

As confidentially submitted to the Securities and Exchange Commission on April 20, 2021
This draft registration statement has not been publicly filed with the Securities and Exchange Commission
and all information herein remains strictly confidential.

Registration No. 333-

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Form S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

Outbrain Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

7370
(Primary Standard Industrial
Classification Code Number)

20-5391629
(I.R.S. Employer
Identification No.)

**222 Broadway, 19th Floor
New York, NY 10038
(646) 859-8594**

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after effectiveness of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

If an emerging growth company, indicate by check mark if the company has elected to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of Securities Act.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price ⁽¹⁾⁽²⁾	Amount of Registration Fee
Common Stock, par value \$0.001 per share	\$	\$

(1) Includes shares granted pursuant to the underwriters' option to purchase additional shares.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Subject to completion, dated _____, 2021

Shares



Common Stock

This is the initial public offering of shares of common stock to be sold in the offering.

Prior to this offering, there has been no public market for the common stock. It is currently estimated that the initial public offering price per share will be between \$ _____ and \$ _____. We intend to apply to list our common stock on the New York Stock Exchange, or the NYSE, subject to notice of official issuance, under the symbol "OBRN."

We are an "emerging growth company" under applicable Securities and Exchange Commission rules and will be subject to reduced public company reporting requirements.

Investing in our common stock involves substantial risks. See "Risk Factors" beginning on page 12 to read about factors you should consider before buying shares of stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete.

Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	\$ _____	\$ _____
Underwriting discounts and commissions ⁽¹⁾	\$ _____	\$ _____
Proceeds to us (before expenses)	\$ _____	\$ _____

(1) See "Underwriting" for a description of compensation payable to the underwriters.

We have granted the underwriters a 30-day option to purchase up to an additional shares of common stock from us at the public offering price less the underwriting discount.

The underwriters expect to deliver the shares of common stock to purchasers on or about _____, 2021.

Citigroup

Jefferies

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities, and we are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

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Neither we nor the underwriters have authorized anyone to provide information different from that contained in this prospectus, any amendment or supplement to this prospectus or in any free writing prospectus prepared by us or on our behalf. Neither we nor the underwriters take any responsibility for, and can provide no assurance as to the reliability of, any information other than the information in this prospectus and any free writing prospectus prepared by us or on our behalf. Neither the delivery of this prospectus nor the sale of our common stock means that information contained in this prospectus is correct after the date of this prospectus. This prospectus is not an offer to sell or the solicitation of an offer to buy these shares of common stock in any circumstances under which such offer or solicitation is unlawful.

Through and including _____, 2021 (the 25th day after the date of this prospectus) all dealers that effect transactions in our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This requirement is in addition to the dealer’s obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Summary

This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all the information that you should consider before deciding to invest in our common stock. You should read the entire prospectus carefully, including the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the related notes included elsewhere in this prospectus, before making an investment decision. Unless the context otherwise requires, the terms “Outbrain,” “we,” “us,” “our” and “the company” in this prospectus refer to Outbrain Inc. and its consolidated subsidiaries.

Our mission is to help digital media owners thrive by recommending content, products and services that their users love.

Outbrain is a leading recommendation platform powering the open web. Founded in 2006, we pioneered the online content recommendation category. Today our platform enables over 7,000 online properties, including many of the world’s most prestigious publications, helping them engage their users and monetize their visits. Fueled by over 1 billion data events gathered each minute, our platform matches audiences with personalized content and ads, driving quality engagement while delivering efficient, sustainable monetization.

Over the past decade, consumers have become increasingly accustomed to seeing highly curated digital content and ads that align with their unique interests. Similar to the way in which social media and search have simplified discovery by synthesizing billions of consumer data points to offer personalized feeds, we provide media partners with a platform that encompasses data scale as well as prediction and recommendation capabilities, helping them deliver a personalized feed of recommendations tailored to their users, based on user interests, preferences, and context. We are a mobile-first company and our Smartfeed™ technology and recommendations are highly effective on mobile devices. We generated over 66% of our revenue on mobile platforms in 2020.

Since inception, we have been guided by the same core principles pertaining to our three constituents: media partners, users, and advertisers.

Media Partners. We are committed to the long-term success of our media partners. Consistent with this philosophy, we focus on developing trusted, transparent, typically exclusive, multi-year partnerships with media partners, both traditional and in new and rapidly evolving categories.

Users. We believe that by focusing on improving the user experience we are able to cultivate user behavior patterns that compound engagement over time, delivering superior long-term monetization for ourselves and for our media partners.

Advertisers. We strive to grow our advertising business by increasing overall user engagement, rather than price per engagement. Our emphasis on user engagement helps us improve advertisers’ return on ad spend (“ROAS”) thus unlocking more advertising spend and attracting additional advertisers. In turn this enables us to better match ads to users and further grow user engagement and overall monetization.

We have delivered over \$3 billion in direct revenue to our media partners, since inception. We partner with thousands of the world’s most trusted digital media owners for which we believe we are an important technology partner. Some of our key media partners include Asahi Shimbun, CNN, Der Spiegel, Le Monde, MSN, Sky News and Sky Sports, and The Washington Post. The average tenure of our top 20 media partners, based on our 2020 revenue, is approximately seven years.

Through our relationships with media partners, we have become one of the largest online recommendation and advertising platforms on the open web. In 2020, we provided personalized content feeds and ads to approximately 1 billion monthly unique users, delivering on average over 10 billion recommendations per day, with over 20,000 advertisers using our platform. In the fourth quarter of 2020, our platform powered an average of over 100,000 ad campaigns per day and generated an average of \$2.7 million in daily ad spend.

Our platform is user engagement focused. A significant proportion of the engagement created by our recommendations is with the content of the media partner for which we are providing the platform, which we refer to as ‘organic recommendations.’ This provides the user with a personalized content experience, while

increasing time spent and engagement on the media partner’s digital properties. We believe this is crucial to increasing long-term loyalty and retention of users for media partners, while increasing the depth and value of user visits in the short term. Powering a curated feed of both organic recommendations and targeted ads creates significant proprietary, first-party data that enables us to continuously refine our prediction capabilities, supporting our efforts to further increase engagement.

Advertisers use our platform to reach consumers efficiently through various ad formats across thousands of premium digital media properties around the world. Our platform provides access to a significant volume of exclusive ad inventory within the content feeds of these premium digital media properties. Advertisers primarily use our platform for performance driven campaigns, with measurable outcomes. Our ability to drive value and ROAS for advertisers, at scale, is highlighted in the growth of ad spend through our platform.

Data and algorithms are fundamental to everything we do. We process, on average, over 1 billion data events per minute, powering up to 100 million Click Through Rate (“CTR”) predictions and over 100,000 recommendations per second. Our ability to collect and synthesize large data sets into our real-time decisioning engine powers our recommendations, our feed experiences and our ad targeting, helping us optimize user engagement and monetization. As our platform grows, we are able to leverage our data scale in order to enhance our algorithms, enabling us to improve the efficacy of our platform. This, in turn, drives additional user engagement and thus more monetization for our partners and ourselves, which helps us further grow our business and scale our data. We refer to this phenomenon as our data flywheel. During 2020, we grew overall engagement with recommendations on our platform by 24% on a year over year basis.

We are targeting a large, fragmented and growing market. Over four billion consumers access the Internet and, by 2022, the average person in the United States will spend more than eight hours a day consuming digital media, according to eMarketer. eMarketer also states that approximately \$378 billion was spent on global digital advertising in 2020. By 2024, this figure is expected to increase to \$646 billion. Given our ability to deliver high impact and measurable performance to our advertisers, with significant reach and unique inventory, we believe that we are well positioned to capture a significant share of this growing market.

We have a track record of consistently growing our business, and have achieved significant scale with \$767 million of revenue in 2020. Our Revenue Ex-TAC was \$194 million in 2020, up from \$170 million in 2019 representing year over year growth of 14.1%. In the second half of 2020, our Revenue Ex-TAC grew by 28.8%, as compared to the same prior year period, highlighting the momentum in our business. Our business is profitable and we are benefiting from strong operating leverage as we grow. Our net income grew to \$4.4 million in 2020, up from a net loss of \$20.5 million in 2019. Our Adjusted EBITDA more than doubled to \$41.1 million in 2020, up from \$19.3 million in 2019. Adjusted EBITDA was 21.2% and 11.3% of Revenue Ex-TAC in 2020 and 2019, respectively. See “Selected Consolidated Financial Data and Other Data” for information regarding how we define non-GAAP financial measures and the related reconciliations to GAAP measures.

Our Industry

Advertising is the primary business model for digital media on the open web. In addition, advertising is also increasingly used as a key revenue driver for other Internet based businesses such as mobile gaming and eCommerce. As a result, digital advertising not only subsidizes media consumption for billions of consumers globally, but also finances the creation of journalism, news, and entertainment while lowering the costs of various products and services to consumers.

We believe that the following industry trends are relevant to our business.

Proliferation of digital media, and digital advertising, particularly across mobile environments. According to eMarketer, global digital ad spend in 2021 is expected to grow to \$455 billion, reflecting a 20.4% year over year increase. Additionally, mobile ad spend is expected to grow to \$341 billion in 2021, a 23.5% year over year increase, with U.S. mobile ad spend reaching \$130 billion in the same year.

Consumer habits and expectations are changing. Consumers have grown accustomed to consuming engaging content that is curated across multiple digital formats, including social, entertainment, gaming and

audio. As a result, we believe that personalized and engaging digital content experiences, supported by non-intrusive ads, have become the expectation of media owners, rather than a consumer luxury.

Trusted editorial content is becoming increasingly important. The massive scale of content creation and distribution across social media has made it difficult to curb the creation and proliferation of factually inaccurate news and misinformation, leading to a growing distrust of user-generated social media content. As a result, advertisers have become increasingly cognizant of where they spend ad dollars, seeking media environments that prioritize quality, transparency and brand safety.

Performance and ROAS are becoming increasingly important to advertisers. As digital advertising continues to consume a larger share of advertiser budgets, the ability to target advertising based on specific user interests and context, in real-time, has become increasingly important to advertisers. According to a 2019 IAB report, approximately 63% of 2019 internet advertising revenues were priced on a performance basis.

Data-driven decisioning delivers better experiences and outcomes. Advances in software and hardware along with the growing use of the Internet have made it possible to collect and rapidly process massive amounts of real-time data signals related to content, context and performance. As a result, advertisers are increasingly focused on data-driven decisioning, making these capabilities critical for media partners, as they seek to deliver quality experiences to their users while maintaining their relevance with advertisers.

The Challenge for Digital Media Owners

As the pace of online content creation and consumption continues to accelerate, and competition for user attention intensifies, digital media owners must focus on their core strength: creating relevant, interesting, and high-quality content. However, their success also depends on sustainably attracting, engaging, retaining and monetizing audiences while competing with the major social and aggregation platforms, known as the ‘walled gardens.’ These platforms, driven by the nature of their services and their scale, have significant resources to invest in technology and have amassed large volumes of coveted user data. This enables them to deliver highly targeted and thus effective ads alongside user generated or third-party content, helping them achieve an outsized share of the advertising market.

As a result, we believe that digital media owners, whose properties are often referred to as the ‘open web,’ face challenges in the following key areas:

User experience. In today’s dynamic, mobile-first environment, providing a high-quality user experience that addresses consumer habits and expectations is critical to attracting, engaging and retaining audiences. Keeping pace with these changes, as well as other emerging products and features, represents a significant challenge to many digital media owners who lack the scale and resources required to compete.

Monetization. The fragmented ecosystem of digital advertising technology intermediaries, constantly evolving landscape of ad formats and the growing sophistication of advertisers seeking measurable ROAS makes it difficult for digital media owners to develop and maintain the technology required to optimize their monetization. In addition, digital media owners often lack access to a large and diverse advertiser base.

Our Solution

We enable digital media owners to provide their users with an experience that is personalized and relevant to their interests while generating incremental revenue through highly engaging content recommendations and relevant advertisements. Our platform is informed by large, proprietary data sets. Our recommendation engine relies on advanced artificial intelligence technology and machine learning algorithms. We leverage our scale, gained through a large number of partners and advertisers, in order to grow and enhance our data and our technology continuously.

By delivering relevant content recommendations that personalize the user experience, alongside targeted ads, our platform increases and monetizes user engagement. Our technology platform forms the underlying “operating system” of our media partners’ content feeds, helping them manage and grow their business.

Our Offering for Media Partners

We provide media partners with an ‘operating system’ that helps them manage and grow their businesses. Our platform and products provide the data, scale, and technology capabilities to personalize the content experience, grow audiences, maximize user engagement and monetize content. We empower media partners, enabling them to innovate their user experience by continuously introducing new features, capabilities and technologies that help optimize content delivery through personalized recommendations. We aggregate advertiser demand on behalf of media partners, providing them with critical monetization. Media partners benefit from the combined scale of technology, data and users, which we derive from the large volume of partners and advertisers that use our platform.

Our product suite for media partners, Outbrain Engage™, encompasses multiple key technologies, enabling media partners to:

- *Delight users through personalized feeds and data-driven recommendations*
- *Monetize content through customized, data-driven advertising*
- *Maximize user engagement*
- *Manage their business*

Our Offering for Advertisers

Our platform enables advertisers to have one-on-one interactions with consumers, at scale. We provide advertisers a powerful open web platform with significant reach and exclusive inventory, helping them connect with audiences on premium digital properties. Using Outbrain Amplify™, our product suite for advertisers, we enable them to focus their campaigns on the users most likely to engage with their ads. Advertisers log into our platform directly to create campaigns, load or automatically generate creative assets, and manage their advertising activity on the open web, all while optimizing spend toward engagement and ROAS.

Outbrain Amplify provides advertisers with:

- *Seamless and non-intrusive ads*
- *Ads optimized for engagement*
- *Results—optimize and pay for performance*
- *Quality*

Our Personalized Feed Experience for Users—Smartfeed

Smartfeed is our personalized feed solution that drives deeper discovery of content, products and services, longer sessions and better user engagement. Smartfeed powers the content feeds of thousands of the world’s most prestigious digital media owners, combining highly engaging multimedia formats, such as text and image, or video, with a diverse range of experiences and dynamic optimizations, continuously improving a personalized user experience.

Our Strengths

- *Mission-critical partner for digital media owners.* We provide digital media partners with mission-critical technology, an “operating system,” that increases user engagement and content monetization.
- *Unique, at-scale platform for advertisers.* Through our vast and predominantly exclusive relationships with media partners, we provide advertisers with access to approximately 1 billion unique monthly users.
- *Unique proprietary data and algorithms driving a virtuous cycle.* Our direct integrations across our partners’ properties provide us with a large volume of proprietary first-party engagement data. Leveraging our data, we continuously optimize our algorithms to improve CTR and ROAS. By delivering better results to advertisers we are able to grow our business and our platform, which, in

turn, helps us collect more data and further enhance our algorithms, driving better results for our partners, helping us further grow our platform and our business.

- ***Well positioned for a privacy-centric world.*** By integrating directly with our media partners' properties we generate proprietary first-party data and are able to collect and infer valuable user related data and insights. In addition, our ability to use unique contextual signals enables us to deliver strong user engagement and advertiser ROAS without the need to rely solely on user-based targeting, typically enabled through user tracking technologies that may not be available in the future.
- ***History of successful innovation.*** We pioneered our category and have been focused on innovation since our founding. To ensure seamless product innovation we operate as a continuous deployment engineering organization, releasing an average of approximately 250 code deployments daily.
- ***Scaled, profitable and diversified business.*** We have grown our business rapidly while achieving profitability, demonstrating the power of our technology, the strength of our partner and advertiser relationships and the inherent operating leverage of our model. Our business is well diversified.
- ***Team and culture.*** We rely on a global and diverse team of highly capable employees to collaborate, innovate, and execute our vision. 93% of our employees would "recommend Outbrain as a great place to work."

Our Growth Strategies

- ***Continuously improve user engagement***
- ***Grow our ad inventory***
- ***Grow advertiser spend***
- ***Drive adoption of high impact ad formats***
- ***Acquisitions and strategic partnerships***

Risk Factor Summary

Investing in our common stock involves risks. You should consider carefully the risks described in "Risk Factors" beginning on page [12](#) before making a decision to invest in our common stock. If any of these risks actually occurs, our business, financial condition or results of operations would likely be materially adversely affected. In such cases, the trading price of our common stock would likely decline, and you may lose all or part of your investment. The following is a summary of some of the principal risks we face:

- Our revenue and results of operations are highly dependent on overall advertising demand and traffic generated by our media partners;
- A failure to grow or to manage growth effectively may cause the quality of our platform and solutions to suffer, and may adversely affect our business, results of operations, and financial condition;
- Continued growth in our business may place demands on our infrastructure and resources;
- Our research and development efforts may not meet the demands of a rapidly evolving technology market;
- Loss of media partners could have a significant impact on our revenue and results of operations;
- Our sales and marketing efforts may require significant investments and, in certain cases, involve long sales cycles;
- The failure of our recommendation engine to accurately predict user engagement may adversely affect our business, results of operations, and financial condition;
- If the quality of our recommendations deteriorates, or if we fail to present interesting content to our users, we may experience a decline in user engagement, which could result in the loss of media partners;

- The digital advertising industry is intensely competitive, and if we do not effectively compete against current and future competitors, our business, results of operations, and financial condition could be adversely affected;
- Limitations on our ability to collect, use, and disclose data to deliver advertisements;
- Failures or loss of the hardware, software and infrastructure on which we rely, or security breaches, could adversely affect our business; and
- Political and regulatory risks in the various markets in which we operate; the challenges of compliance with differing and changing regulatory requirements.

Industry Data

This prospectus includes data, forecasts and information obtained from industry publications and surveys and other information available to us. Some data is also based on our good faith estimates, which are derived from management's knowledge of the industry and independent sources. We have not independently verified any of the data from third-party sources, nor have we ascertained the underlying assumptions relied upon therein. While we are not aware of any misstatements regarding the industry data presented herein, estimates and forecasts involve uncertainties and risks and are subject to change based on various factors, including those discussed under the headings "Special Note Regarding Forward-Looking Statements" and "Risk Factors" in this prospectus.

Emerging Growth Company Status

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act (the "JOBS Act") enacted in April 2012. We intend to take advantage of certain exemptions under the JOBS Act from various public company reporting requirements, including not being required to have our internal control over financial reporting audited by our independent registered public accounting firm pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act"), reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and any golden parachute payments not previously approved. In addition, we have in this prospectus taken and intend to continue to take advantage of certain reduced reporting obligations, including disclosing only two years of audited consolidated financial statements and only two years of related management's discussion and analysis of financial condition and results of operations. We may take advantage of these exemptions until the earlier of the last day of the fiscal year following the fifth anniversary of the completion of this offering or the date we cease to be an "emerging growth company," which will be the earliest of (i) the last day of the fiscal year in which we have more than \$1.07 billion in annual revenue; (ii) the date we qualify as a "large accelerated filer"; and (iii) the date on which we have, during the previous three-year period, issued more than \$1 billion in non-convertible debt securities.

In addition, the JOBS Act provides that an "emerging growth company" can take advantage of an extended transition period for complying with new or revised accounting standards. This provision allows an emerging growth company to delay the adoption of some accounting standards until those standards would otherwise apply to private companies. We have elected to use the extended transition period under the JOBS Act. Accordingly, our consolidated financial statements may not be comparable to the financial statements of public companies that comply with such new or revised accounting standards.

Corporate Information

Outbrain Inc. was incorporated in Delaware in August 2006. Our principal executive offices are located at 222 Broadway, 19th Floor, New York, NY 10038, and our telephone number is (646) 859-8594. Our website address is www.outbrain.com. Information contained on, or that can be accessed through, our website does not constitute a part of this prospectus and is not incorporated by reference herein. We have included our website address in this prospectus solely for informational purposes.

Throughout this prospectus, we refer to various trademarks, service marks and trade names that we use in our business. The “Outbrain” design logo is the property of Outbrain Inc. Outbrain[®] is our registered trademark in the United States. We have several other trademarks, service marks and pending applications relating to our products. In particular, although we have omitted the “[®]” and “T” trademark designations in this prospectus from each reference to all rights to such trademarks are nevertheless reserved. Other trademarks and service marks appearing in this prospectus are the property of their respective holders.

	The Offering
Common stock offered by us	shares
Common stock to be outstanding after this offering	shares
Option to purchase additional shares of common stock from us	shares
Use of proceeds	<p>We intend to use the net proceeds from this offering for working capital and general corporate purposes, including research and development expenditures focused on product development and sales and marketing expenditures aimed at growing our business.</p> <p>We may also use a portion of the net proceeds to make acquisitions or investments in complementary companies or technologies, although we do not have any agreement or understanding with respect to any such acquisition or investment at this time. See “Use of Proceeds.”</p>
Proposed NYSE symbol	OBRN
	<p>The number of shares of our common stock that will be outstanding after this offering is based on 76,533,149 shares of common stock outstanding as of March 31, 2021. The number of shares of common stock to be outstanding after this offering excludes (1) 8,636,999 shares of common stock issuable upon the exercise of stock options outstanding under our 2007 Plan (as defined below) with a weighted-average exercise price of \$3.84 per share; (2) 6,404,423 restricted stock units, or RSUs, outstanding with respect to our common stock under our 2007 Plan; (3) 1,055,852 shares of common stock issuable upon the exercise of outstanding common stock warrants with a weighted-average exercise price of \$2.92 per share; (4) 5,764 stock appreciation rights, or SARs, outstanding with respect to our common stock under our 2007 Plan; (5) 190,245 restricted stock awards, or RSAs, outstanding with respect to our common stock under our 2007 Plan; and (6) 1,130,194 shares of common stock reserved for future issuances and grants under our 2007 Plan.</p> <p>Our LTIP (as defined in “Executive Compensation—Equity Compensation Plans—2021 Long-Term Incentive Plan”), provides for annual automatic increases in the number of shares reserved thereunder. Our LTIP also provides for increases to the number of shares that may be granted thereunder based on shares under our 2007 Omnibus Securities and Incentive Plan, as amended and restated, or our 2007 Plan, that expire, are forfeited or otherwise repurchased by us, as more fully described in the section titled “Executive Compensation—Equity Compensation Plans.”</p> <p>Unless otherwise indicated, all information in this prospectus:</p> <ul style="list-style-type: none"> • gives effect to the filing and effectiveness of our amended and restated certificate of incorporation in Delaware and the effectiveness of our amended and restated bylaws, which will occur immediately prior to the closing of this offering; • gives effect to the conversion of all outstanding shares of convertible preferred stock into an aggregate of shares 47,009,166 shares of common stock, which will occur immediately prior to the closing of this offering; • gives effect to the issuance of 1,055,852 shares of common stock upon the exercise of warrants immediately prior to the closing of this offering and the receipt of \$3,079,876 by us from such exercise; • assumes an initial public offering price of \$ per share of common stock, the midpoint of the estimated initial public offering price range set forth on the cover page of this prospectus; and • assumes no exercise by the underwriters of their option to purchase additional shares. <p>In accordance with the antidilution provisions set forth in our amended and restated certificate of incorporation in effect prior to the closing of this offering, depending on the price of the shares sold in this</p>

offering, the shares of our Series D, Series F and Series G convertible preferred stock outstanding immediately prior to the closing of this offering may convert into a higher number of shares of common stock. A change in conversion ratio could also result in us recognizing a beneficial conversion charge on the closing of this offering. Under the provisions of our amended and restated certificate of incorporation, we will not know the conversion rate of our Series D, Series F and Series G convertible preferred stock until the public offering price is determined. See “Conversion of Series D, Series F and Series G Convertible Preferred Stock” for a discussion of the impact of different public offering prices on the conversion rates of such series of convertible preferred stock.

Summary Consolidated Financial and Other Data

The following tables set forth our summary consolidated financial and other data. You should read the following summary consolidated financial and other data in conjunction with “Selected Consolidated Financial and Other Data,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our audited consolidated financial statements and related notes included elsewhere in this prospectus. Historical results are not necessarily indicative of future results. Our financial statements have been prepared in accordance with U.S. Generally Accepted Accounting Principles, or U.S. GAAP.

The summary consolidated statements of operations data for each of the years in the two-year period ended December 31, 2020 are derived from our audited consolidated financial statements appearing elsewhere in this prospectus.

	Year Ended December 31,	
	2020	2019
	(in thousands, except per share data)	
Statements of Operations Data:		
Revenue	\$767,142	\$687,333
Cost of revenue:		
Traffic acquisition costs	572,802	517,000
Other cost of revenue	29,278	28,548
Gross profit	165,062	141,785
Operating expenses:	154,885	156,370
Income (loss) from operations	10,177	(14,585)
Interest expense	(832)	(601)
Interest income and other income (expense), net	(1,695)	152
Income (loss) before provision for income taxes	7,650	(15,034)
Provision for income taxes	3,293	5,480
Net income (loss)	<u>\$ 4,357</u>	<u>\$ (20,514)</u>
Net income (loss) per share—basic	\$ 0.06	\$ (0.79)
Net income (loss) per share—diluted	\$ 0.05	\$ (0.79)

	As of December 31,	
	2020	2019
	(in thousands)	
Balance Sheet Data:		
Cash and cash equivalents	\$ 93,641	\$ 49,593
Total assets	356,486	282,524
Total liabilities	273,855	209,742
Convertible preferred stock	162,444	162,444
Total stockholders’ deficit	(79,813)	(89,662)

	<u>Year Ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
	(in thousands)	
Statement of Cash Flows Data:		
Net cash provided by operating activities	\$52,986	\$16,740
Net cash used in investing activities	(9,423)	(7,589)
Net cash used in financing activities	(4,228)	(3,659)
	<u>Year Ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
	(in thousands)	
Non-GAAP Performance Metrics⁽¹⁾:		
Revenue Ex-TAC	\$194,340	\$170,333
Adjusted EBITDA	41,145	19,275
Adjusted EBITDA as % of Revenue Ex-TAC	21.2%	11.3%
<hr/>		
<p>⁽¹⁾ For information on how we define and compute Revenue Ex-TAC and Adjusted EBITDA and for reconciliations to the corresponding GAAP measures, which are gross profit and net income, respectively, see “Selected Consolidated Financial and Other Data—Non-GAAP Financial Measures.”</p>		

Risk Factors

This offering and an investment in our shares of common stock involve a high degree of risk. You should consider carefully the risks described below and all other information contained in this prospectus, before you decide to buy our shares of common stock. If any of the following risks actually occurs, our business, financial condition and results of operations could be materially and adversely affected. In that event, the trading price of our shares of common stock would likely decline and you might lose all or part of your investment.

Risks Related to Outbrain and Outbrain's Industry

Our revenue and results of operations are highly dependent on overall advertising demand in the markets in which we operate. Factors that affect the amount of advertising spending, such as economic downturns and unexpected events, like the COVID-19 pandemic, can make it difficult to predict our revenue and could adversely affect our business, results of operations, and financial condition.

Our business depends on the overall demand for advertising in the markets in which we operate and on the business trends of our current and prospective media partners and advertisers. Macroeconomic factors could cause advertisers to reduce their advertising budgets, including adverse economic conditions and general uncertainty about economic recovery or growth, particularly in North America, EMEA (Europe, Middle East and Africa), and Asia, where we conduct most of our business, as well as instability in political or market conditions generally. Reductions in overall advertising spending as a result of these factors or due to the occurrence of unanticipated events could make it difficult to predict our future performance. The occurrence of unforeseen events, like the pandemic, that affect advertising demand may have a disproportionate impact on our revenues and profitability in certain periods and could adversely affect our business, results of operations, and financial condition.

We cannot predict the extent to which the ongoing and evolving COVID-19 pandemic, including the resulting global economic uncertainty, and measures taken in response to the pandemic, could adversely affect our business, results of operations, and financial condition.

In March 2020, the World Health Organization (“WHO”) characterized the rapid spread of the COVID-19 disease as a pandemic. Since then, the COVID-19 pandemic has disrupted the global economy and put unprecedented strains on governments, health care systems, educational institutions, businesses, and individuals around the world, resulting in regional quarantines, labor shortages or stoppages, changes in consumer purchasing patterns, disruptions to the ability of service providers to deliver data on a timely basis, or at all, and overall economic instability. The impact on the global population and the duration of the COVID-19 pandemic is difficult to assess or predict. It is also difficult to predict the impact on the global economic market, which depends upon the actions of governments, businesses, and other enterprises in response to the pandemic and the effectiveness of those actions. The pandemic has already caused, and is likely to result in further, significant disruption of global financial markets and economic uncertainty. Although the advertising market and our business have generally recovered from the economic effects of the COVID-19 pandemic, it did initially impact our sales and operations adversely. We continue to monitor our operations, and the operations of those in our ecosystem (including media partners, advertisers and agencies), as well as government recommendations.

In response to the COVID-19 pandemic, we required most employees to work remotely, suspended all non-essential travel worldwide for our employees, canceled or postponed company-sponsored events, and discouraged employee attendance at industry events and in-person work-related meetings. Although we continue to monitor the situation and will adjust our current policies over time, temporarily suspending travel and doing business remotely could negatively impact our marketing efforts, lengthen sales cycles, slow down our recruiting efforts, and/or create operational or other challenges as we adjust to a fully (or partially)-remote workforce, any of which could adversely affect our business, results of operations, and financial condition.

By contrast, as the economy recovers and pandemic concerns ease, certain media partners may experience a decline in traffic from the height of traffic during the work-from-home peak digital usage periods. As a result, by comparison to our 2020 results of operations, our results of operations in future periods may be unpredictable.

In order to meet our growth objectives, we will need to continue to innovate, seek to have advertisers and media partners adopt our expanding solutions, and extend our reach into evolving digital media platforms. If we fail to grow, or fail to manage our growth effectively, the quality of our platform and solutions may suffer, and our business, results of operations, and financial condition may be adversely affected.

Our growth plans depend upon our ability to innovate, attract advertisers and media partners to our solutions to buy and sell new inventory, and expand the use of our solutions by advertisers and media partners utilizing other digital media platforms and video. Our business model may not translate well into emerging forms of advertising due to market resistance or other factors, and we may not be able to innovate successfully enough to compete effectively.

The advertising technology market is dynamic, and our success depends upon our ability to develop innovative new technologies and solutions for the evolving needs of sellers of digital advertising, including websites, applications and other media partners, and buyers of digital advertising. We also need to grow significantly to develop the market reach and scale necessary to compete effectively with large competitors. This growth depends to a significant degree upon the quality of our strategic vision and planning. The advertising market is evolving rapidly, and if we make strategic errors, there is a significant risk that we will lose our competitive position and be unable to achieve our objectives. The growth we are pursuing may itself strain the organization, harming our ability to continue that growth, and to maintain the quality of our operations. If we are not able to innovate and grow successfully, the value of our company may be adversely affected.

The continued growth in our business may place demands on our infrastructure and our operational, managerial, administrative, and financial resources.

Our success will depend on our ability to manage growth effectively. Among other things, this will require us at various times to:

- strategically invest in the development and enhancement of our platform and data center infrastructure;
- manage multiple relationships with various media partners, advertisers, and other third parties;
- extend our operating, administrative, legal, financial, and accounting systems and controls;
- increase coordination among our engineering, product, operations, go-to-market and other support organizations; and
- recruit, hire, train, and retain personnel.

If we do not manage our growth well, the efficacy and performance of our platform may suffer, which may harm our reputation and reduce demand for our platform and solutions. Failure to manage our growth effectively may have an adverse effect on our business, results of operations, and financial condition.

Our research and development efforts may not meet the demands of a rapidly evolving technology market resulting in a loss of customers, revenue, and/or market share.

We expect to continue to dedicate significant financial and other resources to our research and development efforts in order to maintain or improve our competitive position. However, investing in research and development personnel, developing new solutions and enhancing existing solutions is expensive and time consuming. Our research and development activities may be directed at maintaining or increasing the performance of our recommendations, developing tools that improve productivity or efficiency, or introducing new solutions. However, there is no assurance that such activities will result in significant new marketable solutions, enhancements to our current solutions, design improvements, additional revenue or other expected benefits. Furthermore, there is no assurance that our efforts to promote new or enhanced solutions, like video solutions or new advertiser tools, will be successful. If we spend significant time and effort on research and development but are unable to generate an adequate return on our investment, our business, results of operations, and financial condition may be adversely affected.

