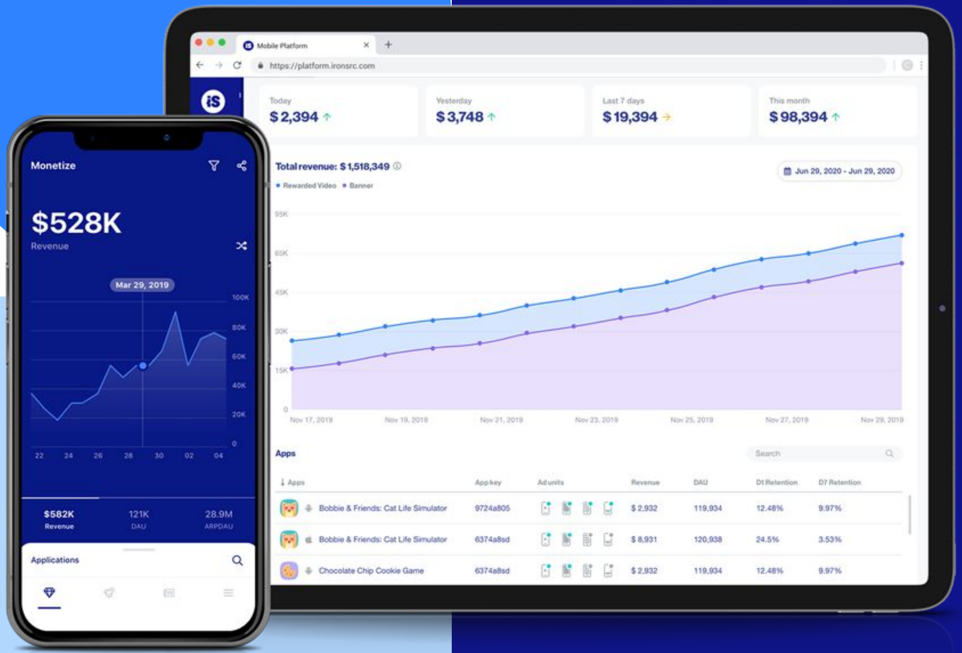
ironSource

Q3 2021

Financial Results

November 10, 2021



Disclaimer

Key Metrics and Non-GAAP Financial Measures

ironSource monitors the key business metrics set forth below to help evaluate the business and growth trends, establish budgets, measure the effectiveness of sales and marketing efforts, and assess operational efficiencies. The calculation of the key metrics discussed below may differ from other similarly titled metrics used by other companies, securities analysts or investors.

Customers Contributing More than $100,000 of Revenue

ironSource's larger customer relationships drive scale, improved unit economics and operating leverage in its business model, which improves ironSource's solutions and thereby increases the value proposition to all of ironSource's customers. To measure ironSource's ability to scale with its customers and attract large enterprises to its platform, ironSource counts the number of customers that contributed more than $100,000 in revenue in the trailing 12 months. ironSource's gross customer retention rate is calculated by comparing two twelve month periods to see how many customers in the previous period remain active customers in the current period. ironSource's customer count is subject to adjustments for acquisitions, consolidations, spin-offs and other market activity.

Dollar-Based Net Expansion Rate

ironSource believes the growth in the use of its platform by existing customers is an important measure of the health of its business and future growth prospects. ironSource monitors its performance in this area using an indicator management refers to as dollar-based net expansion rate. ironSource calculates dollar-based net expansion rate for a period by dividing current period revenue from a set of customers by prior period revenue of the same set of customers. Prior period revenue is the trailing 12-month revenue measured as of such prior period end. Current period revenue is the trailing 12-month revenue from the same customers as of the current period end. Management's calculation of dollar-based net expansion rate includes the effect of any customer renewals, expansion, contraction and churn, but excludes revenue from new customers.

