BIG ADDRESSABLE MARKET

$333B
2019
Global Digital Ad Spend

Source: eMarketer.com 4/2019
HUGE ADDRESSABLE MARKET

TOMORROW

$518B

2023 FC,
Global Digital Ad Spend

Source: eMarketer.com 4/2019
THE GIANTS ARE CONSOLIDATING THE WORLD

Facebook, Google and Amazon represent 85% of digital ad dollars

Source: eMarketer.com 4/2019
THE COVID19 IMPACT ON AD SPENDING

According to eMarketer, short-term change in average digital Ad spending due to the Pandemic is 25%-35%

Source: eMarketer.com 4/2020
Quarter (24%) of the responders said they had stopped or reduced spending on paid search—the smallest share among all the ad channels listed.

Source: eMarketer.com 3/2020
PERION’S **DIVERSIFICATION STRATEGY**

Perion is well-positioned to capitalize on any shifting budget between 3 main pillars of digital advertising:

- **AD SEARCH**
- **SOCIAL MEDIA**
- **DISPLAY / VIDEO**

**Content IQ**
FULL FUNNEL COVERAGE

ADVERTISING SOLUTION

SEARCH MONETIZATION

Awareness

Consideration

Intent

Buy

BRAND AWARENESS

BRAND PERFORMANCE
PERION’S DIVERSIFICATION STRATEGY

CodeFuel

Search: 42%
Social Media: 38%
Video & Display: 20%
MARKET TRENDS

Growing number of searches
Direct correlation between search and online purchases.

Improved algorithms accuracy

PPC growth
Online retailers are leading to greater competition in the auction

Search Ad Spending
US, 2019-2023

Source: eMarketer, February 2019

Source: eMarketer.com 2/2019
A STRATEGIC PARTNER
FOR 10 YEARS
CodeFuel
SERVES
+13M DAILY SEARCHES

PROUD TO BE A PART OF
THE BING ECOSYSTEM
SEARCH — BEND THE CURVE

6th consecutive quarter of YoY of revenue growth

CQGR 4.7% +20% YoY

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Revenue Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1-17</td>
<td>37.6</td>
</tr>
<tr>
<td>Q2-17</td>
<td>34.4</td>
</tr>
<tr>
<td>Q3-17</td>
<td>33.3</td>
</tr>
<tr>
<td>Q4-17</td>
<td>34.3</td>
</tr>
<tr>
<td>Q1-18</td>
<td>31.6</td>
</tr>
<tr>
<td>Q2-18</td>
<td>29.6</td>
</tr>
<tr>
<td>Q3-18</td>
<td>31.0</td>
</tr>
<tr>
<td>Q4-18</td>
<td>34.7</td>
</tr>
<tr>
<td>Q1-19</td>
<td>35.3</td>
</tr>
<tr>
<td>Q2-19</td>
<td>42.3</td>
</tr>
<tr>
<td>Q3-19</td>
<td>44.2</td>
</tr>
<tr>
<td>Q4-19</td>
<td>51.8</td>
</tr>
<tr>
<td>Q1-20</td>
<td>42.3</td>
</tr>
</tbody>
</table>
**U.S. SEARCH AD SPENDING – COVID19 SHORT TERM IMPACT**

**Analyst Take: US Search Ad Spending and Growth**

<table>
<thead>
<tr>
<th></th>
<th>Billions and % change vs. the prior-year period</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2019</td>
<td>$27.95</td>
</tr>
<tr>
<td>H1 2020 (moderate)</td>
<td>$25.52 -8.7%</td>
</tr>
<tr>
<td>H1 2020 (severe)</td>
<td>$23.81 -14.8%</td>
</tr>
</tbody>
</table>

Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices; includes contextual text links, paid inclusion, paid listings and SEO

Source: eMarketer, April 2020

**Desktop search is rising amid the work-from-home surge**

Device usage is just one way consumer behavior is changing during the pandemic, says Microsoft Advertising.

