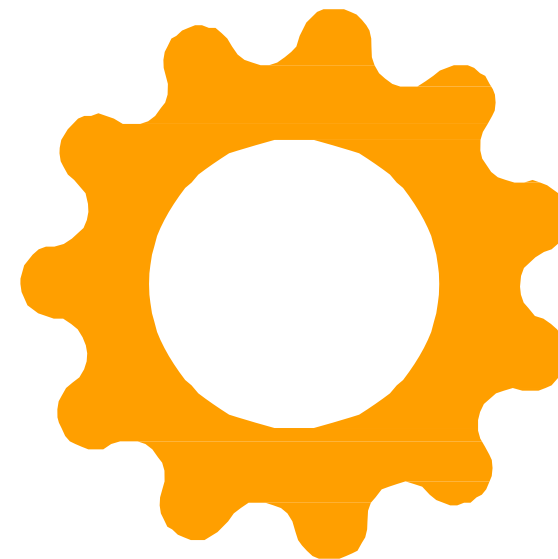
contextual match of
search results to text



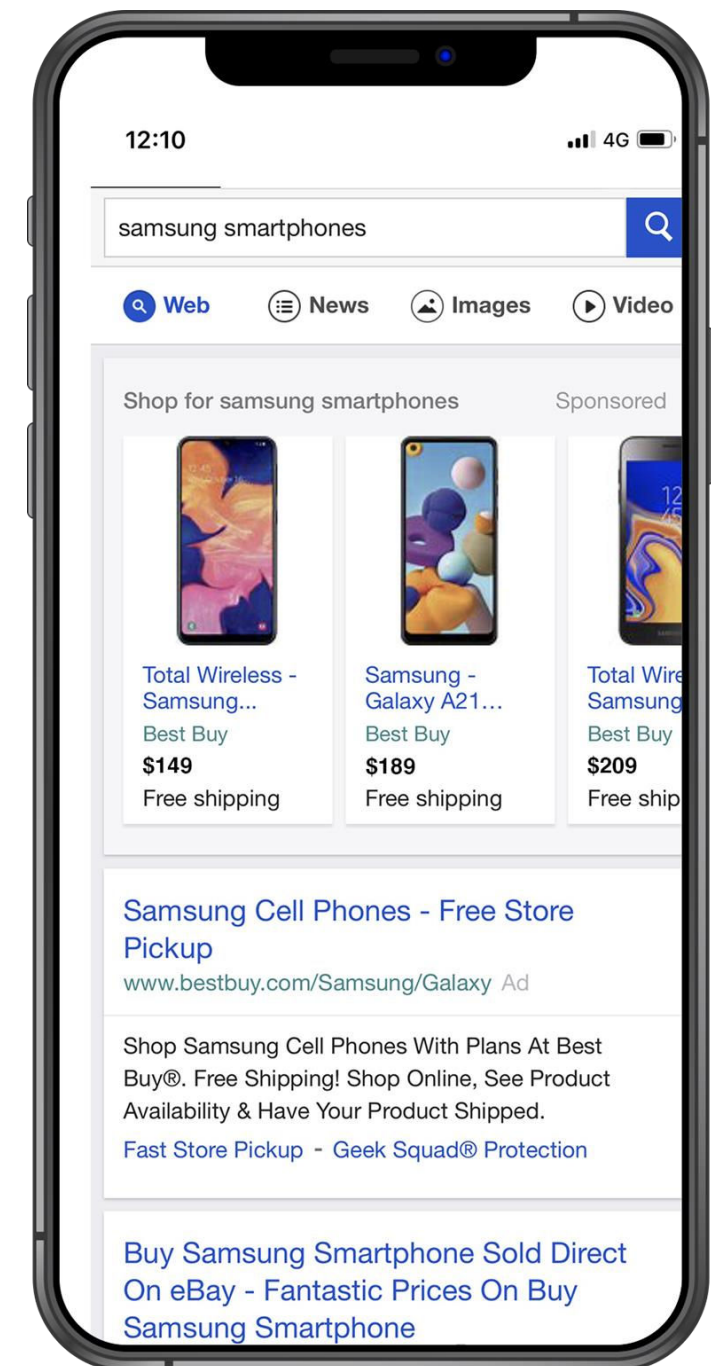
1

Display to Search

yahoo!
amazon



channel chosen
according to best
chances of action



2

convince

**Perion
Growth
Drivers**

Cross-screen
High impact creative
Video / CTV

Content
monetization
system

Search Adv.
monetization

signed Nov. 2020



Perion +  **Microsoft Bing** = **\$900M***
revenue over 4 years



* Company's estimates based on historical revenue under a prior revenue share agreement with Microsoft. This company's estimates are forward-looking and subject to significant business, economic, regulatory and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management, and are based upon assumptions with respect to user behavior and future decisions, which are subject to change. Actual results will vary and those variations may be material. For a discussion of some of the important factors that could cause these variations, please see the "Risk Factors" section in the Company's 2019 annual report on Form 20-F and in the preliminary prospectus. Nothing in this presentation should be regarded as a representation by any person that this estimates will be achieved and the Company undertakes no duty to update its estimates