Industry and Market Data

Market, ranking and industry data used throughout this communication, including statements regarding market size and technology adoption rates, is based on the good faith estimates of ironSource's management, which in turn are based upon ironSource's management's review of internal surveys, independent industry surveys and publications, including reports by Altman Solon, App Annie, AppsFlyer, Apptopia, eMarketer, Newzoo, Omdia and Sensor Tower and other third party research and publicly available information. These data involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. While ironSource is not aware of any misstatements regarding the industry data presented herein, its estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed above.

Disclaimer (cont.)

Adjusted EBITDA and Adjusted EBITDA Margin

ironSource defines Adjusted EBITDA as income from continuing operations, net of income taxes, as adjusted for income taxes, financial expenses, net and depreciation and amortization, further adjusted for assets impairment, share-based compensation expense and fair value adjustment related to contingent consideration acquisition-related costs and offering costs. ironSource defines Adjusted EBITDA Margin as Adjusted EBITDA calculated as a percentage of revenue. Adjusted EBITDA and Adjusted EBITDA Margin are included in this presentation because they are key metrics used by management and our board of directors to assess our financial performance. Adjusted EBITDA and Adjusted EBITDA Margin are frequently used by analysts, investors and other interested parties to evaluate companies in our industry. ironSource management believes that Adjusted EBITDA and Adjusted EBITDA Margin are appropriate measures of operating performance because each eliminates the impact of expenses that do not relate directly to the performance of the underlying business.

Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures of our financial performance and should not be considered as alternatives to net loss as a measure of financial performance, as alternatives to cash flows from operations as a measure of liquidity, or as alternatives to any other performance measure derived in accordance with GAAP. Adjusted EBITDA and Adjusted EBITDA Margin should not be construed as inferences that our future results will be unaffected by unusual or other items. Additionally, Adjusted EBITDA and Adjusted EBITDA Margin are not intended to be measures of free cash flow for management's discretionary use, as they do not reflect our tax payments and certain other cash costs that may recur in the future, including, among other things, cash requirements for costs to replace assets being depreciated and amortized. Management compensates for these limitations by relying on our GAAP results in addition to using Adjusted EBITDA and Adjusted EBITDA Margin as supplemental measures. Our measures of Adjusted EBITDA and Adjusted EBITDA Margin are not necessarily comparable to similarly titled captions of other companies due to different methods of calculation. For more information on the non-GAAP financial measures, please see the reconciliation tables provided in the Appendix to this presentation. The accompanying tables have more details on the GAAP financial measures that are most directly comparable to non-GAAP financial measures and the related reconciliations between these financial measures. The Company has not reconciled its Adjusted EBITDA guidance to net income because net income is not accessible on a forward-looking basis. Certain items that impact Adjusted EBITDA are out of the Company's control and/or cannot be reasonably predicted. These items include, but are not limited to share based compensation expenses. These items are uncertain, depend on various factors, and could have a material impact on GAAP reported results for the guidance period. Accordingly, a reconciliation to net income is not available without unreasonable effort. For more information regarding the non-GAAP financial measures discussed in this presentation, please see the Appendix to this presentation for the reconciliations of GAAP financial measures to non-GAAP financial measures.

Disclaimer (cont.)

About ironSource

ironSource (NYSE: IS) is a leading business platform that enables mobile content creators to prosper within the App Economy. App developers use ironSource's platform to turn their apps into successful, scalable businesses, leveraging a comprehensive set of software solutions which help them grow and engage users, monetize content, and analyze and optimize business performance to drive more overall growth. The ironSource platform also empowers telecom operators to create a richer device experience, incorporating relevant app and service recommendations to engage users throughout the lifecycle of the device. By providing a comprehensive business platform for the core constituents of the app economy, ironSource allows customers to focus on what they do best, creating great apps and user experiences, while we enable their business expansion in the App Economy. For more information please visit www.is.com

