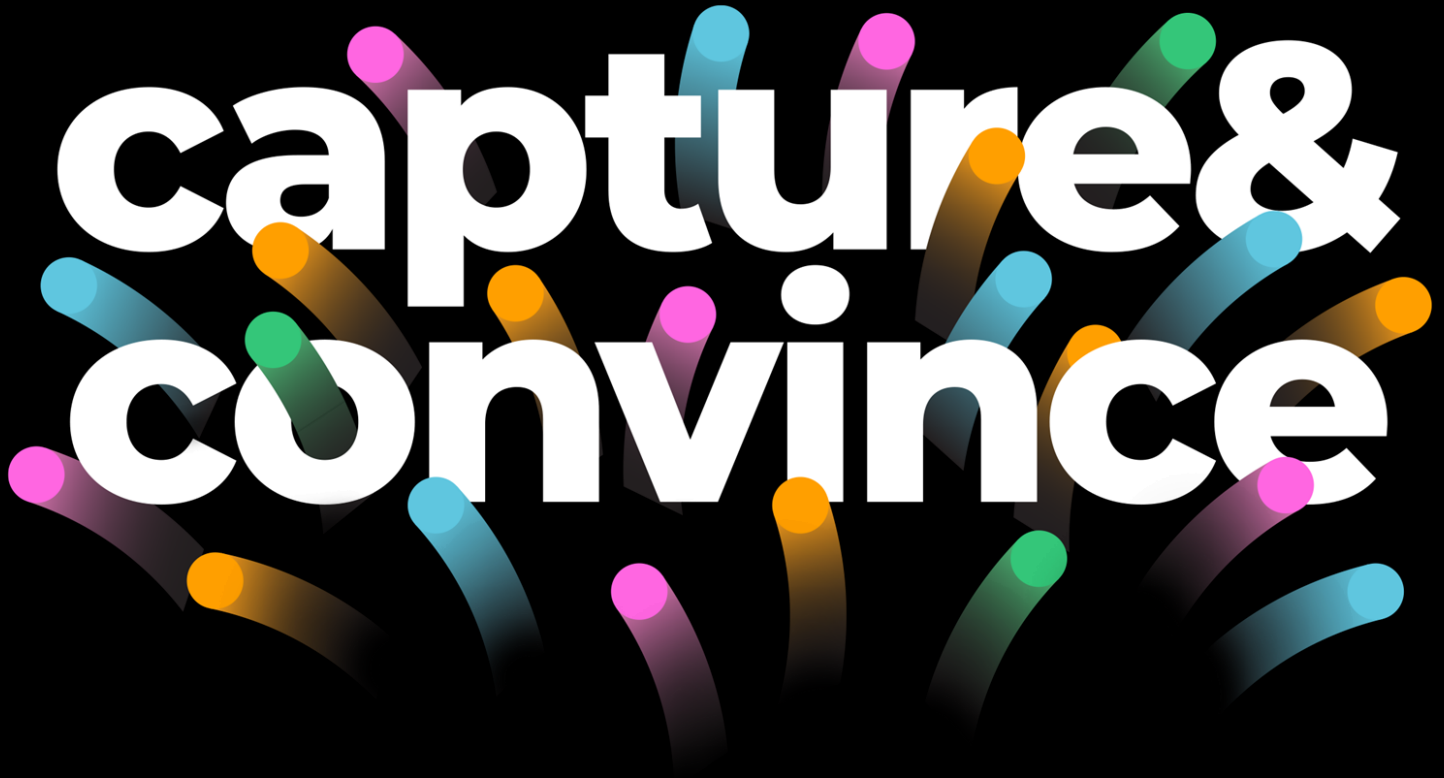
Perion



Investor Day Presentation | March 8, 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, 2019.

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 taking into account 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.

Welcome

Doron Gerstel

CEO & Director, Perion

Over 20 years of extensive CEO level experience in the international hi-tech industry. Proven track record of management expertise, strategic planning, and business development.
Catamaran Sailor

Agenda

10:00 am **Welcome and Introduction**

10:10 am **The Last Three Years…**
Doron Gerstel, CEO, Maoz Sigron, CFO

10:25 am **Powering Growth Use Cases**

Intelligent High Impact **display advertising** – iCTV Solution

Content Monetization System for **Publishers**

Intent Monetization System

Social Actionable Performance Monitoring(APM) Platform

11:20 am **The Next Three Years…**

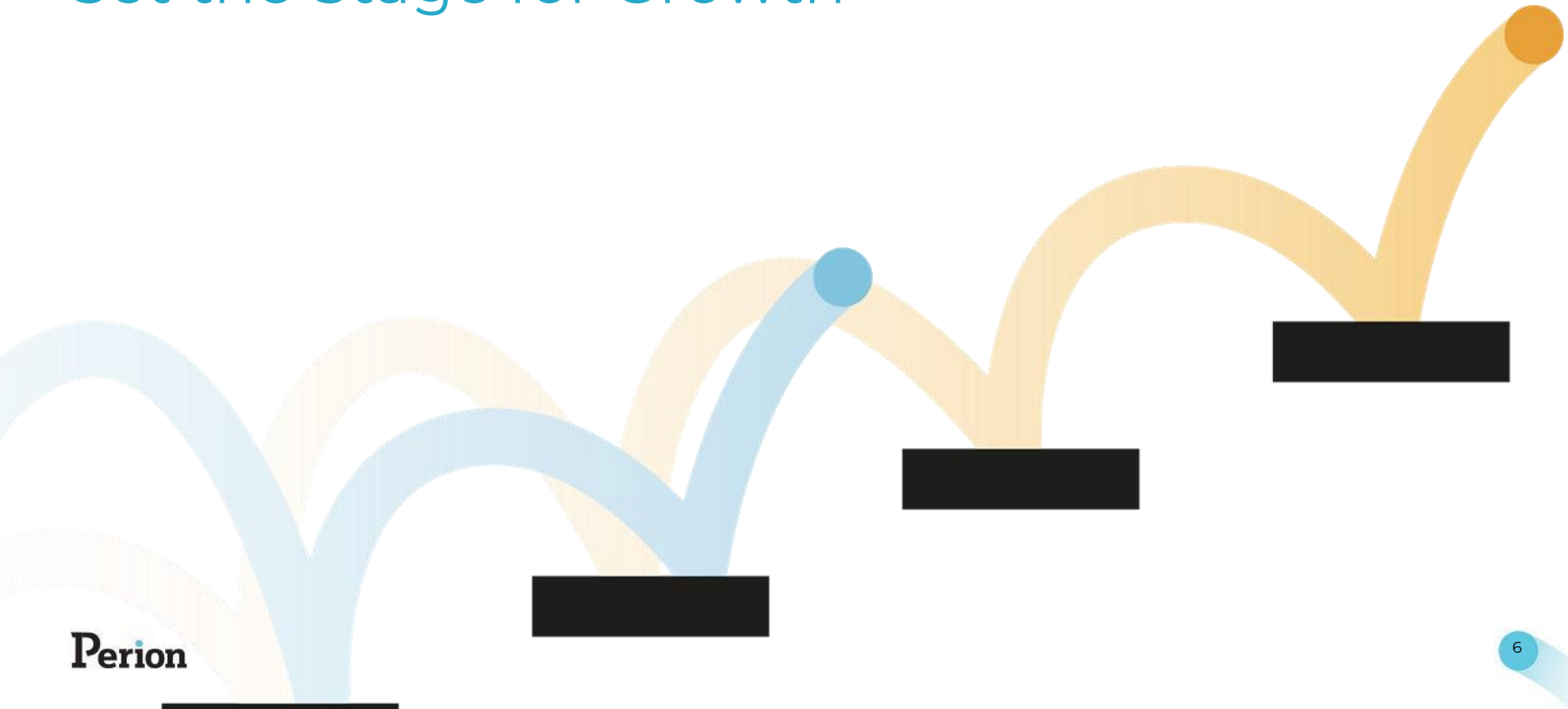
Perion Hub & Spoke System – How it all fits together

Doron Gerstel, CEO, Perion

11:40 am **Q&A and Wrap-up**

Perion

The Last 3 Years
Set the Stage for Growth



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Financial Strategy - Diversification

