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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 6-K  
Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16  
under the Securities Exchange Act of 1934

For the month of February 2022 (Report No. 1)

Commission File Number: 000-51694

**Perion Network Ltd.**  
(Translation of registrant's name into English)

**1 Azrieli Center, Building A, 4th Floor**  
**26 HaRokmim Street, Holon, Israel 5885849**  
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): N/A

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): N/A

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### Explanatory Note

On February 9, 2022, Perion Network Ltd. (the “**Registrant**” or “**Perion**”) issued a press release titled “Perion Continues Momentum, Delivering 34% Year-Over-Year Record Revenue Growth in the Fourth Quarter While Doubling Net Income.” A copy of this press release is furnished as [Exhibit 99.1](#) herewith.

The GAAP financial statements tables contained in the press release attached to this Report on Form 6-K are incorporated by reference into the Registrant’s registration statements on Form F-3 (Files No. 333-254706 and 333-261541) and Form S-8 (File Nos. 333-133968, 333-152010, 333-171781, 333-188714, 333-192376, 333-193145, 333-203641, 333-208278, 333-216494, 333-237196, 333-249846 and 333-262260).

## Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PERION NETWORK LTD.

By: /s/ Maoz Sigron

Name: Maoz Sigron

Title: Chief Financial Officer

Date: February 9, 2022



**Perion Continues Momentum, Delivering 34% Year-Over-Year Record Revenue Growth in the Fourth Quarter While Doubling Net Income**

*Company generated \$39 million in GAAP Net Income for full year 2021 with \$1.02 in EPS and \$70 million in Adjusted EBITDA; Management increases guidance for 2022*

Tel Aviv & New York – February 9, 2022 – Perion Network Ltd. (NASDAQ: PERI), a global advertising technology company that delivers a holistic solution across the three main pillars of digital advertising – ad search, social media, and display / video / CTV advertising – today announced record financial results for the fourth quarter and full-year period ended December 31, 2021.

Doron Gerstel, Perion’s CEO, commented, “Record fourth quarter and full year outstanding financial performance are a direct result of Perion’s diversification strategy and our ability to connect all our assets into a single intelligent hub, demonstrating Perion’s **sustainable and predictable** business model.”

“Financial results for 2021, included stellar growth of 300% in total video and CTV revenue (or 123% on a proforma basis), with the fast-growing subset of CTV up 205%.” Gerstel added “Simultaneously, our expanded relationship with Microsoft Bing drove a 19% increase in search advertising revenue and significant incremental EBITDA.”

Gerstel concluded “Our unique acquisition strategy behaved exactly as we intended - creating synergistic growth and widening our competitive moat. With \$322 million net cash in our balance sheet we intend to continue that model, adding to our already-strong position in a fast-growing environment.”

**Fourth Quarter 2021 Highlights**

- Display Advertising revenue growth of 46% (or 23% on a proforma basis), driven by accelerated adoption of Perion’s video and CTV solutions, leading to an increase in average revenue per client of 29%;
  - Video and CTV grew by 311% year-over-year, or 87% on a proforma basis, representing 46% of Display Advertising revenue;
  - Search Advertising revenue growth of 16%, primarily driven by an increased number of commercial searches, as well as a higher percentage of transactional searches;
  - EBITDA margin from revenue excluding TAC grew to 45% compared to 35% during the fourth quarter of 2020, as a result of our investment in automation and offshoring our operations;
  - Net cash provided by operating activities of \$28.8 million;
  - Net cash of \$321.6 million.
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## Fourth Quarter 2021 Financial Highlights\*