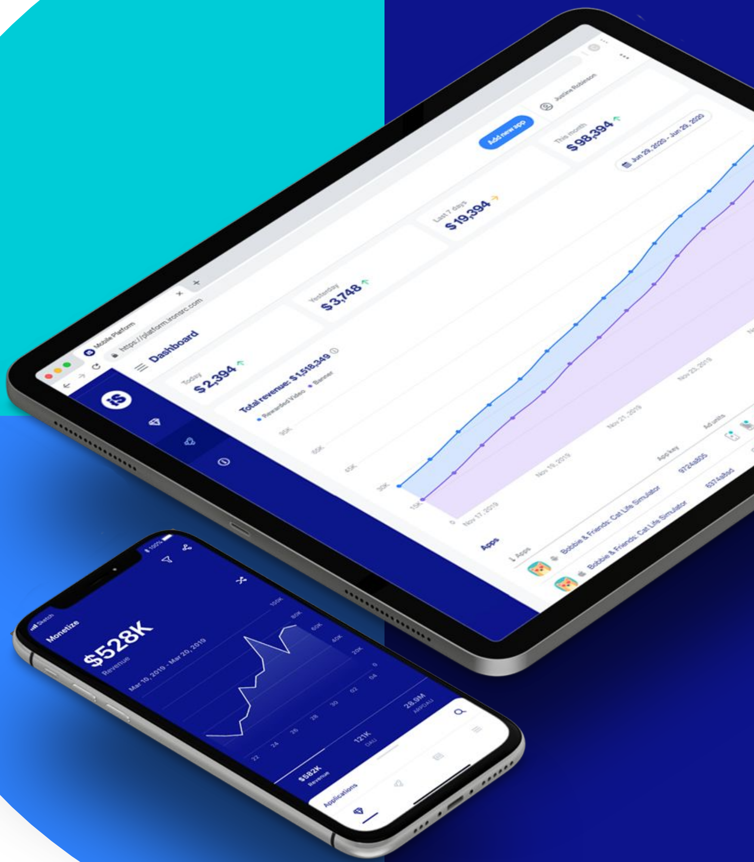
Forward Looking Statements

Certain statements in this presentation may constitute "forward-looking" statements and information, within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995 that relate to ironSource's current expectations and views of future events. In some cases, these forward-looking statements can be identified by words or phrases such as "may," "might," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "seek," "believe," "estimate," "predict," "potential," "continue," "contemplate," "possible" or similar words. These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. In addition, these forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. Actual outcomes may differ materially from the information contained in the forward-looking statements as a result of a number of factors, including, without limitation, the following:

(i) volatility in the price of the ironSource's securities due to a variety of factors, including changes in the competitive industry in which ironSource operates, variations in performance across competitors, changes in laws and regulations affecting ironSource's business and changes in its capital structure; (ii) ironSource's ability to implement its business plans, forecasts, and other expectations, and to identify and realize additional opportunities; (iii) ironSource's markets are rapidly evolving and may decline or experience limited growth; (iv) ironSource's reliance on operating system providers and app stores to support its platform; (v) ironSource's ability to compete effectively in the markets in which it operates; (vi) ironSource's quarterly results of operations may fluctuate for a variety of reasons; (vii) failure to maintain and enhance the ironSource brand; (viii) ironSource's dependence on its ability to retain and expand its existing customer relationships and attract new customers; (ix) ironSource's reliance on its customers that contribute more than $100,000 of annual revenue; (x) ironSource's ability to successfully and efficiently manage its current and potential future growth; (xi) ironSource's dependence upon the continued growth of the app economy and the increased usage of smartphones, tablets and other connected devices; (xii) ironSource's dependence upon the success of the gaming and mobile app ecosystem and the risks generally associated with the gaming industry; (xiii) ironSource's, and ironSource's competitors', ability to detect or prevent fraud on its platforms; (xiv) failure to prevent security breaches or unauthorized access to ironSource's or its third-party service providers data; (xv) the global scope of ironSource's operations, which are subject to laws and regulations worldwide, many of which are unsettled and still developing; (xvi) the rapidly changing and increasingly stringent laws, contractual obligations and industry standards relating to privacy, data protection, data security and the protection of children; (xvii) the effects of health epidemics, including the COVID-19 pandemic; and (xviii) other risk factors set forth in the section titled "Risk Factors" in ironSource's Prospectus filed with the Securities and Exchange Commission on October 5, 2021, and other documents filed with or furnished to the SEC. ironSource cautions you against placing undue reliance on forward-looking statements, which reflect current beliefs and are based on information currently available as of the date a forward-looking statement is made. Forward-looking statements set forth herein speak only as of the date of this communication. Except as required by law, ironSource does not undertake any obligation to revise forward-looking statements to reflect future events, changes in circumstances, or changes in beliefs. In the event that any forward-looking statement is updated, no inference should be made that ironSource will make additional updates with respect to that statement, related matters, or any other forward-looking statements. Any corrections or revisions and other important assumptions and factors that could cause actual results to differ materially from forward-looking statements, including discussions of significant risk factors, may appear, in ironSource's public filings with the SEC, which are or will be (as appropriate) accessible at www.sec.gov, and which you are advised to consult.

