



**Q3 2023 Investor Presentation | November 1, 2023**

## 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.

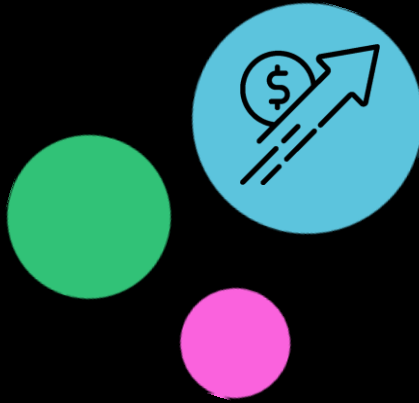
Non-GAAP net income and non-GAAP diluted earnings per share are defined as net income and net earnings per share excluding stock-based compensation expenses, retention and other acquisition-related expenses, revaluation of acquisition-related contingent consideration, amortization of acquired intangible 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



## Q3 2023

Continued profitable growth  
through diversification and focus on  
technology and innovation



# Continuous Top and Bottom-Line Growth

## Revenue

\$185.3M

**+17%** YoY

## Contribution ex-TAC<sup>1</sup>

\$77.3M

**+19%** YoY

## Adjusted EBITDA<sup>1</sup>

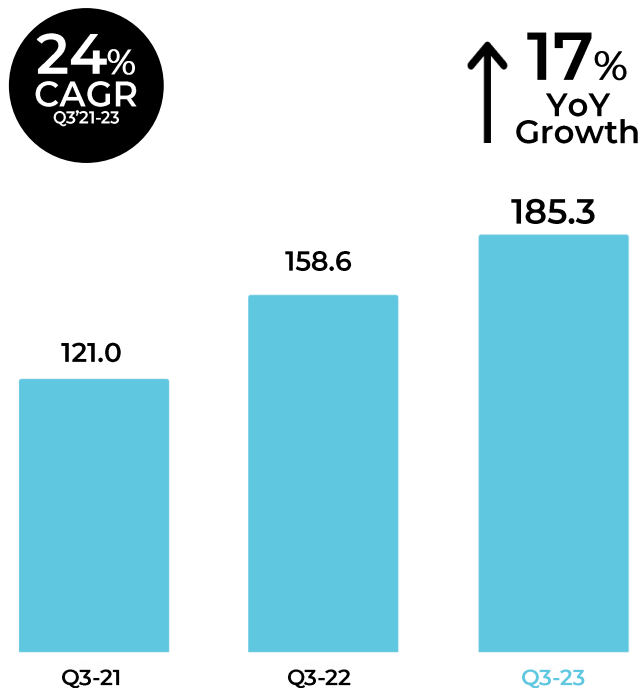
\$42.7M

**+29%** YoY

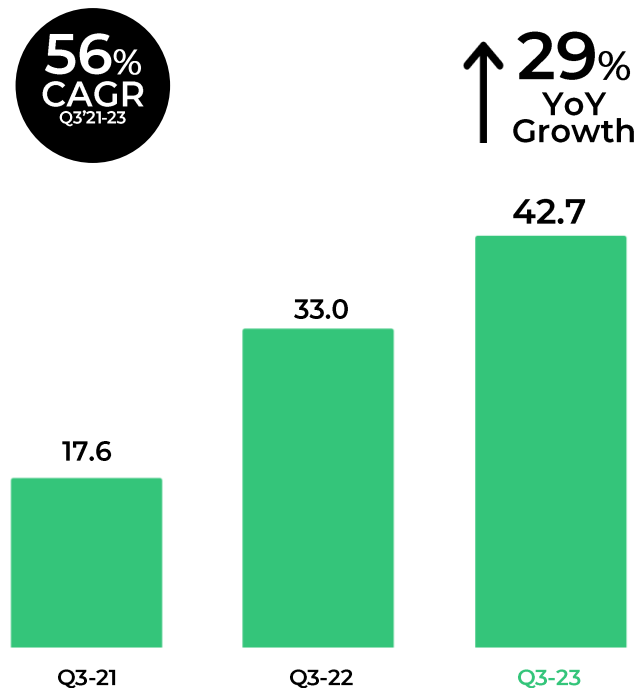
<sup>1</sup> Non-GAAP metrics. Please see the Appendix to this presentation for a reconciliation of each to the nearest GAAP metric.