Source: eMarketer.com 4/2020
CodeFuel COLLABORATION WITH CHECK POINT

- Search Query
- Keywords Data
- Traffic Validation
- Data Analysis
- Bing
- Insight Engine
- CodeFuel Hosted Search
- Device GEO ad Unit
- Channel A/B testing
- Revenues Optimization (CPC / RPM)
- Perion
You Have the Right to Remain Private

73% of consumers surveyed are more aware of data breaches compared to five years ago.

78% said they are taking action to limit the amount of personal information they share online.

PRIVADO
CO-DEVELOPED BY CODEFUEL AND MICROSOFT
PERION’S DIVERSIFICATION STRATEGY
COVID19 IMPACT ON ADVERTISMENT SPENDING

How Has the Coronavirus Pandemic Affected US Agencies and Brand Marketers’ Advertising Efforts?
% of respondents, March & April 2020

<table>
<thead>
<tr>
<th></th>
<th>Wave 1 (March 17-20)</th>
<th>Wave 2 (April 1-4)</th>
<th>Percentage point change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Held back a campaign from launching until later in the year</td>
<td>49%</td>
<td>64%</td>
<td>15%</td>
</tr>
<tr>
<td>Stopped or pulled a campaign mid-flight</td>
<td>45%</td>
<td>50%</td>
<td>5%</td>
</tr>
<tr>
<td>Adjusted media type usage or shifted budget among media types</td>
<td>48%</td>
<td>49%</td>
<td>1%</td>
</tr>
<tr>
<td>Canceled a campaign completely (pre-launch)</td>
<td>34%</td>
<td>44%</td>
<td>10%</td>
</tr>
<tr>
<td>Paused all new advertising efforts until later in the year</td>
<td>38%</td>
<td>35%</td>
<td>-3%</td>
</tr>
<tr>
<td>Launched a new campaign that we hadn’t previously scheduled</td>
<td>-</td>
<td>24%</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: Wave 1 n=201; Wave 2 n=152

Source: eMarketer.com 4/2020
ADVERTISING

STRATEGY

AGENCY

Synchronized Digital Branding

Undertone

PUBLISHER

BRAND

CONTENT IQ

make moreach
BEND THE CURVE – ADVERTISING REVENUE

Q1-19: 18.6
Q2-19: 21.3
Q3-19: 21.6
Q4-19: 26.4
Q1-20: 23.7

CQGR 6.3%

+28% YoY
CONNECTING THE WORLD’S BEST BRANDS & PUBLISHERS WITH AWARD-WINNING CREATIVES

**BRANDS**

- verizon
- COMCAST
- BMW
- Mercedes-Benz
- Chrysler
- TOYOTA
- Microsoft
- CVS
- DELL
- SEPHORA
- SAMSUNG
- DELTA
- DISCOVER
- Hilton

**PUBLISHERS**

- WIRED
- OK!
- AccuWeather
- GLAMOUR
- bon appetit
- SELF
- MEN’S JOURNAL
- epicurious
- GQ.com
- ALLURE
- VANITY FAIR
- RADAR
- Golf Digest
- MUSCLE & FITNESS

**AWARDS**

- DIGIDAY VIDEO AWARDS
- MAR TECH SUPERSTARS
- IAG INTERNET ADVERTISING COMPETITION
- iab. MXM AWARDS
- OMMA
THE CUSTOMER’S JOURNEY HAS TURNED INTO A 3D JOURNEY

PERION’S UNIQUE SOLUTION: SYNCHRONIZED DIGITAL BRANDING

We’ve created an AI-based Ad journey that aligns with the consumers’ journey in multiple touchpoints across funnel/platform/channel
SEQUENTIAL ADS: Journey Across the Funnel

**AWARENESS**  
Your Brand’s Creative Performance in Mind

**CONSIDERATION**  
Undertone’s Device Graph for creative retargeting

**INTENT**  
Launch sequential versions featuring dynamic store locator to drive visits

**RESULTS**

4,600+ Store Visits  
- 19% Lower Cost per visit*

*Compared with ‘Sephora Loyalist’ targeting tactics
ADVERTISING CLOUD PLATFORM

PRODUCTIZATION OF UNDERTONE SOLUTION – SYNCHRONIZED DIGITAL BRANDING

**Planning**
- Create the Ads journey
- Recommendation engine

**Activation**
- “Flow”
- Campaign execution

**Reporting**

**AI-based Optimization**
- Rules-based optimization
- AI recommendation engine
- Budget optimization

**CREATIVES CENTER**

**AUDIENCES CENTER**

**WORKFLOW MANAGEMENT**

FEEDBACK LOOP WITH DATA-DRIVEN INSIGHTS
A NEW PARADIGM SHIFT IS REQUIRED - SYNCHRONIZE THE DESTINATION

- Increasingly challenging for brands to tell their story to distracted and distrustful consumers
- Personalized environments