Cross-screen
High impact creative
Video / CTV

Content
monetization
system

Search Adv.
monetization

Search Advertising Revenues*

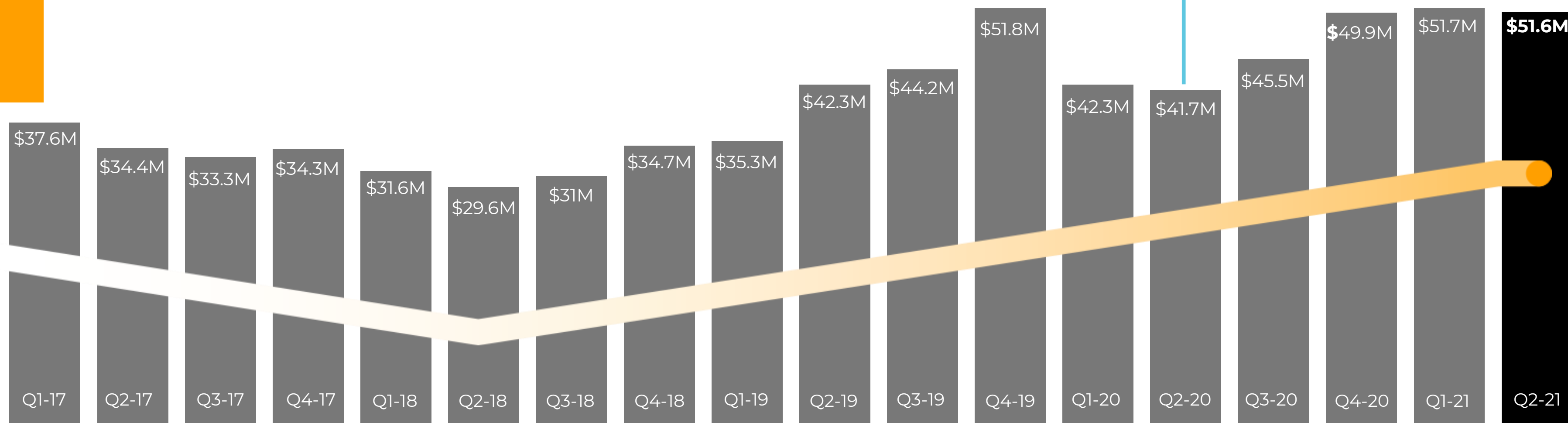
“We saw years' worth of commerce growth in just a few months”



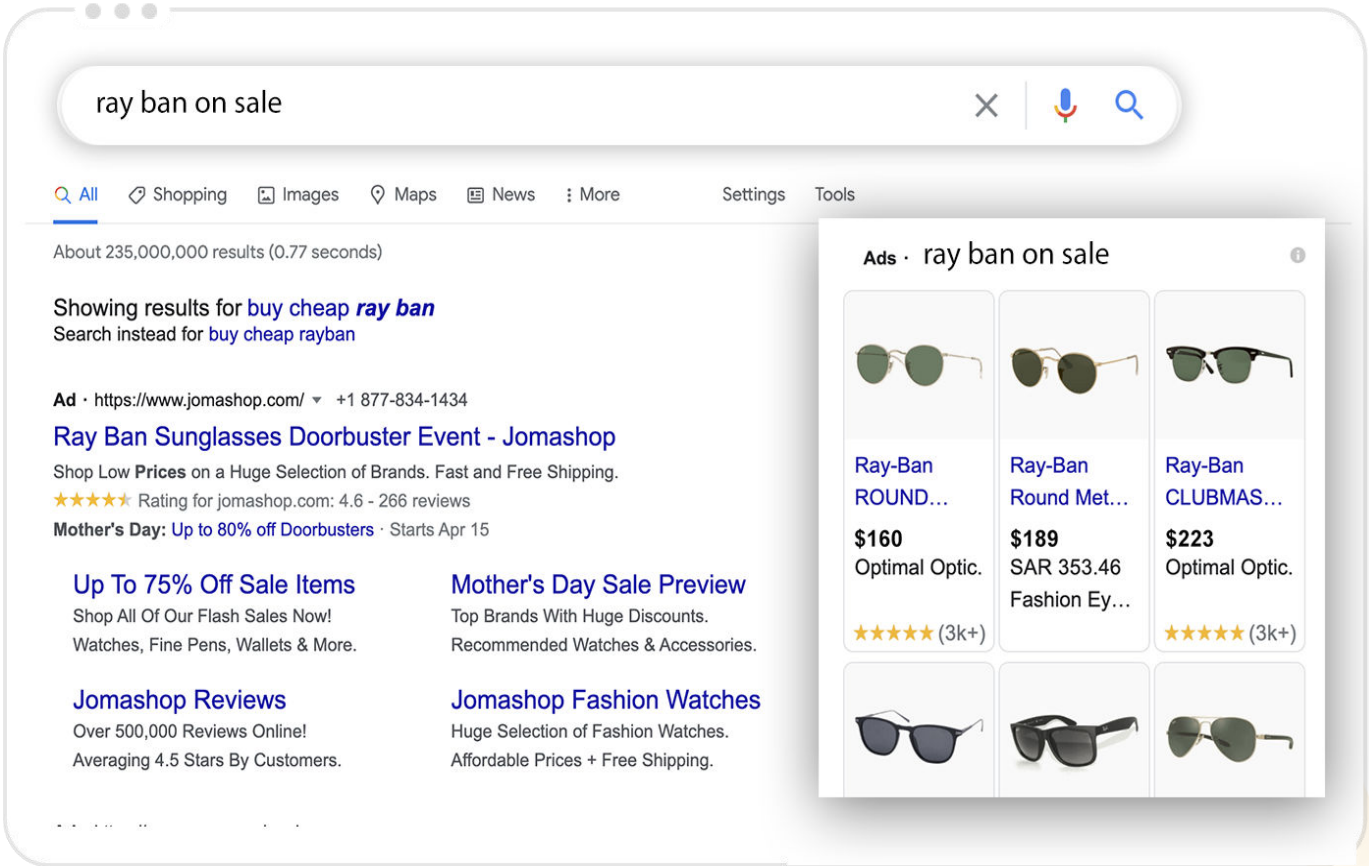
As a result, online advertisers' use of measurable performance-based, cost-per-action buying models made it easier to justify increased investment.