# Consistent Growth

Q3 2023 Revenue (\$M)



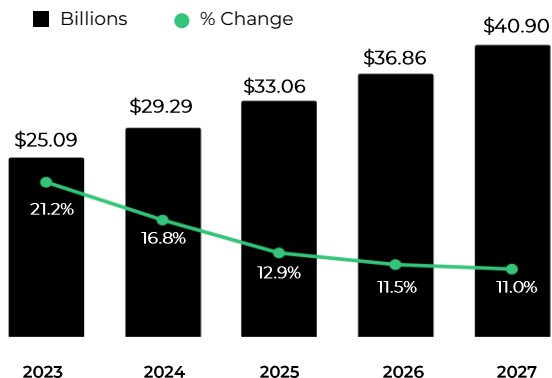
Q3 2023 Adjusted EBITDA<sup>1</sup> (\$M)



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

# Growing Where Technology Matters Most

## Connected TV Ad Spending US, 2023-2027



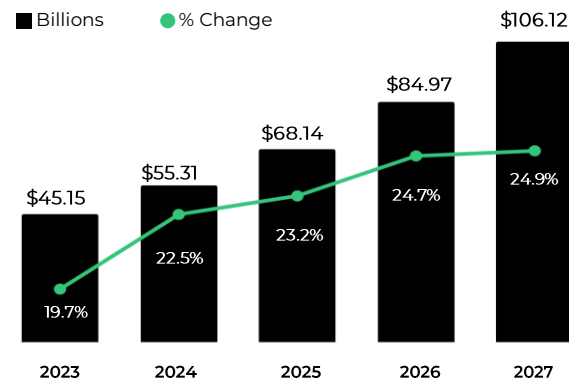
↑ **48%** <sup>®</sup> YTD-23 CTV Revenue, YoY

↑ **21.2%**



Expected 2023 CTV  
US Market growth<sup>1</sup>

## Retail Media Ad Spending US, 2023-2027



↑ **81%** <sup>®</sup> YTD-23 Revenue, YoY

↑ **19.7%**



Expected 2023 Retail Media  
US Market growth<sup>1</sup>



# Technology-Driven Growth



# Perion's Advertiser Solution Suite



**1**

Engaging, dynamic,  
high-impact creative



**2**

Strategic use of  
advanced data,  
targeting and  
audience  
segmentation

iHub

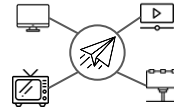


SORT®



**3**

Relevantly distributed  
across premium  
publishers & channels  
for CTV, display, video,  
social, DOOH & audio



**4**

Measure results across  
campaigns, channels  
and screens



# High Impact Live CTV

## Ads that break through

Solves commercial avoidance

Runs during Sports with the ad alongside the game

Technology identifies a lull in the action

Canvas around the ad designed per advertiser needs

**AT&T** fiber **FIFA**



# High Impact Live CTV

## Unmissable moment - Unmissable advertising

### Home Run Sponsorship

Stay-live experience after Home Runs in New York Yankees baseball games in CTV/OTT

Branding inside the broadcast, right after the most exciting moment in the game



## Notable Q3 CTV Clients



# Introducing WAVE Generative AI Dynamic Audio Delivery

Weekly Ads

Location, Audience, Weather,  
Audio Content

Generative AI  
Audio Engine

Delivery via Podcasts, Radio,  
Music Services

Measurement  
& Attribution



NYC, NY  
Parent  
Morning



98¢



LA, CA  
Road Trip  
Playlist  
Morning



4 for \$10

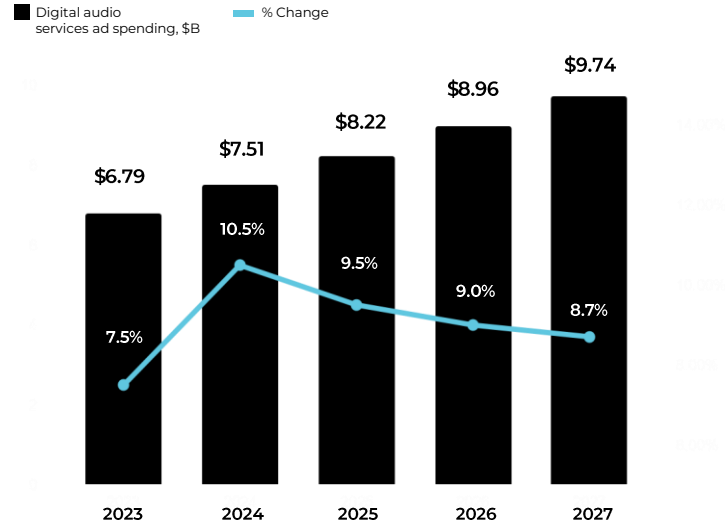
# WAVE - Addressing a Growing Audio Market