Loss of large media partners could have a significant impact on our revenue and results of operations.

A significant portion of our recommendations are placed on web pages and mobile applications of a small number of our media partners. Certain partners may reduce or terminate their business with us at any time for any reason, including as a result of changes in their financial condition or other business circumstances, such as a change in strategy or model by which they monetize their properties. In 2020 and 2019, each of our two largest media partners accounted for approximately 10% of our revenues. If a large media partner reduces or terminates its relationship with us, or if several small or medium-sized media partners terminate their relationships with us, we may not have access to sufficient media partners to satisfy demand from advertisers resulting in lower revenues. In addition, losing key media partners may lead advertisers to seek alternate advertising solutions, which could slow our growth. A media partner may terminate its relationship with us and enter into a relationship with a competitor, and to the extent that becomes a long-term relationship, reestablishing our relationship with that media partner may prove difficult. As discussed below, establishing relationships with media partners may involve long sales cycles. As a result, the loss of a significant media partner relationship or of several small or medium-sized media partner relationships could have a material adverse impact on our business, results of operations and financial condition.

Our sales and marketing efforts may require significant investments and, in certain cases, involve long sales cycles, and may not yield the results we seek.

Our sales and marketing teams educate prospective media partners and advertisers about the use, technical capabilities, and benefits of our platform. Our sales cycle (with both media partners as well as with certain advertisers and agencies) can take significant time from initial contact to contract execution and implementation. We may not succeed in attracting new media partners despite our significant investment in business development, sales and marketing and it is complex to predict the extent of the revenue that will be generated with a media partner. We may not succeed in expanding relationships with existing media partners and advertisers, despite our significant investment in sales, account management, marketing, and research and development and it is difficult to predict when additional products will generate revenue through our platform, and the extent of that revenue. Programmatic partners tend to have a longer sales cycle with distinct technical and integration requirements, as well as a separate ongoing partner management process.

Our revenue growth and future prospects will be adversely affected if we fail to expand our advertiser relationships.

Our revenue growth depends on our success in expanding and deepening our relationships with existing advertisers. Our growth strategy is premised in part on increasing spend from existing advertisers. In order to do so, we must be able to demonstrate better results for our advertisers with increased user engagement and return on ad spend (“ROAS”), among other things. We also seek to increase the number of advertisers and to reach new advertisers. Attracting new advertisers and expanding existing relationships with our advertisers requires substantial effort and expense. In particular, large advertisers with well-established brands may require us to spend significant time educating them about our platform and solutions. It may be difficult and time consuming to identify, sell and market to potential advertisers who already allocate their budgets to large competitors and who expect to see a similar return on investment before diversifying or allocating a portion of their advertising budgets to us. In addition, as we expand the application of our solutions, we increasingly depend on media agencies to assist advertisers in planning and purchasing advertising for brand marketing objectives, such as preference shift and brand awareness. If we are unsuccessful in developing new advertiser and agency relationships and maintaining and expanding our existing relationships, our results of operations and prospects will be adversely affected.

The failure of our recommendation engine to accurately predict user engagement may adversely affect our business, results of operations, and financial condition.

The success of our recommendation engine depends on the ability of our proprietary algorithms to predict the likelihood users will engage with our recommendations and on the quality of our data assets. We need to continuously deliver satisfactory results for users, media partners and advertisers in order to maintain revenue, which, in turn, depends in part on the optimal functioning of our platform and solutions. Therefore, a failure of our recommendation engine to accurately predict user engagement could negatively affect our results of operations and revenue.

If the quality of our recommendations deteriorates, or if we fail to present interesting content to our users, we may experience a decline in user engagement, which could result in the loss of media partners.

Our technology selects the recommendations that are displayed to users on the online properties of our media partners. Our success depends on our ability to make valuable recommendations, which, in turn, depends on the quality of recommendations in our index and our ability to predict engagement by an individual user within a specific context. We believe that one of our key competitive advantages is our recommendation technology. Subject to our advertiser guidelines, we offer our media partners a degree of flexibility with respect to the type of recommendation that they believe will appeal to their audience based on the editorial tone of their properties. If the quality of our recommendations suffers, whether due to our actions or decisions made by our media partners, or we are otherwise unable to provide users with valuable and relevant recommendations, user engagement may decline or perceptions of our recommendations may be adversely impacted. If we experience a decline in users or user engagement, our media partners and advertisers may in turn not view our solutions as attractive, which could harm our business, results of operations, and financial condition.

The content of advertisements could damage our reputation and brand, or harm our ability to expand our base of users, advertisers and media partners, and negatively impact our business, results of operations, and financial condition.

Our reputation and brand may be negatively affected by ads that are deemed to be hostile, infringing, offensive or inappropriate by users and media partners. From time to time, we make changes in our advertiser guidelines that can result in the inclusion or exclusion of certain types of ads. We cannot predict with certainty the impact that such changes might have on user engagement or perceptions of our recommendations. We have adopted policies regarding unacceptable advertisements and retain authority to remove ads that violate these policies; however, advertisers could nonetheless provide such content and occasionally circumvent our policies. If any of those ads lead to hostile, infringing, offensive or inappropriate content, our reputation could suffer by association. The safeguards we have in place may not be sufficient to avoid harm to our reputation and brand. This could adversely affect existing relationships with media partners and advertisers, as well as our ability to expand our user and media partner base, and harm our business, results of operations, and financial condition.

The digital advertising industry is intensely competitive, and if we do not effectively compete against current and future competitors, our business, results of operations, and financial condition could be adversely affected.

The digital advertising ecosystem is competitive and complex. Some of our competitors have longer operating histories, greater name recognition, and greater financial, technical, sales, and marketing resources than we have. In addition, some competitors may have greater flexibility than we do to compete aggressively on the basis of their scale, price and other contract terms, or to compete with us by including in their product offerings services that we may not provide. The market is fragmented and we also face competition from many smaller companies, many of which may be willing to offer their services on prices or terms that are not profitable for us. Some competitors are able or willing to agree to contract terms that expose them to risks and in order to compete effectively we might need to accommodate similar risks that could be difficult to manage or insure against. Media partners are investing in capabilities that enable them to connect more effectively and directly with advertisers. Our business may suffer to the extent that media partners and advertisers sell and purchase advertising inventory directly from one another or through intermediaries other than us, reducing the amount of advertising spend on our platform. If we are unable to compete effectively for media partners' inventory and/or advertisers' advertising spend, we may experience less demand, which could adversely affect our business, results of operations, and financial condition.

There has also been rapid evolution and consolidation in digital advertising, and we expect these trends to continue, thereby increasing the capabilities and competitive positioning of larger companies, particularly those that are already dominant. There is a finite number of large media partners and advertisers in our target markets, and any consolidation of media partners or advertisers may give the resulting enterprises greater bargaining power or result in the loss of media partners and advertisers that use our platform, reducing our potential base of media partners and advertisers, each of which would potentially erode our revenue.

With the introduction of new technologies and the influx of new entrants to the market, we expect competition to persist and intensify in the future, which could harm our ability to increase sales and maintain our profitability. In addition, we and our media partners compete indirectly for user engagement with larger search and social media companies, such as Facebook, Inc., Google Inc., LinkedIn Corp. and Twitter Inc. We also broadly compete for advertiser budgets with other forms of traditional and online marketing, including keyword advertising, social media marketing and display advertising.

Loss of existing or future market share to new competitors and advertisers allocating finite budgets to competitors could substantially harm our business, results of operations, and financial condition.

Our current business model depends on media partners maintaining open access digital properties, monetizing through advertising and attracting users to their digital properties, and could be impacted by continued pressure on the publishing industry.

Our platform depends on users being able to consume content freely on media partners' properties. Some media partners, typically those that participate in both print and digital publishing, charge their users a subscription fee for online access by implementing a paywall. Our business may be negatively impacted by media partners shifting from open access to paywalls because it may decrease our access to users and advertising inventory. If media partners shift their revenue models to a subscription-based service, they may decrease their reliance on other forms of revenue generation, including our recommendations and ads, which could negatively affect our business, results of operations, and financial condition.

Our results of operations may fluctuate significantly from period to period and may not meet our expectations or those of securities analysts and investors.

Our results of operations have fluctuated in the past, and future results of operations are likely to fluctuate as well. In addition, because our business continues to evolve, you should not place undue reliance on our historical results of operations in assessing our future prospects. Factors that can cause our results of operations to fluctuate include:

- changes in demand and competition for ad inventory sold on our platform;
- changes in our access to valuable ad inventory of media partners;
- the addition or loss of media partners on our platform, and costs associated with adding or attempting to retain them;
- seasonality of our business;
- changes in consumer usage of devices and channels to access media and digital content;
- changes in the structure of the buying and selling of digital ad inventory;
- changes in the pricing policies of media partners and competitors;
- changes in third-party service costs;
- changes and uncertainty in our legislative, regulatory, and industry environment, particularly in the areas of data protection and consumer privacy;
- introduction of new technologies or solutions;
- unilateral actions taken by demand side platforms, agencies, advertisers, media partners, and supply side platforms;
- changes in our capital expenditures as we acquire hardware, technologies, and other assets for our business; and
- changes to the cost of retaining and adding highly specialized personnel.

Any one or more of the factors above may result in significant fluctuations in our results of operations.

Our profitability may be adversely impacted, or may fluctuate on a quarterly basis, due to guarantees that we have provided to some of our media partners.

In order to secure favorable terms, such as exclusivity and longer-term agreements, we may offer media partners contracts with guaranteed minimum rates of payments. These guarantees require us to pay the media

owner for the ad impressions we receive, regardless of whether the consumer engages with the ad or we are paid by the advertiser. If the level of user engagement on a media partner property or overall advertiser demand falls, the payments to our media partners with guaranteed minimum rates of payment may adversely impact our Revenue Ex-TAC and our margins. This includes the possibility of paying a media partner an amount in excess of the revenue that we generated from ads served on that media partner property. The revenue from ads served on a media partner property or overall advertiser demand could drop for reasons outside of our control. It is also possible that we will agree to a rate of payment that is more difficult to profitably recoup than we originally believed. In addition, many of our contracts that contain guarantee arrangements set a single rate of payment and do not account for seasonal revenue fluctuations. As a result, our gross profit margins may fluctuate with the seasonality of the business. Although we have secured limited exemptions in contracts with guarantees, due to these factors, these guarantees may adversely impact our traffic acquisition costs in absolute dollar terms and as a percentage of revenue, as well as overall profitability. The provision of guaranteed minimum rates to additional media partners or to existing media partners upon contract renewal, or the provision of such guarantees in contracts that contemplate a large number of page views, such as some of the contracts we have entered into with large media partners, may increase the risk that our gross profit and/or margins may be adversely impacted for the reasons we describe above.

Seasonal fluctuations in advertising activity and large cyclical events could have a material impact on our revenue, cash flow and operating results.

Our revenue, cash flow, operating results and other key operating and performance metrics may vary from quarter to quarter due to the seasonal nature of our advertisers' spending. For example, advertisers tend to devote more of their advertising budgets to the fourth calendar quarter to coincide with user holiday spending. Moreover, advertising inventory in the fourth quarter may be more expensive due to increased demand. Other large cyclical events that attract advertisers, such as elections, the Olympics and other sporting events, the Oscars, or other large entertainment events, also could cause our revenue to increase during certain periods and decrease in other periods.

User growth and engagement depends upon effective interoperability with devices, platforms and standards set by third parties that we do not control.

Our recommendations are currently accessed through desktops, laptops and mobile devices, and are adaptable across many digital environments, including web pages, mobile applications, email and video players. In the future, our recommendations may be accessed through other new devices and media platforms. As a result, we depend on the interoperability of our solutions with popular devices, platforms and standards that we do not control. For example, because many users access our platform through mobile devices, we depend on the interoperability of our solutions with mobile devices and operating systems such as Android and iOS. Any changes in, or restrictions imposed by, such devices, platforms or standards that impair the functionality of our current or proposed solutions or give preferential treatment to competitive products or services could adversely affect usage of our platform.

Some users also download free or paid "ad blocking" software on their computers or mobile devices, not only for privacy reasons, but also to counteract the adverse effect advertisements can have on the user experience, including increased load times, data consumption, and screen overcrowding. If more users adopt these measures, our business, results of operations, and financial condition could be adversely affected. Many applications and other devices allow users to avoid receiving advertisements by paying for subscriptions or other downloads. Prominent media technology companies, including Google, are also limiting what advertisements may be rendered through their browsers in the name of user experience and load times. Ad-blocking technologies could have an adverse effect on our business, results of operations, and financial condition if they reduce the volume or effectiveness and value of advertising.

Prominent technology companies also have announced intentions to discontinue the use of cookies, and to develop alternative methods and mechanisms for tracking users. The most commonly used Internet browsers allow users to modify their browser settings to block first-party cookies (placed directly by the media partner or website owner that the user intends to interact with) or third-party cookies, and some browsers block third-party cookies by default. For example, Apple already prohibits the use of third-party cookies and has announced its intention to move to "opt-in" privacy models with its new iOS releases requiring users

to voluntarily choose (opt-in) to permit app developers to track them across applications and websites and therefore receive targeted ads. In January 2020, Google announced its intention to limit the use of third-party cookies potentially starting in 2022 in its Chrome web browser.

Mobile devices using Android and iOS operating systems limit the ability of cookies to track users while they are using applications other than their web browser on the device. As a consequence, fewer of our cookies or media partners' cookies may be set in browsers or be accessible in mobile devices, which adversely affects our business.

As companies replace cookies, it is possible that such companies may rely on proprietary algorithms or statistical methods to track users without cookies, or may utilize log-in credentials entered by users into other web properties owned by these companies, such as their email services, to track web usage, including usage across multiple devices. Alternatively, such companies may build different and potentially proprietary user tracking methods into their widely-used web browsers. Although we believe we are well positioned to adapt and continue to provide key data insights to our media partners without cookies, this transition could be more disruptive, slower, or more expensive than we currently anticipate, and could materially affect the accuracy of our recommendations and ads and thus our ability to serve our advertisers, adversely affecting our business, results of operations, and financial condition.

If we fail to detect and prevent click fraud or other invalid engagements with the advertisements we serve, we could lose the confidence of our advertisers, which would cause our business to suffer and negatively impact our financial results.

Our success relies on delivering measurable business value to our advertisers. We are exposed to the risk of fraudulent and otherwise invalid engagements that advertisers may perceive as undesirable. A major source of invalid engagements is click fraud in which a user, automated script or computer program intentionally engages with ads for reasons other than accessing the underlying content. If we are unable to detect and prevent such fraudulent or malicious activity, or other invalid engagements or if we choose to manage traffic quality in a way that advertisers find unsatisfactory, the affected advertisers may experience or perceive a reduced return on their investment in our platform, which could lead to dissatisfaction with our solutions, refusals to pay, refund demands or withdrawal of future business. This could damage our brand and lead to a financial loss or to a loss of advertisers which would adversely affect our business, results of operations, and financial condition.

Our business depends on our ability to maintain and scale our technology platform. Real or perceived errors or disruptions in our platform could adversely affect our operating results and growth prospects.

We depend upon the sustained and uninterrupted operation of our platform to generate recommendations, serve ads, manage our content index, continually improve and analyze our data assets and optimize performance in real time. If our platform cannot scale to meet demand, or if there are errors, bugs, or other performance failures in our execution of any of these functions on our platform, then our business may be harmed. Undetected bugs, defects, errors and other performance failures may occur, especially when we are implementing new solutions or features. Despite testing by us, errors in our platform may occur, which could result in negative publicity, damage to our brand and reputation, loss of or delay in market acceptance of our solutions, increased costs or loss of revenue, loss of competitive position or claims by advertisers or media partners for losses sustained by them. We also face risks of disruptions of service from third-party interference with our platform and cyber-attacks. For such occurrences, our platform is designed with degradation features that enable us to turn off our recommendations and ads without producing white space on the media partner's properties for the vast majority of our media partners. While we have robust systems in place to counter breaches and attacks, such as DoS (a technique used by hackers to take an Internet service offline by overloading its servers), we cannot guarantee that future attacks may not have dire consequences, including impacting what may be displayed on the properties of our media partners and advertisers. Disruptions to our platform and our servers could interrupt our ability to provide our solutions and materially affect our reputation, relationships with media partners and advertisers, business and results of operations. Moreover, alleviating problems resulting from errors or disruptions in our platform could require significant resources, which would adversely impact our financial position, and results of operations.

Failures or loss of the hardware, software and infrastructure on which we rely, or security breaches, could adversely affect our business.

We rely on owned and leased servers and other third-party hardware and infrastructure to support our operations. Our third-party data centers are co-located in three geographically separate locations managed by three different vendors in the United States. We do not control the operation of these facilities and such facilities could be subject to break-ins, computer viruses, sabotage, intentional acts of vandalism and other misconduct. Further, our servers and data centers are vulnerable to damage or interruption from fires, natural disasters, terrorist attacks, power loss, telecommunications failures or similar catastrophic events. If a data center goes offline, an alternate data center would take over our serving and data storage needs, but our service may be slowed or degraded as a result until full data center operations are restored. We cannot assure you that future outages may not have material adverse consequences to our business. Moreover, if for any reason our arrangement with one or more of the providers of the servers that we use is terminated, we could incur additional expenses in establishing new facilities and support.

Our business depends on our ability to collect, use, and disclose data to deliver advertisements. Any limitation imposed on our collection, use or disclosure of this data could significantly diminish the value of our solution.

We use “cookies,” or small text files placed on consumer devices when an Internet browser is used, as well as mobile device identifiers, to gather data that enables our platform to be more effective. We collect this data through various means, including code that media partners and advertisers implement on their pages, software development kits installed in mobile applications, our own cookies, and other tracking technologies. Our advertisers, directly or through third-party data providers, may choose to further target their campaigns within our platform using their data.

The data we collect improves our algorithms and helps us deliver relevant recommendations with greater user engagement. Our ability to collect and use data is critical to the value of our platform. Without cookies, mobile device IDs, and other tracking technology data, our recommendations would be informed by less information about user interests and advertisers may have less visibility into their return on ad spend. If our ability to use cookies, mobile device IDs or other tracking technologies is limited, we may be required to develop or obtain additional applications and technologies to compensate for the lack of cookies, mobile device IDs and other tracking technology data, which could be time consuming or costly to develop, less effective, and subject to additional regulation. There are many technical challenges relating to our ability to collect, aggregate and associate the data, and we cannot assure you that we will be able to do so effectively, which would adversely affect our business, results of operations, and financial condition.

We depend on highly skilled personnel to grow and operate our business, and if we are unable to hire, retain and motivate our personnel, we may not be able to grow effectively.

Our future success depends upon contributions from our employees, in particular our senior management team. We do not maintain key person life insurance for any employee. From time to time, there may be changes in our senior management team, and such changes may be disruptive to our business.

Our growth strategy also depends on our ability to expand and retain our organization with highly skilled personnel. Identifying, recruiting, training and integrating qualified individuals will require significant time, expense and attention. In addition to hiring new employees, we must continue to focus on retaining our best employees. Competition for highly skilled personnel in our industry is intense across all our locations, particularly in New York City, where our headquarters is located, and in Israel and Slovenia, where we conduct the majority of our research and development activities. We may need to invest significant amounts of cash and equity to attract and retain new employees and we may not realize returns on these investments. If we are not able to effectively add and retain employees, our ability to achieve our strategic objectives will be adversely impacted, and our business will be harmed.

Our corporate culture has contributed to our success, and if we cannot maintain it as we grow, we could lose the innovation, creativity, and teamwork fostered by our culture, and our business may be harmed.

We believe our corporate culture has been a critical component of our success as we believe it fosters innovation, creativity, and teamwork across our business, helping to drive our success. We cannot ensure we can effectively maintain our corporate culture as we continue to grow. As we expand and change, in

particular across multiple geographies, following acquisitions, or in a more remote environment, it may be difficult to preserve our corporate culture, which could reduce our ability to innovate, create, and operate effectively. In turn, the failure to preserve our culture could adversely affect our business, results of operations, and financial condition by negatively affecting our ability to attract, recruit, integrate and retain employees, continue to perform at current levels, and effectively execute our business strategy.

Conditions in Israel could materially and adversely affect our business.

Many of our employees, including certain members of our management team, operate from our offices in Israel. In addition, a number of our officers and directors are residents of Israel. Accordingly, political, economic and military conditions in Israel and the surrounding region may directly affect our business and operations. In recent years, Israel has been engaged in sporadic armed conflicts with Hamas, an Islamist terrorist group that controls the Gaza Strip, with Hezbollah, an Islamist terrorist group that controls large portions of southern Lebanon, and with Iranian-backed military forces in Syria. In addition, Iran has threatened to attack Israel and may be developing nuclear weapons. Some of these hostilities were accompanied by missiles being fired from the Gaza Strip, Lebanon and Syria against civilian targets in various parts of Israel, including areas in which our employees are located, which negatively affected business conditions in Israel. Any hostilities involving Israel or the interruption or curtailment of trade between Israel and its trading partners could adversely affect our operations, results of operations and financial condition.

Our commercial insurance does not cover losses that may occur as a result of events associated with war and terrorism. Although the Israeli government currently covers the reinstatement value of property damage and certain direct and indirect damages that are caused by terrorist attacks or acts of war, such coverage would likely be limited, may not be applicable to our business (either due to the geographic location of our offices or the type of business that we operate) and may not reinstate our loss of revenue or economic losses more generally. Furthermore, we cannot assure you that this government coverage will be maintained or that it will sufficiently cover our potential damages. Any losses or damages incurred by us could have a material adverse effect on our business. Any armed conflicts or political instability in the region would likely negatively affect business conditions and could harm our results of operations.

Further, in the past, the State of Israel and Israeli companies have been subjected to economic boycotts. Several countries still restrict business with the State of Israel and with Israeli companies. These restrictive laws and policies may have an adverse impact on the expansion of our business, financial condition and/or our results of operations. In addition, a campaign of boycotts, divestment and sanctions has been undertaken against Israel, which could also adversely impact our business.

In addition, many Israeli citizens are obligated to perform several days, and in some cases more, of annual military reserve duty each year until they reach the age of 40 (or older, for reservists who are military officers or who have certain occupations) and, in the event of a military conflict, may be called to active duty. In response to increases in terrorist activity, there have been periods of significant call-ups of military reservists. It is possible that there will be military reserve duty call-ups in the future. Our operations could be disrupted by such call-ups, particularly if such call-ups include the call-up of members of our management. Such disruption could materially adversely affect our business, financial condition and results of operations.

If currency exchange rates fluctuate substantially in the future, our results of operations, which are reported in U.S. dollars, could be adversely affected.

We are exposed to the effects of fluctuations in currency exchange rates. We incur operating expenses, including with respect to employee compensation, in local currencies at our offices outside of the United States and, most significantly, in Israel and the United Kingdom, and a significant percentage of our international revenue is from advertisers who pay us in currencies other than the U.S. dollar. Fluctuations in the exchange rates between the U.S. dollar and those other currencies could result in the U.S. dollar equivalent of such expenses being higher and/or the U.S. dollar equivalent of such foreign-denominated revenue being lower than would be the case if exchange rates were stable. This could have a negative impact on our reported operating results. We evaluate periodically the various currencies to which we are exposed and take hedging measures to reduce the potential adverse impact from the appreciation or the depreciation

of our non-U.S.-dollar-denominated operations, as appropriate. Any such strategies, such as forward contracts, options and foreign exchange swaps related to transaction exposures that we may implement to mitigate this risk may not fully eliminate our exposure to foreign exchange fluctuations.

Our tax liabilities may be greater than anticipated.

The U.S. and non-U.S. tax laws applicable to our business activities are subject to interpretation and are changing. We are subject to audit by the U.S. Internal Revenue Service (the “IRS”) and by taxing authorities of the state, local and foreign jurisdictions in which we operate. Our tax obligations are based in part on our corporate operating structure, including the manner in which we develop, value, use and hold our intellectual property, the jurisdictions in which we operate, how tax authorities assess revenue-based taxes such as sales and use taxes, the scope of our international operations, and the value we ascribe to our intercompany transactions. Taxing authorities may challenge, and have challenged, our tax positions and methodologies for valuing developed technology or intercompany arrangements, positions regarding the collection of sales and use taxes, and the jurisdictions in which we are subject to taxes, which could expose us to additional taxes. Any adverse outcomes of such challenges to our tax positions could result in additional taxes for prior periods, interest and penalties, as well as higher future taxes. In addition, our future tax expense could increase as a result of changes in tax laws, regulations or accounting principles, or as a result of earning income in jurisdictions that have higher tax rates. For example, the European Commission has proposed, and various jurisdictions have enacted or are considering enacting laws that impose separate taxes on specified digital services, which may increase our tax obligations in such jurisdictions. Any increase in our tax expense could have a negative effect on our financial condition and results of operations. Moreover, the determination of our provision for income taxes and other tax liabilities requires significant estimates and judgment by management, and the tax treatment of certain transactions is uncertain. Given uncertainty with respect to the impact of the COVID-19 pandemic on our operations, the income tax benefit/expense we record may vary significantly in future periods. Any changes, ambiguity, or uncertainty in taxing jurisdictions’ administrative interpretations, decisions, policies and positions, including the position of taxing authorities with respect to revenue generated by reference to certain digital services, could also materially impact our income tax liabilities. Although we believe that our estimates and judgments are reasonable, the ultimate outcome of any particular issue may differ from the amounts previously recorded in our financial statements and any such occurrence could adversely affect our business, results of operations, and financial condition.

Our credit facility subjects us to operating restrictions and financial covenants that impose risk of default and may restrict our business and financing activities.

In 2013, we entered into a loan and security agreement with Silicon Valley Bank (“SVB”) that, as amended to date, provides a senior secured revolving credit facility in the aggregate principal amount of up to \$35 million. As of December 31, 2020, we had no borrowings outstanding under this loan and security agreement. Borrowings under this agreement are secured by substantially all of our assets, including all accounts receivable and proceeds from sales of our intellectual property, and are subject to a negative pledge on our intellectual property in favor of SVB. This credit facility is subject to certain financial and other covenants, as well as restrictions that limit our ability without prior written consent, among other things, to:

- dispose of or sell our assets;
- make material changes in our business, management or ownership (other than in connection with a public offering);
- consolidate or merge with other entities;
- incur additional indebtedness;
- create liens on our assets;
- pay dividends;
- make investments, other than permitted investments; and
- pay off or redeem subordinated indebtedness, unless permitted under the terms of the subordination.

These covenants may restrict our ability to finance our operations and to pursue our business activities and strategies. Our ability to comply with these covenants may be affected by events beyond our control. Our ability to renew our existing credit facility, which matures in November 2021, or to enter into a new credit facility to replace or supplement the existing facility may be limited due to various factors, including the status of our business, global credit market conditions, and perceptions of our business or industry by sources of financing. In addition, if credit is available, lenders may seek more restrictive covenants and higher interest rates that may reduce our borrowing capacity, increase our costs, and reduce our operating flexibility. If we do not have or are unable to generate sufficient cash available to repay our debt obligations when they become due and payable, either upon maturity or in the event of a default, we may not be able to obtain additional debt or equity financing on favorable terms, if at all.

We may engage in strategic transactions, which may not yield a positive financial outcome. Further, such activity may result in the company operating in businesses beyond its current core business with risk factors beyond those which are identified here.

From time to time, we may evaluate potential mergers and acquisitions or investment opportunities. We have made a number of acquisitions in the past. Any transactions that we enter into could be material to our financial condition and results of operations. The process of integrating an acquired company, business or technology could create unforeseen operating difficulties and expenditures. Acquisitions and investments carry with them a number of risks, including the following:

- diversion of management time and focus from operating our business;
- implementation or remediation of controls, procedures and policies of the acquired company;
- integration of financial systems;
- coordination of product, engineering and selling and marketing functions;
- retention of employees from the acquired company;
- unforeseen liabilities;
- litigation or other claims arising in connection with the acquired company; and
- in the case of foreign acquisitions, the need to integrate operations across different cultures and languages and to address the particular economic, currency, political and regulatory risks associated with specific countries.

Our failure to address these or other risks encountered in connection with acquisitions could cause us to fail to realize the anticipated benefits of such acquisitions, resulting in unanticipated liabilities and harming our business, results of operations and financial condition.

Regulatory Risks

Our business is subject to political and regulatory risks in the various markets in which we operate; compliance with differing and changing regulatory requirements poses compliance challenges.

Our business is subject to regulation, which is rapidly evolving, and the business and regulatory environment in each of the international markets in which we operate may differ. For example, regulations relating to our business, including our employees, our arrangements with media partners and advertisers, and privacy related regulations affect how we conduct our business. The following are some of the political and regulatory risks and challenges we face across jurisdictions:

- greater difficulty in enforcing contracts;
- higher costs of doing business internationally, including costs incurred in establishing and maintaining office space and equipment for our international operations;
- risks associated with trade restrictions and foreign legal requirements, including any certification and localization of our platform that may be required in foreign countries;
- greater risk of unexpected changes in regulatory practices, tariffs, and tax laws and treaties;

- compliance with anti-bribery laws, including, without limitation, compliance with the U.S. Foreign Corrupt Practices Act and the UK Bribery Act;
- compliance with data collection and privacy law regimes of various countries;
- heightened risk of unfair or corrupt business practices in certain geographies and of improper or fraudulent sales arrangements that may impact financial results and result in restatements of, or irregularities in, financial statements;
- the uncertainty of protection for intellectual property rights in some countries;
- general economic and political conditions in these foreign markets, including political and economic instability in some countries;
- the potential for heightened regulation relating to content curation or discovery as a result of concerns relating to the spread of disinformation through technology platforms; and
- double taxation of our international earnings and potentially adverse tax consequences due to changes in the tax laws of the United States or the foreign jurisdictions in which we operate.

We are subject to laws and regulations related to data privacy, data protection, and information security, and consumer protection across different markets where we conduct our business, including in the United States and Europe. Such laws, regulations, and industry requirements are constantly evolving and changing and could potentially impact data collection and data usage for advertising and recommendations. Our actual or perceived failure to comply with such obligations could have an adverse effect on our business, results of operations, and financial condition.

We receive, store, and process data about or related to users in addition to our media partners, advertisers, services providers and employees. Our handling of this data is subject to a variety of federal, state, and foreign laws and regulations and is subject to regulation by various government authorities. Our data handling also is subject to contractual obligations and may be deemed to be subject to industry standards.

The U.S. federal and various state and foreign governments have adopted or proposed limitations on the collection, distribution, use, and storage of data relating to individuals, including the use of contact information and other data for marketing, advertising and other communications with individuals and businesses. In the United States, various laws and regulations apply to the collection, processing, disclosure, and security of certain types of data. Additionally, the Federal Trade Commission and many state attorneys general are interpreting federal and state consumer protection laws as imposing standards for the online collection, use, dissemination, and security of data and issuing separate guidance in this area. If we fail to comply with any such laws or regulations, we may be subject to enforcement actions that may not only expose us to litigation, fines, and civil and/or criminal penalties, but also require us to change our business practices as well as have an adverse effect on our business, results of operations, and financial condition.

The regulatory framework for data privacy issues worldwide is evolving and is likely to remain uncertain for the foreseeable future. The occurrence of unanticipated events often rapidly drives the adoption of legislation or regulation affecting the use, collection, or other processing of data and manners in which we conduct our business. Restrictions could be placed upon the collection, management, aggregation, and use of information, which could result in a material increase in the cost of collecting or otherwise obtaining certain kinds of data and could limit the ways in which we may use or disclose information. In particular, interest-based advertising, or the use of data to draw inferences about a user's interests and deliver relevant advertising to that user, and similar or related practices (sometimes referred to as interest-based advertising, behavioral advertising or personalized advertising), such as cross-device data collection and aggregation, steps taken to de-identify personal data, and to use and distribute the resulting data, including for purposes of personalization and the targeting of advertisements, have come under increasing scrutiny by legislative, regulatory, and self-regulatory bodies in the United States and abroad that focus on consumer protection or data privacy (and also by app platforms, as discussed above). Much of this scrutiny has focused on the use of cookies and other technologies to collect information about Internet users' online browsing activity on web browsers, mobile devices, and other devices, to associate such data with user or device identifiers or de-identified identities across devices and channels. Because we rely upon large volumes of such data collected primarily through cookies and similar technologies, it is possible that these efforts may have a substantial

impact on our ability to collect and use data from Internet users, and it is essential that we monitor developments in this area domestically and globally, and engage in responsible privacy practices, including providing users with notice of the types of data we collect and how we use that data to provide our services.