TC TechCrunch

**24%
ANNUAL
GROWTH**



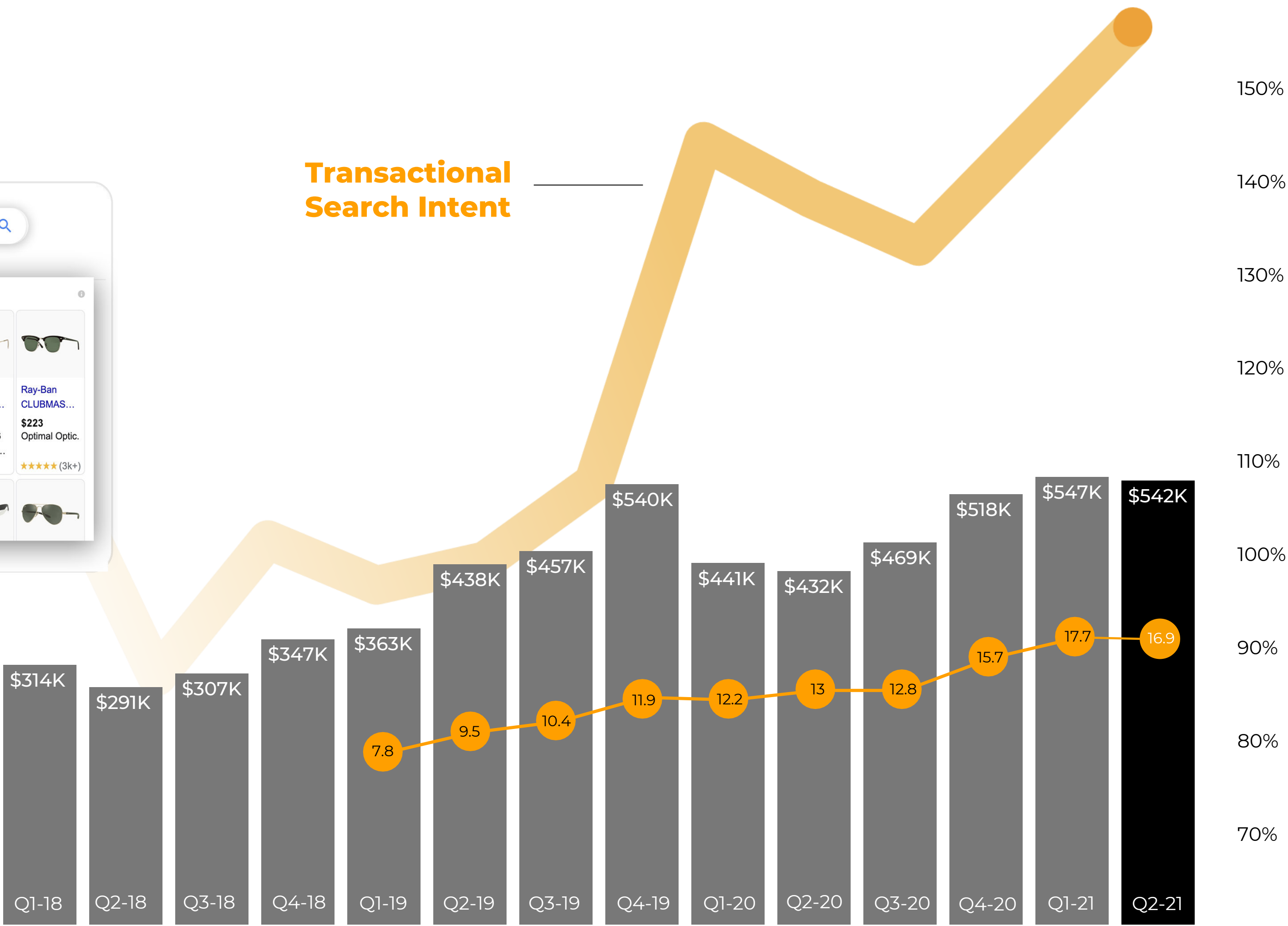
Search Advertising ROI



Transactional Search Intent

↑ Transactional search

● Avg. Daily Searches (M)
■ Avg. Daily Revenue





Based on the strength behind our growth – significantly more dollars spent per campaign and a healthy increase in new clients – we reiterate our improved outlook for 2021 as well as introducing guidance for 2022



- CEO Doron Gerstel, August 3, 2021

	2021 Guidance	YoY Growth	2022 Guidance	YoY Growth
Revenue	\$415-\$430	29%* **	\$490-\$520	20%*
Adjusted EBITDA	\$50-\$51	54%*	\$59-\$62	20%*
EBITDA to Rev EX TAC	30%*		30%*	