↑ **\$6.79B**

US Digital Audio Ad  
Spending

## US Digital Audio Services Ad Spending, 2023-2027

Billions, % Change



# Wave for Retail - More Impact at Every Touchpoint



*“When your team brought us the AI script and voice, we were blown away. It was very hard to detect that it was an actual AI voice – right down to the nuances of how certain products are pronounced, and the annunciation - to see the machine actually learning those dialogue differences was super important to us.*

*Tony Colvin, Director – Paid Media,  
Albertsons Companies*

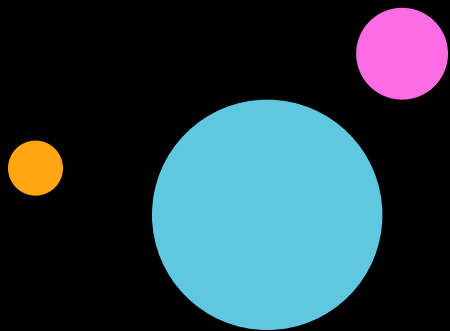


## WAVE Dynamic Audio ads

Part of the full consumer journey

More impactful. Personalized. Localized.  
Relevant. Shoppable.

Already implemented by Albertsons,  
America's 2nd largest supermarket chain  
- as First Adopter



## Financial Results & Outlook



## Q3 2023 Financial Highlights

Revenue



**\$185.3M**

17% YoY Growth

Contribution ex-TAC  
(Revenue ex-TAC)<sup>1</sup>



**\$77.3M**

19% YoY Growth  
42% Margin

Adjusted  
EBITDA<sup>1</sup>



**\$42.7M**

29% YoY Growth  
23% Margin

GAAP Net  
Income



**\$32.8M**

28% YoY Growth  
18% Margin

Non-GAAP  
Diluted EPS<sup>1</sup>



**\$0.84**

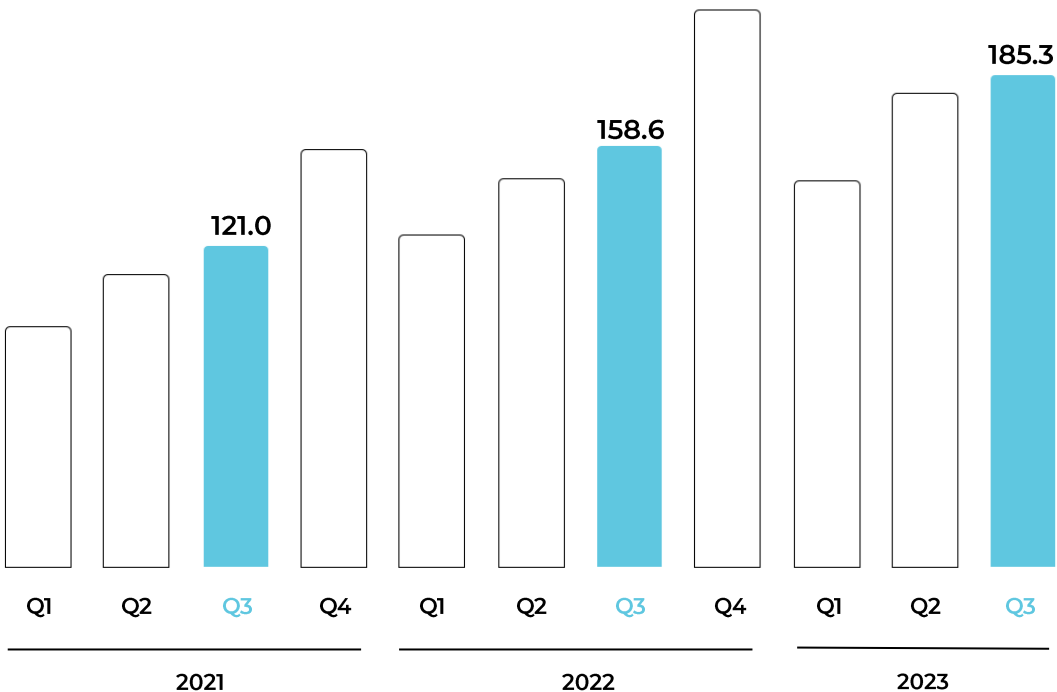
38% YoY Growth

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

# Q3 2023 Revenue (\$M)

24%  
CAGR  
Q3'21-23

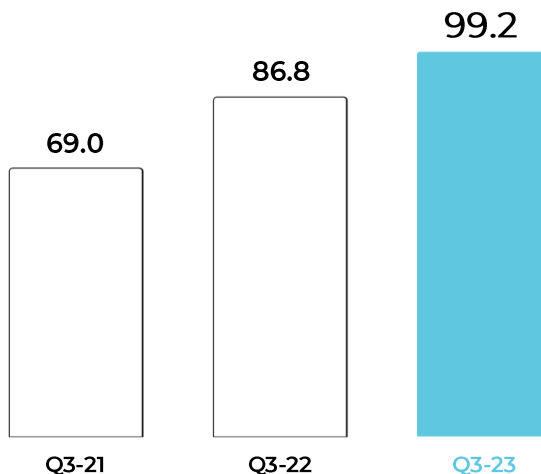
↑ 17%  
YoY  
Growth



# Q3 2023 Display Advertising Revenue (\$M)

20%  
CAGR  
Q3'21-23

↑ 14%  
YoY  
Growth



Retail Media<sup>1</sup> revenue increased by 112%

13% of Display Advertising revenue  
vs. 7% last year

CTV<sup>2</sup> increased by 39% YoY

8% of Display Advertising revenue vs. 7%  
last year

Video decreased by 16% YoY

32% of Display Advertising revenue vs.  
44% last year

<sup>1</sup> Retail Media includes all media channels, such as, CTV, video and others

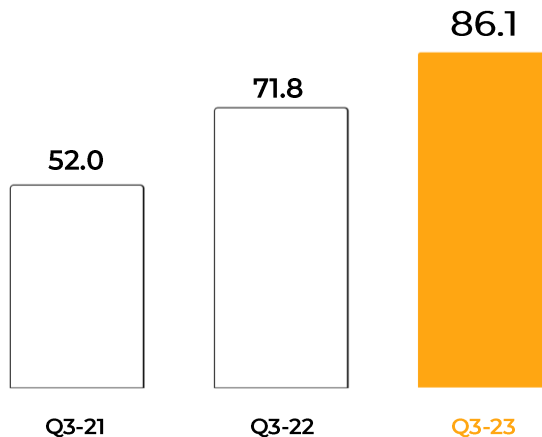
<sup>2</sup> We use our updated methodology for measuring CTV, as set out in our press release for the quarter