(In millions, except per share data)

|   | Three months ended<br>December 31, |          |       | Year ended<br>December 31, |          |       |
|---|------------------------------------|----------|-------|----------------------------|----------|-------|
|   | 2021                               | 2020     | %     | 2021                       | 2020     | %     |
| Display Advertising revenue               | \$ 100.2                           | \$ 68.4  | +46%  | \$ 265.3                   | \$ 148.7 | +78%  |
| Search Advertising revenue                | \$ 57.8                            | \$ 49.9  | +16%  | \$ 213.2                   | \$ 179.4 | +19%  |
| Total Revenue                             | \$ 158.0                           | \$ 118.3 | +34%  | \$ 478.5                   | \$ 328.1 | +46%  |
| GAAP Net Income                           | \$ 17.7                            | \$ 9.0   | +97%  | \$ 38.7                    | \$ 10.2  | +279% |
| Non-GAAP Net Income                       | \$ 25.3                            | \$ 13.8  | +83%  | \$ 60.0                    | \$ 26.6  | +125% |
| Adjusted EBITDA                           | \$ 28.9                            | \$ 15.3  | +89%  | \$ 69.6                    | \$ 32.8  | +112% |
| Adjusted EBITDA/Revenue Ex TAC            | 45%                                | 35%      | +27%  | 37%                        | 25%      | +45%  |
| Net cash provided by operating activities | \$ 28.8                            | \$ 12.9  | +123% | \$ 71.1                    | \$ 22.2  | +221% |
| GAAP Diluted Earnings Per Share           | \$ 0.44                            | \$ 0.30  | +47%  | \$ 1.02                    | \$ 0.36  | +183% |
| Non-GAAP Diluted Earnings Per Share       | \$ 0.62                            | \$ 0.45  | +38%  | \$ 1.57                    | \$ 0.91  | +73%  |

\* Reconciliation of GAAP to Non-GAAP measures follows.

### Financial Comparison for the Fourth Quarter of 2021

**Revenue:** Revenue increased by 34% to \$158.0 million in the fourth quarter of 2021 from \$118.3 million in the fourth quarter of 2020. This growth was led by a 46% (or 23% on a proforma basis) increase in Display Advertising revenue, primarily from growth of 87% in video and CTV, on a proforma basis, representing 63% of total revenue compared to 58% in 2020. Search Advertising revenue increased by 16% and represented 37% of total revenue compared to 42% in 2020. The increase was achieved primarily due to 17.5 million average daily commercial search queries compared to 15.7 million in the fourth quarter of 2020 and 43% year-over-year increase in the number of publishers in our network.

**Traffic Acquisition Costs (“TAC”):** In the fourth quarter of 2021, TAC was \$93.3 million, or 59.1% of revenue, compared to \$74.8 million, or 63.3% of revenue, in the fourth quarter of 2020. The decrease of 4.2% was primarily due to product mix and our continuous iHub efforts to serve direct demand and supply in a closed loop, generating superior efficiency and performance.

**GAAP Net Income:** In the fourth quarter of 2021, GAAP net income was \$17.7 million compared to \$9.0 million in the fourth quarter of 2020.

**Non-GAAP Net Income:** In the fourth quarter of 2021, non-GAAP net income was \$25.3 million, or 16.0% of revenue, compared to the \$13.8 million, or 11.7% of revenue, in the fourth quarter of 2020. A reconciliation of GAAP to non-GAAP net income is included in this press release.

**Adjusted EBITDA:** In the fourth quarter of 2021, Adjusted EBITDA was \$28.9 million, or 18.3% of revenue, compared to \$15.3 million, or 13.0% of revenue, in the fourth quarter of 2020. A reconciliation of GAAP Net Income to Adjusted EBITDA is included in this press release.

**Cash and Cash Flow from Operations:** As of December 31, 2021, cash and cash equivalents and short-term bank deposits were \$321.6 million. Net cash provided by operating activities in the fourth quarter of 2021 was \$28.8 million, compared to \$12.9 million in the fourth quarter of 2020.

### Financial Comparison for the full year of 2021

**Revenue:** Revenue increased by 46% to \$478.5 million in 2021, from \$328.1 million in 2020. This increase was driven by 78% growth in Display Advertising revenue primarily resulting from 300% growth in video and CTV, representing 55% of total revenue compared to 45% in 2020. Search Advertising increased by 19% and represented 45% of total revenue compared to 55% in 2020. The increase was achieved primarily due to 16.7 million of average daily commercial search queries compared to 13.4 million in 2020 and a 37% year-over-year increase in the number of publishers in our network.