Perion capitalizes on any shift in advertisers' budget allocation between the three main pillars of digital advertising

social

$157B

display / ctv

$173B

search

$211B

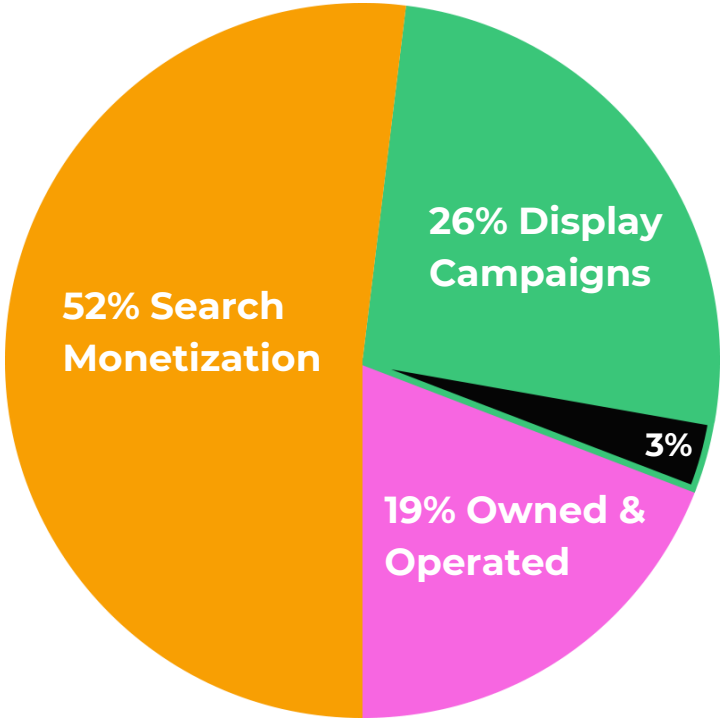
Perion

Google 3rd party cookies announcement Validates Perion's diversification strategy

- Chrome joins FireFox and Safari in preventing advertisers from tracking users via 3rd party cookies
- Implications on re-targeting campaigns and additional information required to enrich user profile via DMPs

Prepared and ready to capitalize

- Contextual targeting
- Rich Media formats
- Predictive analytics technology (ML)
- Control content via our O&O assets
- Synergy between display targeting and search intent signal

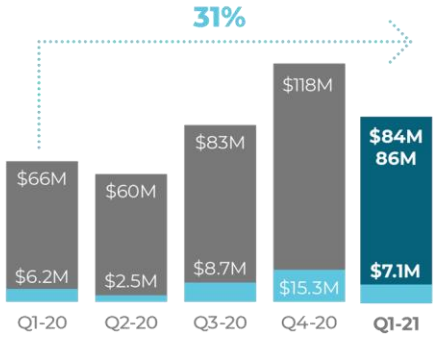


Less than **3%** of total revenue may be affected, equivalent to $10M a year.

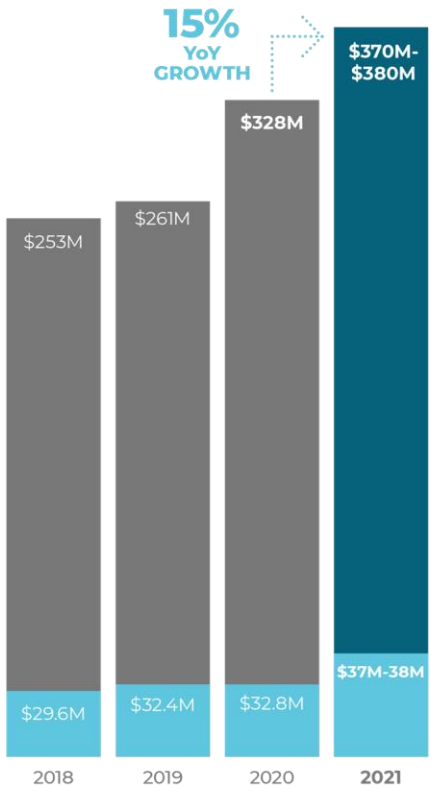
2020 Momentum continues

Key growth drivers

- Microsoft Bing partnership
- Accretive, synergistic acquisitions of Content IQ and PubOcean
- Intelligent High Impact Ad unit and iCTV adoption



Quarterly Revenues
Adjusted EBITDA*



Annual Revenues
Adjusted EBITDA*

* Adjusted EBITDA is a non-GAAP measure. Please see the Appendix for a definition and reconciliation to the nearest GAAP measure.

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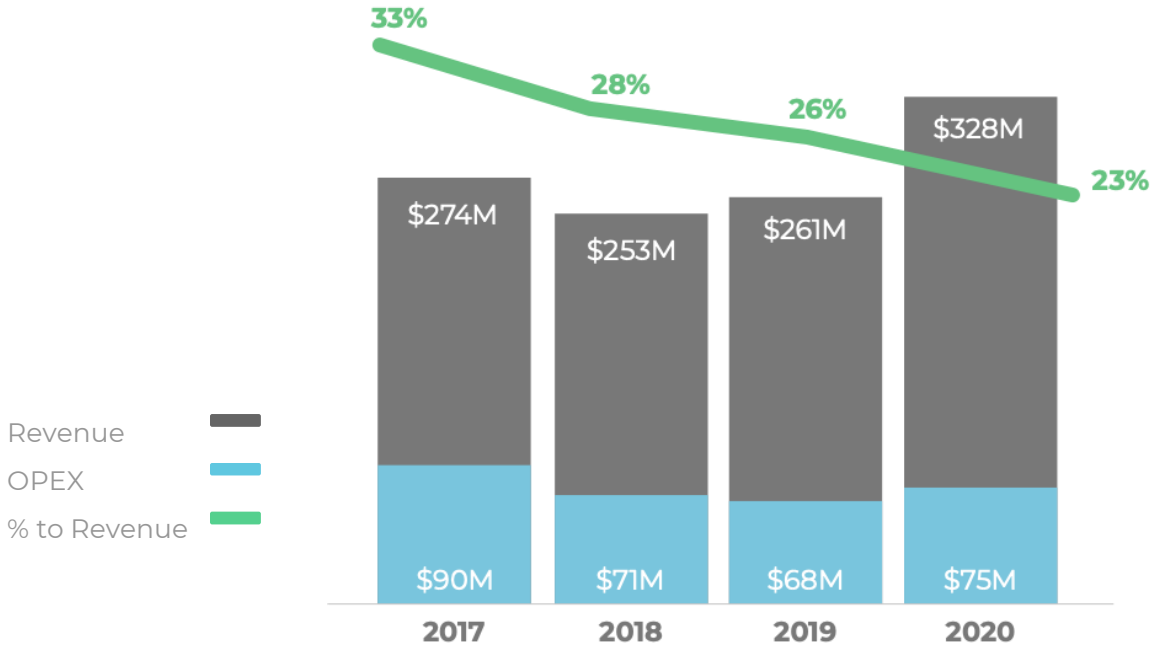
Maoz Sigron

CFO, Perion

An experienced finance executive with more than 10 years of experience working at NASDAQ-listed companies (Stratasys, Allot).
Off-road cycling

OPEX % to Revenue reduced by 10% over the last four years...

...while revenue increased by 20%!

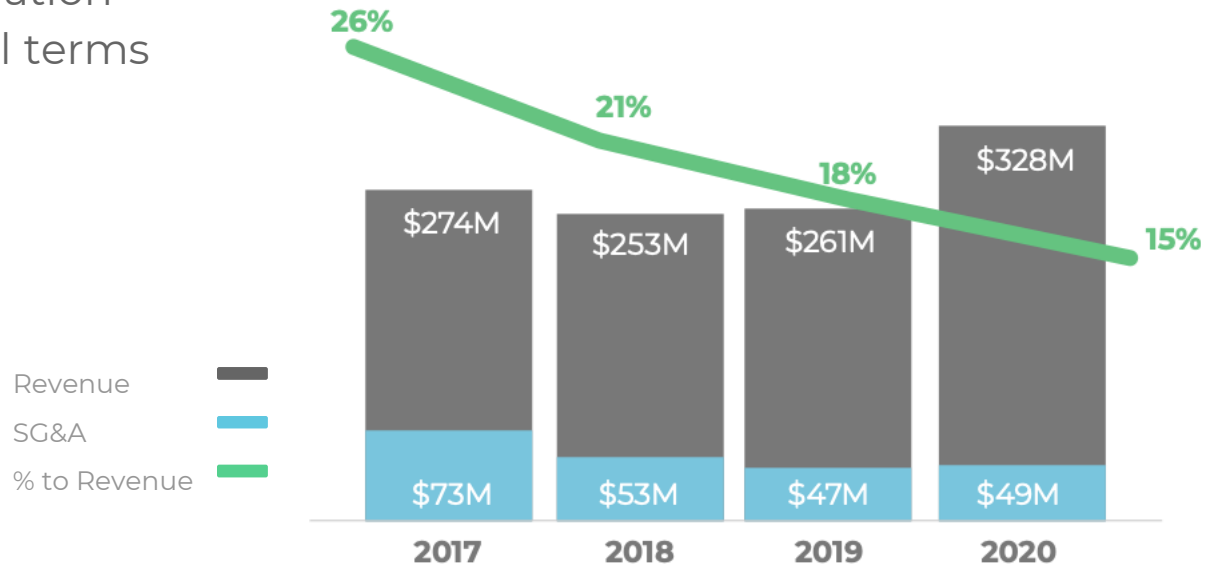


*NON-GAAP figures.