- Noisy, questionable environments dilute advertising messages
- Disciplined Layout

- Publishers struggle to generate quality traffic
- Scaling Engine

- Must engage traffic with advertising using love and respect.
- High Impact Content

- Publishers are forced to accept lack of transparency, massive waste and outright fraud - compounding issues of brand safety
- Trusted brand experiences
PUBLISHER ENVIRONMENT TRANSFORMATION SYNCHRONIZE THEIR DESTINATION
PUBLISHER ENVIRONMENT TRANSFORMATION SYNCHRONIZE THEIR DESTINATION
ContentIQ Business Model Evolution

Content IQ Current state

Own content Yield optimization

CIQ Synergy with CodeFuel and Undertone

Display 2 Search Format

Enhance Synchronized digital branding

Externalized ContentIQ services To other publishers

CIQ As a Service

CIQ As a Platform

PERION IS WELL-POSITIONED TO COPE WITH COVID-19 OUTBREAK DUE TO:

The Company’s Diversification strategy amplifies revenue flexibility and reduces uncertainty.

Strong and clean Balance Sheet.

Prudent and cautious cash management.

Management team with a proven track record of managing costs, preserving cash and maximizing profitability.
WHAT WE’VE DONE SO FAR:

1. CIQ costs synergy
2. Vendors and consultants' terms renegotiation
3. Reduced travel and marketing expenses
4. Reduced rent expenses
5. Automation processes to reduce costs

All the measures we’ve taken resulted in more than $10 million of proforma* cost savings annualized.

* - combined financial results of CIQ as if it was acquired at the beginning of 2019.
PERION’S TURNAROUND

Cost optimization

Building Tech-Moat

Ignite Growth

Key Turnaround Financial Optimization Milestone ($M)

Net cash $39.5M – Including $15M paid for CIQ, Net cash would have been $55M reflecting 7 consecutive quarters of growth

Total Cash $54.1M
Total Debt $14.6M

-43.7
In 2020, due to the COVID19 impact, management took strategic costs’ saving measures totaling $10M on an annual basis.
PERION’S TURNAROUND

Cost optimization

Building Tech-Moat

Ignite Growth

R&D GROWTH DRIVERS

AI
Digital spend optimization and automation in channels and across channels (Social, Display) - Captain Growth’s acquisition

Data
Building a device graph with billions of IDs to support SDB targeting and sequencing, building contextual solutions to mitigate the cookie apocalypse

Creative
Adjusting ad products portfolio to match new standards, streamlining channel to channel creatives

Scale
Supporting effective scale cost by cloud infrastructure investing

R&D Expenses ($M)/% of Rev

<table>
<thead>
<tr>
<th>Year</th>
<th>R&amp;D Expenses ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>17.2</td>
</tr>
<tr>
<td>2018</td>
<td>18.9</td>
</tr>
<tr>
<td>2019</td>
<td>22.6</td>
</tr>
<tr>
<td>2020</td>
<td>23-24</td>
</tr>
</tbody>
</table>

2017/8 2018/9 2019/20...
<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted EBITDA ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>29.6</td>
</tr>
<tr>
<td>2019</td>
<td>32.4</td>
</tr>
<tr>
<td>Q1-19</td>
<td>5.1</td>
</tr>
<tr>
<td>Q1-20</td>
<td>6.2</td>
</tr>
</tbody>
</table>