ironSource

A leading **business platform** empowering **content creators** to prosper in the **App Economy**



Q3 Financial Highlights

$140M
Q3 REVENUE

60%
Y/Y REVENUE GROWTH RATE

332
Q3 CUSTOMERS >$100K [1]

95%
% OF REVENUES OF CUSTOMERS >$100K[1]

$51M
Q3 ADJUSTED EBITDA[3]
70% Y/Y GROWTH RATE

170%
DOLLAR-BASED NET EXPANSION RATE FOR ALL CUSTOMERS [2]

36%
Q3 ADJUSTED EBITDA MARGIN[3]

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[1] Customers contributing more than $100,000 in revenue refer to customers who have generated more than $100,000 in revenue for ironSource over the trailing 12 months.
[2] Dollar-based net expansion rate is defined as revenue for a certain period of time from a set of customers for that same period, divided by revenue from a prior period for the same set of customers.
[3] Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures. See the appendix for a reconciliation to the most directly comparable GAAP measure.

Business Highlights

- **Entered into an agreement to acquire Tapjoy[1]** a leading mobile advertising and app monetization company for $400M in cash. Acquisition is expected to provide complementary monetization technology, additional scale and SDK footprint and expansion of ironSource customer base beyond gaming

- **Entered into an agreement to acquire Bidalgo[1]** a marketing software company focused on data-driven optimization tools for mobile marketers. Acquisition is expected to deepen market presence across the entire App Economy, beyond games, including social, dating and e-commerce apps

- **Announced a partnership with Vodafone** to integrate the Aura solution suite on Vodafone Android devices across Europe, including in the UK, Germany, Spain and Italy. Partnership is expected to further increases ironSource scale in the European market and the value proposition for app developers looking to reach users on devices in that market

- **Announced the launch of two products** that support app developers in the evolving landscape on iOS

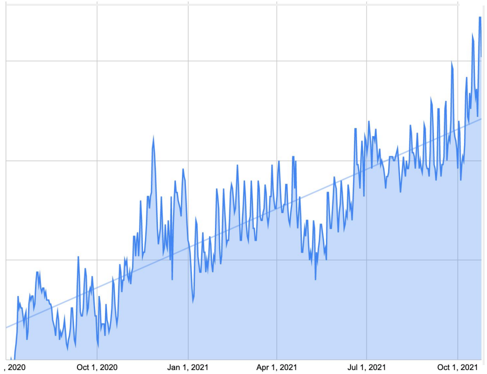
[1] Tapjoy and Bidalgo are pending acquisitions that are expected to close in Q421/Q122

APP DEVELOPER SPOTLIGHT

Increasing revenue for the most downloaded mobile game of the decade

SYBO is the publisher of Subway Surfers, the most-downloaded mobile game of the decade with **3 billion players** across its lifetime. With such a high profile game, SYBO needed to leverage a powerful platform to manage their monetization operations.