In the United States, the U.S. Congress and state legislatures, along with federal regulatory authorities have recently increased their attention on matters concerning the collection and use of consumer data. In the United States, non-sensitive consumer data generally may be used under current rules and regulations, subject to certain restrictions, so long as the person does not affirmatively “opt-out” of the collection or use of such data. If an “opt-in” model or other more restrictive regulations were to be widely adopted in the United States, less data would be available, and could adversely affect our business.

California enacted legislation, the California Consumer Privacy Act, along with related regulations (together, the “CCPA”), which became effective in 2020. The CCPA creates individual privacy rights for California residents and increases the privacy and security obligations of businesses handling personal data. The CCPA is enforceable by the California Attorney General and there is also a private right of action relating to certain data security incidents. The CCPA generally requires covered businesses to, among other things, provide disclosures to California consumers and afford California consumers abilities to opt-out of the sharing of personal data between parties, a concept that is defined broadly, and although formal guidance has not been issued, behavioral advertising is believed to trigger such requirements under the CCPA by us, consumer advocacy groups and in some cases our larger competitors. We cannot yet fully predict the impact of the CCPA or subsequent guidance on our business or operations, but it may require us to further modify our data processing practices and policies and to incur substantial costs and expenses in an effort to comply. Decreased availability and increased costs of information could adversely affect our ability to meet our advertisers’ requirements and could have an adverse effect on our business, results of operations, and financial condition.

Additionally, starting in January 2023, the California Privacy Rights Act (“CPRA”), which was voted into law in November 2020 and amends the CCPA, imposes additional data protection obligations on certain businesses doing business in California, including honoring additional consumer rights and limiting the use and processing of personal data including sensitive data. In addition, the CPRA explicitly requires businesses to provide consumers with the right to opt-out of sharing of personal data with third parties for behavioral advertising. Accordingly, the CPRA could have an adverse effect on our business, results of operations, and financial condition.

Further, in March, 2021, Virginia enacted the Consumer Data Protection Act (“CDPA”), which will also take effect on January 1, 2023. The CDPA, similar to the CCPA and CPRA, provides various individual privacy rights to Virginia residents concerning the processing of their personal data by businesses subject to the CDPA. The CDPA also imposes certain obligations on businesses, including the requirements to obtain opt-in consent to process sensitive data, to implement and maintain reasonable security requirements, and to conduct and document data protection impact assessments concerning the processing of personal data for purposes of behavioral advertising. Similar to the CPRA, businesses must provide consumers with the right to opt-out of the processing of their personal data for behavioral advertising. The effects of the CCPA, CPRA, and CDPA are potentially significant and may require us to modify our data collection or processing practices and policies and to incur substantial costs and expenses in an effort to comply and increase our potential exposure to regulatory enforcement and/or litigation.

The CCPA has encouraged “copycat” laws in other states across the country, such as in Connecticut, Florida, New York, Oklahoma, and Washington. This legislation may add additional complexity, variation in requirements, restrictions, and potential legal risk, require additional investment in resources to compliance programs, and could impact strategies and availability of previously useful data and could result in increased compliance costs and/or changes in business practices and policies. Such new privacy laws add additional complexity, requirements, restrictions, and potential legal risk, require additional investment in resources to compliance programs, and could impact trading strategies and availability of previously useful data.

In Europe, the General Data Protection Regulation (EU) 2016/679 (“GDPR”) took effect on May 25, 2018 and applies to products and services that we provide in Europe, as well as the processing of personal data of European Economic Area (“EEA”) citizens, wherever that processing occurs. The GDPR includes

operational requirements for companies that receive or process personal data of residents of the EEA that are different than those that were in place in the EEA prior to the GDPR. Failure to comply with GDPR, or the UK GDPR in the United Kingdom, may result in significant penalties for non-compliance ranging from €10 million to €20 million or 2% to 4% of an enterprise's global annual revenue, whichever is greater in the case of the GDPR or the greater of £17.5 million or 4% of the total worldwide turnover in the preceding financial year in the case of the United Kingdom. In addition to the foregoing, a breach of the GDPR or the UK GDPR could result in regulatory investigations, reputational damage, orders to cease/change our processing of our data, enforcement notices, and/or assessment notices (for a compulsory audit). We may also face civil claims including representative actions and other class action type litigation (where individuals have suffered harm), potentially amounting to significant compensation or damages liabilities, as well as associated costs, diversion of internal resources, and reputational harm.

There is an increasing focus on compliance requirements with respect to the digital advertising ecosystem, including criticism that the Internet Advertising Bureau ("IAB") Transparency & Consent Framework ("TCF") is inherently incompatible with GDPR given the high velocity personal data trading. The UK Information Commissioner's Office has also recently announced it has restarted its investigation into the adtech industry which will look in particular at data management platforms and the role of data brokers. If the TCF is invalidated, we may not have another means of adequately requesting and obtaining consent, which could negatively affect our business, results of operations, and financial condition.

Further, in the European Union, current national laws that implement the ePrivacy Directive (2002/58/EC) will be replaced by an EU Regulation, known as the ePrivacy Regulation, which will significantly increase fines for non-compliance and impose burdensome requirements around placing cookies. While the text of the ePrivacy Regulation is still under development, a European court decision and regulators' recent guidance in the Court of Justice of the European Union ("CJEU") Fashion ID case are driving increased attention to cookies and tracking technologies. On April 7, 2021 the Austrian online privacy campaign group NYOB announced that it filed a complaint with the French information commissioner's office (the "CNIL"), against the use of the Google Android Advertising Identifier code on the ground that users do not have the opportunity to delete the code and that this amounts to a violation of ePrivacy laws. As regulators start to enforce the strict approach (which has already begun to occur in Germany, where data protection authorities have initiated a probe on third-party cookies), this could lead to substantial costs, require significant systems changes, limit the effectiveness of our marketing activities, divert the attention of our technology personnel, adversely affect our margins, increase costs, and subject us to additional liabilities.

In addition, some countries are considering or have passed legislation implementing data protection requirements or requiring local storage and processing of data or similar requirements that could increase the cost and complexity of delivering our services. Though GDPR intended to harmonize the privacy and data protection laws across the EEA, member state interpretations of the law continue to vary making an already detailed regulatory framework increasingly complex to comply with. For example, as of October 1, 2020, CNIL clarified their interpretative position and began to enforce their guidelines around consent and cookies and consequently consent management platforms.

Any failure to achieve required data protection standards may result in lawsuits, regulatory fines, or other actions or liability, all of which may harm our results of operations. It is possible that CCPA, GDPR, UK GDPR and the ePrivacy Regulation in Europe and related standards may be interpreted and applied in manners that are, or are asserted to be, inconsistent with our data management practices or the technological features of our solutions. The risk is further exacerbated because of the evolving interpretation and application of privacy and data protection laws.

In addition to government regulation, privacy advocacy and industry groups may propose new and different self-regulatory standards that either legally or contractually apply to us or our advertisers. We are members of self-regulatory bodies that impose additional requirements related to the collection, use, and disclosure of consumer data. Under the requirements of these self-regulatory bodies, in addition to other compliance obligations, we are obligated to provide consumers with notice about our use of cookies and other technologies to collect consumer data and of our collection and use of consumer data for certain purposes, and to provide consumers with certain choices relating to the use of consumer data. Some of these self-regulatory bodies have the ability to discipline members or participants, which could result in fines, penalties,

and/or public censure (which could in turn cause reputational harm). Additionally, some of these self-regulatory bodies might refer violations of their requirements to the Federal Trade Commission or other regulatory bodies. If we were to be found responsible for such a violation, it could adversely affect our reputation, as well as our business, results of operations, and financial condition.

If media partners, advertisers, and data providers do not obtain necessary and requisite consents from consumers for us to process their personal data, we could be subject to fines and liability.

Pursuant to GDPR, the UK GDPR and related ePrivacy laws, media partners and any downstream partners, are required to obtain unambiguous consent from EEA data subjects to process their personal data, which the industry has addressed through the release and widespread adoption of the IAB TCF in April 2018 and subsequent 2.0 update in August 2020. Because we do not have direct relationships with users, we rely on media partners, advertisers, and data providers, as applicable, to implement notice or choice mechanisms required under applicable laws, and transmit notification of the consent (or no consent) of the user to us. Where applicable, we may only use user data to deliver interest-based advertisements where we have consent. If media partners, advertisers, or data providers do not follow the process (and in any event as the legal requirements in this area continue to evolve and develop), we could be subject to fines and liability. We may not have adequate insurance or contractual indemnity arrangements to protect us against any such claims and losses.

Recent rulings from the Court of Justice of the European Union invalidated the EU-U.S. Privacy Shield as a lawful means for transferring personal data from the EEA or the UK to the United States; this introduces increased uncertainty and may require us to change our EEA/UK data practices and/or rely on an alternative legally sufficient compliance measure.

The GDPR and the UK GDPR, generally prohibit the transfer of personal data of EEA/UK subjects outside of the EEA/UK, unless a lawful data transfer solution has been implemented or a data transfer derogation applies. On July 16, 2020, in a case known as Schrems II, the CJEU ruled on the validity of two of the primary data transfer solutions. The first method, EU-U.S. Privacy Shield operated by the U.S. Department of Commerce (the “Privacy Shield”), was declared invalid as a legal mechanism to transfer data from EEA/UK to the United States. As a result, despite the fact that we had certified our compliance to the Privacy Shield, we may no longer rely on this mechanism as a lawful means to transfer EEA/UK data to us in the United States. While the United States and the European Union are in discussions regarding a replacement to the Privacy Shield, we cannot predict if it will happen or if it does, what impact it will have on our business and industry.

The second mechanism, Standard Contractual Clauses (“SCCs”), for EEA/UK data transfers was upheld as a valid legal mechanism for transnational data transfer. However, the ruling requires that European organizations seeking to rely on the SCCs to export data out of the EEA/UK ensure the data is protected to a standard that is “essentially equivalent” to that in the EEA/UK including, where necessary, by taking “supplementary measures” to protect the data. It remains unclear what “supplementary measures” must be taken to allow the lawful transfer of personal data to the United States, and it is possible that EEA/UK data protection authorities may determine that there are no supplementary measures that can legitimize EU-U.S. data transfers. For the time being, we rely on SCCs for EU-U.S. transfers of EEA/UK personal data and explore what “supplementary measures” can be implemented to protect EEA/UK personal data that is transferred to us in the United States. It remains unclear whether SCCs can cover our use of cookies and other tracking technologies placed directly on users’ browsers or devices through our media partners or advertisers’ websites. New SCCs are likely to come into effect in the course of 2021 and the existing SCCs will need to be replaced by the new SCCs. It is possible that the new SCCs may require us to reassess the basis upon which we can transfer personal data out of the EEA/UK.

We may also need to restructure our data export practices as a result of Brexit. Under the EU-UK Trade and Cooperation Agreement signed on December 30, 2020, following the expiry of the transition period, the UK will continue to benefit from the free movement of data from the EEA until the earlier of (a) the European Commission reaching an adequacy decision with respect to the UK; or (b) a period of four months (which may be extended for a further two months) from the date the EU-UK Trade and Cooperation Agreement enters into force (the Specified Period). The European Commission has now published its draft adequacy decision, finding that the United Kingdom does ensure an adequate level of

data protection. Before the decision is formally adopted, the European Data Protection Board will need to issue a non-binding opinion on the draft and each member state must approve the decision. There is currently uncertainty as to how long this process will take. In the interim, transfers of personal data from the EEA to the UK will not be considered transfers to a third country. Should approval not be obtained prior to the expiry of the Specified Period, organizations will be required to implement a valid data transfer mechanism for data transfers from the EEA to the UK.

In the event that use of the SCCs is subsequently invalidated as a solution for data transfers to the United States, or there are additional changes to the data protection regime in the EEA/UK resulting in any inability to transfer personal data from the EEA/UK to the United States in compliance with data protection laws, European media partners and advertisers may be more inclined to work with businesses that do not rely on such compliance mechanisms to ensure legal and regulatory compliance, such as EEA/UK-based companies or other competitors that do not need to transfer personal data to the United States in order to avoid the above-identified risks and legal issues. Such changes could cause us to incur penalties under GDPR or UK GDPR and could increase the cost and complexity of operating our business.

If the security of the confidential information or personal data of our media partners and the users of our media partner properties stored in our systems is breached or otherwise subjected to unauthorized access, our reputation may be harmed and we may be exposed to liability.

We believe that we take reasonable steps to protect the security, integrity and confidentiality of the information we collect and store, but there is no guarantee that inadvertent (e.g., software bugs or other technical malfunctions, employee error or malfeasance, or other factors) or unauthorized disclosure will not occur or that third parties will not gain unauthorized access to this information despite our efforts. To reduce our vulnerability, we have a dedicated information security team responsible for improving and coordinating security across the company. We (i) conduct routine employee training sessions and onboarding security training, including phishing simulation, to increase awareness of phishing and other cyber threats; (ii) require multi-factor authentication access methods for all employees into our network; (iii) operate general monitoring and service protections that are subject to continuous enhancements to detect and mitigate various threats, including performing ongoing manual and automatic vulnerability assessment tests; (iv) manage an ongoing cyber risk-management framework to assess internal technological changes, as well as external systems and services as part of supply chain risk; and (v) maintain ISO 27001 security certification. However, since techniques used to obtain unauthorized access frequently evolve, we may be unable to anticipate these techniques or to implement adequate preventative measures. If our security measures are breached because of third-party action, employee error, malfeasance or otherwise, or if design flaws in our software are exposed and exploited, and, as a result, a third party obtains unauthorized access to any of our users' data, our relationships with our users may be damaged, and we could incur liability. In addition, some jurisdictions have enacted laws requiring companies to notify individuals of data security breaches involving certain types of personal data, and our agreements with certain partners require us to notify them in the event of a security incident. These mandatory disclosures regarding a security breach sometimes lead to negative publicity and may cause our users, media partners or advertisers to lose confidence in the effectiveness of our data security measures. In the European Union/United Kingdom a data breach involving personal data will generally require notification of the national Information Commissioner's Office and, where the risk to individuals is high, notification of the affected individuals themselves. In the European Union/United Kingdom there is possibility of significant fines being imposed in the event of a security breach. Any security breach, whether actual or perceived, may harm our reputation, and we could lose users or fail to acquire new users, media partners or advertisers, all of whom may, in addition, have claims against us as a result of a security breach. Users also may be able to bring a class action against us.

We face reputational and litigation risks, including potential claims relating to our media partners' and advertisers' activities.

From time to time, we may be subject to litigation claims, whether arising in connection with employment or commercial matters, or in connection with regulatory issues, including certain terms in our commercial agreements. We also may be exposed to potential claims brought by third parties against us, our media partners or our advertisers. Such claims may allege, for example, that our advertisers' recommendations

(including the destination page reached) infringe the intellectual property or other rights of third parties, is false, deceptive, misleading or offensive, or that our advertisers' products are defective or harmful.

Our reputation as a business with high standards of regulatory compliance depends in part on our media partners' and advertisers' adherence to laws and regulations of multiple jurisdictions concerning copyright, trademark and other intellectual property rights, unfair competition, privacy and data protection, and truth-in-advertising, and their use of our platform in ways consistent with users' expectations. In general, we require our media partners and advertisers to comply with all applicable laws, including all applicable intellectual property, privacy and data protection regulations. We rely on contractual representations from media partners and advertisers that they will comply with all such applicable laws. We make reasonable efforts to enforce contractual notice requirements, but, due to the nature of our business, we are unable to audit fully our media partners' and advertisers' compliance with our recommended disclosures or with applicable laws and regulations. If our media partners or advertisers were to breach their contractual or other requirements in this regard, or a court or governmental agency were to determine that we, our media partners and/or our advertisers failed to comply with any applicable law, then we may be subject to potentially adverse publicity, damages and related possible investigation, litigation or other regulatory activity. In addition, any perception that we, our media partners and/or our advertisers fail to comply with current or future regulations and industry practices, may expose us to public criticism, collective redress actions, reputational harm or claims by regulators, which could disrupt our industry and/or operations and expose us to increased liability.

In some instances, we may be required to indemnify media partners against such claims with respect to our advertisers' campaigns. Therefore, we may require our advertisers to indemnify us for any damages from any such claim, although in certain cases we may not be so indemnified. We cannot assure prospective investors that our advertisers will have the ability to satisfy their indemnification obligations to us, in whole, in part or at all, and pursuing any claims for indemnification may be costly or unsuccessful. As a result, we may be required to satisfy indemnification obligations to media partners, or claims against us, with our own assets.

As a result of any of the above, we could become involved in litigation, whether on our own, or involving or concerning our media partners or advertisers, including class action claims, and, as a result, may become subject to significant liability, including claims for damages and financial penalties. Such circumstances could have a material adverse effect on our reputation, business operations, financial position, competitive position and prospects.

We may be unable to obtain, maintain and protect our intellectual property rights and proprietary information or prevent third parties from making unauthorized use of our intellectual property.

Our intellectual property rights are important to our business. We rely on a combination of confidentiality clauses, trade secrets, copyrights, patents and trademarks to protect our intellectual property and know-how. However, the steps we take to protect our intellectual property may be inadequate. We will not be able to protect our intellectual property if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property. Despite our precautions, it may be possible for unauthorized third parties, including our employees, consultants, service providers, media partners or advertisers, to copy our products and/or obtain and use information that we regard as proprietary to create solutions and services that compete with ours. We cannot assure you that the steps taken by us will prevent misappropriation of our trade secrets or technology or infringement of our intellectual property. In addition, the laws of some foreign countries where we operate do not protect our proprietary rights to as great an extent as the laws of the United States, and many foreign countries do not enforce these laws as diligently as government agencies and private parties in the United States.

Our policy is to enter into confidentiality and invention assignment agreements with our employees and consultants and enter into confidentiality agreements with the parties with whom we have strategic relationships and business alliances. No assurance can be given that these agreements will be effective in controlling access to our proprietary information and other intellectual property. Further, these agreements do not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our solutions.

We may from time to time be subject to claims of prior use, opposition or similar proceedings with respect to applications for registrations of our intellectual property, including but not limited to our

trademarks and patent applications. The process of seeking patent protection can be lengthy and expensive, and any of our pending or future patent or trademark applications, whether or not challenged, may not be issued with the scope of the claims we seek, if at all. We are unable to guarantee that patents or trademarks will issue from pending or future applications or that, if patents or trademarks issue, they will not be challenged, invalidated or circumvented, or that the rights granted under the patents will provide us with meaningful protection or any commercial advantage. We rely on our brand and trademarks to identify our solutions to our media partners and advertisers and to differentiate our solutions from those of our competitors. If we are unable to adequately protect our trademarks, third parties may use our brand names or trademarks similar to ours in a manner that may cause confusion to our users or confusion in the market, or dilute our brand names or trademarks, which could decrease the value of our brand.

From time to time, we may discover that third parties are infringing, misappropriating or otherwise violating our intellectual property rights. However, policing unauthorized use of our intellectual property and misappropriation of our technology is difficult and we may therefore not always be aware of such unauthorized use or misappropriation. Despite our efforts to protect our intellectual property rights, unauthorized third parties may attempt to use, copy or otherwise obtain and market or distribute our intellectual property rights or technology or otherwise develop solutions with the same or similar functionality as our solutions. If competitors infringe, misappropriate or otherwise misuse our intellectual property rights and we are not adequately protected, or if such competitors are able to develop solutions with the same or similar functionality as ours without infringing our intellectual property, our competitive position and results of operations could be harmed and our legal costs could increase.

We may be subject to intellectual property rights claims by third parties, which are costly to defend and could require us to pay significant damages and could limit our ability to use technology or intellectual property.

We operate in an industry with extensive intellectual property litigation. There is a risk that our business, platform, and services may infringe or be alleged to infringe the trademarks, copyrights, patents, and other intellectual property rights of third parties, including patents held by our competitors or by non-practicing entities. We may also face allegations that our employees have misappropriated or divulged the intellectual property of their former employers or other third parties. Regardless of whether claims that we are infringing patents or other intellectual property rights have any merit, the claims are time consuming, divert management attention and financial resources and are costly to evaluate and defend. Some of our competitors have substantially greater resources than we do and are able to sustain the cost of complex intellectual property litigation to a greater extent and for longer periods of time than we could. Results of these litigation matters are difficult to predict and may require us to stop offering some features, purchase licenses, which may not be available on favorable terms or at all, or modify our technology or our platform while we develop non-infringing substitutes, or incur significant settlement costs. Any of these events could adversely affect our business, results of operations, and financial condition.

Our platform relies on third-party open source software components. Failure to comply with the terms of the underlying open source software licenses could expose us to liabilities, and the combination of open source software with code that we develop could compromise the proprietary nature of our platform.

Our platform utilizes software licensed to us by third-party authors under “open source” licenses and we expect to continue to utilize open source software in the future. The use of open source software may entail greater risks than the use of third-party commercial software, as open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. To the extent that our platform depends upon the successful operation of the open source software we use, any undetected errors or defects in this open source software could prevent the deployment or impair the functionality of our platform, delay new solutions introductions, result in a failure of our platform, and injure our reputation. For example, undetected errors or defects in open source software could render it vulnerable to breaches or security attacks, and, in conjunction, make our systems more vulnerable to data breaches. Furthermore, some open source licenses contain requirements that we make available source code for modifications or derivative works we create based upon the type of open source software we use. If we combine our proprietary software with open source software in a specific manner, we could, under some open source licenses, be required to release the source code of our proprietary software to the public. This

would allow our competitors to create similar solutions with lower development effort and time and ultimately put us at a competitive disadvantage.

Although we monitor our use of open source software to avoid subjecting our platform to conditions we do not intend, we cannot assure you that our processes for controlling our use of open source software in our platform will be effective. If we are held to have breached the terms of an open source software license, we could be required to seek licenses from third parties to continue operating using our solution on terms that are not economically feasible, to re-engineer our solution or the supporting computational infrastructure to discontinue use of code, or to make generally available, in source code form, portions of our proprietary code.

Risks Related to this Offering, the Securities Markets and Ownership of Our Common Stock

The trading price of the shares of our common stock is likely to be volatile, and purchasers of our common stock could incur substantial losses.

Technology stocks historically have experienced high levels of volatility. The trading price of our common stock following this offering may fluctuate substantially. Following the completion of this offering, the market price of our common stock may be higher or lower than the price you pay in the offering, depending on many factors, some of which are beyond our control and may not be related to our results of operations. These fluctuations could cause you to incur substantial losses, including all of your investment in our common stock. Factors that could cause fluctuations in the trading price of our common stock include the following:

- significant volatility in the market price and trading volume of technology companies in general and of companies in the digital advertising industry in particular;
- announcements of new solutions or technologies, commercial relationships, acquisitions, or other events by us or our competitors;
- price and volume fluctuations in the overall stock market from time to time;
- changes in how advertisers perceive the benefits of our platform and future offerings;
- the public's reaction to our press releases, other public announcements, and filings with the U.S. Securities and Exchange Commission (the "SEC");
- fluctuations in the trading volume of our shares or the size of our public float;
- sales of large blocks of our common stock;
- actual or anticipated changes or fluctuations in our results of operations;
- changes in actual or future expectations of investors or securities analysts;
- litigation involving us, our industry, or both;
- governmental or regulatory actions or audits;
- regulatory developments applicable to our business, including those related to privacy in the United States or globally;
- general economic conditions and trends;
- major catastrophic events in our domestic and foreign markets; and
- departures of key employees.

In addition, if the market for technology stocks, the stock of digital advertising companies or the stock market, in general, experiences a loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, results of operations, or financial condition. The trading price of our common stock might also decline in reaction to events that affect other companies in the digital advertising industry even if these events do not directly affect us. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been brought against that company. If litigation is instituted against us, we could incur substantial costs and divert management's attention and resources.

There has been no prior public trading market for our common stock, and an active trading market for our common stock might not develop.

Before this offering, there has been no public market for shares of our common stock. We cannot assure you that an active trading market for our shares will develop or that any market will be sustained. We cannot predict the prices at which our common stock will trade. The initial public offering price of our stock will be determined by negotiations between us and the underwriters, and may not bear any relationship to the price at which our common stock will trade after the completion of this offering or to any other established criteria of the value of our business.

In addition, the market price of our common stock following this offering is likely to be highly volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control. Accordingly, we cannot assure you of the liquidity of any trading market, your ability to sell your shares of our common stock when desired or the prices that you may obtain for your shares of our common stock.

If securities or industry analysts do not publish research or publish unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our common stock will, to some extent, depend on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts. If one or more of the analysts who cover us should downgrade our shares, change their opinion of our business prospects or publish inaccurate or unfavorable research about our business, our share price may decline. If one or more of these analysts who cover us ceases coverage of our company or fails to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our share price or trading volume to decline.

We will have broad discretion in the use of proceeds from this offering and may invest or spend the proceeds in ways with which you do not agree and in ways that may not yield a return.

We intend to use the net proceeds from this offering for working capital and general corporate purposes, including research and development expenditures focused on product development and sales and marketing expenditures aimed at growing our business. We may also use a portion of the net proceeds to make acquisitions or investments in complementary companies or technologies, although we do not have any agreement or understanding with respect to any such acquisition or investment at this time. Consequently, our management will have broad discretion over the specific use of these net proceeds and may do so in a way with which our investors disagree. The failure by our management to apply and invest these funds effectively may not yield a favorable return to our investors and may adversely affect our business, results of operations, and financial condition. Pending their use, we may invest the net proceeds from this offering in a manner that does not produce income or that loses value. If we do not use the net proceeds that we receive in this offering effectively, our business, results of operations, and financial condition could be adversely affected.

Substantial future sales of our common stock could cause the market price of our common stock to decline.

The market price of our common stock could decline as a result of substantial sales of our common stock, particularly sales by our directors, executive officers and significant stockholders, a large number of shares of our common stock becoming available for sale or the perception in the market that holders of a large number of shares intend to sell their shares. Immediately following completion of this offering, we will have _____ shares of common stock outstanding, based on the number of shares outstanding as of March 31, 2021. The remaining shares are currently restricted securities. Substantially all of these shares are also subject to lock-up agreements restricting their sale for 180 days after the date of this proxy statement/prospectus.

After this offering, the holders of an aggregate of 47,009,166 shares of our common stock will have rights, subject to some conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or our stockholders. We also intend to register shares of common stock that we may issue under our employee equity incentive plans. Once

we register these shares, they will be able to be sold freely in the public market upon issuance, subject to existing market stand-off and/or lock-up agreements.

Purchasers in this offering will experience immediate and substantial dilution in the book value of their investment.

If you invest in our common stock in this offering, your ownership interest will be diluted to the extent of the difference between the initial public offering price per share of our common stock and the pro forma as adjusted net tangible book value per share of our common stock immediately after this offering. Net tangible book value dilution per share to new investors represents the difference between the amount per share paid by purchasers of shares of our common stock in this offering and the pro forma as adjusted net tangible book value per share of our common stock immediately after completion of this offering.

Following the offering, a small number of significant beneficial owners of our common stock acting together will have a significant influence over matters requiring stockholder approval, which could delay or prevent a change of control.

Following the offering, the largest beneficial owners of our common stock, Lightspeed Venture Partners (“Lightspeed”), Viola Ventures III, L.P. (“Viola Ventures”), entities affiliated with Gemini Israel Ventures (“Gemini Israel”), entities affiliated with Index Ventures (“Index Ventures”), Gruner + Jahr GmbH (“G+J”), and Yaron Galai each of which currently beneficially owns more than 5% of our outstanding common stock, will beneficially own in the aggregate % of our outstanding common stock. As a result, these stockholders, if they act together, could exercise significant influence over our operations and business strategy since they will have sufficient voting power to control the outcome of matters requiring stockholder approval. These matters may include:

- the composition of our board of directors which has the authority to direct our business and to appoint and remove our officers;
- approving or rejecting a merger, consolidation or other business combination;
- raising future capital; and
- amending our certificate of incorporation which governs the rights attached to our common stock.

This concentration of ownership of our shares could delay or prevent proxy contests, mergers, tender offers, open-market purchase programs or other purchases of our common stock that might otherwise give you the opportunity to realize a premium over the then-prevailing market price of our common stock. This concentration of ownership may also adversely affect our share price.

Upon completion of this offering, our existing stockholders will continue to have significant influence over the outcome of corporate actions requiring stockholder approval, including the election of directors, any merger, consolidation or sale of all or substantially all of our assets or any other significant corporate transaction. As only some of our stockholders own Series D, Series F and Series G convertible preferred stock, changes in our valuation in connection with this offering will impact the conversion ratio of our Series D, Series F and Series G convertible preferred stock and thus the relative ownership of our common stock upon completion of this offering among our existing stockholders.

Failure to design, implement and maintain effective internal controls may adversely affect investor confidence in our company and, as a result, the value of our common stock.

As a result of becoming a public company, we will be obligated to develop and maintain proper and effective internal control over financial reporting. Following this offering, we will be required to disclose, on a quarterly basis, changes made in our internal control over financial reporting. We will also be required, pursuant to Section 404 of the Sarbanes-Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting as of the end of the first complete fiscal year after this offering. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. However, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over

financial reporting pursuant to Section 404 until the later of the year following our first annual report required to be filed with the SEC, or the date we are no longer an “emerging growth company” as defined in the JOBS Act. At such time, our independent registered public accounting firm may issue a report that is adverse if it is not satisfied with the level at which our controls are documented, designed or operating.

In preparation for becoming a public company, we have undertaken and continue to undertake a range of actions to augment our internal control over financial reporting. These include implementing new internal controls and procedures and hiring additional accounting and financial reporting staff. We intend to continue to enhance our internal control over financial reporting following this offering. Any failure of our internal controls could result in a material misstatement in our financial statements. Furthermore, if we are unable to conclude that our internal control over financial reporting is effective at the time that we are required to make such assessment, we could lose investor confidence in the accuracy and completeness of our financial reports, which would cause the price of our common stock to decline, and we may be subject to investigation or sanctions by the SEC.

We are an emerging growth company subject to reduced disclosure requirements, and there is a risk that availing ourselves of such reduced disclosure requirements will make our common stock less attractive to investors.

We are an emerging growth company, and for as long as we continue to be an emerging growth company, we intend to take advantage of exemptions from various reporting requirements such as, but not limited to, not being required to obtain auditor attestation of our reporting on internal control over financial reporting, having reduced disclosure obligations about our executive compensation in this prospectus and in our periodic reports and proxy statements, and not being required to hold advisory stockholder votes on executive compensation and stockholder approval of any golden parachute payments not previously approved. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock, and our stock price may be more volatile.

In addition, Section 107 of the JOBS Act provides that an “emerging growth company” can take advantage of an extended transition period for complying with new or revised accounting standards. This provision allows an emerging growth company to delay the adoption of some accounting standards until those standards would otherwise apply to private companies. We have elected to use the extended transition period under the JOBS Act. Accordingly, our consolidated financial statements may not be comparable to the financial statements of public companies that comply with such new or revised accounting standards.

We will remain an emerging growth company until the earliest of: the end of the fiscal year in which the market value of the shares of our outstanding capital stock held by non-affiliates is \$700 million or more as of the end of the second quarter of that year, the end of the fiscal year in which we have total annual gross revenue of \$1.07 billion, the date on which we issue more than \$1.0 billion in nonconvertible debt in a three-year period, or five years from the date of our initial public offering.