ADJUSTED EBITDA ($M)  
2018 - 2020
CASH FROM OPERATIONS ($M)
2018 - 2020

The YoY quarterly OCF decrease is due to the one-time WC requirements for the CIQ operations and collection cycle differences between the business units.
Given the Uncertainty due to COVID19, Management decided to withdraw 2020 Guidance. Management will Revisit This Decision, Periodically.
Appendix
## Balance Sheet Overview ($M)

### Current Assets

<table>
<thead>
<tr>
<th></th>
<th>31/12/2019</th>
<th>31/03/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>38.4</td>
<td>46.4</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>1.2</td>
<td>1.2</td>
</tr>
<tr>
<td>Short-term bank deposit</td>
<td>23.2</td>
<td>7.7</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>49.1</td>
<td>40.8</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>3.2</td>
<td>3.5</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>115.1</strong></td>
<td><strong>99.6</strong></td>
</tr>
</tbody>
</table>

### Non-Current Assets

<table>
<thead>
<tr>
<th></th>
<th>31/12/2019</th>
<th>31/03/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property and equipment, net</td>
<td>10.9</td>
<td>9.8</td>
</tr>
<tr>
<td>Operating lease right-of-use assets</td>
<td>22.4</td>
<td>21.4</td>
</tr>
<tr>
<td>Intangible assets, net</td>
<td>2.7</td>
<td>18.3</td>
</tr>
<tr>
<td>Goodwill</td>
<td>125.8</td>
<td>149.2</td>
</tr>
<tr>
<td>Deferred taxes &amp; Other assets</td>
<td>6.9</td>
<td>4.9</td>
</tr>
<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td><strong>168.7</strong></td>
<td><strong>203.6</strong></td>
</tr>
</tbody>
</table>

### Current Liabilities

<table>
<thead>
<tr>
<th></th>
<th>31/12/2019</th>
<th>31/03/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current maturities of long-term loans and Convertible debt</td>
<td>8.3</td>
<td>8.3</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>47.7</td>
<td>41.1</td>
</tr>
<tr>
<td>Accrued expenses and other liabilities</td>
<td>18.4</td>
<td>20.9</td>
</tr>
<tr>
<td>Short-term operating lease liability</td>
<td>3.7</td>
<td>3.7</td>
</tr>
<tr>
<td>Deferred revenues</td>
<td>4.2</td>
<td>3.4</td>
</tr>
<tr>
<td>Payment obligation related to acquisitions</td>
<td>1.0</td>
<td>13.7</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>83.3</strong></td>
<td><strong>91.1</strong></td>
</tr>
</tbody>
</table>

### Long-Term Liabilities

<table>
<thead>
<tr>
<th></th>
<th>31/12/2019</th>
<th>31/03/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term Debt</td>
<td>8.3</td>
<td>6.3</td>
</tr>
<tr>
<td>Long-term operating lease liability</td>
<td>20.4</td>
<td>19.1</td>
</tr>
<tr>
<td>Payment obligation related to acquisitions</td>
<td>-</td>
<td>11.5</td>
</tr>
<tr>
<td>Other long-term liabilities</td>
<td>6.6</td>
<td>6.0</td>
</tr>
<tr>
<td><strong>Total Long-Term Liabilities</strong></td>
<td><strong>35.3</strong></td>
<td><strong>42.9</strong></td>
</tr>
</tbody>
</table>

### Shareholders' Equity

<table>
<thead>
<tr>
<th></th>
<th>31/12/2019</th>
<th>31/03/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Shareholders' Equity</strong></td>
<td><strong>165.2</strong></td>
<td><strong>169.2</strong></td>
</tr>
</tbody>
</table>

### Total Assets

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>283.8</strong></td>
<td><strong>303.2</strong></td>
</tr>
</tbody>
</table>

### Total Liabilities and Shareholders' Equity

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Liabilities and Shareholders' Equity</strong></td>
<td><strong>283.8</strong></td>
<td><strong>303.2</strong></td>
</tr>
</tbody>
</table>
## Net Income Statement ($M)