67% YoY INCREASE IN ARPDAU



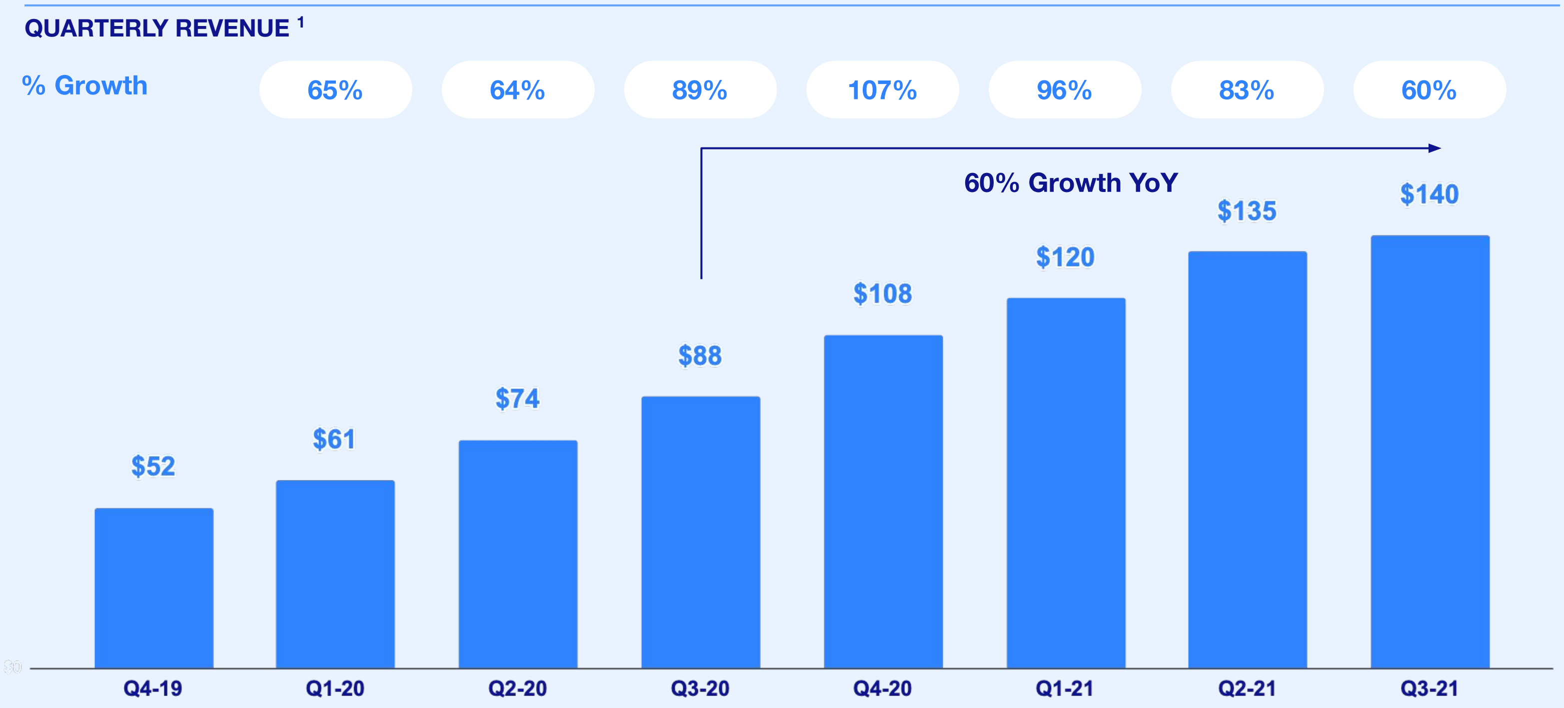
SYBO began using ironSource's mediation solution in 2020, and immediately adopted ironSource's in-app bidding product. Before in-app bidding, the monetization team at SYBO would spend hours every day manually managing their monetization operations, as they tried to optimize price points and maximize revenue from their ad inventory.

ironSource's in-app bidding technology automates most of this process, saving the SYBO team valuable time while a real-time auction maximizes revenue for every ad impression in their game. In fact, this enabled SYBO to increase ARPDAU (average revenue per daily active user) by **67% year over year**.