SG&A % to Revenue was reduced by 11% in four years…

…as a result of our consistent efforts to:

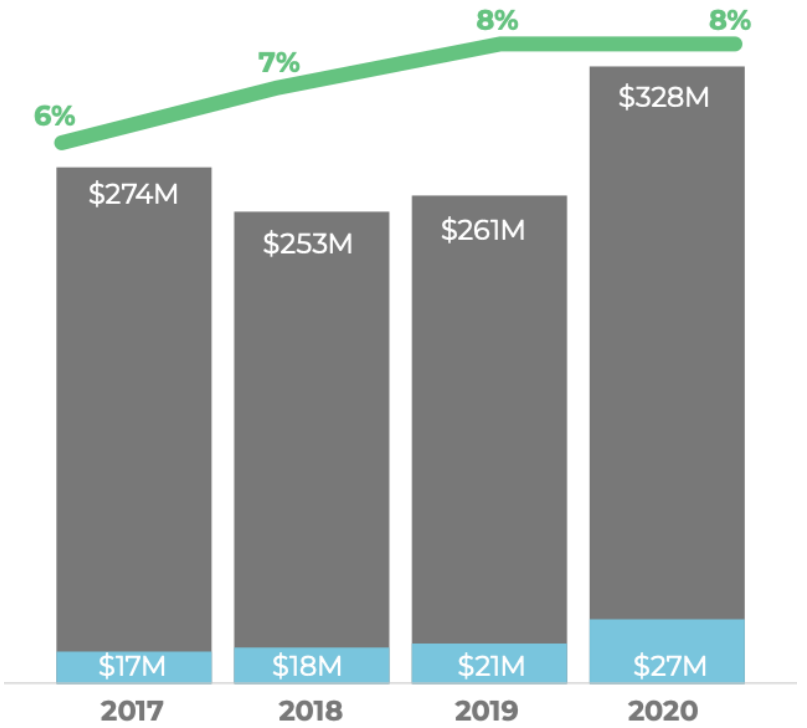
1. Improve Budget control
2. Enhance Process automation
3. Renegotiate commercial terms



*NON-GAAP figures.

R&D increased to 8% from Revenue in four years...

...we will continue to invest in technology, which is a significant part of our differentiation from competition.



*NON-GAAP figures.

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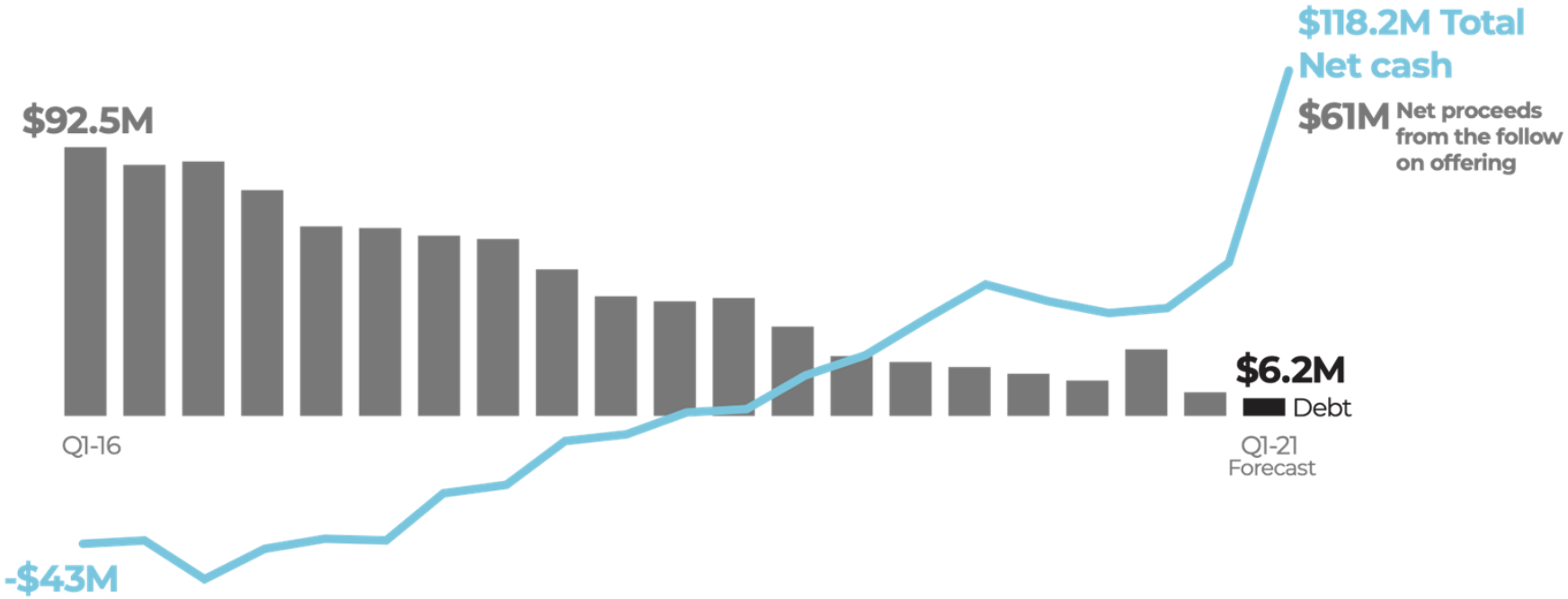
Strong Balance Sheet, Enables Future Growth



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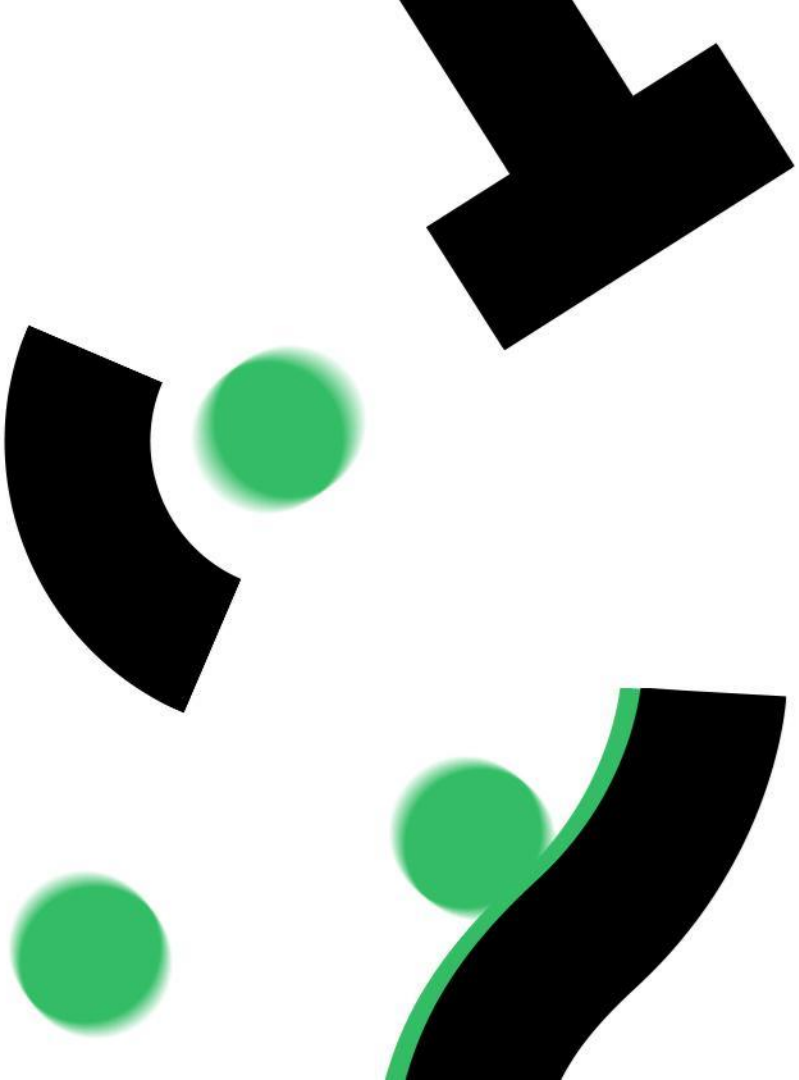
Growth Use Cases

Intelligent High-impact Display Advertising

Memorable ad experiences by orchestrating solutions across video, advanced TV, rich media, and social.