<table>
<thead>
<tr>
<th>P&amp;L</th>
<th>Q1-19</th>
<th>Q2-19</th>
<th>Q3-19</th>
<th>Q4-19</th>
<th>Q1-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>18.6</td>
<td>21.3</td>
<td>21.6</td>
<td>26.4</td>
<td>23.8</td>
</tr>
<tr>
<td>Search and other</td>
<td>35.2</td>
<td>42.3</td>
<td>44.2</td>
<td>51.8</td>
<td>42.3</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>53.8</td>
<td>63.6</td>
<td>65.8</td>
<td>78.2</td>
<td>66.1</td>
</tr>
<tr>
<td>Customer acquisition costs</td>
<td>27.4</td>
<td>33.2</td>
<td>34.2</td>
<td>41.1</td>
<td>36.1</td>
</tr>
<tr>
<td>Media Margin</td>
<td>26.4</td>
<td>30.4</td>
<td>31.6</td>
<td>37.1</td>
<td>30.0</td>
</tr>
<tr>
<td><strong>% of Revenues</strong></td>
<td><strong>49.1%</strong></td>
<td><strong>47.8%</strong></td>
<td><strong>48.0%</strong></td>
<td><strong>47.4%</strong></td>
<td><strong>45.4%</strong></td>
</tr>
<tr>
<td>Cost of revenues</td>
<td>5.8</td>
<td>6.1</td>
<td>6.8</td>
<td>6.9</td>
<td>5.8</td>
</tr>
<tr>
<td><strong>Gross Margin</strong></td>
<td>20.6</td>
<td>24.3</td>
<td>24.8</td>
<td>30.2</td>
<td>24.2</td>
</tr>
<tr>
<td><strong>% Gross Margin</strong></td>
<td><strong>38.3%</strong></td>
<td><strong>38.2%</strong></td>
<td><strong>37.7%</strong></td>
<td><strong>38.6%</strong></td>
<td><strong>36.6%</strong></td>
</tr>
<tr>
<td>Research and development</td>
<td>4.9</td>
<td>5.6</td>
<td>6.0</td>
<td>6.1</td>
<td>7.2</td>
</tr>
<tr>
<td>Selling and marketing</td>
<td>8.3</td>
<td>8.7</td>
<td>8.6</td>
<td>9.0</td>
<td>9.7</td>
</tr>
<tr>
<td>General and administrative</td>
<td>3.0</td>
<td>3.4</td>
<td>3.6</td>
<td>5.0</td>
<td>3.9</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>2.4</td>
<td>2.3</td>
<td>2.6</td>
<td>2.4</td>
<td>2.4</td>
</tr>
<tr>
<td><strong>Total OPEX</strong></td>
<td>18.6</td>
<td>20.0</td>
<td>20.8</td>
<td>22.5</td>
<td>23.2</td>
</tr>
<tr>
<td><strong>% of Revenues</strong></td>
<td><strong>34.6%</strong></td>
<td><strong>31.4%</strong></td>
<td><strong>31.6%</strong></td>
<td><strong>28.8%</strong></td>
<td><strong>35.1%</strong></td>
</tr>
<tr>
<td>EBIT</td>
<td>2.0</td>
<td>4.3</td>
<td>4.0</td>
<td>7.7</td>
<td>1.0</td>
</tr>
<tr>
<td><strong>% of Revenues</strong></td>
<td><strong>3.7%</strong></td>
<td><strong>6.8%</strong></td>
<td><strong>6.1%</strong></td>
<td><strong>9.8%</strong></td>
<td><strong>1.5%</strong></td>
</tr>
<tr>
<td>Financial expense, net</td>
<td>1.3</td>
<td>1.0</td>
<td>0.4</td>
<td>0.7</td>
<td>-</td>
</tr>
<tr>
<td>Tax expenses (benefit)</td>
<td>(0.5)</td>
<td>0.4</td>
<td>0.7</td>
<td>1.1</td>
<td>(0.3)</td>
</tr>
<tr>
<td><strong>Net Income (Loss)</strong></td>
<td>1.2</td>
<td>2.9</td>
<td>2.9</td>
<td>5.9</td>
<td>1.3</td>
</tr>
<tr>
<td><strong>% of Revenues</strong></td>
<td><strong>2.2%</strong></td>
<td><strong>4.6%</strong></td>
<td><strong>4.4%</strong></td>
<td><strong>7.5%</strong></td>
<td><strong>2.0%</strong></td>
</tr>
<tr>
<td>Net Earnings per Share - Basic</td>
<td>0.05</td>
<td>0.11</td>
<td>0.11</td>
<td>0.23</td>
<td>0.05</td>
</tr>
<tr>
<td>Net Earnings per Share - Diluted</td>
<td>0.05</td>
<td>0.11</td>
<td>0.11</td>
<td>0.22</td>
<td>0.05</td>
</tr>
</tbody>
</table>
## Non-GAAP Adjustments ($M)