Our management team has limited experience managing a public company and we will incur significantly increased costs and devote substantial management time as a result of operating as a public company.

Most members of our management team have limited experience managing a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws, rules, and regulations that govern public companies. As a public company, we are subject to significant obligations relating to reporting, procedures and internal controls, and our management team may not successfully or efficiently manage such obligations. These obligations and scrutiny will require significant attention from our management and could divert their attention away from the day-to-day management of our business, which could adversely affect our business, results of operations, and financial condition. We expect that these requirements will increase our compliance costs. We will need to hire additional accounting, financial, and legal staff with appropriate public company experience and technical accounting knowledge and may need to establish an internal audit function. We cannot predict or estimate the amount of additional costs we may incur as a result of becoming a public company or the timing of these costs.

We also expect that being a public company will make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher

costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors, particularly to serve on our audit committee and qualified executive officers.

The requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain executive management and qualified board members.

As a public company, we will be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the listing requirements of the NYSE and other applicable securities rules and regulations. Compliance with these rules and regulations will increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources, particularly after we are no longer an "emerging growth company."

The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and results of operations. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could adversely affect our business, results of operations, and financial condition. We may need to hire more employees in the future or engage outside consultants to comply with these requirements, which will increase our costs and expenses. In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business may be adversely affected. However, for as long as we remain an "emerging growth company" as defined in the JOBS Act, we may take advantage of certain exemptions from various reporting requirements that are applicable to "emerging growth companies" as described above. We may take advantage of these reporting exemptions until we are no longer an "emerging growth company."

We do not intend to pay dividends on our common stock, so any returns will be limited to the value of our common stock.

We have never declared or paid cash dividends on our common stock. We currently anticipate that we will retain any future earnings and do not expect to pay any dividends in the foreseeable future. Any determination to pay dividends in the future will be at the discretion of our board of directors and will depend on a number of factors, including our financial condition, results of operations, capital requirements, general business conditions and other factors that our board of directors may deem relevant. Our current credit facility imposes certain limitations on our ability to pay dividends and any new credit facility may contain certain similar restrictions. Until such time that we pay a dividend, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments.

We may need to raise additional funds to pursue our strategy, and we may be unable to raise capital when needed or on acceptable terms.

From time to time, we may seek additional equity or debt financing to fund our growth, develop new solutions or make acquisitions or other investments. Our business plans may change, general economic,

financial or political conditions in our markets may change, or other circumstances may arise that have a material adverse effect on our cash flow and the anticipated cash needs of our business. Any of these events or circumstances could result in significant additional funding needs, requiring us to raise additional capital. We cannot predict the timing or amount of any such capital requirements at this time. If financing is not available on satisfactory terms, or at all, we may be unable to expand our business or to develop new business at the rate desired and our results of operations may suffer.

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of our company, which may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current management.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws may delay or prevent an acquisition of us or a change in our management. These provisions include:

- authorizing “blank check” preferred stock, which could be issued by the board without stockholder approval and may contain voting, liquidation, dividend and other rights superior to our common stock, which would increase the number of outstanding shares and could thwart a takeover attempt;
- a classified board of directors whose members can only be dismissed for cause;
- the prohibition on actions by written consent of our stockholders;
- the limitation on who may call a special meeting of stockholders;
- the establishment of advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon at stockholder meetings; and
- the requirement of at least 75% of the outstanding capital stock to amend any of the foregoing second through fifth provisions.

In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which limits the ability of stockholders owning in excess of 15% of our outstanding voting stock to merge or combine with us. Although we believe these provisions collectively provide for an opportunity to obtain greater value for stockholders by requiring potential acquirers to negotiate with our board of directors, they would apply even if an offer rejected by our board were considered beneficial by some stockholders. In addition, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management.

Future events may impact our deferred tax asset position including deferred tax assets related to our utilization of net operating losses (“NOLs,” each a “NOL”) and U.S. deferred federal income taxes on undistributed earnings of international affiliates that are considered to be reinvested indefinitely.

We evaluate our ability to utilize deferred tax assets and our need for valuation allowances based on available evidence. This process involves significant management judgment regarding assumptions that are subject to change from period to period based on changes in tax laws or variances between future projected operating performance and actual results. We are required to establish a valuation allowance for deferred tax assets if we determine, based on available evidence at the time the determination is made, that it is more likely than not that some portion or all of the deferred tax assets will not be utilized. In making this determination, we evaluate all positive and negative evidence as of the end of each reporting period. Future adjustments (either increases or decreases), to a deferred tax asset valuation allowance are determined based upon changes in the expected realization of the net deferred tax assets. The utilization of our deferred tax assets ultimately depends on the existence of sufficient taxable income in either the carry-back or carry-forward periods under the applicable tax law. Due to significant estimates used to establish a valuation allowance and the potential for changes in facts and circumstances, it is reasonably possible that we will be required to record adjustments to a valuation allowance in future reporting periods. Changes to a valuation allowance or the amount of deferred taxes could have a materially adverse effect on our business, financial condition and results of operations. Further, while we have no current intention to do so in the foreseeable

future, should we change our assertion regarding the permanent reinvestment of the undistributed earnings of certain of our foreign subsidiaries, a deferred tax liability may need to be established.

The ability to fully utilize our NOL and tax credit carryforwards to offset future taxable income may be limited. Under Sections 382 of the Internal Revenue Code of 1986, as amended (the “Code”), if a corporation undergoes an “ownership change,” the corporation’s ability to use its pre-change NOL carryforwards to offset its post-change income may be limited. In general, an “ownership change” will occur if there is a cumulative change in our ownership by 5% or greater stockholders that exceeds 50% over a rolling three-year period. Similar rules may apply under state tax laws. We may experience ownership changes in the future as a result of future transactions in our stock. As a result, if we earn net taxable income, our ability to use our pre-change NOL carryforwards or other pre-change tax attributes to offset United States federal and state taxable income may be subject to limitations. Any such limitations on the ability to use our NOL carryforwards and other tax assets could adversely impact our business, financial condition, and operating results.

Special Note Regarding Forward-Looking Statements

This prospectus 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,” “target,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “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 described in the section entitled “Risk Factors” and elsewhere in this prospectus. 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. Forward-looking statements contained in this prospectus include, but are not limited to, statements regarding:

- overall advertising demand and traffic generated by our media partners;
- factors that affect advertising spending, such as economic downturns and unexpected events;
- the effects of the ongoing and evolving COVID-19 pandemic, including the resulting global economic uncertainty, and measures taken in response to the pandemic;
- our ability to continue to innovate, and adoption by our advertisers and media partners of our expanding solutions;
- our ability to extend our reach into evolving digital media platforms;
- our ability to continue to grow our business;
- our research and development efforts;
- the loss of one or more of our large media partners, and our ability to expand our advertiser and media partner relationships;
- our future financial and operating results;
- our ability to compete effectively against current and future competitors;
- our ability to maintain our profitability despite quarterly fluctuations in our results, whether due to seasonality, large cyclical events, or other causes; and
- our ability to maintain and scale our technology platform.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this prospectus. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this prospectus may not occur. The forward-looking statements made in this prospectus relate only to events as of the date on which the statements are made. 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 may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. 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.

Use of Proceeds

We estimate that the net proceeds from the sale of shares of our common stock will be approximately \$ _____ million, based on the assumed initial public offering price of \$ _____ per share, the midpoint of the estimated offering price range set forth on the cover of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters' option to purchase additional shares from us is exercised in full, we estimate that we will receive additional net proceeds of approximately \$ _____ million after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

Each \$1.00 increase (decrease) in the assumed initial public offering price per share would increase (decrease) the estimated net proceeds to us by approximately \$ _____ million (or approximately \$ _____ million if the underwriters exercise in full their option to purchase additional shares of common stock), assuming that the number of shares of common stock sold by us, as set forth on the cover page of this prospectus, remains the same and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of 100,000 shares in the number of shares of common stock offered by us would increase (decrease) the net proceeds to us from this offering by approximately \$ _____ million, assuming that the assumed initial public offering price remains the same, and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

The principal purposes of this offering are to obtain additional capital, to increase our financial flexibility and visibility in the marketplace, to create a public market for our common stock and to facilitate our future access to the public equity markets. We intend to use the net proceeds from this offering for working capital and general corporate purposes, including research and development expenditures focused on product development and sales and marketing expenditures aimed at growing our business.

We may also use a portion of the net proceeds to make acquisitions or investments in complementary companies or technologies, although we do not have any agreement or understanding with respect to any such acquisition or investment at this time.

We will have broad discretion over the uses of the net proceeds in this offering, and, as of the date of this prospectus, we have not allocated the net proceeds to particular uses. Until we use the proceeds we receive from this offering for the above-mentioned purposes, we intend to invest the net proceeds in short-term, investment-grade interest-bearing securities such as money market funds, certificates of deposit, commercial paper, high grade and investment grade corporate debt securities, and obligations of the U.S. government and government agencies.

Dividend Policy

We have never declared or paid any cash dividends on our common stock. We currently intend to retain any future earnings and do not expect to pay any cash dividends on our common stock for the foreseeable future. Any determination to pay dividends in the future will be at the discretion of our board of directors and will depend on a number of factors, including our earnings, capital requirements and overall financial condition. Our credit agreement for our revolving credit facility also contains restrictions on our ability to pay dividends.

Capitalization

The following table sets forth our cash and cash equivalents, and capitalization as of December 31, 2020 on:

- an actual basis;
- a pro forma basis, giving effect to (i) the automatic conversion of all outstanding shares of our convertible preferred stock into 47,009,166 shares of our common stock, (ii) the issuance of shares of common stock that will vest and be issued to holders of RSUs in connection with this offering and (iii) an approximately \$ million increase in accumulated deficit and increase to additional paid-in capital associated with stock-based compensation due to the satisfaction of the liquidity event vesting criteria of outstanding stock options, SARs, RSAs and RSUs in connection with this offering; and
- a pro forma as adjusted basis to give further effect to (i) the issuance and sale of the shares of our common stock offered by us in this offering and the application of the net proceeds therefrom at an assumed initial public offering price of \$ per share, the midpoint of the estimated initial public offering price range reflected on the cover page of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us and (ii) the issuance by us of shares of common stock upon the exercise of warrants immediately prior to the closing of this offering and the receipt of \$ million by us from such exercise.

The information below is illustrative only, and our capitalization following the closing of this offering will be adjusted based on the actual initial public offering price and other terms of the offering determined at the pricing of this offering. You should read this table in conjunction with the sections entitled “Selected Consolidated Financial and Other Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes included elsewhere in this prospectus.

	As of December 31, 2020		
	Actual	Pro Forma	Pro Forma As Adjusted
	(in thousands, except share data)		
Cash and cash equivalents	\$ 93,641	\$	\$
Convertible preferred stock, par value of \$0.001 per share, issuable in Series A, B, C, D, E, F, G and H; 47,203,157 shares authorized; 47,009,166 shares issued and outstanding; aggregate liquidation preference of \$200.4 million actual; no shares issued and outstanding, pro forma or pro forma as adjusted	162,444		
Common stock, par value of \$0.001 per share; 110,812,435 shares authorized; 29,169,963 shares issued and outstanding, actual; 110,812,435 shares authorized, shares issued and outstanding, pro forma; shares issued and outstanding, pro forma as adjusted	29		
Additional paid-in capital	92,693		
Accumulated other comprehensive loss	(4,290)		
Accumulated deficit	(168,245)		
Total stockholders’ deficit	(79,813)		
Total capitalization	\$ 82,631		

A \$1.00 increase (decrease) in the assumed initial public offering price of \$ per share, would increase (decrease) the as adjusted amount of each of cash and cash equivalents, additional paid-in capital, total stockholders’ deficit and total capitalization by approximately \$ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

Similarly, each increase (decrease) of 100,000 shares in the number of shares offered by us would increase (decrease) the as adjusted amount of each of cash and cash equivalents, additional paid-in capital, total stockholders' deficit and total capitalization by approximately \$ million, assuming that the initial public offering price of \$ per share remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters' option to purchase additional shares of our common stock from us were exercised in full, pro forma as adjusted cash and cash equivalents, additional paid-in capital, total stockholders' deficit and total capitalization as of December 31, 2020 would be \$ million, \$ million, \$ million and \$ million, respectively.

The number of shares of our common stock issued and outstanding as of December 31, 2020, excludes (1) 9,101,393 shares of our common stock issuable upon the exercise of stock options outstanding under our equity incentive plan with a weighted-average exercise price of \$3.74 per share; (2) 6,663,669 RSUs outstanding with respect to our common stock under our equity incentive plan; (3) 1,055,852 shares of common stock issuable upon the exercise of outstanding common stock warrants with a weighted-average exercise price of \$2.92 per share; (4) 5,764 SARs outstanding with respect to our common stock under our equity incentive plan; (5) 190,245 RSAs outstanding with respect to our common stock under our equity incentive plan; and (6) 805,359 shares of common stock reserved for future issuances and grants under our equity incentive plan.

The number of shares of our common stock that will be issued and outstanding as of December 31, 2020, pro forma and pro forma as adjusted excludes (1) 9,101,393 shares of our common stock issuable upon the exercise of stock options outstanding under our equity incentive plan with a weighted-average exercise price of \$3.74 per share; (2) 1,055,852 shares of our common stock issuable upon the exercise of outstanding common stock warrants with a weighted-average exercise price of \$2.92 per share; (3) 5,764 SARs outstanding with respect to our common stock under our equity incentive plan; and (4) 805,359 shares of common stock reserved for future issuances and grants under our equity incentive plan.

Dilution

If you invest in our common stock in this offering, your ownership interest will be diluted to the extent of the difference between the initial public offering price per share of our common stock and the pro forma as adjusted net tangible book value per share of our common stock immediately after this offering. Our pro forma net tangible book value as of December 31, 2020 was \$ _____ million, or \$ _____ per share of common stock. Net tangible book value per share represents the amount of our total tangible assets less our total liabilities, divided by the number of shares of common stock outstanding as of December 31, 2020, after giving effect to (i) the automatic conversion of all outstanding shares of our convertible preferred stock into shares of our common stock, which conversion will occur immediately prior to the closing of this offering and (ii) the net issuance of _____ shares of common stock upon the vesting of outstanding RSUs.

After giving effect to (i) the sale by us of shares of our common stock in this offering at an assumed initial public offering price of \$ _____ per share, which is the midpoint of the estimated offering price range reflected on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, (ii) the conversion of all outstanding shares of convertible preferred stock into shares of common stock immediately prior to the closing of this offering, (iii) a \$ _____ million reduction in retained earnings (deficit) and increase in additional paid-in capital associated with stock-based compensation due to the satisfaction of vesting criteria of outstanding stock options, SARs, RSAs and RSUs, and (iv) the issuance by us of common stock upon the exercise of stock options immediately prior to the closing of this offering and the receipt of \$ _____ million by us from such exercise, our pro forma as adjusted net tangible book value as of December 31, 2020 would have been approximately \$ _____ million, or approximately \$ _____ per share. This amount represents an immediate increase in pro forma net tangible book value of \$ _____ per share to our existing stockholders and an immediate dilution in pro forma net tangible book value of approximately \$ _____ per share to new investors purchasing shares of our common stock in this offering at the assumed initial public offering price. The following table illustrates this dilution:

Assumed initial public offering price per share	\$
Pro forma net tangible book value per share as of December 31, 2020	\$
Increase in pro forma net tangible book value per share attributable to new investors	_____
Pro forma as adjusted net tangible book value per share after this offering	_____
Dilution per share to new investors in this offering	\$ _____

Each \$1.00 increase (decrease) in the assumed initial public offering price of _____ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase (decrease) our pro forma as adjusted net tangible book value per share to new investors by \$ _____, and would increase (decrease) dilution per share to new investors in this offering by \$ _____, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of 100,000 shares in the number of shares offered by us would increase (decrease) our pro forma as adjusted net tangible book value by approximately \$ _____ per share and increase (decrease) the dilution to new investors by \$ _____ per share, assuming the assumed initial public offering price remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters' option to purchase additional shares of our common stock from us is exercised in full, the pro forma as adjusted net tangible book value per share of our common stock, as adjusted to give effect to this offering, would be \$ _____ per share, and the dilution in pro forma net tangible book value per share to new investors in this offering would be \$ _____ per share.

The following table presents on a pro forma as adjusted basis as of December 31, 2020, after giving effect to the automatic conversion of all outstanding shares of convertible preferred stock into our common stock immediately prior to the closing of this offering, the differences between the existing stockholders and the new investors purchasing shares of our common stock in this offering with respect to the number of

shares purchased from us, the total consideration paid or to be paid to us, which includes net proceeds received from the issuance of our common stock, convertible preferred stock, cash received from the exercise of stock options and the average price per share paid or to be paid to us at the assumed initial public offering price of \$ _____ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us:

	Shares Purchased		Total Consideration		Average
	Number	Percent	Amount	Percent	Price Per Share
Existing stockholders		%	\$	%	\$
New investors					
Total		100%		100%	

Each \$1.00 increase (decrease) in the assumed initial public offering price of \$ _____ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase (decrease) the total consideration paid by new investors and total consideration paid by all stockholders by approximately \$ _____ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of 100,000 shares in the number of shares offered by us would increase (decrease) the total consideration paid by new investors and total consideration paid by all stockholders by approximately \$ _____ million, assuming that the initial public offering price of \$ _____ per share remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Except as otherwise indicated, the above discussion and tables assume no exercise of the underwriters' option to purchase additional shares of our common stock from us. If the underwriters' option to purchase additional shares of our common stock were exercised in full, our existing stockholders would own _____ % and our new investors would own _____ % of the total number of shares of our common stock outstanding upon completion of this offering.

The number of shares of our common stock issued and outstanding as of December 31, 2020, excludes (1) 9,101,393 shares of our common stock issuable upon the exercise of stock options outstanding under our equity incentive plan with a weighted-average exercise price of \$3.74 per share; (2) 6,663,669 RSUs outstanding with respect to our common stock under our equity incentive plan; (3) 1,055,852 shares of our common stock issuable upon the exercise of outstanding common stock warrants granted with a weighted-average exercise price of \$2.92 per share; (4) 5,764 SARs outstanding with respect to our common stock under our equity incentive plan; (5) 190,245 RSAs outstanding with respect to our common stock under our equity incentive plan; and (6) 805,359 shares of common stock reserved for future issuances and grants under our equity incentive plan.

Conversion of Series D, Series F and Series G Convertible Preferred Stock

In connection with the closing of this offering, all of our outstanding shares of convertible preferred stock will convert into common stock. In accordance with the antidilution provisions set forth in our amended and restated certificate of incorporation in effect prior to the closing of this offering, the conversion ratio of our Series D, Series F and Series G shares of convertible preferred stock may be adjusted in connection with the closing of this offering. If the public offering price of our common stock is less than \$9.21105 per share, the per share conversion rate of our Series D convertible preferred stock will be adjusted so that each share of Series D convertible preferred stock converts into 1.5 shares of common stock. If the public offering price of our common stock is less than \$13.415 per share, the per share conversion rate of our Series F convertible preferred stock will be adjusted so that each share of Series F convertible preferred stock converts into a number of shares of common stock equal to a fraction, the numerator of which is \$6.7075 and the denominator of which is 50% of the public offering price. If the public offering price of our common stock is less than \$8.8243 per share, the per share conversion rate of our Series G convertible preferred stock will be adjusted so that each share of Series G convertible preferred stock converts into a number of shares of common stock equal to a fraction, the numerator of which is \$8.8243 and the denominator of which is the public offering price. Therefore, depending on the price of the shares sold in this offering, the holders of the Series D, Series F and Series G convertible preferred stock may receive more than one share of common stock for each share of Series D, Series F or Series G convertible preferred stock converted in connection with this offering. Under the provisions of our amended and restated certificate of incorporation, we will not know the conversion rate of our Series D, Series F and Series G convertible preferred stock until the public offering price is determined.

In this prospectus, we have estimated the number of shares of common stock issuable upon conversion of the Series D, Series F and Series G convertible preferred stock assuming an initial public offering price of \$ _____ per share, the midpoint of the estimated initial public offering price range set forth on the cover page of this prospectus. Assuming an initial public offering price of \$ _____, common stock would be issued upon conversion of the Series D convertible preferred stock, _____ shares of common stock would be issued upon conversion of the Series F convertible preferred stock and _____ shares of common stock would be issued upon conversion of the Series G convertible preferred stock as further described in Note 9, "Convertible Preferred Stock", to our consolidated financial statements included elsewhere in this prospectus.

The following table sets forth the impact on the number of shares issuable upon conversion of the Series D, Series F and Series G convertible preferred stock in the event of an increase or decrease of \$1.00 per share in the assumed initial public offering price of \$ _____ per share, the midpoint of the estimated initial public offering price range set forth on the cover page of this prospectus:

	Decrease in Number of Shares Issuable Upon \$1.00 Increase in Assumed Public Offering Price	Increase in Number of Shares Issuable Upon \$1.00 Decrease in Assumed Public Offering Price
Series D convertible preferred stock		
Series F convertible preferred stock		
Series G convertible preferred stock		

Upon completion of this offering, our existing stockholders will continue to have significant influence over the outcome of corporate actions requiring stockholder approval, including the election of directors, any merger, consolidation or sale of all or substantially all of our assets or any other significant corporate transaction. As only some of our stockholders own Series D, Series F and Series G convertible preferred stock, changes in our valuation in connection with this offering will impact the conversion ratio of our Series D, Series F and Series G convertible preferred stock and thus the relative ownership of our common stock upon completion of this offering among our existing stockholders.

If you invest in our common stock in this offering, your ownership interest will be diluted to the extent of the difference between the initial public offering price per share of our common stock and the pro forma as adjusted net tangible book value per share of our common stock immediately after this offering. Net tangible book value dilution per share to new investors represents the difference between the amount per share paid by purchasers of shares of our common stock in this offering and the pro forma as adjusted net tangible book value per share of our common stock immediately after completion of this offering.

Selected Consolidated Financial and Other Data

The following tables set forth our selected consolidated financial and other data. You should read the following selected consolidated financial and other data in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes included elsewhere in this prospectus. Historical results are not necessarily indicative of future results. Our financial statements have been prepared in accordance with U.S. GAAP.

The selected consolidated statements of operations data for each of the years in the two-year period ended December 31, 2020 are derived from our audited consolidated financial statements appearing elsewhere in this prospectus.

	Year Ended December 31,	
	2020	2019
	(in thousands, except per share data)	
Statements of Operations Data:		
Revenue	\$767,142	\$687,333
Cost of revenue:		
Traffic acquisition costs	572,802	517,000
Other cost of revenue	29,278	28,548
Gross profit	165,062	141,785
Operating expenses:	154,885	156,370
Income (loss) from operations	10,177	(14,585)
Interest expense	(832)	(601)
Interest income and other income (expense), net	(1,695)	152
Income (loss) before provision for income taxes	7,650	(15,034)
Provision for income taxes	3,293	5,480
Net income (loss)	<u>\$ 4,357</u>	<u>\$ (20,514)</u>
Net income (loss) per share—basic	\$ 0.06	\$ (0.79)
Net income (loss) per share—diluted	\$ 0.05	\$ (0.79)

	As of December 31,	
	2020	2019
	(in thousands)	
Balance Sheet Data:		
Cash and cash equivalents	\$ 93,641	\$ 49,593
Total assets	356,486	282,524
Total liabilities	273,855	209,742
Convertible preferred stock	162,444	162,444
Total stockholders’ deficit	(79,813)	(89,662)

	Year Ended December 31,	
	2020	2019
	(in thousands)	
Statement of Cash Flows Data:		
Net cash provided by operating activities	\$52,986	\$16,740
Net cash used in investing activities	(9,423)	(7,589)
Net cash used in financing activities	(4,228)	(3,659)

Non-GAAP Financial Measures

In addition to the above GAAP performance measures, we use the following supplemental non-GAAP financial measures to evaluate our business, measure our performance, identify trends and allocate our resources:

	Year Ended December 31,	
	2020	2019
	(in thousands)	
Revenue Ex-TAC	\$194,340	\$170,333
Adjusted EBITDA	\$ 41,145	\$ 19,275
Adjusted EBITDA as % of Revenue Ex-TAC	21.2%	11.3%
Research and development as % of Revenue Ex-TAC	14.9%	15.5%
Sales and marketing as % of Revenue Ex-TAC	39.9%	46.3%
General and administrative as % of Revenue Ex-TAC	24.9%	30.0%

These non-GAAP financial measures are defined and reconciled to the corresponding GAAP measures below.

Revenue Ex-TAC

We define Revenue Ex-TAC as revenue less traffic acquisition costs, that is revenue reduced by amounts owed to media partners for their share of the revenue we generated on their properties or from guaranteed minimum rates of payment. Revenue Ex-TAC is impacted by the terms of our agreements with media partners. Revenue Ex-TAC is also impacted by user engagement and advertiser demand. Revenue Ex-TAC may fluctuate in the future due to various factors, including, but not limited to, seasonality and changes in the number of media partners and advertisers, advertiser demand or user engagements.

We present Revenue Ex-TAC as well as our operating expenses and Adjusted EBITDA as a percentage of Revenue Ex-TAC because we believe that they are meaningful measures of our operating performance for period-to-period comparisons of our core business and in understanding and evaluating our results of operations. Nevertheless, this information should be considered as supplemental in nature and is not meant as a substitute for revenue or gross profit presented in accordance with U.S. GAAP.

The following table presents the reconciliation of Revenue Ex-TAC to gross profit, the most directly comparable U.S. GAAP measure, for the periods presented:

	Year Ended December 31,	
	2020	2019
	(in thousands)	
Revenue	\$ 767,142	\$ 687,333
Traffic acquisition costs	(572,802)	(517,000)
Other cost of revenue	(29,278)	(28,548)
Gross profit	165,062	141,785
Other cost of revenue	29,278	28,548
Revenue Ex-TAC	<u>\$ 194,340</u>	<u>\$ 170,333</u>

Adjusted EBITDA

We define Adjusted EBITDA as net income (loss) before interest expense; interest income and other income (expense), net; provision for income taxes; depreciation and amortization; stock-based compensation, and other income or expenses that we do not consider indicative of our core operating performance, including, but not limited to, merger and acquisition costs and a tax contingency. We present Adjusted EBITDA as a supplemental performance measure because we believe it facilitates operating performance comparisons from period to period.

We believe that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and board of directors. However, Adjusted EBITDA is a non-GAAP financial measure and how we calculate Adjusted EBITDA is not necessarily comparable to non-GAAP information of other companies. Adjusted EBITDA should be considered as a supplemental measure and should not be considered in isolation or as a substitute or any measures of our financial performance that are calculated and reported in accordance with GAAP.

The following table presents the reconciliation of Adjusted EBITDA to net income (loss), the most directly comparable U.S. GAAP measure, for the periods presented:

	Year Ended December 31,	
	2020	2019
	(in thousands)	
Net income (loss)	\$ 4,357	\$(20,514)
Interest expense	832	601
Interest income and other (income) expense, net	1,695	(152)
Provision for income taxes	3,293	5,480
Depreciation and amortization	18,509	16,744
Stock-based compensation	3,588	3,876
Merger and acquisition costs ⁽¹⁾	11,168	10,527
Tax contingency ⁽²⁾	(2,297)	2,713
Adjusted EBITDA	\$ 41,145	\$ 19,275

⁽¹⁾ Primarily includes transaction-related costs in connection with our acquisition of Ligatus GmbH (“Ligatus”)™ in April 2019, as well as costs related to our terminated merger with Taboola.com Ltd. (“Taboola”).

⁽²⁾ Reflects a reversal of a tax contingency recorded within operating expenses in 2019 and a corresponding charge to income tax expense in 2020, net of foreign exchange impact.

Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of our financial condition and results of operations together with the audited consolidated financial statements and the related notes to the audited consolidated financial statements included elsewhere in this prospectus. In addition to historical financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, beliefs and expectations, and involve risks and uncertainties. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this prospectus, particularly under the captions "Risk Factors" and "Special Note Regarding Forward-Looking Statements."

Overview

Outbrain is a leading recommendation platform powering the open web. Founded in 2006, we pioneered the online content recommendation category. Fueled by over 1 billion data events gathered each minute, our platform matches audiences with personalized content and ads, driving quality engagement while delivering efficient, sustainable monetization. In 2020, we provided personalized content feeds and ads to approximately 1 billion monthly unique users, delivering on average over 10 billion recommendations per day, with over 20,000 advertisers using our platform. We are a mobile-first company and our Smartfeed technology and recommendations are highly effective on mobile devices. We generated over 66% of our revenue on mobile platforms in 2020. In the fourth quarter of 2020, our platform powered an average of over 100,000 ad campaigns per day and generated an average of \$2.7 million in daily ad spend.

Today our platform enables over 7,000 on line properties, including many of the world's most prestigious publications, helping them engage their users and monetize their visits. We have delivered over \$3 billion in direct revenue to our media partners since inception, and the average tenure of our top 20 media partners, based on our 2020 revenue, is approximately seven years.

Some of our key company milestones are:

- 2006 — Founded
- 2008 — Pioneered algorithmic-based content recommendations for media partners
- 2011 — First year with over 1 billion user engagements
- 2012 — Launched our self-serve advertising platform
- 2013 — First year with over \$100 million in revenue
- 2014 — First year with over 1,000 media partners on our platform
- 2014 — Launched our solution for mobile apps
- 2015 — First year with over 1 billion user engagements per month
- 2016 — Mobile platforms generate over 50% of total revenue
- 2017 — First year with over \$500 million in revenue
- 2017 — Launched Smartfeed, adopted by global partners such as CNN, Focus.de, HELLO!, and Le Parisien.
- 2017 — Expanded programmatic technology capabilities with the acquisition of Zemanta™
- 2018 — First profitable year on an Adjusted EBITDA basis
- 2018 — First year with over 3,000 media partners on our platform
- 2019 — Acquired Ligatus, a leading native advertising platform in Europe
- 2020 — Released our next generation feed optimization technology, driving significant engagement uplift
- 2020 — First year with over 4,000 media partners
- 2020 — Achieved record revenue and profitability

- 2021 — First quarter revenue grew _____, Revenue Ex-TAC grew _____%, net income grew _____% and Adjusted EBITDA grew _____% on a year over year basis

The following is a summary of our performance in 2020 and 2019:

- Our revenue increased 11.6%, totaling \$767.1 million in 2020 and \$687.3 million in 2019. Revenue increased 20.7% for the six months ended December 31, 2020 on a year over year basis.
- Our gross profit was \$165.1 million in 2020, compared to \$141.8 million in 2019. Our gross margin was 21.5% and 20.6% in 2020 and 2019, respectively.
- Our Revenue Ex-TAC⁽¹⁾ increased 14.1% to \$194.3 million in 2020 from \$170.3 million in 2019. Revenue Ex-TAC⁽¹⁾ increased 28.8% for the six months ended December 31, 2020 on a year over year basis.
- Our net income increased \$24.9 million to \$4.4 million in 2020, compared to a net loss of \$20.5 million in 2019.
- Our Adjusted EBITDA⁽¹⁾ more than doubled to \$41.1 million in 2020, from \$19.3 million in 2019. Adjusted EBITDA⁽¹⁾ was 21.2% and 11.3% of Revenue Ex-TAC⁽¹⁾ in 2020 and 2019, respectively.

Growth for the second half of 2020 is being presented to better reflect current trends, as the COVID-19 pandemic had a negative impact on our results in the first half of 2020, particularly in the second quarter, but rebounded in the second half of 2020.

⁽¹⁾ Revenue Ex-TAC and Adjusted EBITDA are non-GAAP financial measures. See “Selected Consolidated Financial and Other Data—Non-GAAP Financial Measures” for the definitions and limitations of these measures, and reconciliations to the most comparable GAAP financial measures. See “Quarterly Financial Data and Seasonality” below for quarterly reconciliations to the most comparable GAAP financial measures.