Dan Aks

President, Undertone

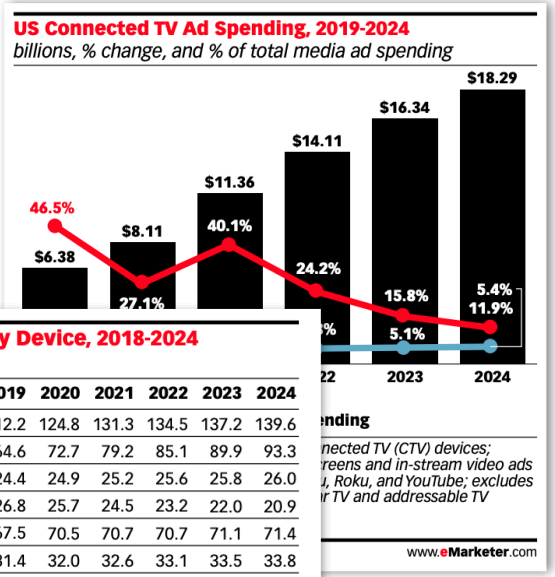
Media operating executive with experience in educational media, digital platforms, linear TV, music, and magazines. Former partner in a large consulting firm, specializing in media strategy and operations efficiency.
Avid global museum visitor

CTV Consumption is Driving Ad Dollars, with Wide and Growing Viewership

More than **80%** of the US is using Connected TV - that's over **206M** users.

4 out of 5 of them are watching ad-supported content, and all, on average, are watching **81%** more content on CTV

How are brands going to stand out and **make an impact?**



US Connected TV Users, by Device, 2018-2024
millions

	2018	2019	2020	2021	2022	2023	2024
Smart TV	98.4	112.2	124.8	131.3	134.5	137.2	139.6
Amazon Fire TV*	55.2	64.6	72.7	79.2	85.1	89.9	93.3
Apple TV	23.6	24.4	24.9	25.2	25.6	25.8	26.0
Blu-ray player	28.0	26.8	25.7	24.5	23.2	22.0	20.9
Connected game console	65.4	67.5	70.5	70.7	70.7	71.1	71.4
Google Chromecast	30.6	31.4	32.0	32.6	33.1	33.5	33.8
Roku*	63.0	79.2	100.2	109.7	116.5	120.1	123.1
Total	**185.0**	**194.6**	**206.2**	**212.5**	**217.5**	**221.8**	**225.8**

*Note: individuals of any age who use the internet through a connected TV at least once per month; *includes boxes, sticks, and smart TVs with a licensed operating system*
Source: eMarketer, Aug 2020

258322 www.eMarketer.com

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iCTV - Memorable Ads. Unforgettable Results.

Undertone Closes the Creative Gap to Generate Growth Through **INTELLIGENT HIGH IMPACT** Interactive CTV - iCTV

EARLY MOVER IN INTERACTIVE CTV LANDSCAPE

DIFFERENTIATED CAPABILITIES

STRONG CREATIVE PERFORMANCE

MORE MEMORABLE — Interactive video ads are **32%** more **memorable** even when the viewer doesn't engage

MORE TIME SPENT — Interactivity drives **47% more time spent** with ads than standard video

MORE ENGAGEMENT — 40% lift in iCTV **Engagement** rates

Undertone is uniquely positioned to deliver intelligent high impact display and video campaigns across all screens and devices, including CTV

Undertone's Creative Technology allows for rapid, automated creative production, keeping costs and cycle times low.

Perion

Source: Magnite, Tremor DSP, IPG, emarketer

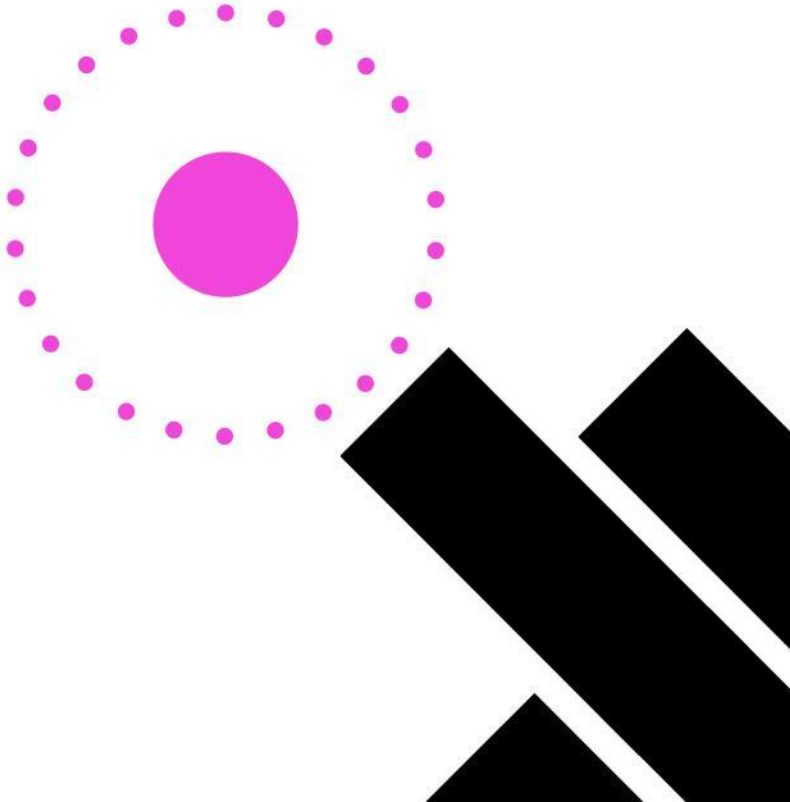
Bob Deininger

VP Digital Media & Analytics,
NorBella

NORBELLA INTERVIEW

Content Monetization System

Understand and optimize digital content performance across millions of engagement moments



Ziv Yirmiyahu

Co-Founder, Content IQ

Co-founded Content IQ in 2014 to be acquired by Perion Network in January 2020. Ziv leads the technology direction of Perion's Publisher Solution Business Unit as well as its finance strategy.
Avid soccer and squash player

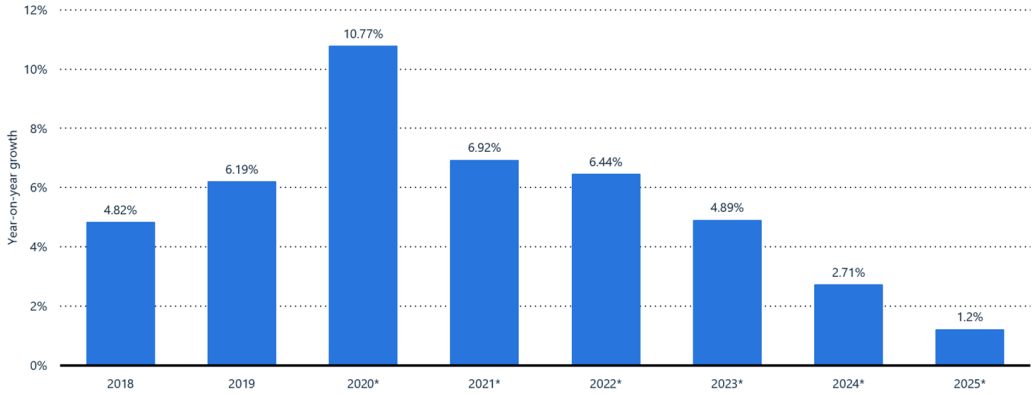
Decline in Organic Traffic to Publishers Properties

Newsweek

The big players like Google and Facebook have radically disrupted the digital media landscape and quarter after quarter, year after year, they continue to grow.
So what does this mean for digital publishers like us? We gotta be nimble. We gotta be adaptable and very agile.