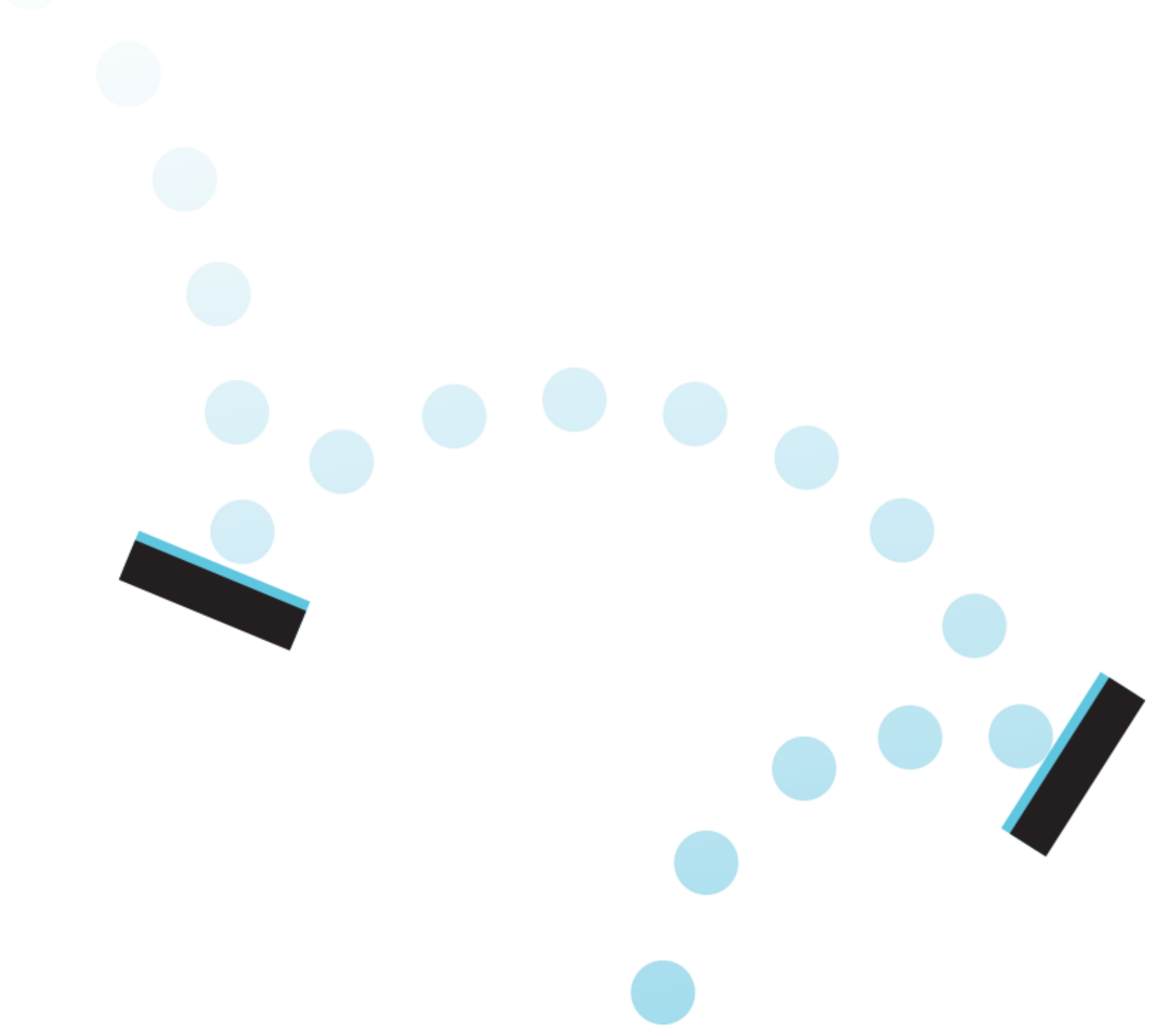
* Reflects midpoint of guidance

** Mid point pro forma growth is 24%

Peer Group Comparison

	Perion	Average	 theTradeDesk	Magnite	 PubMatic	 acuity	 Taboola	 criteo	 TREMOR	 ironSource
CAGR% (2020-2022)	25	21	28	28	24	22	16	7	12	32
EBITDA to Rev Ex TAC	30%	30%	36%	33%	30%	18%	28%	31%	35%	32%
Multiples										
EV/Rev Ex TAC	3	9	25	8	5	4	3	2	4	15
EV/EBITDA	10	24	68	24	15	20	8	6	10	44

Perion

A decorative graphic in the top right corner consisting of a series of light blue dots arranged in a curved path, with two black rectangular bars placed at different points along the curve.

capture & convince

thank you

appendix

Balance Sheet GAAP Basis Overview (\$M)

Current Assets	31/12/2020	30/06/2021
Cash and cash equivalents	47.7	58.2
Restricted cash	1.2	1.2
Short-term bank deposit	12.7	83.0
Accounts receivable, net	81.2	67.6
Prepaid expenses and other current assets	4.5	6.5
	147.3	216.5

Non-Current Assets	31/12/2020	30/06/2021
Property and equipment, net	6.8	5.5
Operating lease right-of-use assets	20.3	13.9
Goodwill and Intangible assets, net	176.7	174.0
Deferred taxes & Other assets	7.6	7.1
	211.4	200.5

Total Assets	358.7	417.0
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Current Liabilities	31/12/2020	30/06/2021
Current maturities of long-term loans and Convertible debt	8.3	-
Accounts payable	72.5	75.1
Accrued expenses and other liabilities	21.3	17.9
Short-term operating lease liability	4.5	4.4
Deferred revenues	5.7	4.3
Payment obligation related to acquisitions	7.9	30.2
	120.2	131.9

Long-Term Liabilities	31/12/2020	30/06/2021
Long-term operating lease liability	17.7	11.3
Payment obligation related to acquisitions	30.0	5.1
Other long-term liabilities	6.7	7.5
	54.4	23.9

Shareholders' Equity	31/12/2020	30/06/2021
	184.1	261.2

Total Liabilities and Shareholders' Equity	358.7	417.0
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Income Statement GAAP Basis (\$M)