COVID-19

In March 2020, the WHO declared the spread of COVID-19 as a global pandemic. The COVID-19 pandemic resulted in a global slowdown of economic activity causing a decrease in demand for a broad variety of goods and services, including those provided by certain advertisers using our platform. Many of our advertisers reduced their advertising spending, which had a negative impact on our revenue during the first half of 2020, as further described within “Results of Operations.” As the world quickly shifted to online activities and advertisers gradually shifted their spending toward digital advertising, our revenue trends improved meaningfully and returned to growth during the third and fourth quarters of 2020. Although we have seen a recovery in the advertising market and our business, the full impact of the COVID-19 pandemic remains uncertain.

Factors Affecting Our Business

Retention and Growth of Relationships with Media Partners

We rely on relationships with our media partners for a significant portion of our advertising inventory and for our ability to increase revenue through expanding their use of our platform. To further strengthen these relationships, we continuously invest in our technology and product functionality to drive user engagement and monetization by (i) improving our algorithms; (ii) effectively managing our supply and demand; and (iii) expanding the adoption of our enhanced products by media partners.

Our relationships with media partners are typically long-term, exclusive and strategic in nature. Our top 20 media partners, based on our 2020 revenue, have been using our platform for an average of seven years. Typical contract length with our media partners extends two to three years. Net revenue retention is an important indicator of media partner satisfaction, the value of our platform, as well as our ability to grow revenue from existing relationships.

We calculate media partner net revenue retention at the end of each quarter by starting with revenue generated on media partners’ properties in the same period in the prior year, “Prior Period Retention

Revenue.” We then calculate the revenue generated on these same media partners’ properties in the current period, “Current Period Retention Revenue.” Current Period Retention Revenue reflects any expansions within the media partner relationships, such as any additional placements or properties on which we extend our recommendations, as well as contraction or attrition. It does not reflect any media partner relationships for which we did not generate revenue in the prior period. Our media partner net revenue retention in a quarter equals the Current Period Retention Revenue divided by the Prior Period Retention Revenue. To calculate media partner net revenue retention for year-to-date and annual periods, we sum the quarterly Current Period Retention Revenue and divide it by the sum of the quarterly Prior Period Retention Revenue. Our media partner net revenue retention was 104% for the year ended December 31, 2020, 95% for 2019 (104% excluding one media partner that we chose not to renew in 2019) and 108% for 2018. For the six months ended December 31, 2020, our media partner net revenue retention was 115%.

Our growth also depends on our ability to secure new partnerships with media partners. New media partners are defined as those relationships on which revenue was not generated in the prior period. Revenue generated on new media partners’ properties contributed approximately 7% to revenue growth for the year ended December 31, 2020, 10% for 2019 and 7% for 2018. For the six months ended December 31, 2020, revenue growth attributable to new media partners was approximately 6%.

User Engagement with Relevant Media and Advertising Content

We believe that engagement is a key pillar of the overall value that our platform provides to users, media partners and advertisers. Our algorithms enable effective engagement of users by facilitating the discovery of content, products and services that they find most interesting, as well as connecting them to personalized ads that are relevant to them. We believe that the user experience has a profound impact on long-term user behavior patterns and thus “compounds” over time improving our long-term monetization prospects. Consequently, we have a differentiated approach to monetization as we optimize our algorithms for the overall user experience rather than just for the price of each individual user engagement.

Growth in user engagement is driven by several factors, including enhancements to our recommendation engine, growth in the breadth and depth of our data assets, the increase in size and quality of our content and advertising index, expansion on existing media partner properties where our recommendations can be served and the adoption of our platform by new media partners. As we grow user engagement we are able to collect more data, enabling us to further enhance our algorithms, which in turn helps us make smarter recommendations and further grow user engagement, providing our platform and our business with a powerful growth flywheel. We measure the impact of this growth flywheel on our business by reviewing growth of Click Through Rate (“CTR”) for ads on our platform. In the six months ended December 31, 2020, CTR for ads on our platform improved by 25% relative to the second half of 2019. We believe that we have a significant opportunity to further grow user engagement, and thus our business, as today CTR on our platform is less than 1% of recommendations served.

Advertiser Retention and Growth

Our growth is partially driven by retaining and expanding the amount of spend by advertisers on our platform, as well as acquiring new advertisers. Improving our platform’s functionality and features increases the attractiveness of our platform to existing and new advertisers while also growing our share of their advertising budgets. We continuously invest in enhancing our technological capabilities to deliver better return on ad spend (“ROAS”) and transparency on ad spend, and market these attributes to grow our advertiser base and share of wallet.

For the year ended December 31, 2020, over 20,000 unique advertisers were active on our platform. For advertiser campaigns that were launched and active on our platform in a recent 60 day period, over 90% of advertisers interacted directly with our platform to manage their campaigns. In addition, we continue to grow our programmatic partnerships, enabling us to grow our advertiser base efficiently.

Expansion Into New Environments, New Content Experiences and New Ad Formats

The accelerating pace of technological innovation and adoption, combined with continuously evolving user behavior and content consumption habits, presents multiple opportunities for growth. The emergence

of new devices, platforms and environments in which users spend time consuming content is one area of expansion for us. Similarly, the formats in which content can or will be consumed continues to evolve, as well as user-friendly and impactful ad formats that can be delivered in or alongside that content. Fundamentally, we plan to continue making our platform available for media partners on all types of devices and platforms, and all formats of media, that carry their content.

Examples of new environments in which content consumption is expected to grow include connected TVs, screens for autonomous vehicles and public transport, pre-installed applications on new smartphones, smartphone native content feeds, push notifications and email newsletters. We are developing solutions that allow media partners, service providers and manufacturers to provide better curated, personalized and more engaging content feeds and recommendations in these environments.

The development and deployment of new ad formats allow us to better serve users, media partners and, ultimately, advertisers who seek to target and engage users at scale; this continues to open and grow new types of advertiser demand, while ensuring relevance as the environments in which we operate diversify.

Investment in Our Technology and Infrastructure

Innovation is a core tenet of our company and our industry. We plan to continue our investments in our people and our technology in order to retain and enhance our leadership position. For example, improvements to our algorithms help us deliver more relevant ads, driving higher user engagement, thereby improving ROAS for advertisers and increasing monetization for our media partners. In addition, we continue to invest in media partner and advertiser focused tools, technology and products as well as privacy-centric solutions.

We believe that our proprietary micro-services, API-based cloud infrastructure provides us with a strategic competitive advantage as we are able to deploy code an average of 250 times per day and grow in a scalable and highly cost-effective manner. As we develop and deploy solutions for enhanced integration of our technologies in new environments, with new content and ad formats, we anticipate activity through our platform to grow. We anticipate that the investment in our technology, infrastructure and solutions will contribute to our long-term growth.

Seasonality

The global advertising industry experiences seasonal trends that affect most participants in the digital advertising ecosystem. Most notably, advertisers have historically spent relatively more in the fourth quarter of the calendar year to coincide with the holiday shopping season. We generally expect this seasonal trend to continue, though historical seasonality may not be predictive of future results given the potential for changes in advertising buying patterns. These trends will affect our operating results and we expect our revenue to continue to fluctuate based on seasonal factors that affect the advertising industry as a whole.

Industry Dynamics

Our business depends on the overall demand for digital advertising and on the continuous success of our current and prospective media partners. We believe that the following are the key dynamics impacting our industry and our business:

- Digital advertising is a rapidly evolving and growing industry.
- The growth of digital advertising has outpaced the growth of the broader advertising industry.
- Digital advertising, given its highly targeted nature and measurability, has been more resilient to economic downturns compared to the advertising industry generally.
- Content consumption is increasingly shifting online, requiring media owners to adapt in order to successfully attract, engage and monetize their users.
- Given the large and growing volume of content being generated online, content curation tools are increasingly becoming a necessity for users and media owners alike.
- Advertisers increasingly rely on digital advertising platforms that deliver highly targeted ads and measurable performance.

- Regulators across most developed markets are increasingly focused on enacting and enforcing user privacy rules as well as tighter oversight of the major ‘walled garden’ platforms.
- Industry participants have recently been, and likely will continue to be, impacted by changes implemented by platform leaders such as Apple’s change to its Identifier for Advertisers policy and Google’s evolving roadmap pertaining to the use of cookies within its Chrome web browser.

Given our focus on innovation, the depth and length of our media partner relationships and our scale, we believe that we are well positioned to address and benefit from many of these industry dynamics.

Definitions of Financial and Performance Measures

Revenue

We generate revenue from advertisers through ads that we deliver across a variety of media partner properties. We charge advertisers for clicks on and, to a lesser extent, impressions of their ads, depending on how they choose to contract with us. We recognize revenue in the period in which the click or impression occurs.

The amount of revenue that we generate depends on the level of demand from advertisers to promote their content to users across our media partners’ properties. We generate higher revenue at times of high demand, which is largely impacted by seasonal factors. For any given marketing campaign, the advertiser has the ability to adjust its price in real time and set a maximum daily spend. This allows advertisers to adjust the estimated ad spend attributable to the particular campaign. Due to the measurable performance that our advertisers achieve with us, a significant part of our advertisers spend with us on an unlimited basis, as long as their ROAS objectives are met.

Our agreements with advertisers provide them with considerable flexibility to modify their overall budget, price (cost per click or cost per impression), and the ads they wish to deliver on our platform.

Traffic Acquisition Costs

We define traffic acquisition costs (“TAC”) as amounts owed to media partners for their share of the revenue we generated on their properties. We incur traffic acquisition costs in the period in which the revenue is recognized. Traffic acquisition costs are based on the media partners’ revenue share or, in some circumstances, based on a guaranteed minimum rate of payment from us in exchange for guaranteed placement of our ads on specified portions of the media partner’s digital properties. These guaranteed rates are typically provided per thousand qualified page views, whereas our minimum monthly payment to the media partner may fluctuate based on how many qualified page views the media partner generates, subject to a maximum guarantee. Traffic acquisition costs also include amounts payable to programmatic supply partners.

Other Cost of Revenue

Other cost of revenue consists of costs related to the management of our data centers, hosting fees, data connectivity costs and depreciation and amortization. Other cost of revenue also includes the amortization of capitalized software that is developed or obtained for internal use associated with our revenue-generating technologies.

Operating Expenses

Our operating expenses consist of research and development, sales and marketing and general and administrative expenses. The largest component of our operating expenses is personnel costs. Personnel costs consist of wages, benefits, bonuses and, with respect to sales and marketing expenses, sales commissions. Personnel costs also include stock-based compensation, which are expected to show an increase upon completion of this offering as a result of certain vesting of RSAs and RSUs upon the satisfaction of a performance condition upon our initial public offering.

Research and Development. Research and development expenses are related to the development and enhancement of our platform and consist primarily of personnel and the related overhead costs, amortization of capitalized software for non-revenue generating infrastructure and facilities costs.

Sales and Marketing. Sales and marketing expenses consist primarily of personnel and the related overhead costs for personnel engaged in marketing, advertising, client services, and promotional activities. These expenses also include advertising and promotional spend on media, conferences and other events to market our services, and facilities costs.

General and Administrative. General and administrative expenses consist primarily of personnel and the related overhead costs, professional fees, facilities costs, insurance, and certain taxes other than income taxes. General and administrative personnel costs include our executive, finance, human resources, information technology and legal functions. Our professional service fees consist primarily of accounting, audit, tax, legal, information technology and other consulting costs.

Other Income (Expense), Net

Other income (expense), net is comprised of interest expense and interest income and other expense, net.

Interest Expense. Interest expense consists of interest expense on our revolving credit facility and capital leases. Interest expense may increase as we incur borrowings periodically under our revolving credit facility or if we enter into new debt facilities or capital leasing arrangements.

Interest Income and Other Income (Expense), Net. Interest and other income (expense), net primarily consists of interest earned on our cash and cash equivalents and money market funds, as well as foreign currency exchange gains and losses. Foreign currency exchange gains and losses, both realized and unrealized, relate to transactions and monetary asset and liability balances denominated in currencies other than the functional currencies. Foreign currency gains and losses may continue to fluctuate in the future due to changes in foreign currency exchange rates.

Provision for Income Taxes

Provision for income taxes consists of federal and state income taxes in the United States and income taxes in certain foreign jurisdictions, as well as deferred income taxes and changes in valuation allowance, reflecting the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Realization of our deferred tax assets depends on the generation of future taxable income. In considering the need for a valuation allowance, we consider our historical and future projected taxable income, as well as other objectively verifiable evidence, including our realization of tax attributes, assessment of tax credits and utilization of net operating loss carryforwards.

Results of Operations**Year Ended December 31, 2020 Compared to Year Ended December 31, 2019**

We have one operating segment, which is also our reportable segment. The following tables set forth our results of operations for the periods presented:

	Year Ended December 31,	
	2020	2019
	(in thousands)	
Consolidated Statements of Operations:		
Revenue	\$767,142	\$687,333
Cost of revenue:		
Traffic acquisition costs	572,802	517,000
Other cost of revenue	29,278	28,548
Total cost of revenue	602,080	545,548
Gross profit	165,062	141,785
Operating expenses:		
Research and development	28,961	26,391
Sales and marketing	77,570	78,941
General and administrative	48,354	51,038
Total operating expenses	154,885	156,370
Income (loss) from operations	10,177	(14,585)
Other income (expense), net:		
Interest expense	(832)	(601)
Interest income and other income (expense), net	(1,695)	152
Total other expense, net	(2,527)	(449)
Income (loss) before provision for income taxes	7,650	(15,034)
Provision for income taxes	3,293	5,480
Net income (loss)	<u>\$ 4,357</u>	<u>\$ (20,514)</u>
Other Financial Data:		
Research and development as % of revenue	3.8%	3.8%
Sales and marketing as % of revenue	10.1%	11.5%
General and administrative as % of revenue	6.3%	7.4%
Non-GAAP Financial Data: ⁽¹⁾		
Revenue Ex-TAC	\$194,340	\$170,333
Research and development as % of Revenue Ex-TAC	14.9%	15.5%
Sales and marketing as % of Revenue Ex-TAC	39.9%	46.3%
General and administrative as % of Revenue Ex-TAC	24.9%	30.0%
Adjusted EBITDA	\$ 41,145	\$ 19,275
Adjusted EBITDA as % of Revenue Ex-TAC	21.2%	11.3%

(1) See “Selected Consolidated Financial and Other Data—Non-GAAP Financial Measures” for definitions of the explanations of our management’s use and limitations of the non-GAAP financial measures used in this prospectus. The reconciliations of Revenue Ex-TAC to gross profit and of Adjusted EBITDA to net income are also presented in the “Non-GAAP Reconciliations” section below.

Revenue

Revenue increased by \$79.8 million, or 11.6%, to \$767.1 million in 2020 from \$687.3 million in 2019. Approximately 7%, or \$52 million, of the increase in revenue was from new media partners and approximately 4%, or \$27 million, was from net revenue retention on existing media partners as we continue to expand business with them. The COVID-19 pandemic negatively impacted our revenue trends in the first half of 2020. Revenue for the year ended December 31, 2020 benefited from net favorable foreign currency effects of \$6.3 million.

Cost of Revenue and Gross Profit

Traffic acquisition costs increased \$55.8 million, or 10.8%, in 2020 compared to 2019 including net unfavorable foreign currency effects of \$5.3 million, and were generally commensurate with the increase in revenue. As a percentage of revenue, traffic acquisition costs decreased approximately 50 basis points to 74.7% in 2020, compared to 75.2% in 2019.

Other cost of revenue increased \$0.7 million, or 2.6%, in 2020 compared to 2019, which was primarily attributable to an increase in services that fluctuate with the growth of ad traffic, largely offset by the favorable impact of cost savings initiatives and efficiency projects. As a percentage of revenue, other cost of revenue decreased 40 basis points to 3.8% in 2020, compared to 4.2% in 2019.

Gross profit increased \$23.3 million, or 16.4%, to \$165.1 million in 2020 compared to \$141.8 million in 2019, which was primarily attributable to the increase in revenue, partially offset by the corresponding increase in cost of revenue, as previously described.

Revenue Ex-TAC

Our Revenue Ex-TAC increased 14.1% to \$194.3 million in 2020, from \$170.3 million in 2019, primarily due to revenue growth. Revenue Ex-TAC increased 28.8%, to \$114.1 million for the six months ended December 31, 2020, compared to \$88.6 million in the same period of the prior year. See “Selected Consolidated Financial and Other Data—Non-GAAP Financial Measures” and “Quarterly Financial Data and Seasonality” for the related definition, limitations and reconciliations of Revenue Ex-TAC to gross profit, the most comparable GAAP measure.

Operating Expenses

Operating expenses decreased by \$1.5 million, or 0.9%, to \$154.9 million in 2020 from \$156.4 million in 2019. The decrease in operating expenses was mainly attributable to \$6.5 million of reduced expenses in connection with the COVID-19 pandemic, including travel and entertainment, facilities, and marketing event expenses, as well as a favorable change of \$4.2 million relating to a reversal of a tax-contingency recorded in 2019, as further discussed below. These declines were largely offset by an increase of approximately \$9.0 million in personnel-related costs.

The components of operating expenses are discussed below:

- **Research and development expenses**—increased \$2.6 million, primarily due to higher personnel costs, to invest in the growth of our platform.
- **Sales and marketing expenses**—decreased \$1.4 million, primarily reflecting a decrease of \$5.0 million due to reduced expenses in connection with the COVID-19 pandemic, partially offset by an increase of \$3.4 million in personnel costs primarily related to higher incentive-based compensation.
- **General and administrative expenses**—decreased \$2.7 million, which included a favorable change of \$4.2 million relating to a reversal of a tax-contingency recorded in 2019 and a corresponding charge to income tax expense in 2020, as well as a \$3.0 million reduction in expenses in connection with the COVID-19 pandemic and other travel and entertainment expenses. These decreases were partially offset by increased personnel costs of \$3.6 million primarily attributable to increased incentive-based compensation costs and \$0.6 million of increased acquisition-related costs.

Operating expenses as a percentage of revenue declined by 2.6%, from 22.8% in 2019 to 20.2% in 2020. We expect our operating expenses on an absolute basis to increase over the next twelve months due to increased sales and marketing expenses, increased expenses assuming a transition from a fully remote environment over the course of the year, and incremental costs related to becoming a public company.

Total Other Expense, Net

Total other expense, net, increased \$2.1 million, to \$2.5 million in 2020 from \$0.4 million in 2019, primarily due to higher foreign currency losses of \$3.5 million resulting from transactions denominated in currencies other than the functional currencies, partially offset by a \$1.1 million gain on sale of an asset.

Provision for Income Taxes

Provision for income taxes decreased by \$2.2 million to \$3.3 million in 2020 from \$5.5 million in 2019. This decrease was primarily attributable to the valuation allowance against one of our foreign subsidiaries' net operating losses, which was recorded in 2019 and released in 2020 due to the increase in taxable income, as well as higher uncertain tax positions in 2019. Our effective tax rate was 43.0% in 2020, compared to (36.5)% in 2019 due to a loss from operations for that year. Our 2020 effective tax rate was unfavorably impacted by approximately 16.5 percentage points due to certain non-recurring prior year taxes in a foreign tax jurisdiction.

We expect our future effective tax rate to be affected by the geographic mix of earnings in countries with different statutory rates. Additionally, our future effective tax rate may be affected by changes in the valuation of our deferred tax assets or liabilities, or changes in tax laws, regulations, or accounting principles, as well as certain discrete items.

Net Income (Loss)

As a result of the foregoing, net income (loss) increased \$24.9 million, to net income of \$4.4 million in 2020, from a net loss of \$20.5 million in 2019.

Adjusted EBITDA

Our Adjusted EBITDA increased \$21.8 million, or 113%, to \$41.1 million in 2020 from \$19.3 million in 2019, which was primarily attributable to the increase in revenue, partially offset by the corresponding increase in cost of revenue, as previously described. See "Selected Consolidated Financial and Other Data—Non-GAAP Financial Measures" for the related definition, limitations and reconciliations of Adjusted EBITDA to our net income, the most comparable GAAP measure.

2019 Transaction

On April 1, 2019, we completed the acquisition of all the outstanding shares of Ligatus, a German-based native advertising company, pursuant to a share purchase agreement with Gruner + Jahr GmbH. The acquisition date fair value of the consideration transferred was approximately \$40.1 million, which consisted of 6,125,404 shares of our common stock. The acquisition was accounted for as a business combination and the results of operations of the acquired entity have been included in our results of operations as of the acquisition date.

As part of our growth strategy, we plan to continue to evaluate strategic acquisition or investment opportunities to add incremental growth with compounding benefits to our business, to further expand our offerings, add key technology and/or reach new markets.

Non-GAAP Reconciliations

The following tables are presented to reconcile certain supplemental non-GAAP financial measures that are used by our management to evaluate our business, measure our performance, identify trends and allocate our resources to the corresponding GAAP financial measures. The definitions and limitations of our non-GAAP financial measures are further described within "Selected Consolidated Financial and Other Data—Non-GAAP Financial Measures."

Revenue Ex-TAC

The following table presents the reconciliation of Revenue Ex-TAC to gross profit, the most directly comparable U.S. GAAP measure, for the periods presented:

	<u>Year Ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
	(in thousands)	
Revenue	\$ 767,142	\$ 687,333
Traffic acquisition costs	(572,802)	(517,000)
Other cost of revenue	(29,278)	(28,548)
Gross profit	165,062	141,785
Other cost of revenue	29,278	28,548
Revenue Ex-TAC	<u>\$ 194,340</u>	<u>\$ 170,333</u>

Adjusted EBITDA

The following table presents the reconciliation of Adjusted EBITDA to net income (loss), the most directly comparable U.S. GAAP measure, for the periods presented:

	<u>Year Ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
	(in thousands)	
Net income (loss)	\$ 4,357	\$(20,514)
Interest expense and other income (expense), net	2,527	449
Provision for income taxes	3,293	5,480
Depreciation and amortization	18,509	16,744
Stock-based compensation	3,588	3,876
Merger and acquisition costs ⁽¹⁾	11,168	10,527
Tax contingency ⁽²⁾	(2,297)	2,713
Adjusted EBITDA	<u>\$41,145</u>	<u>\$ 19,275</u>

(1) Primarily includes transaction-related costs in connection with our acquisition of Ligatus GmbH (“Ligatus”)™ in April 2019, as well as costs related to our terminated merger with Taboola.com Ltd. (“Taboola”).

(2) Reflects a reversal of a tax contingency recorded within operating expenses in 2019 and a corresponding charge to income tax expense in 2020, net of foreign exchange impact.

Quarterly Financial Data and Seasonality

The following table sets forth selected unaudited quarterly financial data for 2020 and 2019, which are subject to quarterly fluctuations due to seasonality and other factors. These quarterly results present our historical trends, which may or may not be indicative of the results of operations that may be achieved in future periods.

	Three Months Ended							
	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
	(in thousands)							
Revenue	\$245,438	\$186,510	\$157,862	\$177,332	\$189,609	\$168,122	\$173,522	\$156,080
Cost of revenue								
Traffic acquisition costs	179,990	137,866	118,140	136,806	142,978	126,143	130,118	117,761
Other cost of revenue	6,986	6,771	7,648	7,873	7,330	7,487	7,677	6,054
Total cost of revenue	186,976	144,637	125,788	144,679	150,308	133,630	137,795	123,815
Gross profit	58,462	41,873	32,074	32,653	39,301	34,492	35,727	32,265
Operating expenses:								
Research and development	8,209	6,867	6,903	6,982	6,743	6,432	6,757	6,459
Sales and marketing	21,983	17,476	17,816	20,295	20,649	19,708	21,025	17,559
General and administrative	12,496	13,909	7,056	14,893	14,806	15,581	12,020	8,631
Total operating expenses	42,688	38,252	31,775	42,170	42,198	41,721	39,802	32,649
Income (loss) from operations	15,774	3,621	299	(9,517)	(2,897)	(7,229)	(4,075)	(384)
Other income (expense), net:								
Interest expense	(205)	(196)	(266)	(165)	(166)	(167)	(145)	(123)
Interest income and other income (expense)	(1,373)	(878)	(685)	1,241	(337)	(106)	658	(63)
Total other income (expense), net	(1,578)	(1,074)	(951)	1,076	(503)	(273)	513	(186)
Income (loss) before provision for income taxes	14,196	2,547	(652)	(8,441)	(3,400)	(7,502)	(3,562)	(570)
Provision (benefit) for income taxes	187	6	1,971	1,129	2,335	2,791	(397)	751
Net income (loss)	\$ 14,009	\$ 2,541	\$ (2,623)	\$ (9,570)	\$ (5,735)	\$ (10,293)	\$ (3,165)	\$ (1,321)
Non-GAAP Financial Data:⁽¹⁾								
Revenue Ex-TAC	\$ 65,448	\$ 48,644	\$ 39,722	\$ 40,526	\$ 46,632	\$ 41,979	\$ 43,403	\$ 38,319
Adjusted EBITDA	21,062	12,761	5,153	2,169	7,855	4,296	2,146	4,978
Adjusted EBITDA as % of Revenue Ex-TAC	32.2%	26.2%	13.0%	5.4%	16.8%	10.2%	4.9%	13.0%
Adjusted EBITDA Reconciliation:								
Net income (loss)	\$ 14,009	\$ 2,541	\$ (2,623)	\$ (9,570)	\$ (5,735)	\$ (10,293)	\$ (3,165)	\$ (1,321)
Interest expense and other income (expense), net	1,578	1,074	951	(1,076)	503	273	(513)	186
Provision (benefit) for income taxes	187	6	1,971	1,129	2,335	2,791	(397)	751
Depreciation and amortization	4,456	4,623	4,781	4,649	4,316	4,725	4,420	3,283
Stock-based compensation	856	874	942	916	824	1,155	796	1,101
Merger and acquisition costs	(24)	3,643	1,428	6,121	3,342	5,202	1,005	978
Tax contingency	—	—	(2,297)	—	2,270	443	—	—
Adjusted EBITDA	\$ 21,062	\$ 12,761	\$ 5,153	\$ 2,169	\$ 7,855	\$ 4,296	\$ 2,146	\$ 4,978

(1) Revenue Ex-TAC and Adjusted EBITDA are non-GAAP financial measures. See “Selected Consolidated Financial and Other Data—Non-GAAP Financial Measures” for definitions of, and the explanations of our management’s use and limitations of, the non-GAAP financial measures used in this prospectus. Revenue Ex-TAC is calculated as gross profit plus other cost of revenue. We define Adjusted EBITDA as net income (loss) before interest expense; interest income and other income (expense), net; provision for income taxes; depreciation and amortization; stock-based compensation, and other income or expenses that we do not consider indicative of our core operating performance, including, but not limited to, merger and acquisition costs and a tax contingency.

Our revenue generally fluctuates from quarter to quarter as a result of a variety of factors, including seasonality, as many advertisers allocate the largest portion of their budgets to the fourth quarter of the calendar year to coincide with increased holiday purchasing, as well as the timing of advertising budget cycles. Historically, the fourth quarter of the year has reflected the highest levels of advertiser spending, and the

first quarter has reflected the lowest level of advertiser spending. In addition, expenditures by advertisers tend to be cyclical and discretionary in nature, reflecting changes in brand advertising strategy, budgeting constraints and buying patterns and a variety of other factors, many of which are outside of our control. The quarterly rate of increase in our traffic acquisition costs is generally commensurate with the quarterly rate of increase in our revenue. However, traffic acquisition costs have, at times, grown at a faster or slower rate than revenue, primarily due to the mix of the revenue generated or contracted terms with media partners.

Liquidity and Capital Resources

Our principal sources of liquidity are our cash and cash equivalents, cash from our operations, and available capacity under our revolving credit facility. We have historically financed our operations primarily through private placements of our convertible preferred stock as well as through borrowings on our revolving credit facility.

As of December 31, 2020, we had \$93.6 million of cash and cash equivalents, of which \$24.5 million was held outside of the United States by our non-U.S. subsidiaries. We currently do not have any plans to repatriate our earnings from our foreign subsidiaries. We intend to continue to reinvest our earnings from foreign operations for the foreseeable future, and do not anticipate that we will need funds generated from foreign operations to fund our domestic operations.

Our primary source of operating cash flows is cash receipts from advertisers. Our primary uses of operating cash are amounts due to media partners and vendors, as well as for personnel costs and other employee-related expenditures. We have historically experienced higher cash collections during our first quarter due to seasonally strong fourth quarter sales, and, as a result, our working capital needs typically decrease during this quarter. We expect these trends to continue as we continue to grow our business.

Our cash flow from investing activities primarily consists of capital expenditures and capitalized software development costs. We anticipate that our capital expenditures will be approximately \$5 million to \$8 million in 2021, which will include expenditures related to servers and related equipment, as well as leasehold improvements; however, actual amounts may vary from these estimates.

We believe that cash generated from our operations and existing cash equivalents will be sufficient to meet our working capital requirement for the next twelve months and the foreseeable future. However, there are multiple factors that could impact our future liquidity, including our ability to collect payments from our advertisers, having to pay our media partners even if our advertisers decrease their payments due to economic conditions, the continued impacts of the COVID-19 pandemic or other factors.

Revolving Credit Facility

We are party to a loan and security agreement (“Revolving Credit Facility”) with SVB that provides us an initial maximum borrowing capacity of up to \$35.0 million that we may use to borrow against our qualifying receivables based on a defined borrowing formula. The Revolving Credit Facility matures on November 2, 2021.

The Revolving Credit Facility contains customary conditions to borrowings, events of default and negative covenants, including covenants that restrict our ability to dispose of assets, merge with or acquire other entities, incur indebtedness, incur encumbrances, make distributions to holders of our capital stock, make investments or engage in transactions with our affiliates. We are also subject to financial covenants with respect to a monthly modified liquidity ratio and Adjusted EBITDA for trailing six-month periods. Our obligations under the Revolving Credit Facility are secured by a first priority security interest in substantially all of our assets with a negative pledge on our intellectual property. We were in compliance with all financial covenants under the Revolving Credit Facility as of December 31, 2020. As of December 31, 2020 and December 31, 2019, we had no borrowings outstanding under our Revolving Credit Facility. Our available borrowing capacity on December 31, 2020 was \$35.0 million based on the defined borrowing formula.

We are in the process of negotiating a new credit facility or a renewal of the existing revolving credit facility, which we intend to have in place prior to the expiration date of the Revolving Credit Facility. Our ability to renew or replace the Revolving Credit Facility may be limited due to various factors, including the status of our business, global credit market conditions, and perceptions of our business or industry by

sources of financing. In addition, if credit is available, lenders may seek more restrictive covenants and high interest rates that may reduce our borrowing capacity, increase our costs, and reduce our operating flexibility.

Cash Flows

The following table summarizes the major components of net cash flows for the periods presented:

	Year Ended December 31,	
	2020	2019
	(in thousands)	
Net cash provided by operating activities	\$52,986	\$16,740
Net cash used in investing activities	(9,423)	(7,589)
Net cash used in financing activities	(4,228)	(3,659)
Effect of exchange rate changes	4,750	64
Net increase in cash, cash equivalents and restricted cash	<u>\$44,085</u>	<u>\$ 5,556</u>

Operating Activities

Net cash provided by operating activities increased \$36.3 million, to \$53.0 million in 2020 from \$16.7 million in 2019, primarily due to a \$21.2 million increase in net income after non-cash adjustments. Net cash provided by operating activities also reflected a \$14.9 million net increase related to favorable changes in working capital, primarily attributable to the growth in our business, particularly in the fourth quarter of 2020, and improved cash collections.

Investing Activities

Cash used in investing activities increased \$1.8 million, to \$9.4 million in 2020 from \$7.6 million in 2019, primarily due to lower cash flows related to our acquisition and disposal activities.

Financing Activities

Cash used in financing activities increased by \$0.5 million, to \$4.2 million in 2020 from \$3.7 million in 2019 reflecting lower proceeds from exercises of stock options and warrants and increased principal payments on capital lease obligations.

