

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

**FORM 8-K
CURRENT REPORT**
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 13, 2023

Outbrain Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-40643
(Commission File Number)

20-5391629
(IRS Employer
Identification No.)

**111 West 19th Street
New York, NY 10011**
(Address of principal executive offices, including zip code)

(Registrant's telephone number, including area code): **(646) 867-0149**

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common stock, par value \$0.001 per share	OB	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement

On April 13, 2023, Outbrain Inc. (the "Company") entered into a privately-negotiated Note Repurchase Agreement (the "Agreement") with Baupost Group Securities, L.L.C. ("Baupost") to repurchase \$118 million in aggregate principal amount of the Company's 2.95% Convertible Senior Notes due 2026 (the "Notes") for consideration of approximately \$96.17 million, inclusive of accrued and unpaid interest to but not including the closing date of April 14, 2023. This translates to an effective discount of 19% of the principal amount of the repurchased notes.

The Company had originally issued \$236 million in aggregate principal amount of Notes pursuant to an Indenture dated as of July 27, 2021, between the Company and The Bank of New York Mellon, as trustee (the "Trustee"). On April 14, 2023, the repurchase described above was completed (the "Repurchase") and the repurchased notes were cancelled by the Trustee, at the instruction of the Company. After such closing, \$118 million in aggregate principal amount of the Notes remain outstanding.

Item 8.01 Other Events

On April 17, 2023, the Company issued a press release announcing the Repurchase, a copy of which is attached as Exhibit 99.1 hereto. Information furnished under this Item 8.01, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filing under the Securities Act of 1933, as amended, or the Exchange Act, except as may be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press release, dated April 17, 2023, announcing the completion of the Repurchase
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

OUTBRAIN INC.

Date: April 17, 2023

By: /s/ David Kostman

Name: David Kostman

Title: Co-Chief Executive Officer

Outbrain announces partial repurchase of 2.95% Convertible Senior Notes due 2026

New York - April 17, 2023 - Outbrain Inc. (NASDAQ: OB), a leading recommendation platform for the open web, announced today that it has repurchased \$118 million in aggregate principal amount of the 2.95% Convertible Senior Notes due 2026 (the "Convertible Notes") via a privately negotiated repurchase agreement with Baupost Group Securities, L.L.C., the sole holder of the Convertible Notes. The Company paid, including accrued interest, approximately \$96 million in cash representing a 19% discount to par value. As a result, Outbrain will record a pre-tax gain of approximately \$22 million in the second quarter of 2023.

Following the closing of the repurchase, approximately \$118 million principal amount of the Convertible Notes out of the initially issued principal balance of \$236 million, will remain outstanding and continue to be subject to the terms of the indenture dated as of July 27, 2021 pursuant to which they were issued.

"We believe that, considering the strength of our balance sheet and our financial discipline, repurchasing 50% of the Convertible Notes at a considerable discount is a positive capital allocation decision for our shareholders," said Jason Kiviat, Outbrain's CFO.

This press release does not constitute an offer to sell or a solicitation to buy any of the Convertible Notes described herein, nor shall there be any offer, solicitation, or sale of the Convertible Notes in any jurisdiction in which such offer, solicitation or sale would be unlawful. Nothing in this press release should be construed as an offer to repurchase any Convertible Notes.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the federal securities laws, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to possible or assumed future results of our business, financial condition, results of operations, liquidity, plans and objectives. You can generally identify forward-looking statements because they contain words such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "guidance," "outlook," "target," "projects," "contemplates," "believes," "estimates," "predicts," "foresee," "potential" or "continue" or the negative of these terms or other similar expressions that concern our expectations, strategy, plans or intentions. We have based these forward-looking statements largely on our current expectations and projections regarding future events and trends that we believe may affect our business, financial condition and results of operations. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors, including but not limited to: risks and uncertainties associated with the SVB closure; overall advertising demand and traffic generated by our media partners; factors that affect advertising demand and spending, such as the continuation or worsening of unfavorable economic or business conditions or downturns, instability or volatility in financial markets, and other events or factors outside of our control, such as U.S. and global recession concerns, geopolitical concerns, including the ongoing conflict between Russia and Ukraine, supply chain issues, inflationary pressures, labor market volatility, and the pace of recovery or any resurgences of the COVID-19 pandemic; our ability to continue to innovate, and adoption by our advertisers and media partners of our expanding solutions; the success of our sales and marketing investments, which may require significant investments and may involve long sales cycles; our ability to grow our business and manage growth effectively; our ability to compete effectively against current and future competitors; the loss of one or more of our large media partners, and our ability to expand our advertiser and media partner relationships; our ability to maintain our revenues or profitability despite quarterly fluctuations in our results, whether due to seasonality, large cyclical events, or other causes; the risk that our research and development efforts may not meet the demands of a rapidly evolving technology market; any failure of our recommendation engine to accurately predict user engagement, any deterioration in the quality of our recommendations or failure to present interesting content to users or other factors which may cause us to experience a decline in user engagement or loss of media partners; limits on our ability to collect, use and disclose data to deliver advertisements; our ability to extend our reach into evolving digital media platforms; our ability to maintain and scale our technology platform; our ability to meet demands on our infrastructure and resources due to future growth or otherwise; significant



fluctuations in currency exchange rates; failures or loss of the hardware, software and infrastructure on which we rely, or security breaches; political and regulatory risks in the various markets in which we operate; the challenges of compliance with differing and changing regulatory requirements; the risks described in the section entitled “Risk Factors” and elsewhere in the Annual Report on Form 10-K filed for the year ended December 31, 2022 and in subsequent reports filed with the SEC. Accordingly, you should not rely upon forward-looking statements as predictions of future events. We cannot assure you that the results, events and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events or circumstances could differ materially from those projected in the forward-looking statements. We undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. We do not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

About Outbrain

Outbrain (Nasdaq: OB) is a leading recommendation platform for the open web. Our technology enables 10 billion daily recommendations to consumers across more than 7,000 online properties and connects advertisers to these audiences to grow their business. Founded in 2006, Outbrain is headquartered in New York with offices in 17 cities worldwide.

Media Contact

press@outbrain.com

Investor Relations Contact

IR@outbrain.com
(332) 205-8999