**Traffic Acquisition Costs (“TAC”):** TAC in 2021 was \$288.0 million, or 60.2% of revenue, as compared to \$197.6 million, or 60.2% of revenue, in 2020. The stabilization of TAC level resulted from the product mix and continuous iHub efforts to serve direct demand and supply in a closed loop, generating significantly improved efficiency and performance.

**GAAP Net Income:** During 2021, GAAP net income was \$38.7 million, or 8.1% of revenue, compared to \$10.2 million, or 3.1% of revenue in 2020.

**Non-GAAP Net Income:** During 2021, Non-GAAP net income was \$60.0 million, or 12.5% of revenue, compared to \$26.6 million, or 8.1% of revenue in 2020. A reconciliation of GAAP to non-GAAP net income is included in this press release.

**Adjusted EBITDA:** In 2021, Adjusted EBITDA was \$69.6 million, or 14.5% of revenue, compared to \$32.8 million, or 10.0% of revenue in 2020. A reconciliation of GAAP Net Income to Adjusted EBITDA is included in this press release.

**Cash Flow from Operations:** Net cash provided by operating activities in 2021 was \$71.1 million, compared to \$22.2 million in 2020, an increase of 221%.

**Outlook**

Perion has raised its financial guidance for 2022, based on the Company’s strong business momentum and improved visibility.

| (\$M)                | 2021    | Previous 2022 Guidance | Guidance 2022 * | YoY Growth % * |
|----------------------|---------|------------------------|-----------------|----------------|
| Revenue              | \$478.5 | \$590-\$610            | \$610-\$630     | 30%            |
| Adjusted EBITDA      | \$69.6  | \$80-\$84              | \$88-\$92       | 29%            |
| EBITDA to REV Ex-TAC | 37%     | 35%                    | 36%             |                |

\* At guidance midpoint

## Conference Call

Perion management will host a Zoom conference call to discuss the results at 8:30 a.m. ET today.

Registration Link: [https://incommconferencing.zoom.us/webinar/register/WN\\_I2SURvXmQIaBRsgd8S0bSg](https://incommconferencing.zoom.us/webinar/register/WN_I2SURvXmQIaBRsgd8S0bSg)

If not on Zoom, Participant Dial-In: 877-407-0779 / 201-389-0914

## About Perion Network Ltd.

Perion is a global technology company that delivers strategic business solutions that enable brands and advertisers to efficiently “Capture and Convince” users across multiple platforms and channels, including interactive connected television – or iCTV. Perion achieves this through its Synchronized Digital Branding capabilities, which are focused on high impact creative; content monetization; its branded search network, in partnership with Microsoft Bing; and social media management that orchestrates and optimizes paid advertising. This diversification positions Perion for growth as budgets shift across categories.

## Non-GAAP Measures

Non-GAAP financial measures consist of GAAP financial measures adjusted to exclude stock-based compensation expenses, retention and 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 (losses) associated with ASC-842, as well as 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. Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") is defined as operating income excluding stock-based compensation expenses, depreciation, acquisition related items consisting of amortization of intangible assets, 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.

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. A reconciliation between results on a GAAP and non-GAAP basis is provided in the last table of this press release.

## Forward Looking Statements

This press release 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” 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, 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, 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, inability to meet efficiency and cost reduction objectives, changes in business strategy and various other factors, whether referenced or not referenced in this press release. 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, 2020 filed with the SEC on March 25, 2021. Perion does not assume any obligation to update these forward-looking statements.

**Contact Information:**

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Source: Perion Network Ltd.