Contractual Obligations

As of December 31, 2020, our contractual obligations are as follows:

	Payments Due by Period				
	Total	2021	2022-2023	2024-2025	2026
Operating lease obligations ⁽¹⁾	\$16,531	\$ 6,437	\$6,235	\$3,458	\$401
Capital lease obligations ⁽²⁾	8,146	4,316	3,702	128	—
Total ⁽³⁾	<u>\$24,677</u>	<u>\$10,753</u>	<u>\$9,937</u>	<u>\$3,586</u>	<u>\$401</u>

- (1) Operating lease agreements relate to leases for certain office and data center facilities, as well as certain apartment facilities and motor vehicles.
- (2) Capital lease and other obligations relate to leases for certain servers and related equipment. For the year ended December 31, 2020, we made regular payments totaling \$4.8 million on our capital lease obligations.
- (3) We are unable to reliably estimate the timing of future payments related to uncertain tax positions; therefore, we have excluded \$1.2 million from the preceding table related to uncertain tax positions, including accrued interest and penalties as of December 31, 2020.

Obligations under contracts that we can cancel without a significant penalty and contracts that are variable based upon volume, such as contracts with media partners that guarantee a minimum rate of payment if the media partner reaches certain performance targets, are not included in the table above. See “Definitions of Financial and Performance Measures —Traffic Acquisition Costs.”

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with U.S. GAAP. The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures. We evaluate our estimates and assumptions on an ongoing basis. Our estimates are based on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Our actual results could differ from these estimates.

We believe that the following policies may involve a higher degree of judgment and complexity in their application than most of our accounting policies and represent the critical accounting policies used in the preparation of our financial statements. Readers are encouraged to consider this summary together with our audited consolidated financial statements and the related notes, including Note 2, for a more complete understanding of the critical accounting policies discussed below.

Revenue Recognition

We recognize revenue when we transfer control of promised services directly to our customers, in an amount that reflects the consideration to which we expect to be entitled to in exchange for those services. We recognize revenue pursuant to the five-step framework contained in ASC 606: (i) identify the contract with a client; (ii) identify the performance obligations in the contract, including whether they are distinct in the context of the contract; (iii) determine the transaction price, including the constraint on variable consideration; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue as we satisfy the performance obligations.

We generate revenue primarily from advertisers through user engagement with the ads that we place on media partners’ web pages and mobile applications. Our platform delivers ads to end-users that appear as links to articles, products and videos on media partners’ sites.

Our customers include brands, performance advertisers and other advertisers, which we collectively refer to as our advertisers, each of which contracts for use of our services primarily through insertion orders or through our self-service tools, allowing advertisers to establish budgets for their advertising campaigns. Advertising campaigns are primarily billed on a monthly basis. Our payment terms generally range from 30 to 60 days. Because the amount billed is representative of the value of the service delivered to advertisers, we recognize revenue as we satisfy our performance obligations based on the users’ clicks or ads displayed because the advertiser can direct the use of, and obtain substantially all of the remaining benefits from, the services simultaneously.

For advertising campaigns priced on a cost-per-click basis, we bill our advertisers and recognize revenue when a user clicks on an advertisement we deliver.

For campaigns priced on a cost-per-impression basis, we bill our advertisers and recognize revenue based on the number of times an advertisement is displayed to a user.

Variable consideration, including allowances, discounts, refunds, credits, incentives, or other price concessions is estimated and recorded at the time that related revenue is recognized. Advance payments from advertisers for future services represent contract liabilities and are recorded as deferred revenue in our consolidated balance sheets.

The determination of whether revenue should be reported on a gross or net basis involves significant judgment. In general, we act as a principal on behalf of our advertisers and revenue is recognized gross of any costs that we remit to the media partners. In these cases, we determined that we control the advertising inventory before it is transferred to our advertisers. Our control is evidenced by our ability to monetize the advertising inventory before it is transferred to our advertisers. For those revenue arrangements where we

do not control the advertising inventory before it is transferred to our advertisers, we are the agent and recognize revenue on a net basis. We recognize revenue net of applicable sales taxes.

Income Taxes

We are subject to income taxes in the United States and numerous foreign jurisdictions. Significant judgment is required in determining our provision for income taxes and income tax assets and liabilities, including evaluating uncertainties in the application of accounting principles and complex tax laws.

We record a provision for income taxes for the anticipated tax consequences of the reported results of operations using an asset and liability approach, which requires recognition of deferred income tax assets and liabilities for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, as well as for operating loss and tax credit carryforwards. Deferred income tax assets and liabilities are measured using the currently enacted tax rates that apply to taxable income in effect for the years in which those tax assets and liabilities are expected to be realized or settled. We record a valuation allowance to reduce our deferred tax assets to the net amount that we believe is more likely than not to be realized.

We recognize tax benefits from uncertain tax positions only if we believe that it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. Although we believe that we have adequately reserved for our uncertain tax positions, we can provide no assurance that the final tax outcome of these matters will not be materially different. We make adjustments to these reserves when facts and circumstances change, such as the closing of a tax audit or the refinement of an estimate. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will affect the provision for income taxes in the period in which such determination is made and could have a material impact on our financial condition and operating results. The provision for income taxes includes the effects of any reserves that we believe are appropriate, as well as the related interest and penalties.

Off-Balance Sheet Arrangements

We do not currently engage in off-balance sheet financing arrangements. In addition, we do not have any interest in entities referred to as variable interest entities, which includes special purpose entities and other structured finance entities.

Recently Issued Accounting Pronouncements

See Note 1 to the accompanying audited consolidated financial statements for recently issued accounting standards, which may have an impact on our financial statements upon adoption.

Quantitative and Qualitative Disclosure about Market Risk

We have operations both in the United States and internationally, and we are exposed to market risks in the ordinary course of our business. These risks primarily include interest rate and foreign exchange risks. We do not believe that we have any material exposure to inflationary risks.

Foreign Currency Risk

Our consolidated results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates. A substantial majority of our revenue and cost of revenue are denominated in U.S. Dollars, with the remainder in other currencies. Our operating expenses are generally denominated in the currencies in which our operations are located. A majority of our operating expenses are denominated in U.S. Dollars, with the remainder denominated primarily in New Israeli Shekels and to a lesser extent British pound sterling and Euros. We evaluate periodically the various currencies to which we are exposed and, from time to time, may enter into foreign currency forward exchange contracts to manage our foreign currency risk and reduce the potential adverse impact from the appreciation or the depreciation of our non-U.S. dollar-denominated operations, as appropriate.

The effect of a hypothetical 10% increase or decrease in our weighted-average exchange rates on our revenue, cost of revenue and operating expenses denominated in foreign currencies would result in a

\$5.4 million favorable or unfavorable change to our operating net loss for the year ended December 31, 2020 and a \$3.6 million favorable or unfavorable change to our operating loss for the year ended December 31, 2019, primarily driven by operating expenses denominated in New Israeli Shekels.

Interest Rate Risk

Our exposure to market risk for changes in interest rates relates primarily to our cash and cash equivalents and our outstanding debt obligations. Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of the interest rates in the United States.

Our total indebtedness, including capital lease obligations, is \$7.4 million as of December 31, 2020. Our exposure to interest rates relates to the change in the amounts of interest we must pay on our borrowings, which bear both a fixed and variable rate of interest. The effect of a hypothetical 100 basis point change in our interest rate would not have a material impact on our interest income or interest expense in our consolidated financial statements.

JOBS Act Transition Period

We are an emerging growth company as defined in the JOBS Act. The JOBS Act provides that an emerging growth company may take advantage of an extended transition period for complying with new or revised accounting standards, delaying the adoption of some accounting standards until they would otherwise apply to private companies. We have elected to use the extended transition period under the JOBS Act for the adoption of certain accounting standards until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our consolidated financial statements may not be comparable to companies that have adopted new or revised accounting pronouncements as of public company effective dates.

Business

Our mission is to help digital media owners thrive by recommending content, products and services that their users love.

Outbrain is a leading recommendation platform powering the open web. Founded in 2006, we pioneered the online content recommendation category. Today our platform enables over 7,000 online properties, including many of the world’s most prestigious publications, helping them engage their users and monetize their visits. Fueled by over 1 billion data events gathered each minute, our platform matches audiences with personalized content and ads, driving quality engagement while delivering efficient, sustainable monetization.

Over the past decade, consumers have become increasingly accustomed to seeing highly curated digital content and ads that align with their unique interests. Similar to the way in which social media and search have simplified discovery by synthesizing billions of consumer data points to offer personalized feeds, we provide media partners with a platform that encompasses data scale as well as prediction and recommendation capabilities, helping them deliver a personalized feed of recommendations tailored to their users, based on user interests, preferences, and context. We are a mobile-first company and our Smartfeed technology and recommendations are highly effective on mobile devices. We generated over 66% of our revenue on mobile platforms in 2020.

Since inception, we have been guided by the same core principles pertaining to our three constituents: media partners, users, and advertisers.

Media Partners. We are committed to the long-term success of our media partners. Consistent with this philosophy, we focus on developing trusted, transparent, typically exclusive, multi-year partnerships with media partners, both traditional and in new and rapidly evolving categories.

Users. We believe that by focusing on improving the user experience we are able to cultivate user behavior patterns that compound engagement over time, delivering superior long-term monetization for ourselves and for our media partners.

Advertisers. We strive to grow our advertising business by increasing overall user engagement, rather than price per engagement. Our emphasis on user engagement helps us improve advertisers’ return on ad spend (“ROAS”) thus unlocking more advertising spend and attracting more advertisers. In turn this enables us to better match ads to users and further grows user engagement and overall monetization.

We have delivered over \$3 billion in direct revenue to our media partners, since inception. We partner with thousands of the world’s most trusted digital media owners for which we believe we are an important technology partner. Some of our key media partners include Asahi Shimbun, CNN, Der Spiegel, Le Monde, MSN, Sky News and Sky Sports, and The Washington Post. The average tenure of our top 20 media partners, based on our 2020 revenue, is approximately seven years.

Through our relationships with media partners, we have become one of the largest online recommendation and advertising platforms on the open web. In 2020, we provided personalized content feeds and ads to approximately 1 billion monthly unique users, delivering on average over 10 billion recommendations per day, with over 20,000 advertisers using our platform. In the fourth quarter of 2020, our platform powered an average of over 100,000 ad campaigns per day and generated an average of \$2.7 million in daily ad spend.

Our platform is user engagement focused. A significant proportion of the engagement created by our recommendations is with the content of the media partner for which we are providing the platform, which we refer to as ‘organic recommendations.’ This provides the user with a personalized content experience, while increasing time spent and engagement on the media partner’s digital properties. We believe this is crucial to increasing long-term loyalty and retention of users for media partners, while increasing the depth and value of user visits in the short term. Powering a curated feed of both organic recommendations and targeted ads creates significant proprietary, first-party data that enables us to continuously refine our prediction capabilities, supporting our efforts to further increase engagement.

Advertisers use our platform to reach consumers efficiently through various ad formats across thousands of premium digital media properties around the world. Our platform provides access to a

significant volume of exclusive ad inventory within the content feeds of these premium digital media properties. Advertisers primarily use our platform for performance driven campaigns, with measurable outcomes. Our ability to drive value and ROAS for advertisers, at scale, is highlighted in the growth of ad spend through our platform.

Data and algorithms are fundamental to everything we do. We process, on average, over 1 billion data events per minute, powering up to 100 million Click Through Rate (“CTR”) predictions and over 100,000 recommendations. Our ability to collect and synthesize large data sets into our real-time decisioning engine powers our recommendations, our feed experiences and our ad targeting, helping us optimize user engagement and monetization. As our platform grows, we are able to leverage our data scale in order to enhance our algorithms, enabling us to improve the efficacy of our platform. This, in turn, drives additional user engagement and thus more monetization for our partners and ourselves, which helps us further grow our business and scale our data. We refer to this phenomenon as our data flywheel. During 2020, we grew overall engagement with recommendations on our platform by 24% on a year over year basis. Engagements with recommendations include a user click on one of our recommendation links or a view of a video that we recommended. We believe engagements are an indicator of the value users find in our recommendations and the value we create for our media partners through increased monetization.

We are targeting a large, fragmented and growing market. Over four billion consumers access the Internet and, by 2022, the average person in the United States will spend more than eight hours a day consuming digital media, according to eMarketer. eMarketer also states that approximately \$378 billion was spent on global digital advertising in 2020. By 2024, this figure is expected to increase to \$646 billion. Given our ability to deliver high impact and measurable performance to our advertisers, significant reach and unique inventory, we believe that we are well positioned to capture a significant share of this growing market.

We have a track record of consistently growing our business, and have achieved significant scale with \$767 million of revenue in 2020. Our Revenue Ex-TAC was \$194 million in 2020, up from \$170 million in 2019 representing year over year growth of 14.1%. In the second half of 2020, our Revenue Ex-TAC grew by 28.8%, as compared to the same prior year period, highlighting the momentum in our business. Our business is profitable and we are benefiting from strong operating leverage as we grow. Our net income was \$4.4 million in 2020, compared to a net loss of \$20.5 million in 2019. Our Adjusted EBITDA more than doubled to \$41.1 million in 2020, from \$19.3 million in 2019. Adjusted EBITDA was 21.2% and 11.3% of Revenue Ex-TAC in 2020 and 2019, respectively.

Our Industry

Advertising is the primary business model for digital media on the open web. In addition, advertising is also increasingly used as a key revenue driver for other Internet based businesses, such as mobile gaming and eCommerce. As a result, digital advertising not only subsidizes media consumption for billions of consumers globally, but also finances the creation of journalism, news, and entertainment, while lowering the costs to consumers of various products and services.

We believe that the following industry trends are relevant to our business.

Proliferation of digital media, and digital advertising, particularly across mobile environments. According to eMarketer, by 2022 the average person in the United States will spend more than eight hours a day consuming digital media. In addition, the average U.S. consumer’s mobile device use grew from 87 minutes per day in 2012 to 271 minutes per day in 2020, a 211% increase. In order to address this change in consumer usage patterns, most media providers have shifted their focus from traditional means of content delivery to digital ones, with new ‘digital-native’ providers increasingly gaining share of attention. Advertising spend follows time spent and engagement; according to eMarketer, by 2021 global digital ad spend will grow to \$455 billion, a 20.4% year over year increase, and mobile ad spend will grow to \$341 billion, a 23.5% year over year increase, with U.S. mobile ad spend surpassing \$130 billion in the same year.

Consumer habits and expectations are changing. Consumers have grown accustomed to consuming engaging content that is personalized and curated across multiple digital formats, including social, entertainment, gaming and audio. On mobile environments, consumers habitually scroll through apps,

mobile browsers and news feeds, such as those found on social media, providing continuous opportunities to deliver personalized advertising experiences. As a result, we believe that personalized and engaging digital content experiences, supported by non-intrusive ads, have become the expectation of media owners, rather than a consumer luxury.

Trusted editorial content is becoming increasingly important. The massive scale of content creation and distribution across social media has made it difficult to curb the creation and proliferation of factually inaccurate news and misinformation, leading to a growing distrust of user-generated social media content. In a Kantar Dimensions study published in May 2020, social media was ranked as the least trusted medium, with only 17% of consumers citing Facebook and Twitter as reputable sources of information. At the same time, advertisers are growing increasingly concerned about having their messages shown alongside unsavory user-generated content. According to the CMO Council, 72% of advertisers are concerned about brand integrity on social media. As a result, advertisers have become increasingly cognizant of where they spend ad dollars, seeking media environments that prioritize quality, transparency and brand safety.

Performance and ROAS are becoming increasingly important to advertisers. As digital advertising continues to consume a larger share of advertiser budgets, the ability to target advertising based on specific user interests and context, in real-time, has become increasingly important to advertisers, as it contributes to more efficient campaigns and improved ROAS. This creates demand for solutions that can adjust in real-time while measuring and optimizing for specific price and performance thresholds. As tools for targeting and tracking become more sophisticated and effective, advertisers are increasingly relying on performance pricing models to drive more measurable ROAS, for example, paying for a click (cost-per-click), lead, acquisition, download, install, or sale, instead of paying to simply display an ad which may or may not create value. According to a 2019 IAB report, approximately 63% of 2019 internet advertising revenues were priced on a performance basis. Many advertisers, including the largest brands, leverage third-party software and predictive data-driven models to meet their performance goals. In parallel, increasingly user friendly and engagement-focused formats of digital advertising have evolved to better serve advertisers seeking performance and ROAS.

Data-driven decisioning delivers better experiences and outcomes. Advances in software and hardware along with the growing use of the Internet have made it possible to collect and rapidly process massive amounts of real-time data signals related to content, context and performance. Leveraging data at scale, advertising technology providers can dynamically serve content or ads that integrate seamlessly into user environments to deliver tailored, impactful experiences. The decisioning intelligence developed by leading technology providers and large Internet platforms has made advertising more engaging for users and more effective for advertisers. As a result, advertisers are increasingly focused on data-driven decisioning, making these capabilities critical for media partners, as they seek to deliver quality experiences to their users while maintaining their relevance with advertisers.

The Challenge for Digital Media Owners

As the pace of online content creation and consumption continues to accelerate, and competition for user attention intensifies, digital media owners must focus on their core strength: creating relevant, interesting, quality content. However, their success also depends on sustainably attracting, engaging, retaining and monetizing audiences while competing with the major social and aggregation platforms, known as the ‘walled gardens.’ These platforms, driven by the nature of their services and their scale, have significant resources to invest in technology and have amassed large volumes of coveted user data, enabling them to deliver highly targeted and thus effective ads alongside user generated or third-party content, helping them achieve an outsized share of the advertising market.

As a result, we believe that digital media owners, whose properties are often referred to as the ‘open web,’ face challenges in the following key areas:

User experience. In today’s dynamic, mobile-first environment, providing a high-quality user experience that addresses consumer habits and expectations is critical to attracting, engaging and retaining audiences. For example, over the past few years, consumers have grown accustomed to receiving personalized content recommendations, which are now common within the walled gardens. In addition, infinite scrolling feeds of content have also become popular, especially on mobile devices. Keeping pace with these changes,

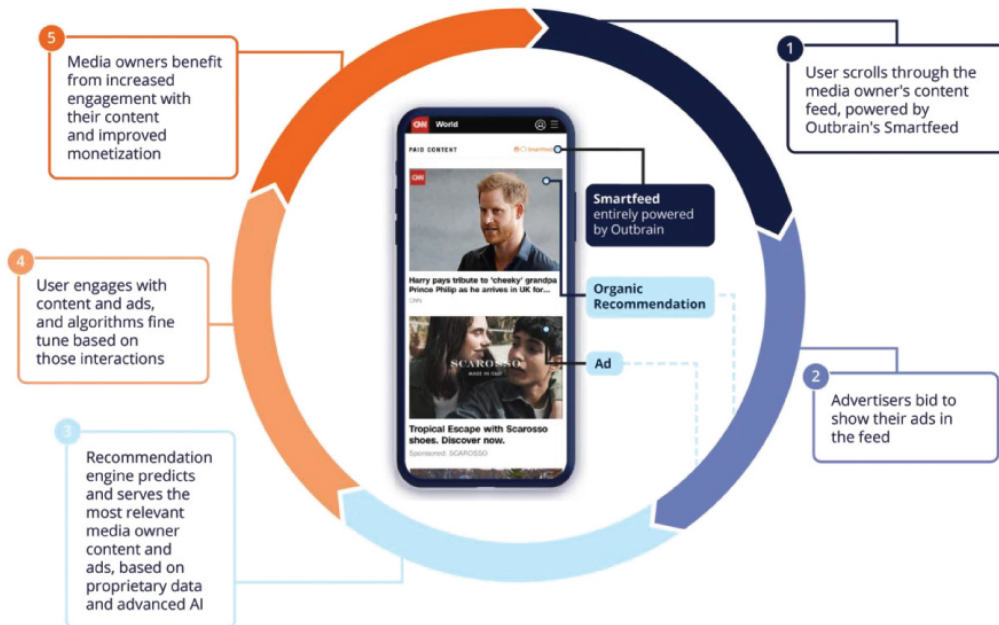
as well as other emerging products and features, represents a significant challenge to many digital media owners who lack the scale and resources required to compete.

Monetization. The fragmented ecosystem of digital advertising technology intermediaries, constantly evolving landscape of ad formats and the growing sophistication of advertisers seeking measurable ROAS makes it difficult for digital media owners to develop and maintain the technology required to optimize their monetization. In addition, digital media owners often lack access to a large and diverse advertiser base. As a result, they may not benefit from the variety of ads that are necessary in order to optimize consumer engagement and thus overall monetization.

Our Solution

We enable digital media owners to provide their users with an experience that is personalized and relevant to their interests while generating incremental revenue through highly engaging content recommendations and relevant advertisements. Our platform is informed by large, proprietary data sets. Our recommendation engine relies on advanced artificial intelligence technology and machine learning algorithms. We leverage our scale, gained through a large number of partners and advertisers, in order to grow and enhance our data and our technology continuously.

By delivering relevant content recommendations that personalize the user experience, alongside targeted ads, our platform increases and monetizes user engagement. Our technology platform forms the underlying “operating system” of our media partners’ content feeds, helping them manage and grow their business.



We focus on the long-term

- **Our goal is to delight the user.** We believe in the compounding value that is generated by increasing user engagement. As a result, we aim to delight users by recommending relevant content in order to deliver superior long-term monetization for our media partners and ourselves.
- **Quality is fundamental.** We partner with prestigious and trusted digital media owners around the world. Through our commitment to working with the most credible sources of digital media and content creators, we have created an ecosystem trusted by publishers, advertisers and users alike.

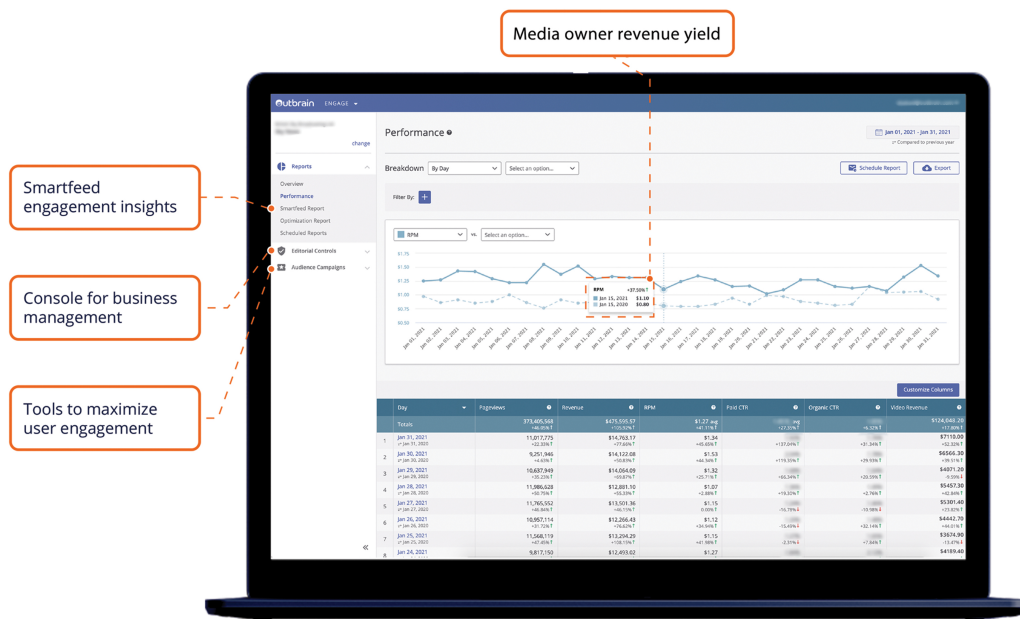
- **Deep integrations are key.** Our technology is deeply integrated with our partners' systems, enabling us to roll out new products and features at pace. As a result, our partners gain the flexibility to capitalize on new forms of content distribution and advertising, as well as shifting consumer preferences, empowering them to achieve their growth and monetization objectives.
- **Transparency builds trust and alignment.** By maintaining transparency on pricing, data collection and efficacy, we align our incentives with those of our partners and work to ensure their objectives are achieved, driving the long-term success of our business.

Our Offering for Media Partners

We provide media partners with an 'operating system' that helps them manage and grow their businesses. Our platform and products provide the data, scale, and technology capabilities to personalize the content experience, grow audiences, maximize user engagement and monetize content. We empower media partners, enabling them to innovate their user experience by continuously introducing new features, capabilities and technologies that help optimize content delivery through personalized recommendations. We aggregate advertiser demand on behalf of media partners, providing them with critical monetization. Media partners benefit from the combined scale of technology, data and users, which we derive from the large volume of partners and advertisers that use our platform.

Our product suite for media partners, Outbrain Engage, encompasses multiple key technologies, enabling media partners to:

- **Delight users through personalized feeds and data-driven recommendations.** Our platform synthesizes billions of data points, including context, user interests and behaviors to provide customized recommendations to users. Our Smartfeed product is a powerful solution for media partners to personalize content recommendation for users. The modular format of the feed enables media partners to customize the order, layout, and composition of content based on consumers' context, interests and preferences.
- **Monetize content through customized, data-driven advertising.** We deliver critical revenue that media partners depend on to operate their business. Our platform and partner integrations supports a wide range of ad formats that leverage unique data insights in order to maximize revenue. Our algorithms balance revenue yields with overall user experience and can be harnessed to support additional revenue initiatives.
- **Maximize user engagement.** Our solution enables media partners to engage and retain their audience, helping them achieve multiple business outcomes such as time spent with their content, growth of digital subscriptions, app downloads, podcast engagement and more. In addition, our proprietary optimization engine is an always-on testing and optimization solution that continuously enhances page layouts for maximum engagement and value.
- **Manage their business.** Outbrain Engage provides media partners with a web-based dashboard enabling them to manage and control various aspects of our platform including the content, formats, sources, frequency and categories of ads delivered on their properties. In addition, we provide precise advertiser and creative classification and filtering tools while strictly enforcing rigorous ad and content quality requirements. We operate at great scale, with an average of approximately 100,000 new ads uploaded to our platform daily in the fourth quarter of 2020. We review all ads before they go live on Amplify, our product suite for advertisers, either through our automated processes or manually, ensuring compliance with our strict content guidelines (which are available publicly on our website). We reject, on average, over 20% of new ads submitted. Our extensive content review processes and automated monitoring tools provide a further layer of quality control for media partners.



Our Offering for Advertisers

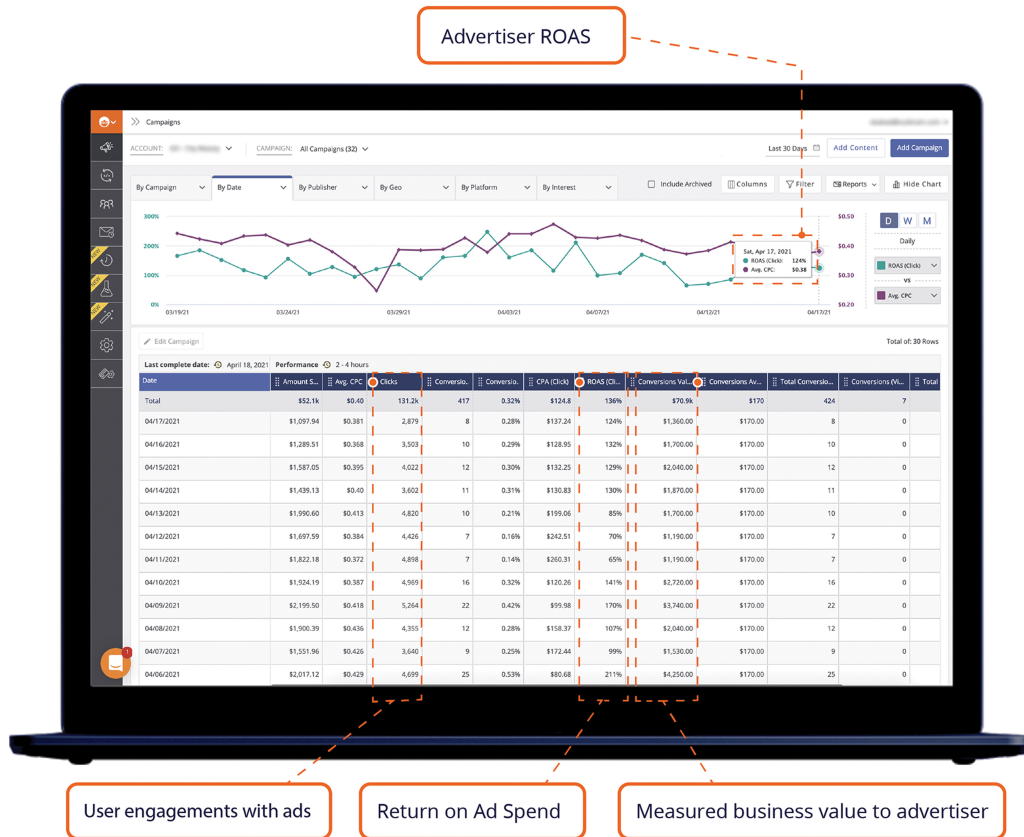
Our platform enables advertisers to have one-on-one interactions with consumers, at scale. We provide advertisers a powerful open web platform with significant reach and exclusive inventory, helping them connect with audiences on premium digital properties. Using Outbrain Amplify, our product suite for advertisers, we enable them to focus their campaigns on the users most likely to engage with their ads. Advertisers log into our platform directly to create campaigns, load or automatically generate creative assets, and manage their advertising activity on the open web, all while optimizing spend toward engagement and ROAS.

Outbrain Amplify provides advertisers with:

- Seamless and non-intrusive ads.** We provide advertisers access to ad inventory that benefits from high user attention by delivering ads that are native to the user experience and are personalized based on our unique understanding of each user's context and interests. We call our ads Smartads™ because they are component-based and dynamically match the look and feel of the content where they are placed. Our Smartads support a variety of formats, including text and image, video, interactive carousel, app install and other forms of direct response.
- Ads optimized for engagement.** Our deep and direct integration across the digital properties of thousands of media partners provides us with a wealth of proprietary data pertaining to user engagement and content consumption patterns. This enables us to deliver ads based on our user interest graph, as well as other unique data-driven tools and technologies. We believe that our direct integrations and exclusive partnerships are a differentiator when compared to most other online advertising solutions. Unlike other solutions, which often connect an advertiser to an available ad opportunity in a non-exclusive manner, typically mediated by other third-party platforms and technologies, our platform benefits from direct visibility into users' overall engagement.
- Results—optimize and pay for performance.** Our platform enables advertisers to optimize to specific campaign goals, and buy on a Cost-per-Click basis, guaranteeing engagement and delivering other measurable business outcomes. We maintain transparent performance metrics, and advertisers are able to view progress, manage ongoing campaigns and maximize ROAS. Our autopilot feature enables advertisers to set their goals and key performance indicators and allows Amplify to automatically optimize bid prices and budget allocations to hit these goals. Advertisers

and their agencies wishing to transact through programmatic channels can use Zemanta, our programmatic platform, as well as other third-party programmatic platforms.

- Quality.** We work with established media partners, employing rigorous selection criteria, onboarding standards, controls, processes, and ongoing monitoring. As a result, our platform provides predominantly exclusive access to engaged users in high quality content environments across many of the world’s most trusted media properties.

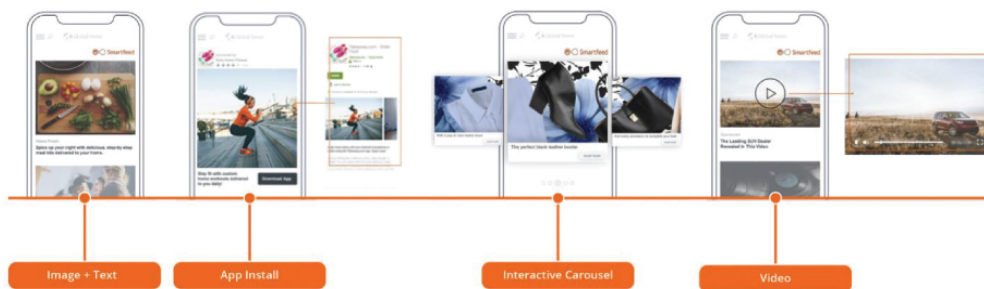


Our Personalized Feed Experience for Users—Smartfeed

Smartfeed is our personalized feed solution that drives deeper discovery of content, products and services, longer sessions and better user engagement. Smartfeed powers the content feeds of thousands of the world’s most prestigious digital media owners, combining highly engaging multimedia formats, such as text and image, or video, with a diverse range of experiences and dynamic optimizations, continuously improving a personalized user experience.