P&L - GAAP	Q1-18	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	2018	2019	2020
Display and Social Advertising revenues	29.3	33.2	26.2	37.3	18.6	21.3	21.6	26.4	23.8	18.7	37.9	68.4	38.1	58.0	126.0	87.9	148.7
Search Advertising and other revenues	31.6	29.6	31.0	34.7	35.2	42.3	44.2	51.8	42.3	41.6	45.5	49.9	51.7	51.7	126.8	173.6	179.4
Total Revenues	60.9	62.8	57.2	72.0	53.8	63.6	65.8	78.2	66.1	60.3	83.4	118.3	89.8	109.7	252.8	261.5	328.1
Traffic acquisition costs and media buy	31.9	31.1	28.8	36.6	27.4	33.2	34.2	41.1	36.1	36.8	49.9	74.8	54.9	66.2	128.4	135.9	197.6
Media Margin	29.0	31.7	28.4	35.4	26.4	30.4	31.6	37.1	30.0	23.5	33.5	43.5	34.9	43.5	124.4	125.6	130.5
% of Revenues	47.6%	50.5%	49.7%	49.2%	49.1%	47.8%	48.0%	47.4%	45.4%	39.0%	40.2%	36.8%	38.9%	39.7%	49.2%	48.0%	39.8%
Cost of revenues	6.1	5.8	5.5	6.4	5.8	6.1	6.8	6.9	5.8	4.9	5.3	6.5	5.4	6.2	23.8	25.6	22.5
Gross Margin	22.9	25.9	22.9	29.0	20.6	24.3	24.8	30.2	24.2	18.6	28.2	37.0	29.5	37.3	100.6	100.0	108.0
% Gross Margin	37.6%	41.2%	40.0%	40.3%	38.3%	38.2%	37.7%	38.6%	36.6%	30.8%	33.8%	31.3%	32.9%	34.0%	39.8%	38.2%	32.9%
Research and development	5.5	4.7	4.4	4.3	4.9	5.6	6.0	6.1	7.2	7.1	8.1	8.5	8.5	8.9	18.9	22.6	30.9
Selling and marketing	9.7	10.1	8.6	10.5	8.3	8.7	8.6	9.0	9.7	8.2	9.4	11.7	10.6	12.9	38.9	34.7	39.1
General and administrative	4.3	4.9	3.9	3.4	3.0	3.4	3.6	5.0	3.9	3.6	4.2	4.1	4.1	4.6	16.4	15.0	15.8
Depreciation and amortization	2.1	2.5	2.5	2.6	2.4	2.3	2.6	2.4	2.4	2.2	2.7	2.7	2.4	2.0	9.7	9.7	9.9
Restructuring charges	1.1	0.9	-	-	-	-	-	-	-	-	-	-	-	-	2.0	-	-
Total OPEX	22.7	23.1	19.4	20.8	18.6	20.0	20.8	22.5	23.2	21.1	24.4	27.0	25.6	28.4	85.9	82.0	95.7
% of Revenues	37.3%	36.8%	33.9%	28.9%	34.6%	31.4%	31.6%	28.8%	35.1%	35.0%	29.3%	22.8%	28.5%	25.9%	34.0%	31.4%	29.2%
EBIT	0.2	2.8	3.5	8.2	2.0	4.3	4.0	7.7	1.0	(2.5)	3.8	10.0	3.9	8.9	14.7	18.0	12.3
% of Revenues	0.3%	4.5%	6.1%	11.4%	3.7%	6.8%	6.1%	9.8%	1.5%	(4.1%)	4.6%	8.5%	4.3%	8.1%	5.8%	6.9%	3.7%
Financial expense (income), net	0.6	1.2	1.2	0.8	1.3	1.0	0.4	0.7	-	0.7	0.5	1.5	(0.2)	0.3	3.8	3.5	2.6
Tax expenses (benefit)	(0.5)	0.6	0.1	2.5	(0.5)	0.4	0.7	1.1	(0.3)	(1.0)	1.2	(0.5)	0.8	1.5	2.8	1.6	(0.5)
Net Income (Loss)	0.1	1.0	2.2	4.9	1.2	2.9	2.9	5.9	1.3	(2.2)	2.1	9.0	3.3	7.1	8.1	12.9	10.2