## CONSOLIDATED STATEMENTS OF OPERATIONS

In thousands (except share and per share data)

|  | Three months ended<br>December 31, |                 | Year ended<br>December 31, |                  |
|--|------------------------------------|-----------------|----------------------------|------------------|
|  | 2021                               | 2020            | 2021                       | 2020             |
|  | (Unaudited)                        | (Unaudited)     | (Unaudited)                | (Audited)        |
| <b>Revenues:</b>                         |                                    |                 |                            |                  |
| Display Advertising                      | \$ 100,177                         | \$ 68,400       | \$ 265,323                 | \$ 148,698       |
| Search Advertising                       | 57,798                             | 49,856          | 213,175                    | 179,365          |
| <b>Total Revenues</b>                    | <b>157,975</b>                     | <b>118,256</b>  | <b>478,498</b>             | <b>328,063</b>   |
| <b>Costs and Expenses:</b>               |                                    |                 |                            |                  |
| Cost of revenues                         | 7,318                              | 6,539           | 25,197                     | 22,477           |
| Traffic acquisition costs and media buy  | 93,342                             | 74,809          | 288,018                    | 197,626          |
| Research and development                 | 9,245                              | 8,480           | 35,348                     | 30,880           |
| Selling and marketing                    | 16,799                             | 11,717          | 53,209                     | 39,085           |
| General and administrative               | 6,878                              | 4,060           | 20,933                     | 15,819           |
| Depreciation and amortization            | 3,598                              | 2,675           | 9,897                      | 9,923            |
| <b>Total Costs and Expenses</b>          | <b>137,180</b>                     | <b>108,280</b>  | <b>432,602</b>             | <b>315,810</b>   |
| <b>Income from Operations</b>            | <b>20,795</b>                      | <b>9,976</b>    | <b>45,896</b>              | <b>12,253</b>    |
| Financial expense, net                   | 465                                | 1,446           | 581                        | 2,638            |
| <b>Income before Taxes on income</b>     | <b>20,330</b>                      | <b>8,530</b>    | <b>45,315</b>              | <b>9,615</b>     |
| Taxes on income (benefit)                | 2,635                              | (472)           | 6,609                      | (610)            |
| <b>Net Income</b>                        | <b>\$ 17,695</b>                   | <b>\$ 9,002</b> | <b>\$ 38,706</b>           | <b>\$ 10,225</b> |
| <b>Net Earnings per Share</b>            |                                    |                 |                            |                  |
| Basic                                    | \$ 0.48                            | \$ 0.33         | \$ 1.13                    | \$ 0.38          |
| Diluted                                  | \$ 0.44                            | \$ 0.30         | \$ 1.02                    | \$ 0.36          |
| <b>Weighted average number of shares</b> |                                    |                 |                            |                  |
| Basic                                    | 36,768,367                         | 26,946,060      | 34,397,134                 | 26,687,145       |
| Diluted                                  | 40,349,416                         | 29,961,648      | 37,829,725                 | 28,797,747       |