"We saw ARPDAU increasing with the bidders, and we were also super impressed by the ***automation of the process*** *- which meant we hardly had to do any manual work."*
Jacopo Guanziroli, Head of Ad Operations at SYBO

"There is a golden balance between ***top class products and support*** *from the ironSource team."*
Ekaterina Portunova, Ad Operations Manager at SYBO

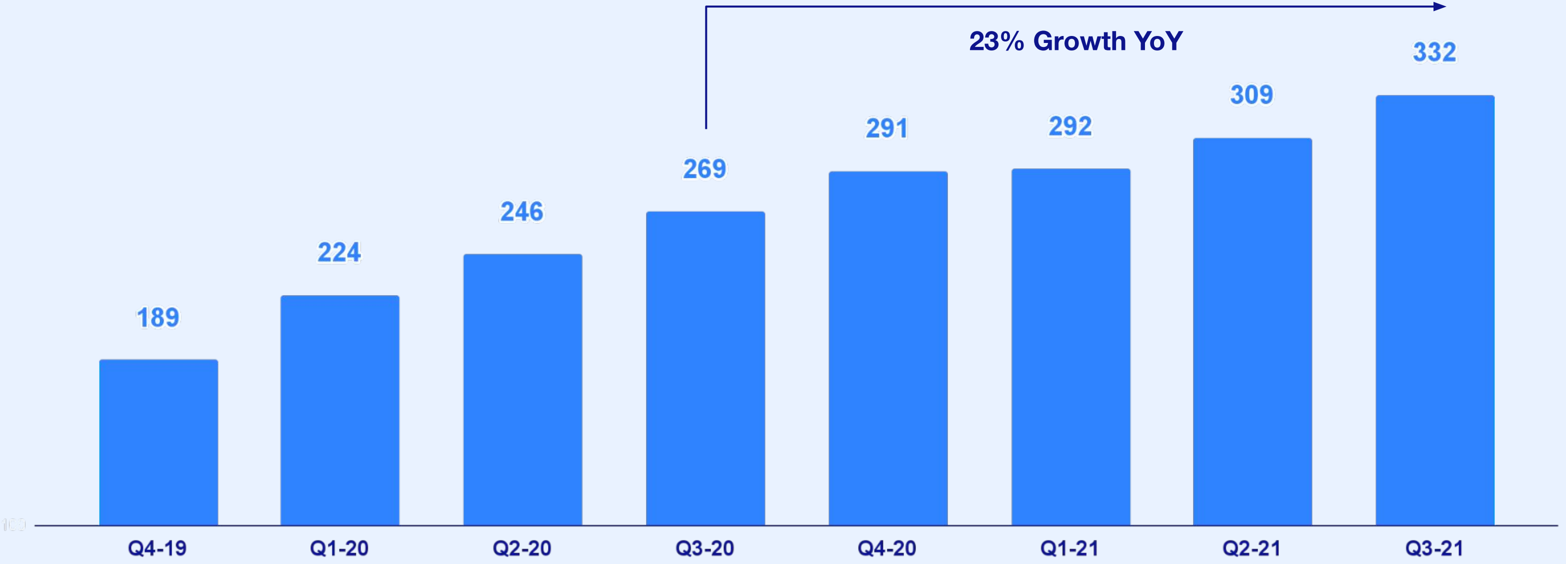
Revenue Growth at Scale