# Q3 2023

## Search Advertising Revenue (\$M)

29%  
CAGR  
Q3'21-23

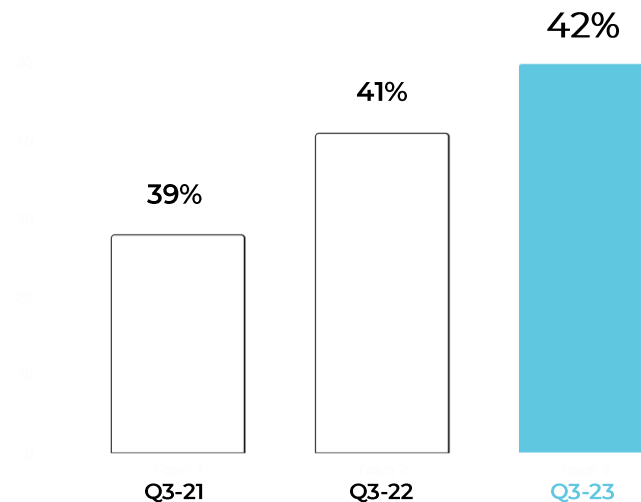
↑ 20%  
YoY  
Growth



↑ 31.3 million daily searches  
An increase of 86% YoY

↑ 164 publishers  
An increase of 16% YoY

# Q3 2023 Contribution Ex-Tac



**Improved Product mix**  
through ongoing optimization