% of Revenues	0.2%	1.6%	3.8%	6.8%	2.2%	4.6%	4.4%	7.5%	2.0%	-3.6%	2.5%	7.6%	3.7%	6.5%	3.2%	4.9%	3.1%
Net Earnings per Share - Basic	0.00	0.04	0.08	0.19	0.05	0.11	0.11	0.23	0.05	(0.08)	0.08	0.33	0.10	0.21	0.31	0.50	0.38
Net Earnings per Share - Diluted	0.00	0.03	0.08	0.19	0.05	0.11	0.11	0.22	0.05	(0.08)	0.08	0.30	0.09	0.19	0.31	0.49	0.36
No. of shares - Basic (M)	25.8	25.8	25.8	25.8	25.9	25.9	26.0	26.1	26.3	26.6	26.7	26.9	32.1	34.1	25.8	26.0	26.7
No. of shares - Diluted (M)	25.8	26.4	26.4	25.8	25.9	25.9	26.9	27.3	28.2	26.6	28.3	30.0	35.8	37.1	25.9	26.4	28.8

Cash Flow GAAP Basis Overview (\$M)

Cash Flow Results	Q1-18	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	2018	2019	2020
Operating activities																	
Net Income	0.1	1.0	2.2	4.9	1.2	2.9	2.9	5.9	1.3	(2.2)	2.1	9.0	3.3	7.1	8.1	12.9	10.2
Adjustments required to reconcile net income to net cash	14.5	1.9	8.8	(0.6)	12.8	5.5	8.2	5.3	1.2	2.4	4.5	3.8	10.2	7.5	24.7	31.8	11.8
Net cash provided by continuing operating activities	14.6	2.9	11.0	4.3	14.0	8.4	11.1	11.2	2.5	0.2	6.6	12.8	13.5	14.6	32.8	44.7	22.0
Investing activities																	
Deposits and others	5.1	(0.4)	(1.6)	(4.9)	(2.9)	0.6	(10.8)	(6.8)	15.4	(9.2)	8.2	(4.4)	(43.4)	(27.2)	(1.8)	(19.9)	10.2
M&A activity	-	-	-	-	-	(1.2)	-	-	(9.3)	(4.5)	(5.0)	(0.1)	0.0	(3.4)	-	(1.2)	(19.0)
Net cash provided by (used in) investing activities	5.1	(0.4)	(1.6)	(4.9)	(2.9)	(0.6)	(10.8)	(6.8)	6.1	(13.7)	3.2	(4.5)	(43.4)	(30.6)	(1.8)	(21.1)	(8.8)
Financing activities																	
Net cash provided by (used in) financing activities	(9.6)	(9.5)	(3.2)	(0.7)	(11.7)	(10.0)	(1.5)	(1.5)	(0.5)	(1.9)	10.8	(12.4)	54.3	2.2	(23.0)	(24.8)	(4.0)
Effect of exchange rate changes on cash and cash equivalents	0.1	(0.1)	0.1	-	(0.1)	-	-	-	(0.1)	0.0	0.1	0.1	0.0	0.0	0.1	-	0.1
Net increase (decrease) in cash and cash equivalents and restricted cash	10.2	(7.1)	6.3	(1.3)	(0.7)	(2.2)	(1.2)	2.9	8.0	(15.4)	20.7	(4.0)	24.3	(13.8)	8.1	(1.2)	9.3
Cash and cash equivalents and restricted cash at beginning of period	32.7	42.9	35.8	42.1	40.8	40.1	37.9	36.7	39.6	47.6	32.2	52.9	48.9	73.2	32.7	40.8	39.6
Cash and cash equivalents and restricted cash at end of period	42.9	35.8	42.1	40.8	40.1	37.9	36.7	39.6	47.6	32.2	52.9	48.9	73.2	59.4	40.8	39.6	48.9