[1] Percentage (%) represents Year-over-year quarterly revenue growth

Quarterly Customers >$100K Revenue

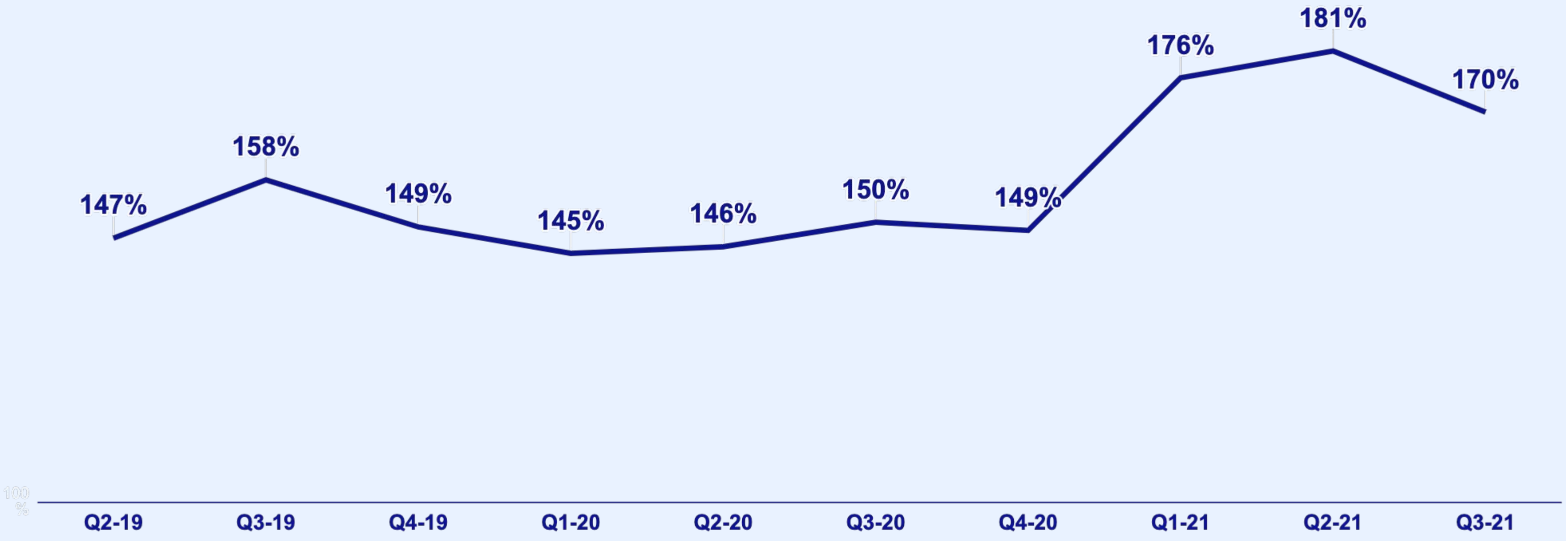
NUMBER OF CUSTOMERS CONTRIBUTING > $100K REVENUE [1]



[1] Customers that contributed more than $100k to total revenue from continuing operations in a given trailing 12-month period. Customers that contributed more than $100k to total revenue is a non-GAAP financial measure.

Quarterly Dollar-Based Net Expansion Rate

NET EXPANSION [1]