**Media buying optimization**  
of our supply and demand assets  
through iHUB

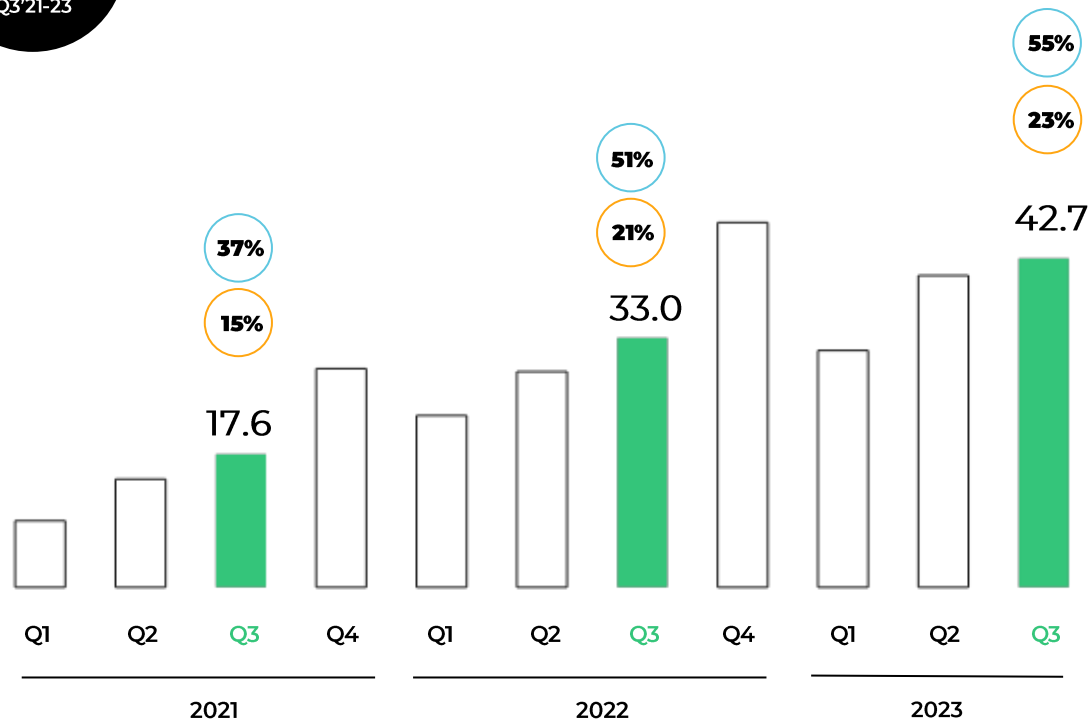
**Incremental revenue**  
with low variable cost

# Q3 2023 Adjusted EBITDA<sup>1</sup> (\$M)

**56%**  
CAGR  
Q3'21-23

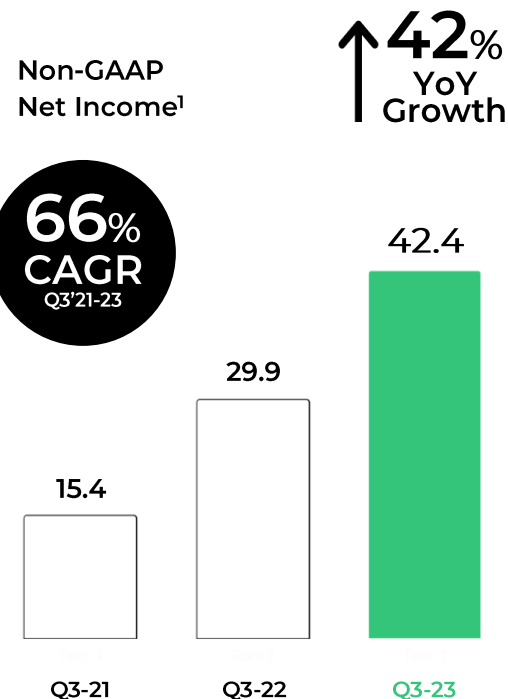
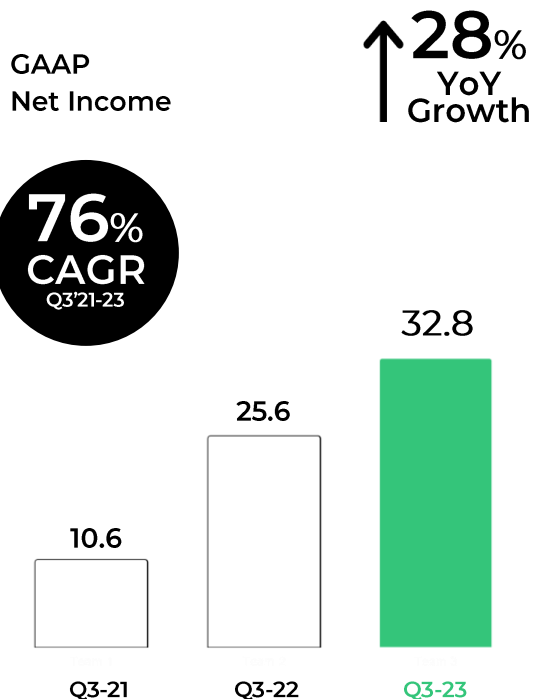
- Adjusted EBITDA/Contribution ex-TAC
- Adjusted EBITDA/Revenue