<table>
<thead>
<tr>
<th>Reconciliation of GAAP to NON-GAAP Results</th>
<th>Q1-19</th>
<th>Q2-19</th>
<th>Q3-19</th>
<th>Q4-19</th>
<th>Q1-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP Net Income (Loss) from continuing operations</td>
<td>1.2</td>
<td>2.9</td>
<td>2.9</td>
<td>5.9</td>
<td>1.3</td>
</tr>
<tr>
<td>Share based compensation</td>
<td>0.5</td>
<td>0.5</td>
<td>0.7</td>
<td>0.7</td>
<td>1.1</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>1.0</td>
<td>1.0</td>
<td>1.1</td>
<td>1.0</td>
<td>1.2</td>
</tr>
<tr>
<td>Expenses related to M&amp;A activity</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
<td>1.4</td>
<td>1.8</td>
</tr>
<tr>
<td>Fair value revaluation of convertible debt and related derivative</td>
<td>0.3</td>
<td>(0.2)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign exchange losses associated with ASC-842</td>
<td>0.3</td>
<td>0.2</td>
<td>0.2</td>
<td>-</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Taxes on the above items</td>
<td>(0.3)</td>
<td>(0.2)</td>
<td>(0.2)</td>
<td>(0.2)</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Non-GAAP Net Income from continuing operations</td>
<td>3.3</td>
<td>4.5</td>
<td>5.0</td>
<td>8.8</td>
<td>5.0</td>
</tr>
<tr>
<td>Taxes on income</td>
<td>(0.2)</td>
<td>0.7</td>
<td>0.9</td>
<td>1.2</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Financial expense, net</td>
<td>0.7</td>
<td>1.0</td>
<td>0.2</td>
<td>0.7</td>
<td>0.3</td>
</tr>
<tr>
<td>Depreciation</td>
<td>1.3</td>
<td>1.2</td>
<td>1.5</td>
<td>1.4</td>
<td>1.2</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td><strong>5.1</strong></td>
<td><strong>7.4</strong></td>
<td><strong>7.6</strong></td>
<td><strong>12.1</strong></td>
<td><strong>6.2</strong></td>
</tr>
<tr>
<td>Non-GAAP diluted earnings per share</td>
<td>0.12</td>
<td>0.17</td>
<td>0.18</td>
<td>0.32</td>
<td>0.17</td>
</tr>
</tbody>
</table>
## Cash Flow Overview ($M)