Dev Pragad, CEO

Digital publishing revenue growth
in the United States from 2018 to 2025



Source: Statista

Perion

Dev Pragad

CEO,
Newsweek

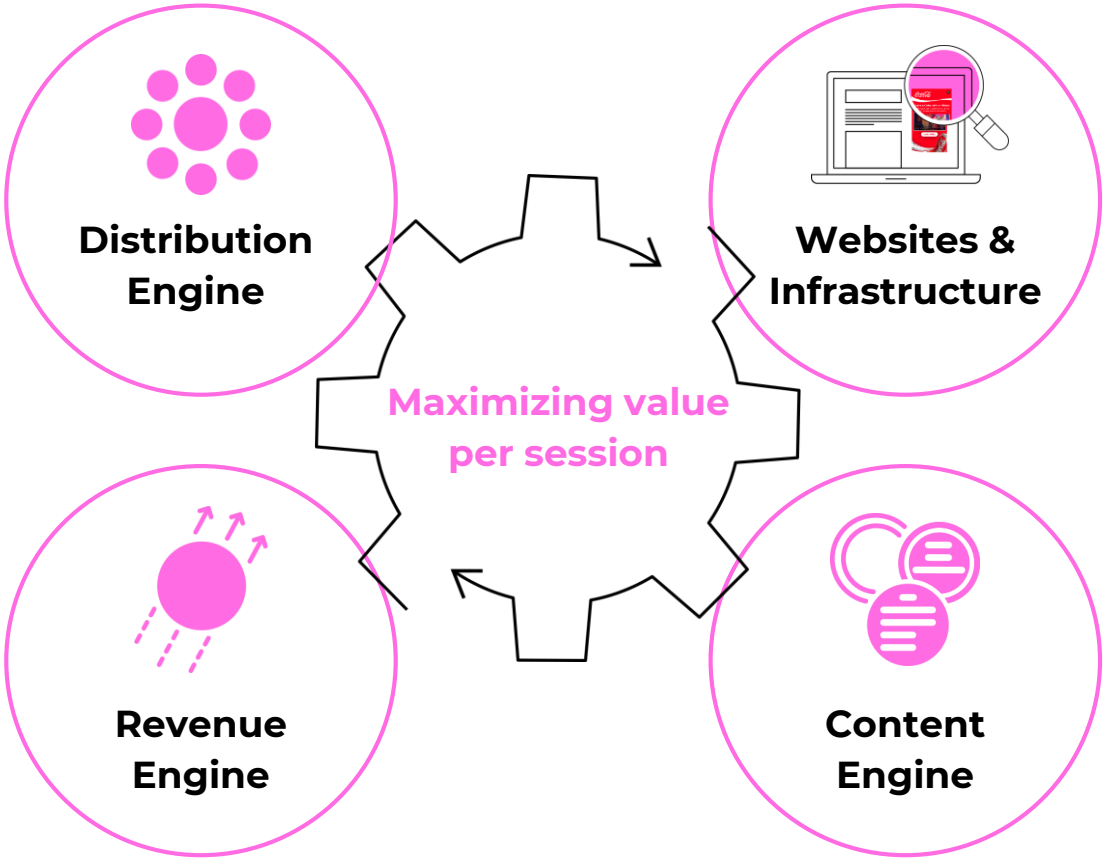
NEWSWEEK INTERVIEW

Asaf Katzir

Co-Founder, Content IQ

Co-founded Content IQ in 2014. Under his leadership the company has grown from a small startup to a successful business. Superheroes miniatures collector

Content Monetization System



Intent Monetization System

Leveraging High-Intent to Monetize Digital Properties

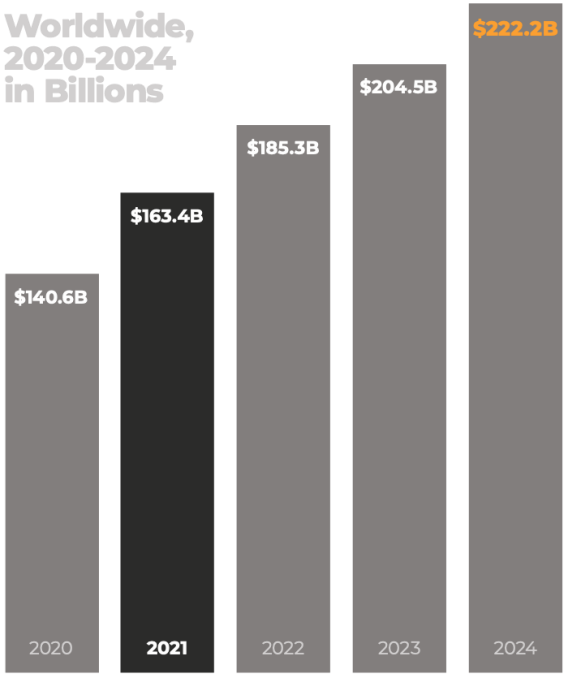
Tal Jacobson

General Manager, CodeFuel

An executive in the Israeli high-tech industry for over 20 years. He was the Chief Revenue & Business Development Officer at SimilarWeb. Tal also held leadership positions as the VP of Business at McCann Erickson and was part of the Business Development team at AOL.
Painter and Animator

Search Ad Spending - Key Growth Drivers

- eCommerce tipping point
- “Search before you buy” consumer behavior
- A huge growth in online retailers hunting via ad search



source: eMarketer, October 2020

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

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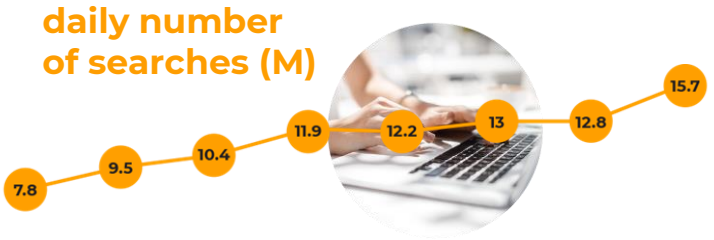
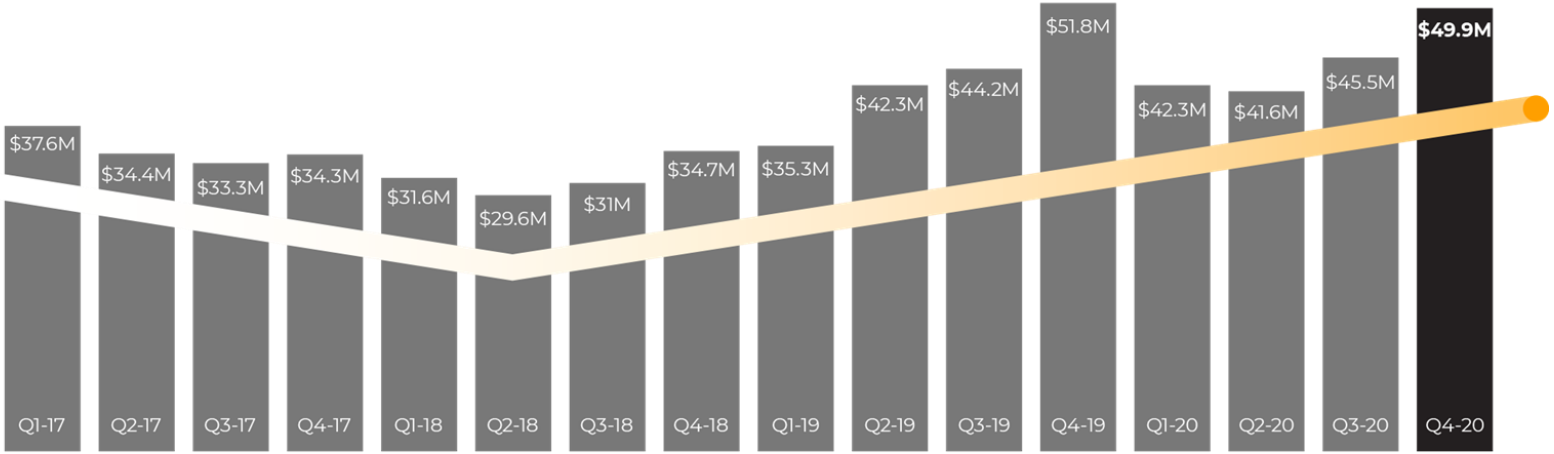
Search Advertising Revenues