Our Smartfeed technology supports a wide variety of ad creative formats, including:



Our Strengths

- Mission-critical partner for digital media owners.** We provide digital media partners with mission-critical technology, an “operating system,” that increases user engagement and content monetization. The capabilities and revenue we provide enable many of our partners to sustain their businesses and deliver quality journalism, in some cases as they continue a long-term transition away from historic reliance on offline ad revenue. We are a trusted partner for some of the world’s most prestigious publications, including The Asahi Shimbun, CNN, Der Spiegel, Le Monde, MSN, Sky News and Sky Sports, and The Washington Post. The average tenure of our top 20 media partners, based on 2020 revenue, is approximately seven years. During 2020 and 2019 we retained 98% and 99% of our scaled partners who were with us in the prior year, respectively. We define scaled partners as those on whose properties we generated over \$100,000 annually in revenue.

- **Unique, at-scale platform for advertisers.** Through our vast and predominantly exclusive relationships with media partners, we provide advertisers with access to approximately 1 billion unique monthly users. The breadth of our audience reach enables advertisers to deliver at-scale campaigns and to optimize the performance of their advertising spend.
- **Unique proprietary data and algorithms driving a virtuous cycle.** Our direct integrations across our partners' properties provide us with a large volume of proprietary first-party engagement data, including context, user interest and behavioral signals. Leveraging our data, we continuously optimize our algorithms to improve CTR and ROAS. For the last six months ended December 31, 2020, CTR for ads on our platform improved by 25% relative to the second half of 2019. By delivering better results to advertisers we are able to grow our business and our platform, which, in turn, helps us collect more data and further enhance our algorithms, driving better results for our partners, helping us further grow our platform and our business.
- **Well positioned for a privacy-centric world.** By integrating directly with our media partners' properties we generate proprietary first-party data and are able to collect and infer valuable user related data and insights. In addition, our ability to use unique contextual signals enables us to deliver strong user engagement and advertiser ROAS without the need to rely solely on user-based targeting, typically enabled through user tracking technologies that may not be available in the future.
- **History of successful innovation.** We pioneered our category and have been focused on innovation since our founding. To ensure seamless product innovation we operate as a continuous deployment engineering organization, releasing an average of approximately 250 code deployments daily. We plan to continue investing in our platform and its features.
- **Scaled, profitable and diversified business.** We have grown our business rapidly while achieving profitability, demonstrating the power of our technology, the strength of our partner and advertiser relationships and the inherent operating leverage of our model. In 2020, we achieved \$767.1 million in revenue and \$194.3 million in Revenue Ex-TAC, reflecting year over year growth of 11.6% and 14.1%, respectively. In 2020, net income was \$4.4 million, compared to a net loss of \$20.5 million in 2019. Adjusted EBITDA more than doubled to \$41.1 million, or 21.2% of Revenue Ex-TAC, in 2020 from \$19.3 million, or 11.3% of Revenue Ex-TAC, in 2019. Our business is well diversified. In 2020 our top twenty digital media partners accounted for approximately 49% of our revenue, with the largest accounting for 11% of our revenue. During the same year, our top twenty advertisers accounted for approximately 25% of our revenue, with the largest accounting for approximately 3% of our revenue.
- **Team and culture.** Companies cannot effect the change they aspire to achieve without passionate, innovative employees. We rely on a global and diverse team of highly capable employees to collaborate, innovate, and execute our vision—to empower high quality journalism and content creation. Outbrain routinely conducts anonymous employee engagement surveys; according to the survey in early 2021 which had a 91% employee participation rate, 93% of our employees responded that they would “recommend Outbrain as a great place to work.”

Our Growth Strategies

We believe that we are well positioned to capitalize on the continued growth of digital content consumption and digital advertising. We intend to continue investing in technology and innovation to improve our recommendation engine and product offering, support our efforts to grow relationships with existing and new media partners, and expand our advertiser footprint and share of wallet. We plan to pursue the following growth strategies:

- **Continuously improve user engagement.** Improving the quality of our recommendation engine has been an important driver of past growth and we expect it to remain a key driver of future growth. We believe that a great user experience drives engagement that compounds over time. Continued investment in our technology, artificial intelligence and machine learning capabilities drives a better user experience, resulting in better CTR predictions and, in turn, higher monetization yield and revenue. We believe that we can significantly grow our business solely by improving user engagement.

- **Grow our ad inventory**

We have an extensive history of growing ad inventory by expanding our media partnerships and forming new ones.

Existing partners. We have a strong track record of growth through the continuous expansion of existing media partnerships, as we launched products, features and formats that improved user engagement and retention, grew audiences, and improved monetization. We plan to continue innovating as we seek to grow our ad inventory by implementing optimizations, creating new ad formats, seeking additional ad placements, and pursuing opportunities to manage a larger proportion of our media partners' digital properties. In addition, we plan to expand our partnerships with software and hardware providers, enabling us to offer personalized content feeds for browsers and mobile operating systems.

New partners. We plan to pursue new partnerships with media owners as well as integrations with programmatic platforms that will expand our reach to additional user segments, helping us grow our business.

- **Grow advertiser spend.** We plan to grow spend from existing, as well as new advertisers by pursuing the following initiatives:

- *Further invest in our advertiser product suite.* In the past, improvements to our advertiser solutions have been a meaningful driver of growth for our business. We plan to continue investing in Amplify and Zemanta in order to deliver better tools and technologies for advertisers on our platform.
- *Continuously improve ROAS.* We aim to deliver better results for advertisers through improved CTR, as well as automation in pricing and conversion optimization, helping us grow existing and new advertisers' share of wallet.
- *Grow brand spend.* We plan to expand our existing suite of solutions aimed at brand advertisers. We believe that we will be able to capture significant spend from new and existing advertisers by providing new capabilities, such as additional exclusive ad placements, new optimization solutions, and unique ad formats, amongst others.
- *Grow the number of advertisers.* In addition to investments in our advertiser product and technology, we plan to invest in sales and marketing initiatives aimed at attracting new advertisers to our platform. We believe Zemanta will continue to gain adoption amongst leading agencies and brands, and that new programmatic demand partners will enable us to continue to expand our advertiser footprint.
- *Drive adoption of high impact ad formats.* High impact ad formats such as video, content highlight reels, and interactive carousel represent a significant opportunity to improve monetization of existing inventory. We plan to expand our offerings and capabilities in order to drive continued adoption by advertisers of these formats, helping them reach more of their target audience and achieve their campaign goals, enabling us to grow our business.
- *Acquisitions and strategic partnerships.* We have a track record of successfully executing a number of acquisitions and partnerships, helping us efficiently expand our offerings, grow our business and grow our talent. In 2017, we acquired Zemanta, providing us with advanced programmatic capabilities. In 2018, we acquired AdNgin, an advanced user interface optimization platform. We intend to continue pursuing partnership and acquisition opportunities that will enhance our technology or market presence and deliver more value to our partners and advertisers.

Our Competition

The digital advertising industry is highly competitive and fragmented. We compete for advertising dollars and media owner partnerships with advertising technology platforms such as Criteo, Magnite, PubMatic, Taboola, The Trade Desk, Viant and Xandr (AT&T), as well as large consumer-facing digital

platforms with advertising technology capabilities, such as Amazon, Facebook, Google and Twitter. The key factors that enable us to compete effectively for inventory from digital media owners include:

- the ability to deliver competitive monetization and engagement on media partner properties;
- trust, transparency and long-term alignment; and
- differentiated feed technology.

The key factors that enable us to compete effectively for advertising dollars include:

- delivering high ROAS through our ability to identify and engage relevant users;
- massive audience reach;
- quality of inventory; and
- comprehensive range of inventory types, advertising formats and campaign tools.

Our Technology

We have designed our platform to process real-time content and advertising transactions quickly and efficiently at a massive scale. Our platform delivers on average over 10 billion recommendations daily, in 20 languages, and in the fourth quarter of 2020 we powered an average of over 100,000 ad campaigns per day. We designed our platform using a microservices-based architecture, which enables the rapid deployment of new features with high availability, reliability, and redundancy.

Our platform consists of the following key technology components:

- **Infrastructure.** To support our business needs, we operate our own proprietary cloud infrastructure. Our global infrastructure includes over 7,000 servers, with storage capacity exceeding several petabytes. Our servers are located in three third-party data centers, on a co-location basis, in Secaucus, NJ, Sacramento, CA, and Chicago, IL. Each of our data centers is operated by a different vendor, in order to minimize the impact of any outage on our platform. While all three data centers actively serve recommendations to users, we are able to serve all of our traffic from two of the three data centers if needed. We utilize a global content delivery network (CDN), and dynamic acceleration, for additional performance optimization and redundancy.

Our infrastructure is designed such that we do not have any known single point of failure at any level. Within each data center, we have load-balanced servers on each layer of the system, so that a failure in one server or component will not impact performance or availability. Some of these clusters are dedicated to handling incoming traffic and delivering content, including web servers, caches and real-time database applications. Other clusters are devoted to the data analytics and algorithm modeling involved in creating content recommendations. The design also includes load balancers, firewalls and routers that connect the components and provide connections to the Internet. In particular, we use software specifically designed for processing large data sets to provide real-time data analysis, the results of which are then fed back to refresh and improve our recommendation algorithms.

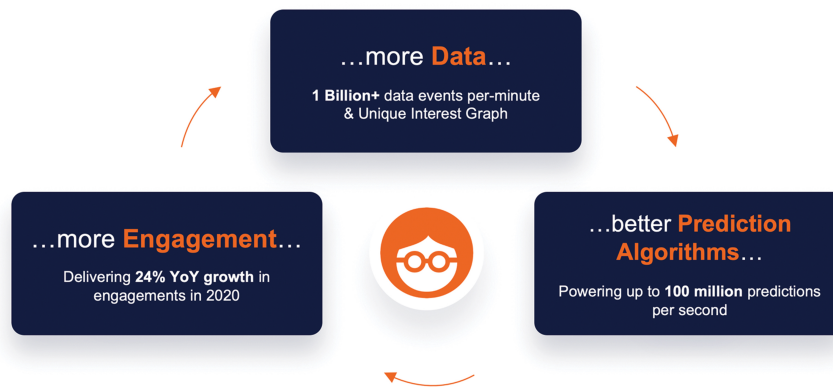
We monitor our system using several tools, both internal and external, to gauge our uptime and performance. We also use multiple layered security controls to protect our recommendation engine and our data assets, including software-based access controls for our source code and production systems, segregated networks for different components of our production systems and centralized production systems management. We believe that the failure of any individual component will not affect the overall availability of our platform, having maintained an uptime of 99.9% from 2018-2020.

- **Data.** One of the key benefits of our platform is the management, analysis, and structuring of valuable user engagement and advertising data.
 - *Our data scale:* We gather over 1 billion data events per minute delivering over 10 billion recommendations per day. On average, we collect in excess of 50 terabytes of data per day

consisting of contextual signals, advertiser data, and user engagement data (typically clicks on recommendations). We leverage our data to improve our algorithms and prediction capabilities.

- **Our automated content index:** To operate our platform, we have created our automated content index, comprising over 2 billion content elements. Our technology automatically classifies and analyzes content at a rate of over 1,500,000 pages a day in 20 different languages. We index content through RSS feeds and JavaScript triggers to continuously identify new content and changes to existing content. Our automated index deconstructs content into base elements including titles, images and topics in order to recombine the elements into targeting data and formatted recommendations and ads.
- **Artificial Intelligence and Machine Learning.** Our proprietary artificial intelligence and machine learning capabilities enable us to harness the vast volume of data we collect in order to effectively match users to relevant content and ads based on our content index. Our algorithms make over 1,000 click predictions, on average, before selecting each recommendation to present to a user. In the second half of 2020, CTR for ads on our platform improved 25% on a year to year basis.

Our Data Flywheel



Sales and Marketing

We focus our sales and marketing efforts on supporting, advising, and training our partners and advertisers, helping them optimize their use of our platform. We employ in-market sales teams across our markets, helping us attract premium digital media owners and advertisers to our platform. In addition, we have developed and currently utilize online acquisition channels to attract new advertisers, who we are able to onboard and serve in an automated manner, using self-serve tools and technologies.

Our sales teams educate prospective media owners, partners, and advertisers on the use, technical capabilities, and benefits of our platform. Our dedicated teams work with potential customers through the entire sale cycle, from initial contact to contract execution and implementation. Throughout the process, our teams provide guidance as to how our platform can optimize the value of a media partner's audience or how an advertiser can reach relevant users. Additionally, following contract execution and implementation, our account management teams guide media partners on how additional platform deployment and optimizations can deliver incremental monetization. We engage advertisers and their agencies in order to educate them on how to increase reach and ROAS using our solutions.

Our marketing team is focused on delivering strategies that drive efficient new partner and advertiser acquisition, enhancing our position as key industry thought leaders, supporting our sales teams, and increasing awareness of our brand.

Our Employees

Much of our success can be directly attributed to our global team of technology, business, and data science experts who work out of our 18 locations worldwide. Outbrain comprises a diverse, intelligent and driven group of individuals who are passionate and excited to be leading the way in which users discover things online.

Our culture and team are the most important asset in building and expanding our business. Our team identifies new problems to solve, builds solutions, optimizes and extends our infrastructure, and acquires and serves customers. We believe that strong and diverse teams deepen customer relationships, promote innovation, and increase productivity. Our Culture Manifesto, available publicly on the Outbrain website, is one of many important expressions of the values and principles that reflect how we behave, collectively and individually.

Our people strategy revolves around creating employee experiences. We strive to foster deep employee engagement built upon personal development and achievement that is supported by continuous feedback, learning, and team building. As we continue growing our team, and become more diverse culturally and geographically, we want to make sure we retain a shared mission among the people that become part of our company. In particular, there are certain characteristics that we seek out in our employees:

- **Intelligent and productive.** There are many great attributes companies can seek in the candidates they hire—academic degrees, deep industry expertise, hands-on work experience, etc. While these attributes are an important part of our screening process, we seek, above all else, a combination of smarts and a “get stuff done” attitude.
- **Collaborative.** We love hiring and nurturing professionals who are great at their craft. At the same time, we are cognizant that we are ultimately playing a team sport and we therefore look for people who strive to be amazing team players. A self-described “Superstar” or “Ninja” focused on personal status is not likely to fit our team, even if they might be very good at their profession.
- **Passionate.** People who have a passion for something typically have that spark in their eyes when they engage in the work they love. They bring their best self to work, possess the desire to improve and learn, and focus on opportunities rather than obstacles. Through their passion, they set the tone for the rest of the team and become excellent examples for everyone to follow.

We also strive to make Outbrain diverse at all levels of the company, and in all types of jobs. Our priority is to always hire and promote people based on qualifications and merit, and we believe that this approach does not conflict with the objectives of inclusion and empowerment. Our team consists of people from many different nationalities and cultures with different perspectives, opinions and ideas which we believe is undeniably powerful and ultimately drives shareholder value.

As of December 31, 2020, we had 828 employees and contractors, 54% of whom were male and 46% of whom were female. 41% of our workforce is located in Israel, 18% is located in the United States, and the remaining 41% is located in our other global offices.

Intellectual Property

The protection of our technology and intellectual property is an important component of our success. We protect our intellectual property rights by relying on federal and state statutory and common law rights, foreign laws where applicable, and contractual restrictions. We seek to control access to our proprietary technology by entering into non-disclosure agreements with third parties and disclosure and invention assignment agreements with our employees and contractors.

We consider our trademarks, patents, copyrights, trade secrets, and other intellectual property rights to be, in the aggregate, material to our business. In addition to our intellectual property rights, we also consider the skills and ingenuity of our employees and the functionality and frequent enhancements to our solutions to be contributors to our success. We believe our platform would be difficult, time consuming, and costly to replicate. We protect our competitive technology position through innovation and by continually developing new intellectual property.

Outbrain has built an extensive intellectual property portfolio to date. This portfolio includes 17 granted U.S. utility patents, 34 granted U.S. design patents and nine European registered community designs.

Regulatory Environment

We are subject to privacy laws and regulations governing the collection, use, and sharing of consumer data. Interest-based advertising, or the use of data to draw inferences about a consumer's interests and deliver relevant advertising to that consumer, has come under increasing scrutiny by legislative bodies, regulatory bodies, self-regulatory bodies, privacy advocates, and academics in the United States and abroad. In particular, much of this scrutiny has focused on the use of cookies and other tracking technologies that collect or aggregate information regarding consumers' online browsing and mobile app activity. Because both our company and our media partners and advertisers rely upon large volumes of such data collected primarily through cookies and other tracking technologies it is essential that we monitor legal requirements and other developments in this area, both domestically and globally, maintain a robust privacy and security compliance program, and engage in responsible privacy practices, including providing consumers with notice of the types of data we collect, how we collect it, with whom we share it, how we use that data to provide our solutions, and the applicable choices we offer consumers. We provide notice through our privacy policies and notices, which can be found on our website.

We typically collect IP addresses and device identifiers that are considered to be personal data or personal information under the privacy laws of some jurisdictions or otherwise may be the subject of current or future data privacy legislation or regulation. The definition of personally identifiable information, personal information, or personal data varies by jurisdiction and continues to evolve in ways that may require us to adapt our practices to comply with laws and regulations related to the collection, storage, use, and sharing of consumer data. As a result, our technology platform and business practices must be assessed regularly against a continuously evolving legal, regulatory, and technology landscape.

A growing set of privacy regulations have introduced complexity regarding the collection, use, and transmission of consumer data to the digital advertising ecosystem. We have implemented a number of technology innovations, process enhancements, and industry solutions in response to increased obligations, including adopting the advertising industry's technical and policy solutions that form compliance standards. Some of the specific measures we have taken include:

- **User Consent.** Working with our media partners to ensure appropriate consent is being obtained, recorded, and transmitted as applicable. Specifically, through the TCF and other frameworks, we can identify, receive and pass user consent parameters.
- **Increased Data Transparency.** Creating an infographic accessible to all consumers to provide insight into Outbrain's inferences about individual interests and preferences.
- **Data Minimization.** Establishing mechanisms to collect only the data that is needed and converting it to pseudonymized data wherever possible.
- **Data Retention.** Implementing data retention periods across our technology platform so that we delete, aggregate, or anonymize consumer data per best practices.
- **Partner Agreements.** Monitoring and updating our agreements with our partners, as applicable, to address privacy and regulatory compliance.

We may use various third-party service providers to help us market or advertise. We require that these third parties agree to comply with all applicable data privacy and security laws and regulations, keep all shared information confidential, and use the information only to perform their obligations. We do this by entering into agreements with all third parties who process personal data on our behalf.

There are also a number of specific laws and regulations governing the collection and use of certain types of consumer data relevant to our business. For example, the Children's Online Privacy Protection Act (COPPA) imposes restrictions on the collection and use of data provided by children under the age of 13 by child-directed websites or online services. We do not market to media partners that market to children, and contractually prohibit the use of our technology on websites targeting children.

Additionally, compliance with our privacy policy, privacy notices and our general consumer data privacy and security practices are subject to review by the Federal Trade Commission, which may bring enforcement actions to challenge allegedly unfair and deceptive trade practices, including the violation of privacy policies and misrepresentations or material omissions therein.

Certain State Attorneys General in the United States may also bring enforcement actions based on applicable state laws or federal laws that permit state-level enforcement. In California, for example, the Attorney General may bring enforcement actions for violations of the CCPA. We have registered as a data broker in California with the California Attorney General. When we receive an opt-out signal, we will not share the personal data that corresponds to such signal with our trusted partners. We are able to honor signals from the IAB CCPA Compliance Framework, which includes a technical specification to identify consumer signals to opt-out of the transfer of their data. These IAB frameworks are designed to facilitate compliance with the CCPA, although the California Attorney General's office has not yet approved such frameworks. The CCPA sets forth high potential liabilities for violations of the act where businesses may be fined up to \$2,500 for each violation and up to \$7,500 for each intentional violation.

Adding further complexity to the legal and regulatory landscape in the United States are the CPRA, which amends the CCPA, and the recently enacted CDPA. Both the CPRA and CDPA will take effect in January 2023. The CPRA will impose additional data protection obligations on companies subject to the CPRA, including providing additional consumer rights and limiting the use and processing of personal data including sensitive data. In addition, the CPRA explicitly requires businesses to provide consumers with the right to opt-out of the sharing of personal data with third parties for cross-context behavioral advertising. The CDPA, similar to the CCPA and CPRA, provides various consumer rights to Virginia residents concerning the processing of their personal data by businesses subject to the CDPA. The CDPA imposes additional obligations on businesses, including the requirements to obtain consent to process sensitive data, to implement and maintain reasonable security requirements, and to conduct and document data protection assessments concerning the processing of personal data for purposes of targeted advertising. Under the CDPA, similar to the CPRA, businesses must provide consumers with the right to opt-out of the processing of their personal data for targeted advertising. The Virginia Attorney General may bring an action and seek an injunction to restrain any violations, with civil penalties of up to \$7,500 for each violation. The industry faces an uncertain compliance burden as we and our partners work to become compliant with these laws.

Outside of the United States, our privacy and data practices are subject to regulation by data protection authorities and other regulators in the countries in which we do business. The use and transfer of personal data in member states of the European Union is currently governed under the GDPR, which grants additional data protection rights to consumers, such as deletion and portability, and generally prohibits the transfer of personal data of EU subjects outside of the EU, unless the party exporting the data from the EU implements a compliance mechanism designed to ensure that the receiving party will adequately protect such data. The GDPR sets out higher potential liabilities for certain data protection violations, which may result in fines up to the greater of €20 million or 4% of an enterprise's global annual revenue. Despite GDPR purportedly harmonizing data protection laws across the European Union, continuously evolving interpretation and enforcement by member states requires regular review of the legal and regulatory landscape.

We previously relied upon the EU-U.S. Privacy Shield framework (the "Privacy Shield framework") to transfer personal data of EU subjects to the United States. The Privacy Shield framework was declared invalid by the CJEU on July 16, 2020, and in the same judgement, while the CJEU upheld the adequacy of the standard contractual clauses, a standard form of contract approved by the European Commission as an adequate personal data transfer mechanism, and potential alternative to the Privacy Shield framework, both of which were used by Outbrain, it made clear that reliance on the standard contractual clauses alone may not necessarily be sufficient in all circumstances and cast doubt on their future use. The use of standard contractual clauses for the transfer of personal data specifically to the United States remains under review by a number of European data protection supervisory authorities.

Furthermore, the EU is currently in discussions to replace the ePrivacy Directive (commonly called the "Cookie Directive") with the ePrivacy Regulation that governs the use of technologies that collect, access, and store consumer information and may create additional compliance burdens for us in Europe.

Other states in the United States have proposed consumer data privacy bills similar to the CCPA, CPRA, and CDPA. Further, other jurisdictions have proposed or enacted legislation that closely track the concepts, obligations, and consumer rights described in the GDPR, including Brazil's General Data Protection Law and Singapore's Personal Data Protection Act 2020. The laws that have passed are being enforced by local authorities. The enactment of new proposed laws is gaining momentum and adds additional complexity to our and our partners' compliance programs.

Beyond laws and regulations, we are also members of self-regulatory bodies that impose additional requirements related to the collection, use, and disclosure of consumer data. We are members in good standing of the Network Advertising Initiative ("NAI"), an association dedicated to responsible data collection and its use for digital advertising. We adhere to the NAI Code of Conduct for Web and Mobile, along with the IAB Self-Regulatory Principles for Online Behavioral Advertising, and the IAB Europe OBA Framework. We are also JICWEBS DTSG Brand Safety Certified. We are members of, and adhere to, the Self-Regulatory Principles set forth by the Digital Advertising Alliance and the European Interactive Digital Advertising Alliance.

Under the requirements of these self-regulatory bodies, in addition to other compliance obligations, we provide consumers with notice via our privacy policies about our use of cookies and other tracking technologies to collect consumer data, our use of consumer data to deliver interest-based ads, and consumers' opt-out choices. We also allow consumers to opt-out from the use of data we collect for purposes of interest-based advertising through mechanisms described in our privacy policies available on our website. Some of these self-regulatory bodies have the ability to review or sanction members or participants, which could result in penalties and cause reputational harm. Additionally, some of these bodies might refer violations of their requirements to the Federal Trade Commission or other regulators.

Security

Being a trusted partner is a key value for us and, as such, cyber security is an ongoing commitment. Our dedicated cyber security team ensures that we follow industry best practices and standards including, but not limited to, ISO 27001, Cloud Security Alliance Star level 1, and PCI-DSS SAQ A-EP, SOC 2 data centers.

Our products are designed with security and privacy at the forefront. We maintain tight controls over the personal data we collect, retaining it in firewalled and secured databases with strictly limited and controlled access rights, to ensure it is secure while utilizing advanced monitoring over our environment. All traffic to and between our data centers is encrypted, along with all sensitive configurations, while our users and customers have their passwords hashed.

Secure advertising is a building block of user trust. In order to provide secure ads we integrated an advanced industry leading third-party technology to scan live ads looking for potential security violations either in the ads themselves or on the pages to which they directly link. Combined with internally developed capabilities and our content review process we are tackling both malicious ads and the bad actors behind them.

We constantly strive to understand what we have yet to discover by running an exhaustive security testing framework, including scanning all internal and external assets for vulnerabilities, utilizing multiple third-party security testing teams every year, and running a bug bounty program with more than 300 security researchers.

Providing a clean, non-fraudulent premium network for publishers, advertisers and consumers is a top priority at Outbrain. Our dedicated anti-fraud team monitors our platform to identify and investigate unusual web traffic patterns. We detect, block and prevent fraudulent web traffic by using both internal and external third-party Trustworthy Accountability Group ("TAG") Anti-Fraud certified solutions. As a TAG-verified member since 2018 we are adopting the Media Rating Council Invalid Traffic Detection and Filtration Standards in our efforts and fraud detection technological ecosystem.

Facilities

Prior to COVID-19, our corporate headquarters were located in New York, NY. Since March 2020, all headquarters personnel have been working remotely. We decided not to renew our headquarters lease, which expired in February 2021. We intend to move to a new headquarters in 2021.

Since 2007, we have maintained a presence in Netanya, Israel, which is overseen by one of our founders, where we occupy space consisting of approximately 44,000 square feet under a lease that expires in 2023. We use this facility primarily for technology and development, and, to a lesser extent, for general administration and sales and marketing. We maintain a regional office in London for general administration and sales and marketing. We also have sales offices in several locations, including Amsterdam, Brussels, Chicago, Cologne, Ljubljana, Madrid, Milan, Mumbai, Munich, Paris, San Francisco, Sao Paulo, Singapore, Sydney, and Tokyo.

We believe that our current facilities are adequate to meet our needs for the immediate future, and that, should it be needed, suitable additional space will be available to accommodate any expansion of our operations.

Legal Proceedings

From time to time, we may become involved in legal proceedings arising in the ordinary course of our business. We are not a party to any legal proceeding that, if determined adversely to us, would have a material adverse effect on our business, operating results, financial condition, or cash flows. However, regardless of outcome, litigation can have adverse impacts on us such as defense and settlement costs, diversion of management resources, negative publicity, reputational harm, and other factors.

Management

Executive Officers and Directors

The following table sets forth the name, age and position of each of our executive officers and directors as of the date of this prospectus:

Name	Age	Position
Executive officers		
Yaron Galai	50	Co-Founder, Co-Chief Executive Officer and Chairman of the Board
David Kostman	56	Co-Chief Executive Officer and Director
Ori Lahav	50	Co-Founder, Chief Technology Officer and General Manager, Israel
Elise Garofalo	47	Chief Financial Officer
Directors		
Shlomo Dovrat ⁽¹⁾⁽²⁾⁽⁴⁾	61	Director
Jonathan (Yoni) Cheifetz ⁽¹⁾⁽²⁾⁽⁴⁾	61	Director
Dominique Vidal ⁽²⁾⁽⁴⁾	56	Director
Arne Wolter ⁽⁴⁾	46	Director
Jonathan Klahr ⁽⁵⁾	48	Director
Ziv Kop	49	Director
Yoseph (Yossi) Sela ⁽¹⁾⁽⁴⁾	68	Director

(1) Member of our audit committee.

(2) Member of our compensation committee.

(3) Member of our nominating and corporate governance committee.

(4) Independent director under the NYSE requirements.

(5) Mr. Klahr will resign as a member of our board of directors effective immediately prior to the effectiveness of the registration statement of which this prospectus is a part.

Executive Officers

Yaron Galai co-founded Outbrain Inc. in 2006 and has served as our Chief Executive Officer since inception in 2006 and then as Co-Chief Executive Officer since 2017. Mr. Galai was the co-founder of Quigo Technologies, Inc., a provider of performance based marketing solutions for advertisers and premium publishers, and served as its Chief Executive Officer from 2000 to 2003 and as its Senior Vice President from 2003 until it was acquired by AOL Time Warner in December 2007. Since February 2020, Mr. Galai has served as executive chairman of Listory Inc. and previously served on the board of HopStop Inc., until its acquisition by Apple Inc. Mr. Galai studied industrial design at the Holon Technological Institute in Holon, Israel. Mr. Galai is a Lieutenant Commander Officer (reserve) in the Israel Navy.

Mr. Galai was selected to serve as chairman of our board of directors board because of his extensive experience working with publishers and in the Internet advertising industry, and the unique perspective that he brings as our co-founder and co-CEO.

David Kostman has served as a director of our company since July 2014 and as our Co-Chief Executive Officer since November 2017. Mr. Kostman also serves as the chairman of the board of NICE Ltd. (Nasdaq: NICE) since February 2013, and has served as a director of NICE Ltd. since 2001 (with the exception of the period between June 2007 and July 2008). Additionally, Mr. Kostman is currently a director of privately held companies ironSource, Ltd. (“ironSource”) and TIVIT SA. Previously he served on the board of directors of Nasdaq-listed Retalix Ltd and of several other private companies. From 2006 until 2008, Mr. Kostman was a Managing Director in the investment banking division of Lehman Brothers, where he worked from 1994 to 2000 heading the Global Internet Group. From April 2003 until July 2006, Mr. Kostman

was Chief Operating Officer and then Chief Executive Officer of Delta Galil USA, a subsidiary of publicly traded Delta Galil Industries Ltd. From 2000 until 2002, Mr. Kostman was President of the International Division and then Chief Operating Officer of Nasdaq-listed VerticalNet Inc. Mr. Kostman holds a Bachelor's degree in Law from Tel Aviv University and an MBA from INSEAD.

Mr. Kostman was selected to serve on our board of directors because of his extensive experience serving on the boards of public companies in the technology and Internet industries, and his knowledge and expertise in our industry and his role as co-CEO.

Ori Lahav co-founded Outbrain Inc. in 2006 and has served as our Chief Technology Officer since May 2017 and as the General Manager, Israel since 2006. He is a practical engineer from the Rupin Academic Institute as well as a Lieutenant Commander Officer (reserve) in the Israel Navy. Prior to co-founding Outbrain, Mr. Lahav led the R&D groups in Search and Classification at Shopping.com, which was acquired by eBay, Inc. Mr. Lahav also previously led the Video Streaming Server Group at technology company Vsoft Corp.

Elise Garofalo has served as our Chief Financial Officer since April 2014. From February 2010 to April 2014, Ms. Garofalo served as Senior Vice President, Treasurer and Investor Relations at Revlon, Inc. Prior to that, Ms. Garofalo held various senior financial roles at Trinum Group, Inc. and GrafTech International Inc. (NYSE: GTI). Ms. Garofalo is a CPA and previously worked at KPMG LLP. Ms. Garofalo holds a BS in Accounting from The University of Connecticut School of Business and an MBA from Vanderbilt University.