<table>
<thead>
<tr>
<th>Cash Flow Results</th>
<th>Q1-19</th>
<th>Q2-19</th>
<th>Q3-19</th>
<th>Q4-19</th>
<th>Q1-20</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Income</td>
<td>1.2</td>
<td>2.9</td>
<td>2.9</td>
<td>5.9</td>
<td>1.3</td>
</tr>
<tr>
<td>Adjustments required to reconcile net income to net cash</td>
<td>12.8</td>
<td>5.5</td>
<td>8.2</td>
<td>5.3</td>
<td>1.2</td>
</tr>
<tr>
<td><strong>Net cash provided by continuing operating activities</strong></td>
<td>14.0</td>
<td>8.4</td>
<td>11.1</td>
<td>11.2</td>
<td>2.5</td>
</tr>
<tr>
<td><strong>Investing activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits and others</td>
<td>(2.9)</td>
<td>0.6</td>
<td>(10.8)</td>
<td>(6.8)</td>
<td>15.4</td>
</tr>
<tr>
<td>M&amp;A activity</td>
<td>-</td>
<td>(1.2)</td>
<td>-</td>
<td>-</td>
<td>(9.3)</td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) investing activities</strong></td>
<td>(2.9)</td>
<td>(0.6)</td>
<td>(10.8)</td>
<td>(6.8)</td>
<td>6.1</td>
</tr>
<tr>
<td><strong>Financing activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net cash used in financing activities</strong></td>
<td>(11.7)</td>
<td>(10.0)</td>
<td>(1.5)</td>
<td>(1.5)</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Effect of exchange rate changes on cash and cash equivalents</td>
<td>(0.1)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(0.1)</td>
</tr>
<tr>
<td><strong>Net increase (decrease) in cash and cash equivalents and restricted cash</strong></td>
<td>(0.7)</td>
<td>(2.2)</td>
<td>(1.2)</td>
<td>2.9</td>
<td>8.0</td>
</tr>
<tr>
<td>Cash and cash equivalents and restricted cash at beginning of period</td>
<td>40.8</td>
<td>40.1</td>
<td>37.9</td>
<td>36.7</td>
<td>39.6</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents and restricted cash at end of period</strong></td>
<td>40.1</td>
<td>37.9</td>
<td>36.7</td>
<td>39.6</td>
<td>47.6</td>
</tr>
</tbody>
</table>
## Annual P&L ($M)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>P&amp;L</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td>134.5</td>
<td>126.0</td>
<td>87.9</td>
</tr>
<tr>
<td>Search and other</td>
<td>139.5</td>
<td>126.8</td>
<td>173.6</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>274.0</td>
<td>252.8</td>
<td>261.5</td>
</tr>
<tr>
<td><strong>Customer acquisition costs</strong></td>
<td>130.9</td>
<td>128.4</td>
<td>135.9</td>
</tr>
<tr>
<td><strong>Media Margin</strong></td>
<td>143.1</td>
<td>124.4</td>
<td>125.6</td>
</tr>
<tr>
<td><strong>% of Revenues</strong></td>
<td>52.2%</td>
<td>49.2%</td>
<td>48.0%</td>
</tr>
<tr>
<td><strong>Cost of revenues</strong></td>
<td>24.7</td>
<td>23.8</td>
<td>25.6</td>
</tr>
<tr>
<td><strong>Gross Margin</strong></td>
<td>118.4</td>
<td>100.6</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>% Gross Margin</strong></td>
<td>43.2%</td>
<td>39.8%</td>
<td>38.2%</td>
</tr>
<tr>
<td>Research and development</td>
<td>17.2</td>
<td>18.9</td>
<td>22.6</td>
</tr>
<tr>
<td>Selling and marketing</td>
<td>52.7</td>
<td>38.9</td>
<td>34.7</td>
</tr>
<tr>
<td>General and administrative</td>
<td>21.9</td>
<td>16.4</td>
<td>15.0</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>16.6</td>
<td>9.7</td>
<td>9.7</td>
</tr>
<tr>
<td>Impairment, loss of goodwill and intangibles</td>
<td>85.7</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restructuring charges</td>
<td>-</td>
<td>2.0</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total OPEX</strong></td>
<td>194.1</td>
<td>85.9</td>
<td>82.0</td>
</tr>
<tr>
<td><strong>% of Revenues</strong></td>
<td>70.8%</td>
<td>34.0%</td>
<td>31.4%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>(75.7)</td>
<td>14.7</td>
<td>18.0</td>
</tr>
<tr>
<td><strong>% of Revenues</strong></td>
<td>(27.6%)</td>
<td>5.8%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Financial expense, net</td>
<td>5.9</td>
<td>3.8</td>
<td>3.5</td>
</tr>
<tr>
<td>Tax expenses (benefit)</td>
<td>(8.8)</td>
<td>2.8</td>
<td>1.6</td>
</tr>
<tr>
<td><strong>Net Income (Loss)</strong></td>
<td>(72.8)</td>
<td>8.1</td>
<td>12.9</td>
</tr>
<tr>
<td><strong>% of Revenues</strong></td>
<td>-26.6%</td>
<td>3.2%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Net Earnings per Share - Basic</td>
<td>(2.81)</td>
<td>0.31</td>
<td>0.50</td>
</tr>
<tr>
<td>Net Earnings per Share - Diluted</td>
<td>(2.81)</td>
<td>0.31</td>
<td>0.49</td>
</tr>
<tr>
<td>Non-GAAP diluted earnings per share</td>
<td>0.72</td>
<td>0.65</td>
<td>0.83</td>
</tr>
</tbody>
</table>
## Non-GAAP P&L($M)