Non-GAAP Adjustments (\$M)

Reconciliation of GAAP to NON-GAAP Results	Q1-18	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	2018	2019	2020
GAAP Net Income (Loss) from continuing operations	0.1	1.0	2.2	4.9	1.2	2.9	2.9	5.9	1.3	(2.2)	2.1	9.0	3.3	7.1	8.1	12.9	10.2
Share based compensation	0.6	0.9	0.6	0.6	0.5	0.5	0.7	0.7	1.1	0.8	1.0	1.5	0.8	1.2	2.7	2.3	4.4
Amortization of acquired intangible assets	1.2	1.2	1.2	1.2	1.0	1.0	1.1	1.0	1.2	1.1	1.5	1.6	1.3	1.3	4.8	4.3	5.2
Restructuring costs	1.1	0.9	-	-	-	-	-	-	-	-	-	-	-	-	2.0	-	-
Retention and other related to M&A related expenses	0.2	-	-	0.1	0.3	0.3	0.3	1.4	1.8	1.8	1.2	2.1	1.8	2.2	0.4	2.4	7.2
Changes in FV of Earnout contingent consideration	-	-	-	-	-	-	-	-	-	-	-	(1.0)	-	-	-	-	(1.0)
Impairment of goodwill and intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fair value revaluation of convertible debt and related derivative	0.1	0.7	0.3	(0.3)	0.3	(0.2)	-	-	-	-	-	-	-	-	0.8	0.1	-
Foreign exchange losses (gains) associated with ASC-842	-	-	-	-	0.3	0.2	0.2	-	(0.3)	0.2	-	0.5	(0.3)	0.1	-	0.7	0.4
Earnout Financial expenses	-	-	-	-	-	-	-	-	-	0.3	0.2	0.2	0.2	0.2	-	-	0.6
Taxes on the above items	(0.3)	0.0	0.0	(0.7)	(0.3)	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	0.2	(1.0)	(1.0)	(0.4)
Non-GAAP Net Income from continuing operations	3.0	4.7	4.3	5.8	3.3	4.5	5.0	8.8	5.0	1.9	5.9	13.8	7.0	12.3	17.8	21.7	26.6
Taxes on income	(0.1)	0.6	0.1	3.2	(0.2)	0.7	0.9	1.2	(0.3)	(0.9)	1.3	(0.3)	0.8	1.3	3.8	2.6	(0.1)
Financial expense, net	0.5	0.5	1.0	1.1	0.7	1.0	0.2	0.7	0.3	0.2	0.3	0.8	(0.1)	-	3.1	2.7	1.6
Depreciation	0.9	1.3	1.3	1.4	1.3	1.2	1.5	1.5	1.2	1.2	1.2	1.0	1.0	0.6	4.9	5.5	4.7
Adjusted EBITDA	4.3	7.1	6.7	11.5	5.1	7.4	7.6	12.2	6.2	2.4	8.7	15.3	8.7	14.3	29.6	32.5	32.8
Non-GAAP diluted earnings per share	0.12	0.17	0.16	0.21	0.12	0.17	0.18	0.32	0.17	0.07	0.21	0.45	0.19	0.33	0.65	0.83	0.91
No. of shares - Diluted (M)	25.8	26.4	26.4	26.4	25.9	25.9	27.1	27.5	28.7	28.5	29.0	30.4	36.1	37.4	25.5	26.7	29.3

* Adjusted EBITDA is defined as operating income excluding stock-based compensation expenses, depreciation, restructuring costs, acquisition related items consisting of amortization of intangible assets and goodwill and intangible asset impairments, acquisition related expenses, gains and losses recognized on changes in the fair value of contingent consideration arrangements and certain accounting entries under the business combination accounting rules that require us to recognize a legal performance obligation related to revenue arrangements of an acquired entity based on its fair value at the date of acquisition.