## CONDENSED CONSOLIDATED BALANCE SHEETS

|  | In thousands                        |                                   |
|--|-------------------------------------|-----------------------------------|
|  | December 31,<br>2021<br>(Unaudited) | December 31,<br>2020<br>(Audited) |
| <b>ASSETS</b>  |                                     |                                   |
| <b>Current Assets:</b>                                     |                                     |                                   |
| Cash and cash equivalents                                  | \$ 104,446                          | \$ 47,656                         |
| Restricted cash  | 1,089                               | 1,222                             |
| Short-term bank deposits                                   | 217,200                             | 12,700                            |
| Accounts receivable, net                                   | 115,361                             | 81,221                            |
| Prepaid expenses and other current assets                  | 8,075                               | 4,560                             |
| <b>Total Current Assets</b>                                | <b>446,171</b>                      | <b>147,359</b>                    |
| <b>Long-Term Assets:</b>                                   |                                     |                                   |
| Property and equipment, net                                | 4,211                               | 6,770                             |
| Operating lease right-of-use assets                        | 11,578                              | 20,266                            |
| Goodwill and intangible assets, net                        | 245,965                             | 176,679                           |
| Deferred taxes   | 5,228                               | 7,111                             |
| Other assets   | 79                                  | 496                               |
| <b>Total Long-Term Assets</b>                              | <b>267,061</b>                      | <b>211,322</b>                    |
| <b>Total Assets</b>  | <b>\$ 713,232</b>                   | <b>\$ 358,681</b>                 |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>                |                                     |                                   |
| <b>Current Liabilities:</b>                                |                                     |                                   |
| Accounts payable   | \$ 107,730                          | \$ 72,498                         |
| Accrued expenses and other liabilities                     | 40,331                              | 21,188                            |
| Short-term operating lease liability                       | 3,615                               | 4,514                             |
| Short-term loans and current maturities of long-term loans | -                                   | 8,333                             |
| Deferred revenues  | 3,852                               | 5,711                             |
| Short-term payment obligation related to acquisitions      | 38,179                              | 7,869                             |
| <b>Total Current Liabilities</b>                           | <b>193,707</b>                      | <b>120,113</b>                    |
| <b>Long-Term Liabilities:</b>                              |                                     |                                   |
| Payment obligation related to acquisition                  | 33,250                              | 30,035                            |
| Long-term operating lease liability                        | 9,774                               | 17,698                            |
| Other long-term liabilities                                | 9,541                               | 6,713                             |
| <b>Total Long-Term Liabilities</b>                         | <b>52,565</b>                       | <b>54,446</b>                     |
| <b>Total Liabilities</b>                                   | <b>246,272</b>                      | <b>174,559</b>                    |
| <b>Shareholders' equity:</b>                               |                                     |                                   |
| Ordinary shares  | 375                                 | 224                               |
| Additional paid-in capital                                 | 496,154                             | 251,933                           |
| Treasury shares at cost                                    | (1,002)                             | (1,002)                           |
| Accumulated other comprehensive gain                       | (128)                               | 112                               |
| Accumulated deficit  | (28,439)                            | (67,145)                          |
| <b>Total Shareholders' Equity</b>                          | <b>466,960</b>                      | <b>184,122</b>                    |
| <b>Total Liabilities and Shareholders' Equity</b>          | <b>\$ 713,232</b>                   | <b>\$ 358,681</b>                 |

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

In thousands

|  | Three months ended<br>December 31, |                    | Year ended<br>December 31, |                   |
|--|------------------------------------|--------------------|----------------------------|-------------------|
|  | 2021                               | 2020               | 2021                       | 2020              |
|  | (Unaudited)                        | (Unaudited)        | (Unaudited)                | (Audited)         |
| <b>Cash flows from operating activities:</b>   |                                    |                    |                            |                   |
| Net Income   | \$ 17,695                          | \$ 9,002           | \$ 38,706                  | \$ 10,225         |
| Adjustments required to reconcile net income to net cash provided by operating activities: |                                    |                    |                            |                   |
| Depreciation and amortization  | 3,598                              | 2,675              | 9,897                      | 9,923             |
| Stock-based compensation expense   | 3,252                              | 1,534              | 6,985                      | 4,447             |
| Foreign currency translation   | (116)                              | 108                | (223)                      | 19                |
| Accrued interest, net  | (80)                               | (138)              | (300)                      | (125)             |
| Deferred taxes, net  | (2,572)                            | (754)              | (2,755)                    | (3,093)           |
| Accrued severance pay, net   | 330                                | (228)              | 663                        | (23)              |
| Loss (gain) from sale of property and equipment  | 132                                | (78)               | 121                        | 10                |
| Net changes in operating assets and liabilities  | 6,597                              | 799                | 18,012                     | 776               |
| <b>Net cash provided by operating activities</b>   | <b>\$ 28,836</b>                   | <b>\$ 12,920</b>   | <b>\$ 71,106</b>           | <b>\$ 22,159</b>  |
| <b>Cash flows from investing activities:</b>   |                                    |                    |                            |                   |
| Purchases of property and equipment, net of sales  | (37)                               | (67)               | (532)                      | (454)             |
| Short-term deposits, net   | (157,200)                          | (4,400)            | (204,500)                  | 10,534            |
| Cash paid in connection with acquisitions, net of cash acquired                            | (35,000)                           | 1,186              | (38,438)                   | (19,000)          |
| Obligation in connection with acquisitions   | -                                  | (1,347)            | -                          | -                 |
| <b>Net cash used in investing activities</b>   | <b>\$ (192,237)</b>                | <b>\$ (4,628)</b>  | <b>\$ (243,470)</b>        | <b>\$ (8,920)</b> |
| <b>Cash flows from financing activities:</b>   |                                    |                    |                            |                   |
| Issuance of shares in private placement, net   | 169,529                            | -                  | 230,489                    | -                 |
| Proceeds from exercise of stock-based compensation   | 1,958                              | 2,200              | 6,898                      | 4,286             |
| Proceeds from short-term loans   | -                                  | (12,500)           | -                          | -                 |
| Repayment of long-term loans   | -                                  | (2,084)            | (8,333)                    | (8,333)           |
| <b>Net cash provided by (used in) financing activities</b>                                 | <b>\$ 171,487</b>                  | <b>\$ (12,384)</b> | <b>\$ 229,054</b>          | <b>\$ (4,047)</b> |
| Effect of exchange rate changes on cash and cash equivalents and restricted cash           | 16                                 | 89                 | (33)                       | 81                |
| <b>Net increase (decrease) in cash and cash equivalents and restricted cash</b>            | <b>8,102</b>                       | <b>(4,003)</b>     | <b>56,657</b>              | <b>9,273</b>      |
| Cash and cash equivalents and restricted cash at beginning of period                       | 97,433                             | 52,881             | 48,878                     | 39,605            |
| <b>Cash and cash equivalents and restricted cash at end of period</b>                      | <b>\$ 105,535</b>                  | <b>\$ 48,878</b>   | <b>\$ 105,535</b>          | <b>\$ 48,878</b>  |