**29%**  
YoY  
Growth



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

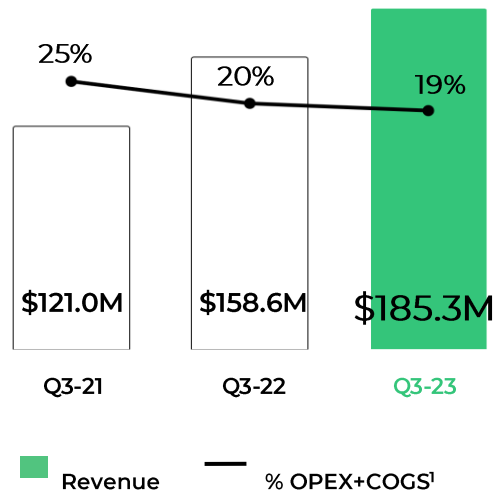
Q3 2023  
GAAP/  
Non-GAAP  
Net Income  
(\$M)



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

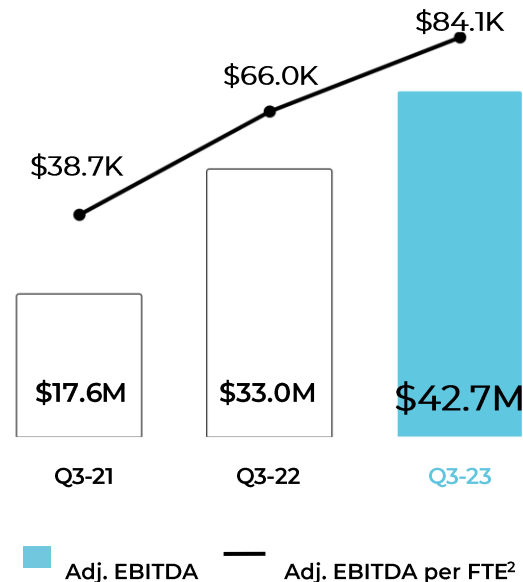
# Continuous Growth in Efficiency and Productivity

## Cost Efficiency



iHUB as a shared infrastructure resource

## FTE Productivity



Incremental revenue with low variable cost

Offshoring our operations

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

<sup>2</sup> FTE Includes sub-contractors





## Strong Balance Sheet & Cash Flow to Support Growth Plans

Financial Metric <small>(\$M)</small>	Q3-22	Q4-22	Q3-23
Net cash <sup>1</sup>	390.4	429.6	523.6
Operating Cash Flow	34.7	38.2	40.1

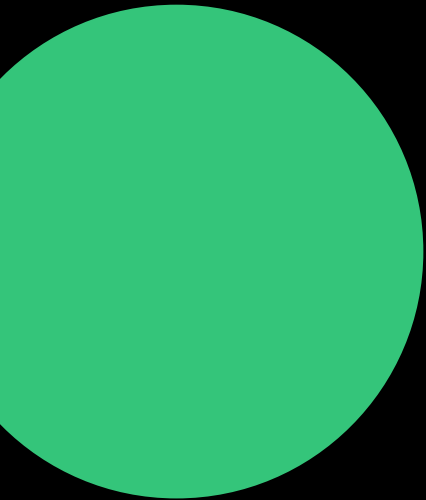
<sup>1</sup> As of end of period. Net cash includes cash and cash equivalents, short-term bank deposits and marketable securities



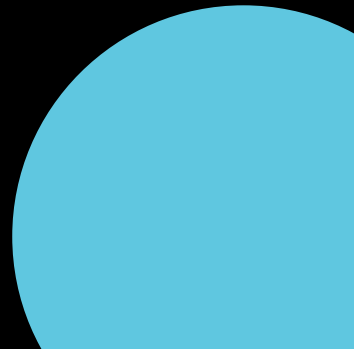
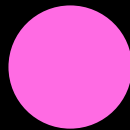
# Guidance

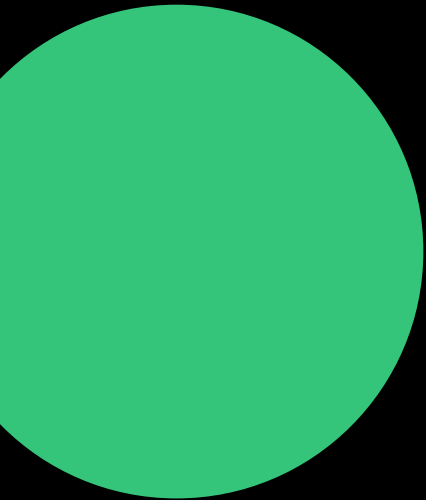
In \$ Millions	2022	2023 Guidance	YoY Growth <sup>1</sup>
Revenue	\$640.3	\$730-\$750	16%
Adjusted EBITDA	\$132.4	\$167+	26%
Adjusted EBITDA to Revenue	21%	23% <sup>1</sup>	
Adjusted EBITDA to Contribution ex-TAC	49%	54% <sup>1</sup>	

<sup>1</sup> Calculated at revenue guidance midpoint. Adjusted EBITDA year-over-year growth calculated based on \$167 million.