P&L Non-GAAP (\$M)

P&L - Non-GAAP	Q1-18	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	2018	2019	2020
Display and Social Advertising revenues	29.3	33.2	26.2	37.3	18.6	21.3	21.6	26.4	23.7	18.7	37.9	68.4	38.1	58.0	126.0	87.9	148.7
Search Advertising and other revenues	31.6	29.6	31.0	34.7	35.3	42.3	44.2	51.8	42.3	41.6	45.5	49.9	51.7	51.7	126.9	173.6	179.4
Total Revenues	60.9	62.8	57.2	72.0	53.8	63.6	65.8	78.3	66.1	60.3	83.4	118.3	89.8	109.7	252.8	261.5	328.1
Traffic acquisition costs and media buy	31.9	31.1	28.8	36.6	27.4	33.2	34.2	41.1	36.1	36.8	49.9	74.8	54.9	66.2	128.4	135.9	197.6
Media Margin	29.0	31.7	28.4	35.4	26.4	30.4	31.6	37.1	29.9	23.5	33.5	43.5	34.9	43.5	124.5	125.6	130.5
% of Revenues	47.6%	50.5%	49.6%	49.2%	49.1%	47.8%	48.1%	47.5%	45.3%	39.0%	40.2%	36.8%	38.9%	39.7%	49.2%	48.0%	39.8%
Cost of revenues	6.0	5.8	5.4	6.4	5.7	6.0	6.8	6.8	5.7	4.9	5.3	6.6	5.4	6.2	23.6	25.4	22.4
Gross Margin	23.0	25.9	22.9	29.0	20.7	24.4	24.8	30.3	24.2	18.6	28.2	36.9	29.5	37.3	100.9	100.2	108.1
% Gross Margin	37.8%	41.3%	40.1%	40.3%	38.4%	38.3%	37.8%	38.8%	36.6%	30.8%	33.8%	31.2%	32.9%	34.0%	39.9%	38.3%	32.9%
Research and development	5.4	4.6	4.2	4.2	4.8	5.5	5.1	5.7	6.1	6.1	7.2	7.2	7.7	7.8	18.4	21.1	26.6
Selling and marketing	9.5	9.9	8.4	10.3	8.1	8.6	8.5	9.0	8.7	7.2	8.6	10.1	9.5	11.1	38.1	34.2	34.5
General and administrative	3.8	4.3	3.6	3.0	2.7	2.8	3.6	3.4	3.2	3.0	3.7	4.3	3.5	4.1	14.8	12.5	14.2
Depreciation and amortization	0.9	1.3	1.3	1.4	1.3	1.2	1.5	1.4	1.2	1.1	1.1	1.0	1.1	0.7	4.9	5.5	4.7
Total OPEX	19.6	20.1	17.6	19.0	16.9	18.2	18.7	19.5	19.2	17.4	20.6	22.6	21.8	23.7	76.3	73.3	80.0
% of Revenues	32.2%	32.0%	30.8%	26.4%	31.4%	28.6%	28.4%	24.9%	29.0%	28.9%	24.7%	19.1%	24.3%	21.6%	30.2%	28.0%	24.4%
EBIT	3.4	5.8	5.3	10.1	3.8	6.2	6.1	10.8	5.0	1.2	7.6	14.3	7.7	13.6	24.6	26.9	28.1
% of Revenues	5.6%	9.2%	9.3%	14.0%	7.0%	9.7%	9.3%	13.8%	7.6%	2.0%	9.1%	12.1%	8.6%	12.4%	9.7%	10.3%	8.6%
Financial expense (income), net	0.5	0.5	1.0	1.1	0.8	1.0	0.2	0.7	0.3	0.2	0.2	0.8	(0.1)	-	3.0	2.7	1.6
Tax expenses (benefit)	(0.1)	0.6	0.1	3.2	(0.2)	0.7	0.9	1.3	(0.2)	(0.9)	1.3	(0.3)	0.8	1.3	3.8	2.6	(0.1)
Net Income	3.0	4.7	4.3	5.8	3.3	4.5	5.0	8.9	5.0	1.9	6.1	13.8	7.0	12.3	17.8	21.6	26.6
% of Revenues	5.0%	7.4%	7.5%	8.1%	6.0%	7.1%	7.6%	11.3%	7.5%	3.2%	7.3%	11.7%	7.8%	11.2%	7.0%	8.3%	8.1%
Net Earnings per Share - Diluted	0.12	0.17	0.16	0.21	0.12	0.17	0.18	0.32	0.17	0.07	0.21	0.45	0.19	0.33	0.65	0.83	0.91
No. of shares - Diluted (M)	25.8	26.4	26.4	26.4	25.9	25.9	27.1	27.5	28.7	28.5	29.0	30.4	36.1	37.4	25.5	26.7	29.3

* P&L is defined as profit and loss.
** EBIT is defined as earning before income and tax.