## RECONCILIATION OF GAAP TO NON-GAAP RESULTS

In thousands (except share and per share data)

|   | Three months ended<br>December 31, |                   | Year ended<br>December 31, |                   |
|---|------------------------------------|-------------------|----------------------------|-------------------|
|   | 2021                               | 2020              | 2021                       | 2020              |
|   | (Unaudited)                        |                   | (Unaudited)                |                   |
| <b>GAAP Net Income</b>  | <b>\$ 17,695</b>                   | <b>\$ 9,002</b>   | <b>\$ 38,706</b>           | <b>\$ 10,225</b>  |
| Stock-based compensation  | 3,252                              | 1,534             | 6,985                      | 4,447             |
| Amortization of acquired intangible assets                          | 2,807                              | 1,611             | 6,875                      | 5,261             |
| Retention and other related to M&A related expenses                 | 3,547                              | 2,147             | 9,074                      | 7,159             |
| Changes in FV of Earnout contingent consideration                   | (2,246)                            | (998)             | (2,246)                    | (998)             |
| Foreign exchange losses (gains) associated with ASC-842             | 169                                | 475               | (38)                       | 422               |
| Revaluation of acquisition related contingent consideration         | 286                                | 175               | 761                        | 620               |
| Taxes on the above items  | (222)                              | (159)             | (130)                      | (503)             |
| <b>Non-GAAP Net Income</b>  | <b>\$ 25,288</b>                   | <b>\$ 13,787</b>  | <b>\$ 59,987</b>           | <b>\$ 26,633</b>  |
| <b>Non-GAAP Net Income</b>  | <b>\$ 25,288</b>                   | <b>\$ 13,787</b>  | <b>\$ 59,987</b>           | <b>\$ 26,633</b>  |
| Taxes on income   | 2,857                              | (313)             | 6,739                      | (107)             |
| Financial expense (income), net                                     | 10                                 | 796               | (142)                      | 1,596             |
| Depreciation  | 791                                | 1,064             | 3,022                      | 4,662             |
| <b>Adjusted EBITDA</b>  | <b>\$ 28,946</b>                   | <b>\$ 15,334</b>  | <b>\$ 69,606</b>           | <b>\$ 32,784</b>  |
| <b>Non-GAAP diluted earnings per share</b>                          | <b>\$ 0.62</b>                     | <b>\$ 0.45</b>    | <b>\$ 1.57</b>             | <b>\$ 0.91</b>    |
| <b>Shares used in computing non-GAAP diluted earnings per share</b> | <b>40,613,055</b>                  | <b>30,395,478</b> | <b>38,176,470</b>          | <b>29,268,098</b> |