- New agreement with Bing at better terms
- Collaboration with additional leading search providers
- New product introductions
- Secular trend of ecommerce growth





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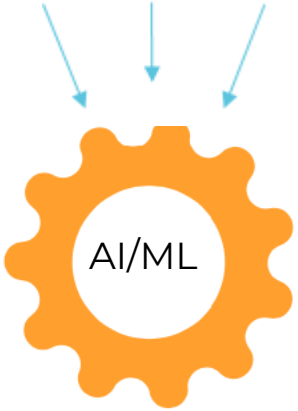
Search Mediation for Publishers & Media Traders

contextual match of search results to text

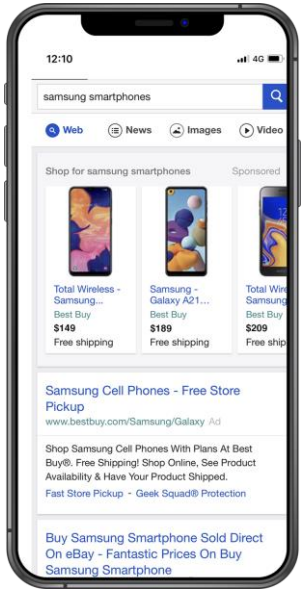
1

Capture

Search demand Providers



Intent-based yield optimization



2

Convince

Perion

Partnering with Leading Providers

Mike Wyner

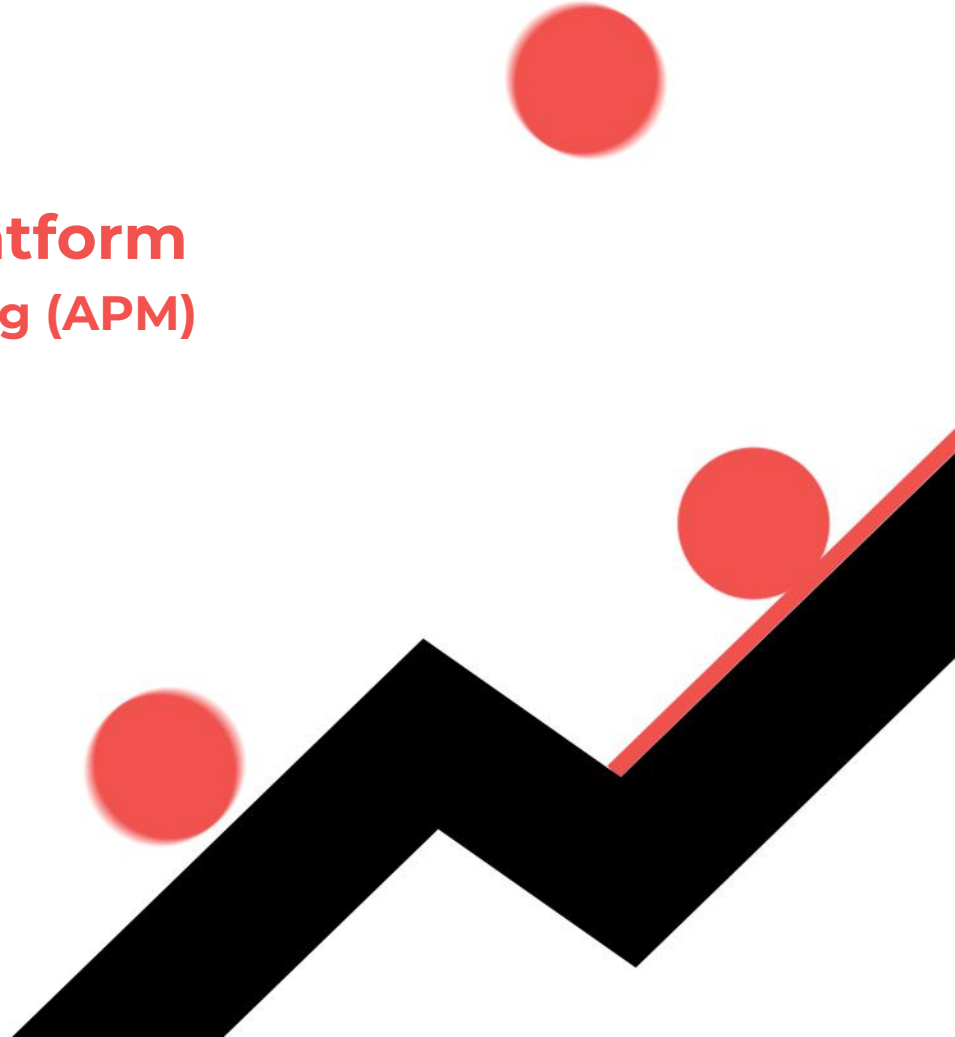
Founder & CEO,
Barking Ad Media

BARKING AD MEDIA INTERVIEW

Pargone.ai - Social APM Platform

Actionable Performance Monitoring (APM)

Breakthrough management &
prediction SaaS technology
for performance marketing

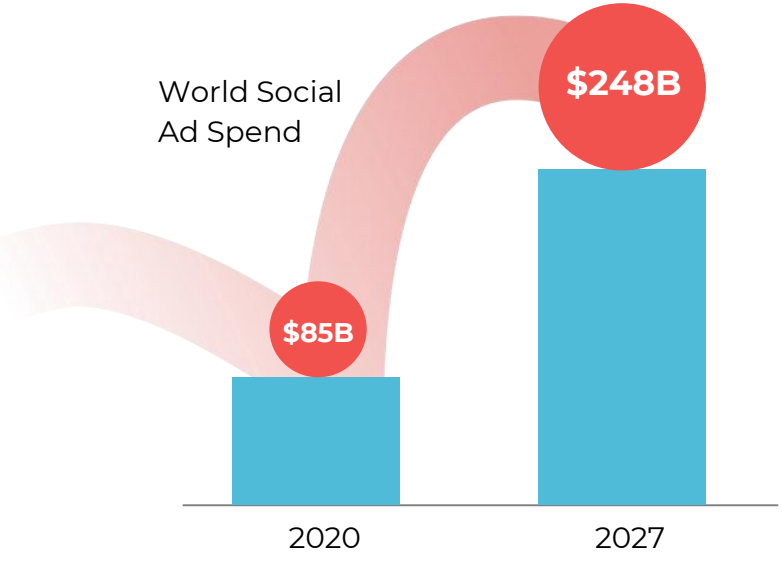


Shay Alfandary

General Manager, Paragone.ai

Seasoned enterprise SaaS executive with over 20 years of experience in bringing products to market and developing new sources of revenue.
An aspiring Tennis Player

Why Do CMOs Increase Social Spend?