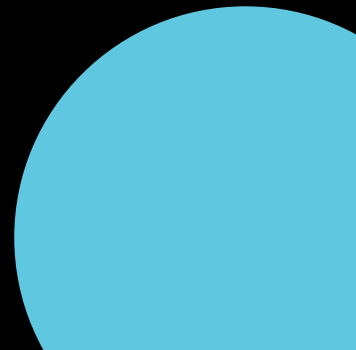
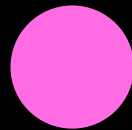


Thank You





# Appendix



# Balance Sheet Overview (\$M)

## Condensed Consolidated Balance Sheets

Current Assets	9/30/2023	31/12/2022
Cash and cash equivalents	197.9	176.2
Restricted cash	1.3	1.3
Short-term bank deposit	254.0	253.4
Marketable Securities	71.8	0.0
Accounts receivable, net	142.1	160.5
Prepaid expenses and other current assets	16.6	12.0
	<b>683.7</b>	<b>603.5</b>

Long-Term Assets		
Property and equipment, net	3.0	3.6
Operating lease right-of-use assets	7.4	10.1
Goodwill and Intangible assets, net	238.2	247.2
Deferred taxes and Other assets	7.8	5.8
	<b>256.4</b>	<b>266.8</b>

<b>Total Assets</b>	<b>940.1</b>	<b>870.2</b>
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Current Liabilities	9/30/2023	31/12/2022
Accounts payable	139.5	155.9
Accrued expenses and other liabilities	33.8	37.9
Short-term operating lease liability	3.9	3.9
Deferred revenue	1.5	2.4
Short-term payment obligation related to acquisitions	71.5	34.6
	<b>250.2</b>	<b>234.6</b>

Long-Term Liabilities		
Payment obligation related to acquisitions	0.0	33.1
Long-term operating lease liability	4.4	7.6
Other long-term liabilities	12	11.8
	<b>16.4</b>	<b>52.5</b>

Total Shareholders' Equity		
	<b>673.4</b>	<b>583.1</b>

<b>Total Liabilities and Shareholders' Equity</b>	<b>940.1</b>	<b>870.2</b>
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# Income Statement (\$M)

Consolidated Statements Of Operations - GAAP	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	9 Months ended		
												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	165.1	236.9	278.5
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	155.4	193.7	230.5
<b>Total Revenue</b>	<b>89.8</b>	<b>109.7</b>	<b>121.0</b>	<b>158.0</b>	<b>125.3</b>	<b>146.7</b>	<b>158.6</b>	<b>209.7</b>	<b>145.2</b>	<b>178.5</b>	<b>185.3</b>	<b>320.5</b>	<b>430.6</b>	<b>508.9</b>
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	17.9	21.0	27.0
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	194.7	250.6	289.3
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	26.1	25.1	24.4
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	36.4	39.9	43.0
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	14.1	19.7	21.7
Changes in fair value of contingent consideration	-	-	-	(2.2)	-	-	(3.8)	-	-	14.6	2.0	-	(3.8)	16.6
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	6.3	10.1	10.2
<b>Total Costs and Expenses</b>	<b>86.0</b>	<b>100.8</b>	<b>108.6</b>	<b>137.2</b>	<b>108.8</b>	<b>124.8</b>	<b>129.0</b>	<b>168.5</b>	<b>120.6</b>	<b>158.6</b>	<b>152.8</b>	<b>295.4</b>	<b>362.6</b>	<b>432.1</b>
<b>% of Revenues</b>	<b>95.8%</b>	<b>91.9%</b>	<b>89.8%</b>	<b>86.8%</b>	<b>86.8%</b>	<b>85.1%</b>	<b>81.3%</b>	<b>80.4%</b>	<b>83.1%</b>	<b>88.9%</b>	<b>82.5%</b>	<b>92.2%</b>	<b>84.2%</b>	<b>84.9%</b>
<b>Income from Operations</b>	<b>3.9</b>	<b>8.9</b>	<b>12.4</b>	<b>20.8</b>	<b>16.5</b>	<b>21.9</b>	<b>29.6</b>	<b>41.2</b>	<b>24.5</b>	<b>19.9</b>	<b>32.5</b>	<b>25.1</b>	<b>68.0</b>	<b>76.9</b>
<b>% of Revenues</b>	<b>4.3%</b>	<b>8.1%</b>	<b>10.2%</b>	<b>13.2%</b>	<b>13.2%</b>	<b>14.9%</b>	<b>18.7%</b>	<b>19.6%</b>	<b>16.9%</b>	<b>11.1%</b>	<b>17.5%</b>	<b>7.8%</b>	<b>15.8%</b>	<b>15.1%</b>
Financial income (expense), net	0.2	(0.3)	-	(0.5)	0.6	0.9	1.0	2.0	3.4	5.2	6.1	(0.1)	2.5	14.7
<b>Income before Taxes on income</b>	<b>4.1</b>	<b>8.6</b>	<b>12.4</b>	<b>20.3</b>	<b>17.1</b>	<b>22.8</b>	<b>30.6</b>	<b>43.2</b>	<b>27.9</b>	<b>25.0</b>	<b>38.6</b>	<b>25.0</b>	<b>70.5</b>	<b>91.5</b>
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	4.0	10.0	13.5
<b>Net Income</b>	<b>3.3</b>	<b>7.1</b>	<b>10.6</b>	<b>17.7</b>	<b>15.5</b>	<b>19.5</b>	<b>25.6</b>	<b>38.7</b>	<b>23.8</b>	<b>21.4</b>	<b>32.8</b>	<b>21.0</b>	<b>60.5</b>	<b>78.0</b>
<b>% of Revenues</b>	<b>3.7%</b>	<b>6.5%</b>	<b>8.8%</b>	<b>11.2%</b>	<b>12.4%</b>	<b>13.3%</b>	<b>16.1%</b>	<b>18.5%</b>	<b>16.4%</b>	<b>12.0%</b>	<b>17.7%</b>	<b>6.6%</b>	<b>14.1%</b>	<b>15.3%</b>
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	0.63	1.36	1.66
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	0.57	1.27	1.57
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	33.6	44.5	46.9
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	36.9	47.6	49.8