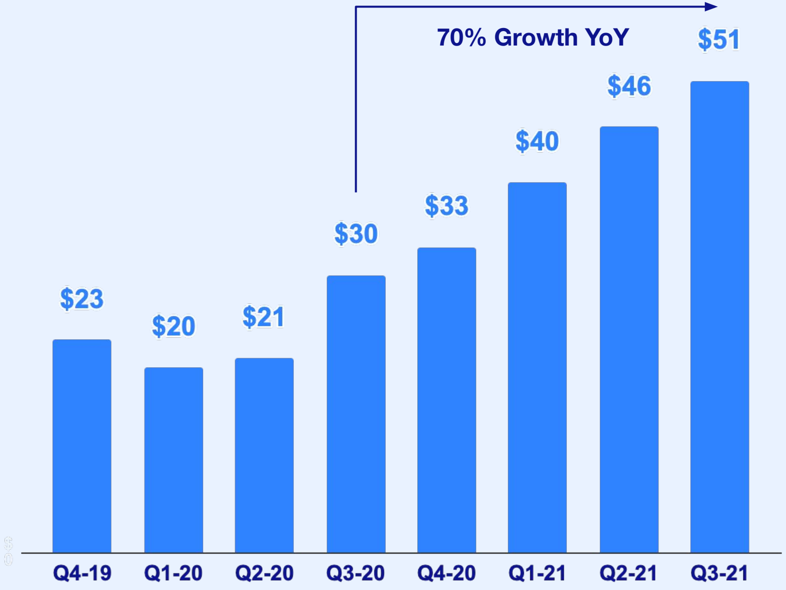


[1] We calculate our dollar-based net expansion rate for a period by dividing current period continuing revenue from a set of customers by prior period revenue from continuing operations of the same set of customers. Prior period revenue is the trailing 12-month revenue from continuing operations measured as of such prior period end. Current period revenue is the trailing 12-month revenue from continuing operations by the same customers as of the current period end. Our calculation of our dollar-based net expansion rate includes the effect of any customer renewals, expansion, contraction and churn, but excludes revenue from new customers.

Highly Profitable and Investing in Future Growth

	Q2 21	Q3 21	Q3 20	YoY
REVENUE ($M)	$135	$140	$88	+60%
ADJUSTED EBITDA*	$46	$51	$30	+70%
ADJUSTED EBITDA MARGIN* %	34%	36%	34%	+225bp

QUARTERLY ADJUSTED EBITDA *



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Note: $ in millions.
*Denotes non-GAAP measure. See the Appendix for further information and reconciliation to the most directly comparable GAAP measure, if applicable.

Guidance

	Q4 21	FY 21
REVENUE	$140M - $145M	$535M - $540M
YoY REVENUE GROWTH	29% - 34%	61% - 63%
ADJUSTED EBITDA*	$50M - $52M	$186M - $188M
ADJUSTED EBITDA MARGIN*	34% - 37%	34% - 35%
FULLY DILUTED SHARES OUTSTANDING	~1.1 billion	

Note: $ in millions.
*Denotes a non-GAAP measure. See the Appendix for further information and reconciliation to the most directly comparable GAAP measure, if applicable.

Appendix

Reconciliation of GAAP to Non-GAAP financials ($K)

From continuing operations, net of income taxes and net income per share

	Q3 2021		Q3 2020
		(Unaudited)	
GAAP Income from continuing operations, net of income taxes	**$ 18,768**		**$ 19,886**
Add:			
Share-based compensation expense	20,327		2,250
Depreciation and amortization	6,211		4,091
Acquisition-related costs	959		-
Non-GAAP net income	**$ 46,265**		**$ 26,227**
Weighted-average ordinary shares outstanding—basic*	**1,014,267,611**		**636,578,068**
Basic Non-GAAP net income per ordinary share	**$ 0.05**		**$ 0.03**
Weighted-average ordinary shares outstanding—diluted	**1,095,048,098**		**688,072,259**
Diluted Non-GAAP net income per ordinary share	**$ 0.04**		**$ 0.03**

*As of June 30, 2021,we had 1,012,617,242 ordinary shares outstanding and 1,120,289,186 ordinary shares on a fully diluted basis

Reconciliation of GAAP to Non-GAAP financials ($K)

From continuing operations, net of income taxes to Adjusted EBITDA

	Q3 2021		Q3 2020
		(Unaudited)	
GAAP Income from continuing operations, net of income taxes	**$ 18,768**		**$ 19,886**
Add:			
Financial expenses, net	$ 55		$ 434
Income taxes	4,581		3,256
Share-based compensation expense	20,327		2,250
Depreciation and amortization	6,211		4,091
Acquisition-related costs	959		-
Adjusted EBITDA	**$ 50,901**		**$ 29,917**
Revenue	**$ 140,446**		**$ 88,001**
Income from continuing operations, net of income taxes margin	13%		23%
Adjusted EBITDA margin	36%		34%