- Consumers move indoors and online
- Proliferation of Social Channels
- Superior Targeting Capabilities

Gartner

78% of B2C CMOs are shifting more budgets to social this year

PlusDental

$208,000 ARR

- $15M social ad spend a year
- Run ~100 campaigns concurrently
- Across 8 countries
- Channels - Facebook, Instagram, Snapchat, Pinterest

It's impossible to optimize our social spend when I am running 100 campaigns manually.
It requires 70,000 manual decisions a year!*

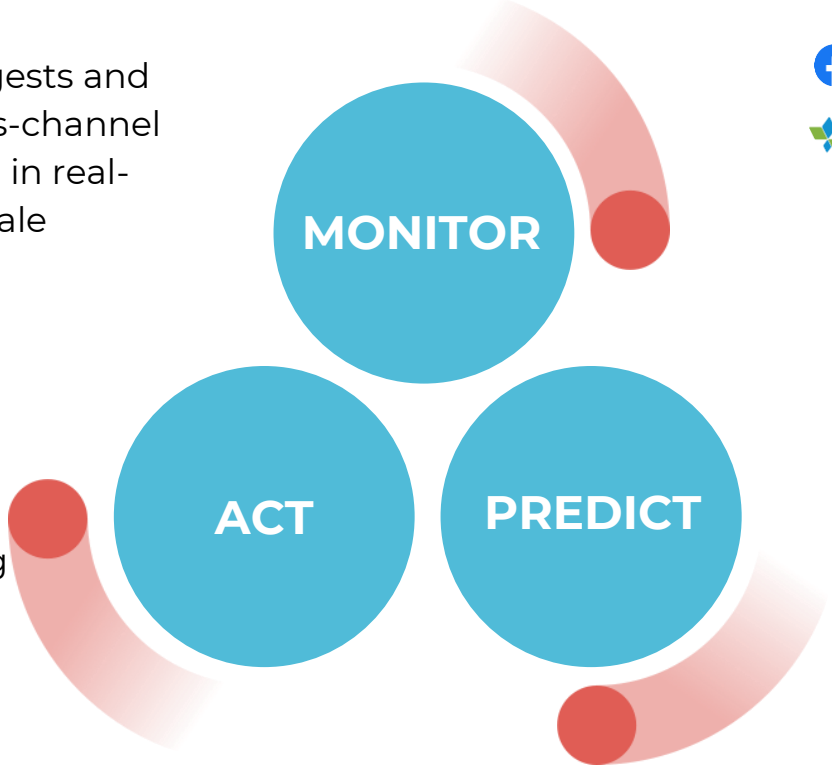
* 100 Campaigns X 2 Decisions a day X 365 =70,000 Manual Decisions a Year

Sophie Cheishvili
Head of Performance Marketing

Perion

Actionable Performance Monitoring (APM) Across Channels In Real Time

An engine to ingests and harmonizes cross-channel campaign data in real-time, at scale



A rule engine to automate workflows, naming conventions, and promoting ads in Real-Time.

Trained AI model for predicting performance of social campaigns and recommending best actions

Perion

Top Performing Marketers Already Use Paragone.AI

Disney · Universal · Sony Music · Breitling 1884 · havas media · PepsiCo · Red Bull

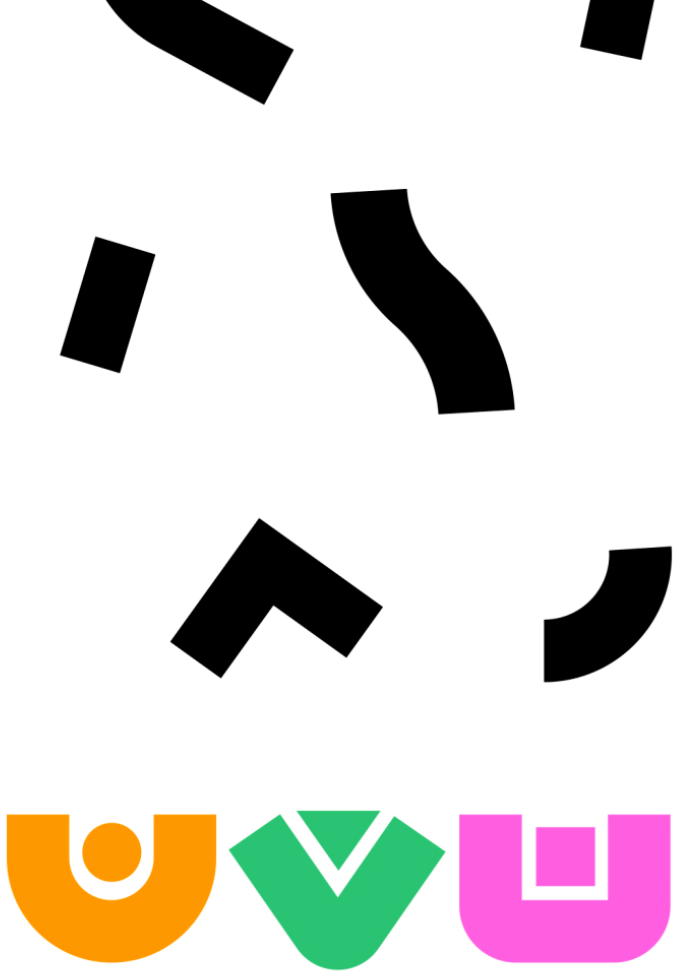
AWARD WINNING PLATFORM - G2

Jorge Irizar

Global COO,
Havas Media

HAVAS MEDIA INTERVIEW

The Next 3 Years...



Joy Marcus

Board Director,
Perion

Perion womenlead

Learn . Empower . Achieve . Do

- Joy Marcus is a Board Director at Perion and Chairman of the Compensation Committee. She is also a full time Lecturer at Princeton University, Venture Fellow at Jerusalem Venture Partners, and the founder of the venture group, Brilliant Friends, which invests in women led late seed and early A-round companies.
- Joy had a 20+ year career in media, including as Executive Vice President/General Manager Digital Video at Condé Nast, SVP Global Marketing at Time Warner and GM United States for Dailymotion (sold to France Telecom).
- She has gained industry recognition as Hollywood Reporter's "Digital Power 50", Crain's "Women to Watch", and National Organization for Women's "Women of Power and Influence".
- Joy is Magna Cum Laude, Phi Beta Kappa graduate of Princeton and has a JD from NYU School of Law.
- She lives in NYC and East Hampton, NY

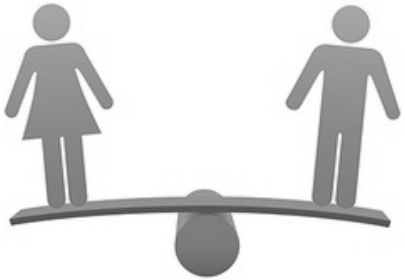
Perion womenlead

Learn . Empower . Achieve . Do

Perion in Numbers*

40% (167)

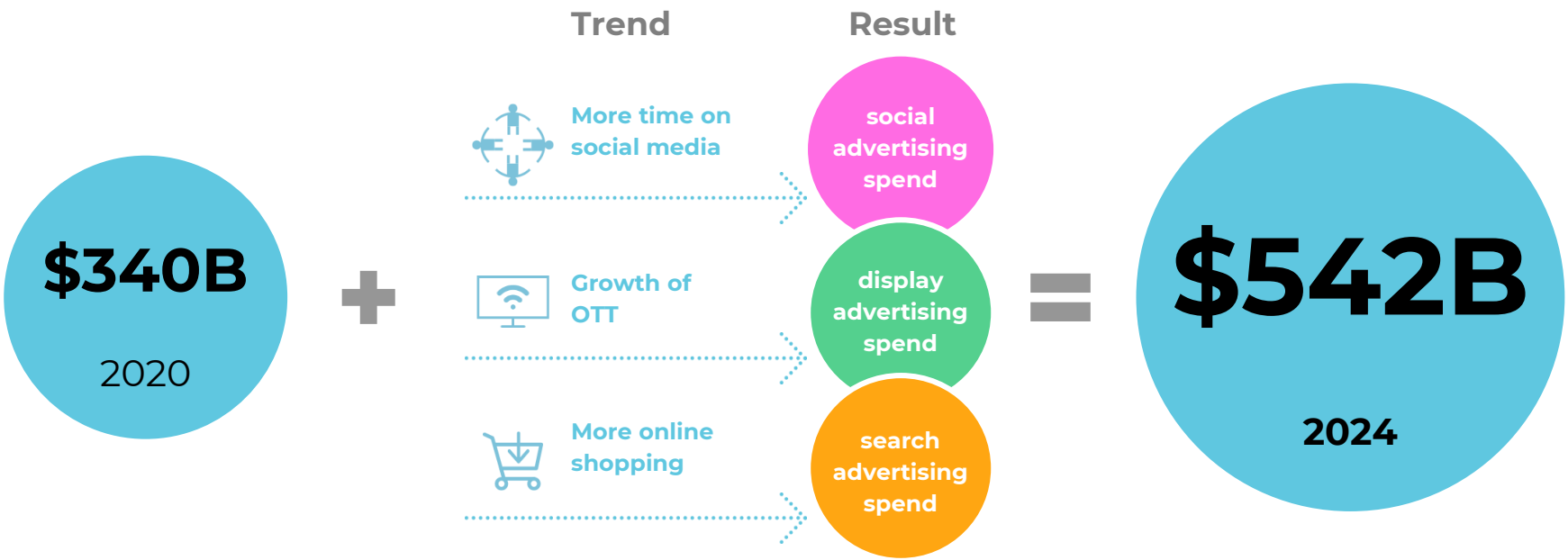
60% (250)