Numbers may not add due to rounding

# Cash Flow Overview (\$M)

												9 Months 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	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	21.0	60.5	78.0
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	21.3	23.4	27.2
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	42.3	83.9	105.2
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)	(47.8)	(2.6)	(72.7)
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	(3.4)	(9.6)	0.0
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)	(51.2)	(12.1)	(72.7)
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	57.6	(4.7)	(10.9)
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)	0.0	(0.3)	0.0
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	48.6	66.9	21.7
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	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	97.4	172.4	199.2

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	9 Months 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	320.5	430.6	508.9
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)	(194.7)	(250.6)	(289.3)
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	125.8	180.0	219.6

	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	9 Months 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	295.4	362.6	432.1
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)	(194.7)	(250.6)	(289.3)
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)	(6.3)	(10.1)	(10.2)
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)	(3.7)	(8.4)	(10.9)
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)	(5.5)	(1.5)	(0.7)
Changes in fair value of contingent consideration	-	-	-	2.2	-	-	3.8	-	-	(14.6)	(2.0)	-	3.8	(16.6)
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	85.2	95.8	104.4

Numbers may not add due to rounding



# Non-GAAP Reconciliations (\$M)

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	9 Months ended		
												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	25.1	68.0	76.9
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	3.7	8.4	10.9
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	5.5	1.5	0.7
Changes in fair value of contingent consideration	-	-	-	(2.2)	-	-	(3.8)	-	-	14.6	2.0	-	(3.8)	16.6
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	4.1	8.9	9.0
Depreciation	1.0	0.6	0.6	0.8	0.4	0.4	0.4	0.8	0.4	0.4	0.4	2.2	1.2	1.2
Adjusted EBITDA	8.8	14.3	17.6	28.9	22.7	28.5	33.0	48.2	31.3	41.2	42.7	40.7	84.1	115.2
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	21.0	60.5	78.0
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	3.7	8.4	10.9
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	4.1	8.9	9.0
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	5.5	1.5	0.7
Changes in fair value of contingent consideration	-	-	-	(2.2)	-	-	(3.8)	-	-	14.6	2.0	-	(3.8)	16.6
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)	(0.2)	(0.8)	(0.3)
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	0.5	0.6	0.4
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)	0.1	(0.1)	(0.9)
Non-GAAP Net Income from continuing operations	7.0	12.3	15.4	25.3	20.7	24.5	29.9	44.7	29.9	42.1	42.4	34.7	75.1	114.4
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	0.93	1.56	2.28
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	37.2	48.1	50.1

Numbers may not add due to rounding