<table>
<thead>
<tr>
<th>P&amp;L</th>
<th>Q1-19</th>
<th>Q2-19</th>
<th>Q3-19</th>
<th>Q4-19</th>
<th>Q1-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>18.6</td>
<td>21.3</td>
<td>21.6</td>
<td>26.4</td>
<td>23.8</td>
</tr>
<tr>
<td>Search and other</td>
<td>35.2</td>
<td>42.3</td>
<td>44.2</td>
<td>51.8</td>
<td>42.3</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>53.8</td>
<td>63.6</td>
<td>65.8</td>
<td>78.2</td>
<td>66.1</td>
</tr>
<tr>
<td>Customer acquisition costs</td>
<td>27.4</td>
<td>33.2</td>
<td>34.2</td>
<td>41.2</td>
<td>36.1</td>
</tr>
<tr>
<td>Media Margin</td>
<td>26.4</td>
<td>30.4</td>
<td>31.6</td>
<td>37.0</td>
<td>30.0</td>
</tr>
<tr>
<td><strong>% of Revenues</strong></td>
<td><strong>49.1%</strong></td>
<td><strong>47.8%</strong></td>
<td><strong>48.0%</strong></td>
<td><strong>47.3%</strong></td>
<td><strong>45.0%</strong></td>
</tr>
<tr>
<td>Cost of revenues</td>
<td>5.7</td>
<td>6.0</td>
<td>6.8</td>
<td>6.8</td>
<td>5.7</td>
</tr>
<tr>
<td><strong>Gross Margin</strong></td>
<td><strong>20.7%</strong></td>
<td><strong>24.4%</strong></td>
<td><strong>24.8%</strong></td>
<td><strong>30.2%</strong></td>
<td><strong>24.3%</strong></td>
</tr>
<tr>
<td><strong>% of Gross Margin</strong></td>
<td><strong>38.5%</strong></td>
<td><strong>38.4%</strong></td>
<td><strong>37.7%</strong></td>
<td><strong>38.6%</strong></td>
<td><strong>36.8%</strong></td>
</tr>
<tr>
<td>Research and development</td>
<td>4.8</td>
<td>5.5</td>
<td>5.1</td>
<td>5.7</td>
<td>6.1</td>
</tr>
<tr>
<td>Selling and marketing</td>
<td>8.1</td>
<td>8.6</td>
<td>8.5</td>
<td>9.1</td>
<td>8.7</td>
</tr>
<tr>
<td>General and administrative</td>
<td>2.7</td>
<td>2.9</td>
<td>3.6</td>
<td>3.3</td>
<td>3.2</td>
</tr>
<tr>
<td><strong>Total OPEX</strong></td>
<td>15.6</td>
<td>17.0</td>
<td>17.2</td>
<td>18.1</td>
<td>18.0</td>
</tr>
<tr>
<td><strong>% of Revenues</strong></td>
<td><strong>29.0%</strong></td>
<td><strong>26.7%</strong></td>
<td><strong>26.1%</strong></td>
<td><strong>23.1%</strong></td>
<td><strong>27.2%</strong></td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>5.1</td>
<td>7.4</td>
<td>7.6</td>
<td>12.1</td>
<td>6.3</td>
</tr>
<tr>
<td><strong>% of Revenues</strong></td>
<td><strong>9.5%</strong></td>
<td><strong>11.6%</strong></td>
<td><strong>11.6%</strong></td>
<td><strong>15.5%</strong></td>
<td><strong>9.5%</strong></td>
</tr>
<tr>
<td>Non-GAAP diluted earnings per share</td>
<td>0.12</td>
<td>0.17</td>
<td>0.18</td>
<td>0.32</td>
<td>0.17</td>
</tr>
</tbody>
</table>