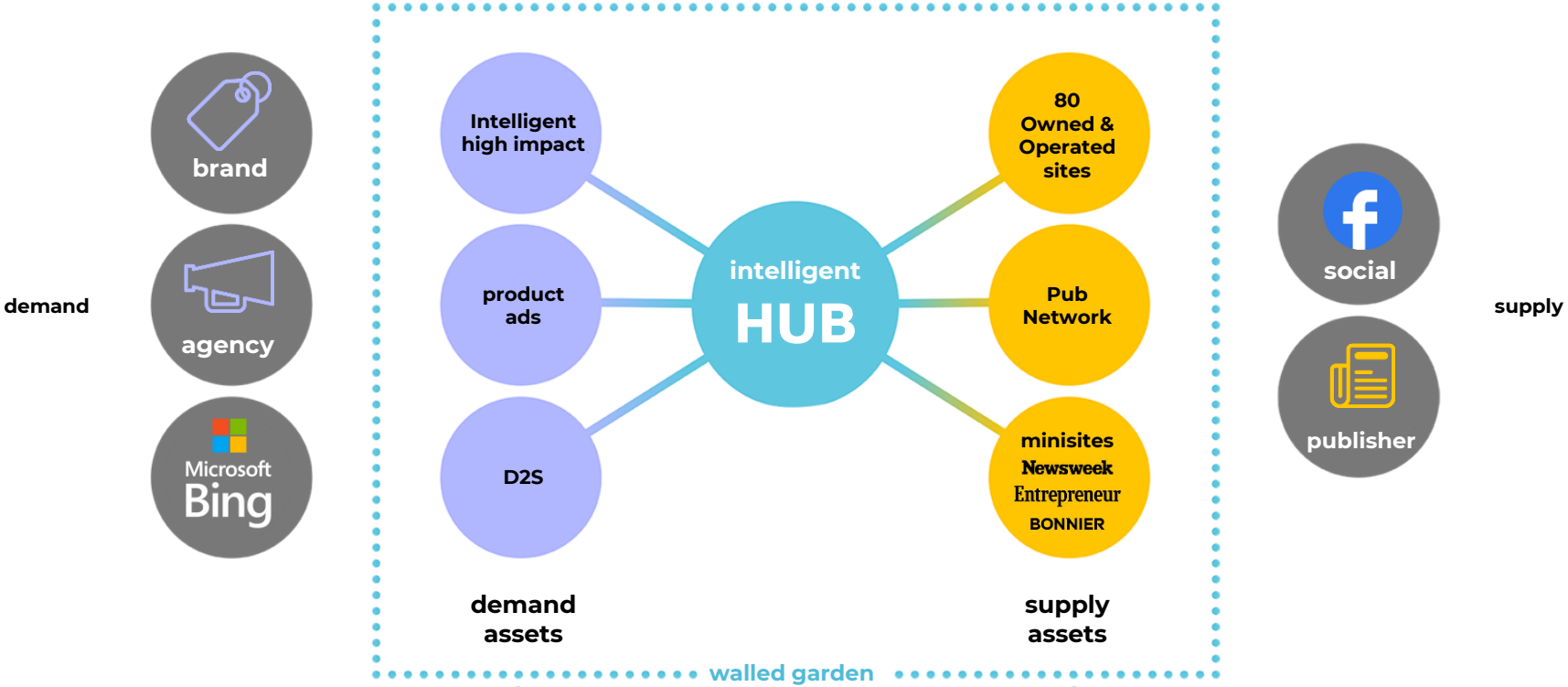
Company programs & efforts

- Flexible work
- Extensive maternity and parental leave
- Wellness programs
- “She codes” – increase # of women in tech roles
- WomenLead- empowerment to Perion women

Consumer behavior drives advertising spent



How it all Fits Together
Perion Hub & Spoke System



Trend-Driven Acquisition Strategy

Acquisition Targets:

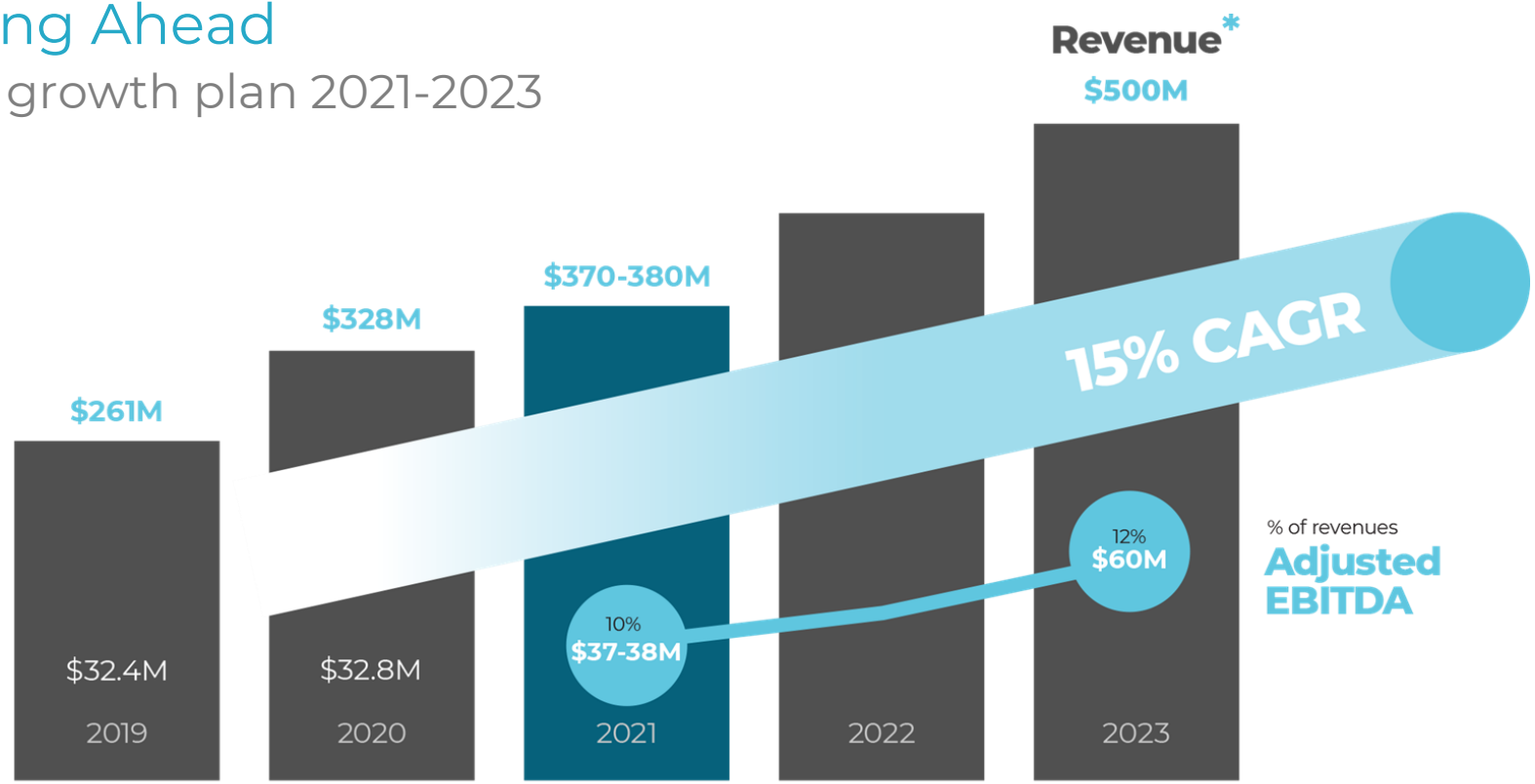
- Dynamic creative optimization (DCO) - enrich intelligent high impact with personalization layers
- Search privacy - enhance search privacy through blockchain technology
- Dynamic Ad Insertion (DAI) for OTT - to enrich our iCTV offering

Acquisition Criteria:

- Accretive
- 25 / 75 cash on hand vs earn out
- Stand alone operation
- Strong entrepreneurial operators

Looking Ahead

3-year growth plan 2021-2023



* 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. 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.

Q&A and Closing Remarks

thank you