Directors

Shlomo Dovrat has served as a director of our company since 2009. Mr. Dovrat is a co-founder of the Viola Group, a technology investment group, and co-founder and General Partner of Viola Ventures, a venture capital firm, both of which were founded in 2000. Mr. Dovrat currently serves as a member of the board of directors of ironSource, ProteanTecs Ltd., Worthy, Inc., Cellwize and other early stage technology companies. Mr. Dovrat served as Chairman of ECI Telecom from 2002 to 2007. Prior to founding Viola, Mr. Dovrat founded and served as CEO of Oshap Technologies and Tecnomatix, Israeli technology companies that were traded on Nasdaq and subsequently sold in 1998 and 2005, respectively. Mr. Dovrat has been and continues to be active in various NGOs and serves as the Chairman of the Aaron Institute for Economic Policy and as chairman of "Pnima," an Israeli social movement. Mr. Dovrat served as the Chairman of the Israel Democracy Institute from 2008 to 2012 and as the Chairman of the National Taskforce for the Advancement of Education in Israel from 2003 to 2005.

Mr. Dovrat was selected to serve on our board of directors because of his extensive financial and operational expertise, his extensive experience in the venture capital industry and his knowledge of high-growth technology companies, and because of his perspective as the representative of a significant stockholder.

Jonathan (Yoni) Cheifetz has served as a director of our company since 2008. Mr. Cheifetz has served as a Partner at Lightspeed, a venture capital firm, since June 2006, where he focuses on investment activity in Israel in areas of interest, including the Internet, media, mobile, communications, software, semiconductors and cleantech. Prior to joining Lightspeed, Mr. Cheifetz was a partner with Star Ventures from 2003 to 2006. Before joining Star Ventures, Mr. Cheifetz co-founded several privately held software companies. Mr. Cheifetz serves as a director of Alooma, Inc., At-Bay, Inc., BlueVine Inc., Cato Networks Ltd., Epsagon Ltd., FeeX Inc., Personetics Technologies Ltd., Scodix Ltd., SolarEdge Technologies Inc. (Nasdaq: SEDG), Teads, Theranica, Ultima Genomics, and El-Mul. Mr. Cheifetz holds a BS in Applied Mathematics and Computer Science from the Tel Aviv University and an M.Sc. in Computer Science and Applied Mathematics from the Weizmann Institute of Science.

Mr. Cheifetz was selected to serve on our board of directors because of his extensive experience in the venture capital industry and his knowledge of high-growth technology companies, and because of his perspective as the representative of a significant stockholder.

Dominique Vidal has served as a director of our company since 2012. From September 2007 to July 2019, Mr. Vidal served as a Partner of Index Ventures (UK) LLP (formerly Index Venture Management LLP), a venture capital advisory firm which provides advice to Index Ventures. He retired in July 2019. He

serves on the board of directors of several private companies in the technology sector. Prior to joining Index Ventures (UK) LLP, Mr. Vidal was the Managing Director of Yahoo! Europe from 2004 to 2007. Mr. Vidal holds a BS in Engineering from École Supérieure d'Electricité, or Supelec, in Gif-Sur—Yvette, France.

Mr. Vidal was selected to serve on our board because of his strong financial and operational expertise in the Internet sector generally and the Internet display and advertising industries specifically.

Arne Wolter has served as a director of our company since April 2019. Mr. Wolter has been the Chief Digital Officer at G+J since October 2015 and is in charge of G+J's digital business and further digital transformation. He served as Chief Executive Officer of Ligatus from September 2008 until May 2019. He also served as Chairman of the Supervisory Board of trnd AG from July 2014 until June 2016. Mr. Wolter holds an MBA from the University of Rhode Island and a joint master's degree in civil engineering and business administration from TU Braunschweig, in Germany.

Mr. Wolter was selected to serve on our board of directors because of extensive experience with publishers, in addition to his perspective as the representative of a significant stockholder.

Jonathan Klahr has served as a director of our company since February 2015. Mr. Klahr has served as a Managing Director at Susquehanna Growth Equity, LLC since August 2007 where he focuses on investments in the software, security, e-commerce and payments sectors. Mr. Klahr also serves as a director of Board Intelligence Ltd., CallApp Software Ltd., Cymulate Ltd., and how nDevor Systems Ltd (d/b/a Phorest Salon Software). Mr. Klahr holds an MBA from the Hebrew University and a BA in War Studies from Kings College, London.

Mr. Klahr was selected to serve on our board of directors because of his extensive experience in the venture capital industry and his knowledge of high-growth technology companies, and because of his perspective as the representative of a significant stockholder.

Ziv Kop has served as a director of our company since 2006 and previously served as our Chief Operating Officer from 2014 to 2015. Since 2019 he has been a Managing Partner of O.G. Tech Partners, a growth-stage VC focusing on fast growing early growth investments, and from 2016 to 2018 he was a Partner at Innovation Endeavors / Marker, a multistage VC. Previously, since its inception in 2003 until June 2013, Mr. Kop was a Managing Partner at Glenrock Israel, a private equity firm, where he managed a portfolio of growth companies in the fields of advanced technologies and healthcare, and served on the board of a number of private and public companies. Prior to his role at Glenrock Israel, Mr. Kop served as Chief Executive Officer of POC Management Consulting, an Israeli consultancy in the field of strategic planning. Mr. Kop also currently serves as a director of Evogene Ltd. (NYSE: EVGN), Lendbuzz, Inc. and Elementor Ltd. and Mobilesson Ltd. (d/b/a Connecteam). Between 2017 and 2019 served as a director of Dynamic Yield Ltd. and OwnBackup, Inc. Mr. Kop holds an LLB and a BA in business administration, each from Tel Aviv University, and is a graduate of INSEAD's Young Managers Program.

Mr. Kop was selected to serve on our board of directors because of his extensive experience in the venture capital industry and his knowledge of high-growth technology companies, his experience with public companies and because of his perspective as the representative of a significant stockholder.

Yoseph (Yossi) Sela has served as a director of our company since 2013. He has been with Gemini Israel Ventures, a venture capital fund, since January 1993 and Managing Partner since 1999 and the Chairman of Bridges Israel, an impact investment fund, since March 2018. Mr. Sela currently serves on the board of directors of JFrog Ltd. (Nasdaq: FROG), along with several privately held companies. He holds a BS in Electrical Engineering from the Technion—Israel Institute of Technology, Israel and an MBA from Tel Aviv University, Israel.

Mr. Sela was selected to serve on our board of directors because of his extensive experience in the venture capital industry and his knowledge of high-growth technology companies, and because of his perspective as the representative of a significant stockholder.

Board Composition

Our business affairs are managed under the direction of our board of directors. The number of directors will be fixed by our board of directors, subject to the terms of our amended and restated certificate of incorporation and bylaws that will become effective upon the closing of this offering.

Upon the closing of this offering, our board of directors will consist of seven directors, five of whom will qualify as “independent” under the NYSE listing standards. Immediately prior to this offering, our board of directors will be divided into three staggered classes of directors. At each annual meeting of stockholders, a class of directors will be elected for a three-year term to succeed the same class whose terms are then expiring. The terms of the directors will expire upon the election and qualification of successor directors at the annual meeting of stockholders to be held during the year 2022 for the Class I directors, 2023 for the Class II directors and 2024 for the Class III directors.

- Our Class I directors will be _____ and
- Our Class II directors will be _____ and
- Our Class III directors will be _____ and

The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change of control. See “Description of Capital Stock—Anti-Takeover Effects of Delaware Law and Our Certificate of Incorporation and Bylaws” for a discussion of other anti-takeover provisions found in our certificate of incorporation.

Our amended and restated certificate of incorporation and bylaws will provide that the number of our directors shall be fixed from time to time by a resolution of our board of directors.

Each of our executive officers serves at the discretion of our board of directors and holds office until his or her successor is duly appointed and qualified or until his or her earlier resignation or removal. There are no family relationships among any of our directors or executive officers.

Director Independence

Under the rules of the NYSE, independent directors must comprise a majority of a listed company’s board of directors. In addition, the rules of the NYSE require that, subject to specified exceptions, each member of a listed company’s audit, compensation and nominating and corporate governance committees must be independent. Under the rules of the NYSE, a director is independent only if our board of directors makes an affirmative determination that the director has no material relationship with the company. Although the NYSE permits certain phase-ins with respect to board and committee independence requirements following the completion of an initial public offering for compliance with these independence requirements, we will comply with all of them immediately following the listing of our common stock in connection with this offering.

Prior to this offering, our board of directors undertook a review of its composition, the composition of its committees and the independence of each director. Our board of directors has undertaken a review of the independence of each director. Based on information provided by each director concerning his background, employment and affiliations, including family relationships, our board of directors has determined that Shlomo Dovrat, Jonathan (Yoni) Cheifetz, Dominique Vidal, Arne Wolter, and Yoseph (Yossi) Sela do not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is “independent” as that term is defined under the NYSE listing standards. In making these determinations, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director, and the transactions involving them described in the section titled “Certain Relationships and Related Party Transactions.”

Board Committees

Our board of directors has the authority to appoint committees to perform certain management and administration functions. Upon the closing of this offering, our board of directors will have an audit committee, a compensation committee, and a nominating and corporate governance committee. The composition and responsibilities of each committee are described below. Members will serve on these committees until their resignation or until otherwise determined by the board of directors.

Audit Committee

Our audit committee oversees our accounting and financial reporting process and the audit of our financial statements and assists our board of directors in monitoring our financial systems and our legal and regulatory compliance. Our audit committee is responsible for, among other things:

- appointing, compensating and overseeing the work of our independent auditors, including resolving disagreements between management and the independent registered public accounting firm regarding financial reporting;
- approving engagements of the independent registered public accounting firm to render any audit or permissible non-audit services;
- reviewing the qualifications and independence of the independent registered public accounting firm;
- reviewing our financial statements and related disclosures and reviewing our critical accounting policies and practices;
- reviewing the adequacy and effectiveness of our internal control over financial reporting;
- establishing procedures for the receipt, retention and treatment of accounting and auditing related complaints and concerns;
- preparing the audit committee report required by the SEC rules to be included in our annual proxy statement; and
- reviewing and discussing with management and the independent registered public accounting firm the results of our annual audit, our quarterly financial statements and our publicly filed reports.

Upon the closing of this offering, our audit committee shall consist of Shlomo Dovrat, and , with , serving as the committee's chairperson. Each member of the committee is "independent" as defined under the NYSE listing standards and Rule 10A-3(b)(1) of the Exchange Act. Each member of the audit committee will meet the requirements for financial literacy under the applicable rules and regulations of the SEC and the NYSE. In addition, our board of directors has determined that is an audit committee financial expert within the meaning of Item 407(d) of Regulation S-K under the Securities Act of 1933, as amended, or the Securities Act. Our audit committee operates under a written charter that satisfies the applicable standards of the SEC and the NYSE.

Compensation Committee

Our compensation committee oversees our compensation policies, plans and programs. Our compensation committee charter provides that our compensation committee has responsibility for, among other things:

- reviewing and recommending policies, plans and programs relating to the compensation and benefits of our directors, officers and employees;
- reviewing and recommending compensation and the corporate goals and objectives relevant to the compensation of our Co-Chief Executive Officers;
- reviewing and approving compensation and corporate goals and objectives relevant to compensation for executive officers other than our Chief Executive Officer;
- evaluating the performance of our Chief Executive Officer and other executive officers in light of established goals and objectives; and
- administering our equity compensations plans for our employees and directors.

Upon the closing of this offering, our compensation committee shall consist of Shlomo Dovrat, and , with Shlomo Dovrat serving as the committee's chairperson. Our board of directors has considered the independence and other characteristics of each member of our compensation committee. Compensation committee members must satisfy the NYSE independence requirements and additional independence criteria set forth under Rule 10C-1 of the Exchange Act, or Rule 10C-1. In order

to be considered independent for purposes of Rule 10C-1, our board of directors must consider whether the director has accepted, other than in his or her capacity as a member of the board, consulting, advisory or other fees from us or whether he or she is an affiliated person of us. Each of the members of our compensation committee qualifies as an independent director pursuant to the NYSE rules and Rule 10C-1. Each member of our compensation committee is also a non-employee director, as defined pursuant to Rule 16b-3 promulgated under the Exchange Act, or Rule 16b-3, and an outside director, as defined pursuant to Section 162(m) of the Code, or Section 162(m).

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee oversees and assists our board of directors in reviewing and recommending corporate governance policies and nominees for election to our board of directors and its committees. Our nominating and corporate governance committee charter provides that our nominating and corporate governance committee has responsibility for, among other things:

- evaluating and making recommendations regarding the organization and governance of our board of directors and its committees;
- assessing the performance of board members and making recommendations regarding committee and chair assignments and the composition and size of our board of directors and its committees;
- recommending desired qualifications for board and committee membership and conducting searches for potential members of our board of directors;
- reviewing and making recommendations with regard to our corporate governance guidelines and compliance with laws and regulations;
- reviewing succession planning for our executive officers and evaluating potential successors; and
- reviewing and approving conflicts of interest of our directors and corporate officers.

Upon the closing of this offering, our nominating and corporate governance committee shall consist of _____, _____ and _____, with _____ serving as the committee's chairperson. Our board of directors has determined that each member of the committee is "independent" as defined under the NYSE listing standards.

Our board of directors may from time to time establish other committees.

Corporate Governance Guidelines and Code of Business Conduct and Ethics

We have adopted corporate governance guidelines and a code of business conduct and ethics that is applicable to all of our employees, officers and directors, including our chief executive and senior financial officers. The corporate governance guidelines and code of business conduct and ethics will be available on our website. We expect that any amendment to the guidelines or code, or any waivers of their requirements, will be disclosed on our website. The inclusion of our website in this prospectus does not include or incorporate by reference the information on our website into this prospectus.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee is an officer or employee of our company. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee.

Executive Compensation

We are providing compensation disclosure that satisfies the requirements applicable to emerging growth companies, as defined in the JOBS Act.

Summary Compensation Table

As an emerging growth company, we have opted to comply with the executive compensation rules applicable to “smaller reporting companies,” as such term is defined under the Securities Act, which require compensation disclosure for our principal executive officer and our next two most highly-compensated executive officers other than our principal executive officer (collectively, the “named executive officers”). The table below sets forth the annual compensation awarded or paid to our named executive officers for the years ended December 31, 2020 and 2019.

Name and Principal Position	Year	Salary	Bonus ⁽¹⁾	Stock Awards ⁽²⁾	Option Awards ⁽³⁾	Non-Equity Incentive Plan Compensation ⁽⁴⁾	All Other Compensation ⁽⁵⁾	Total
Yaron Galai	2020	\$400,000	\$515,775	\$644,000	\$ 678,000	\$ 0	\$4,275	\$2,242,050
<i>Co-Chief Executive Officer</i>	2019	\$400,000	\$255,000	\$ 0	\$ 0	\$ 0	\$4,200	\$ 659,200
David Kostman	2020	\$400,000	\$515,775	\$966,000	\$1,017,000	\$2,058,500	\$ 0	\$4,957,275
<i>Co-Chief Executive Officer</i>	2019	\$400,000	\$255,000	\$ 0	\$ 0	\$1,069,850	\$ 0	\$1,724,850
Elise Garofalo	2020	\$400,000	\$951,350	\$483,000	\$ 576,300	\$ 0	\$4,275	\$2,414,925
<i>Chief Financial Officer</i>	2019	\$400,000	\$500,000	\$ 0	\$ 0	\$ 0	\$4,200	\$ 904,200

- (1) The amounts listed in the Bonus column represent the amount of the annual bonus earned for the year listed for each of the named executive officers. Additionally, Ms. Garofalo earned and was paid retention and special bonuses in 2019 and 2020 with respect to a potential transaction that did not materialize and in consideration of modifications to Ms. Garofalo’s 2014 employment agreement, including to eliminate certain required severance benefits. Such amounts are also included in the amounts listed in the Bonus column for Ms. Garofalo.
- (2) These amounts represent the aggregate grant date fair value for RSU awards granted in 2020 as computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 (“ASC 718”). The vesting terms of the RSUs are described below in “Equity Compensation.”
- (3) These amounts represent the aggregate grant date fair value for option awards granted in 2020 as computed in accordance with ASC 718. A discussion of our methodology for determining grant date fair value may be found in Note 10 to our audited consolidated financial statements for the year ended December 31, 2020. Excluding the exercise price per the award agreement, the assumptions used in determining grant date fair value are as follows: risk free interest rate: 0.52%; expected dividend yield: 0%; expected term: 6.021 years; common stock fair value: \$6.44; and expected volatility: 44.16%. The vesting terms of the options are described below in “Equity Compensation.”
- (4) Mr. Kostman’s 2017 employment agreement included a conditional long-term cash incentive plan from 2017 through the end of 2021. This incentive plan was terminated as of December 31, 2020, and amounts earned and accrued from 2017 through 2020 were subsequently paid in full. The amounts in the table indicate the portion of the overall amount that was earned under this long-term cash incentive plan for 2019 and 2020.
- (5) All other compensation includes the amount contributed to our tax qualified plan (401k) as a matching contribution available to all U.S. employees.

Narrative Disclosure to the Summary Compensation Table

Employment Agreements

We intend to enter into new employment agreements with each of our named executive officers prior to the effectiveness of the registration statement, as described below. These new employment agreements replace existing employment agreements.

Yaron Galai and David Kostman

The employment agreements for Mr. Galai and Mr. Kostman, our Co-Chief Executive Officers, will have annual base salaries of \$400,000. Pursuant to the terms of the employment agreement, Mr. Galai and Mr. Kostman will be entitled to a target annual bonus equal to 80% of their base salary.

Subject to the signing of a release and compliance with the terms of the employment agreements, in the event of a termination of the executive's employment, the executive will be entitled to (i) "Severance Pay" equal to _____ of his base salary, (ii) a "Pro-Rata Bonus for Year of Termination" equal to the target annual bonus multiplied by a fraction, the numerator of which equals the number of days during the calendar year prior to the termination date and the denominator of which equals 365 (paid on the 60-day anniversary of the termination date), and (iii) a "Health Care Continuation" lump sum cash payment equal to the applicable percentage of the monthly COBRA coverage in connection with his termination multiplied by _____ (with the applicable percentage equal to the percentage of the executive's health care premium costs covered by us as of the termination date) (paid on the 60-day anniversary of the termination date); and in the event of a termination of the executive's employment during the period beginning three months prior to a change in control and ending 24-months after a change in control, the executive will be entitled to (i) "Severance Pay" equal to _____ multiplied by the sum of his (a) base salary plus (b) an amount equal to the target annual bonus, (ii) a "Pro-Rata Bonus for Year of Termination" as defined above, and (iii) a "Health Care Continuation" multiplied by _____ months.

Under the terms of the employment agreements, the executive will be subject to an ongoing confidentiality obligation, a 12-month non-competition covenant, a 12-month non-solicitation of our employees covenant (including former employees or consultants within the 12-month period prior to the executive's termination date), and a 12-month non-solicitation of our customers covenant (including prospective customers within the 12-month period prior to the executive's termination date).

Elise Garofalo

The employment agreement for Ms. Garofalo, our Chief Financial Officer, will have an annual base salary of \$400,000. Pursuant to the terms of her employment agreement, Ms. Garofalo will be entitled to a target annual bonus equal to 60% of her base salary. Ms. Garofalo will be entitled to 12 months' health insurance upon her resignation or termination (other than for cause).

Ms. Garofalo's employment agreement prohibits competition and solicitation of our employees, suppliers, vendors and customers during her employment and for 12 months thereafter. The agreement also provides for confidentiality of our information and assignment of inventions and intellectual property rights.

Bonus and Non-Equity Incentive Plan Compensation

In 2019 and 2020, our Co-Chief Executive Officers and Chief Financial Officer were eligible to earn a target annual cash bonus of 75% and 50% of their base salary, respectively. In 2019, for our Chief Executive Officers, 70% of such bonuses was tied to financial metrics including Revenue, Revenue Ex-TAC and Adjusted EBITDA, with the other 30% based on achievement of qualitative objectives set by the compensation committee. In 2019, our Chief Financial Officer's bonus was 70% tied to the CEO performance and other financial metrics and 30% was tied to personal metrics. In 2020, our Co-Chief Executive Officers and Chief Financial Officer bonuses were 85% tied to financial metrics and 15% tied to personal qualitative metrics.

For 2021, our Co-Chief Executive Officers and Chief Financial Officer are eligible to earn a target annual cash bonus of 80% and 60% of their base salary, respectively, which will continue to be substantially tied to financial metrics.

Equity Compensation

We have made equity grants to the named executive officers pursuant to the 2007 Plan. The 2007 Plan is described in greater detail below in "Equity Compensation Plans."

We have granted equity to certain employees, including the named executive officers, to recognize performance, to align equity participants with the interests of our stockholders and to retain top talent.

The named executive officers have historically been granted two types of equity awards, stock options and RSUs. The stock options entitle the named executive officer to purchase our shares after vesting at a price equal to the fair market value of a share on the date of grant. The options vest generally in installments over a four-year period following the date of grant. The specific amounts of options held by the named executive officers and any specific vesting terms are described below in “Outstanding Equity Awards at Fiscal Year-End.”

The RSUs entitle the named executive officer to one share for each RSU after vesting conditions have been satisfied. The vesting conditions for the RSUs require both that the employee satisfy service-based vesting over a four-year period following the date of grant and the occurrence of an event, either a change in control or the end of a lock-up period following an initial public offering within a certain period of time following vesting and any termination for such RSUs to become vested. In the event that the named executive officer voluntarily resigns prior to satisfying the service-based vesting requirements, any RSUs that have not become vested will be forfeited. The service-based vesting of the RSUs are not accelerated on the IPO and will continue to vest to the extent not previously satisfied prior to the IPO over such four-year period following the date of grant. The specific amounts of the RSUs held by the named executive officers and any specific vesting terms are described below in “Outstanding Equity Awards at Fiscal Year-End.”

In December 2020, the Board granted various key personnel, including the named executive officers, RSUs subject to vesting as described above to align long-term incentives with our stockholders and to provide a strong incentive for the long-term retention of such key employees. In addition, senior executives, including named executive officers, received grants of stock options with an exercise price equal to the fair market value of a share on the date of grant subject to vesting as described above to incentivize such senior executives to create growth in the value of our company over a period of years while such options remain subject to vesting. The amount of such grants for the named executive officers are listed below in “Outstanding Equity Awards at Fiscal Year-End.”

No equity grants have been made to the named executive officers in 2019 or in 2021.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth certain information concerning unexercised options outstanding as of December 31, 2020, for each named executive officer.

Name	Grant Date	Number of securities underlying unexercised options exercisable	Number of securities underlying unexercised options un-exercisable	Equity incentive plan awards: number of securities underlying unexercised unearned options	Option exercise price	Option expiration date	Number of shares or units of stock that have not vested	Market value of shares or units of stock that have not vested	Equity incentive plan awards: number of unearned shares, units or other rights that have not vested ⁽¹⁾	Equity incentive plan awards: market or payout value of unearned shares, units or other rights that have not vested ⁽²⁾
Yaron Galai	07/25/2011	500,000	—	—	\$0.58	7/25/2021	—	—	—	\$ —
	09/30/2014	—	—	—	\$ —	—	—	78,125 ⁽³⁾	\$ 503,125	
	06/07/2017	—	—	—	\$ —	—	—	9,375	\$ 60,375	
	12/24/2020	—	250,000 ⁽⁴⁾	—	\$6.44	12/24/2030	—	—	—	\$ —
	12/24/2020	—	—	—	\$ —	—	—	100,000 ⁽⁵⁾	\$ 644,000	
David Kostman	11/13/2017	—	—	—	\$ —	—	—	1,000,000 ⁽⁶⁾	\$6,440,000	
	12/24/2020	—	375,000 ⁽⁴⁾	—	\$6.44	12/24/2030	—	—	\$ —	
	12/24/2020	—	—	—	\$ —	—	—	150,000 ⁽⁵⁾	\$ 966,000	
Elise Garofalo	09/30/2014	300,000 ⁽⁷⁾	50,000	—	\$4.50	9/30/2024	—	—	—	\$ —
	09/30/2014	—	—	—	\$ —	—	—	67,709 ⁽⁸⁾	\$ 436,046	
	06/07/2017	—	—	—	\$ —	—	—	300,000 ⁽⁹⁾	\$1,932,000	
	06/07/2017	—	—	—	\$ —	—	—	8,334	\$ 53,671	
	06/05/2018	—	—	—	\$ —	—	—	165,000 ⁽¹⁰⁾	\$1,062,600	
	12/24/2020	—	212,500 ⁽⁴⁾	—	\$6.44	12/24/2030	—	—	—	\$ —
12/24/2020	—	—	—	\$ —	—	—	75,000 ⁽⁵⁾	\$ 483,000		

(1) The RSUs listed in this table will become vested as described above in “Equity Compensation” unless otherwise noted in the footnotes to this table.

(2) Fair market value of our common stock on December 31, 2020 is \$6.44.

(3) Represents 78,125 RSUs that remain unvested of the 250,000 originally granted on September 30, 2014.

(4) Represents an option to purchase shares of our common stock granted on December 24, 2020. The options listed in this table will become vested as described above in “Equity Compensation” unless otherwise noted.

(5) Represents RSUs granted on December 24, 2020 all of which remain unvested. For the RSUs granted on December 24, 2020, in addition to an initial public offering and a change in control, a business combination with a special purpose acquisition company also constitutes a corporate event that will trigger vesting of RSUs for which the service-based vesting conditions have been satisfied.

(6) Represents 1,000,000 RSUs granted on November 13, 2017, all of which remain unvested. This grant was made to Mr. Kostman on the start of his employment with us.

(7) Represents an option to purchase 350,000 shares of our common stock granted on September 30, 2014. 300,000 shares underlying this option have vested. 50,000 shares underlying this option vest, subject to continued service, on the date of consummation of an initial public offering.

(8) Represents 67,709 RSUs that remain unvested of the 250,000 originally granted on September 30, 2014.

(9) Represents 300,000 RSUs granted on June 7, 2017. The RSUs vest, subject to the occurrence of the expiration of a lockup period following the closing of our initial public offering or a change in control

and continued service, as follows: 106,250 shares vest on grant date with the remainder vesting in equal monthly installments over the following 31 months.

- (10) Represents 160,000 RSUs granted on June 5, 2018. The RSUs vest, subject to the occurrence of the expiration of a lockup period following the closing of our initial public offering or a change in control and continued service, as follows: 6.25% on June 30, 2018 and quarterly thereafter in equal installments over the following 15 quarters.

Director Compensation

Historically, we have not compensated our directors for their board service.

In 2021, in connection with this offering, we will implement an annual compensation structure for our non-employee directors that will include a mix of cash retainer fees and equity awards, including:

- value based shares vesting over three years upon commencement of service on board;
- \$ cash retainer, with an additional \$ cash retainer payable to the board chairman;
- additional \$ cash retainer payable to audit committee members, with an additional \$ cash retainer payable to the audit committee chairman.
- additional \$ cash retainer payable to compensation committee members, with an additional \$ cash retainer payable to the compensation committee chairman.
- additional \$ cash retainer payable to nominating and corporate governance committee members, with an additional \$ cash retainer payable to the nominating and corporate governance committee chairman.

Equity Compensation Plans

2007 Plan

Our 2007 Omnibus Securities and Incentive Plan, as amended and restated (our “2007 Plan”) became effective October 24, 2007 and was approved by our stockholders and amended and restated on January 21, 2009. Our 2007 Plan allows for the grant of distribution equivalent rights, incentive stock options, or ISOs, non-qualified stock options, performance share awards, performance unit awards, restricted stock awards, stock appreciation rights, or SARs, tandem stock appreciation rights, or tandem SARs, and unrestricted stock awards to our employees, officers, directors and consultants of ours and our affiliates.

Authorized Shares. The maximum aggregate number of shares of our common stock that may be issued pursuant to awards under the 2007 Plan is 25,578,296 shares, however the maximum number of shares that may be subject to option or SAR awards granted to any one employee in any one calendar year is 500,000. As of March 31, 2021, 1,130,194 shares remained available for future issuance under the 2007 Plan. To the extent that any award under the 2007 Plan lapses, expires, is canceled, is terminated unexercised or ceases to be exercisable for any reason, or the rights of the award-holder terminate, the shares underlying such award will be available for new grants under the 2007 Plan. As of March 31, 2021, (i) options to purchase 8,636,999 shares of our common stock remained outstanding under our 2007 Plan at a weighted-average exercise price of approximately \$3.84 per share, (ii) RSUs covering 6,404,423 shares of our common stock remained outstanding under our 2007 Plan at a weighted-average grant-date fair value of approximately \$5.49 per share, (iii) RSAs covering 190,245 shares of our common stock remained outstanding under our 2007 Plan at a weighted-average exercise price of approximately \$2.22 per share, and (iv) SARs covering 5,764 shares of our common stock remained outstanding under our 2007 Plan at a weighted-average grant date fair value of approximately \$4.50 per share.

Plan Administration. The compensation committee currently administers our 2007 Plan. Subject to the provisions of our 2007 Plan, the compensation committee has the sole authority, in its discretion, to make all determinations under the 2007 Plan, including determining which employees, directors or consultants will receive an award, the time or times when an award will be made, what type of award will be granted, the terms and conditions of an award, the restrictions applicable to a RSA, and the number of shares of common stock that may be issued under an award.

Eligibility. The 2007 Plan provides for granting awards under various tax regimes, including, without limitation, in compliance with Section 102 of the Israeli Income Tax Ordinance (New Version), 5721-1961 (the "Ordinance" and "102 Awards," respectively), and Section 3(i) of the Ordinance and for awards granted to our and our affiliates' United States employees or service providers, including those who are deemed to be residents of the United States for tax purposes, in compliance with Sections 422 and 409A of the Code..

Section 102 of the Ordinance allows employees, directors and officers who are not controlling shareholders and are considered Israeli residents to receive favorable tax treatment for compensation in the form of shares, options or certain other types of equity awards. Our non-employee service providers and controlling shareholders may only be granted options under section 3(i) of the Ordinance, which does not provide for similar tax benefits.

Options. Stock options may be granted under our 2007 Plan. The exercise price per share of all options is determined by the compensation committee and may not be less than the fair market value per share of our common stock on the date of grant. The compensation committee determines the methods of payment of the exercise price of an option, which are set forth in the option agreement. After a holder's termination of service, the holder generally may exercise his or her options, to the extent exercisable as of such date of termination, for 90 days after termination. If termination is due to death or disability, the option generally will remain exercisable, to the extent exercisable as of such date of termination, until the one-year anniversary of such termination. If termination is for cause, then an option automatically expires upon termination.

Restricted Stock. Restricted stock may be granted under our 2007 Plan. Restricted stock awards are grants of shares of our common stock that are subject to various restrictions, including restrictions on transferability and forfeiture provisions. Shares of restricted stock will vest, and the restrictions on such shares will lapse, in accordance with terms and conditions established by the compensation committee. Generally, upon a holder's termination for any reason, any portion of a restricted stock award that is still subject to restrictions will be forfeited.

Unrestricted Stock. Shares of common stock that are not subject to restrictions may be awarded or sold at a discount under our 2007 Plan.

Performance Unit Awards. Performance unit awards may be granted under our 2007 Plan. Performance units give the holder the right to obtain a cash payment equal to the dollar value assigned to such unit if the holder satisfies the performance goals and objectives determined by the compensation committee.

Performance Share Awards. Performance shares may be granted under our 2007 Plan. Performance shares entitle the holder to an award of common stock if the holder satisfies the performance goals and objectives determined by the compensation committee. The holder of performance shares has no rights as a stockholder until the holder receives the shares of common stock.

Distribution Equivalent Rights. Distribution equivalent rights may be granted under our 2007 Plan. A distribution equivalent right entitles the holder to receive amounts equal to distributions that would have been made on a specified number of shares of common stock if the holder has actually held those shares. The compensation committee establishes the terms and conditions, if any, including whether the holder is to receive credits currently in cash, is to have such credits reinvested in additional shares of common stock or is to be entitled to choose among such alternatives. Distribution equivalent rights awards may be settled in cash or in shares of common stock.

SARs. Ordinary SARs and tandem SARs may be granted under our 2007 Plan. Ordinary and tandem SARs entitle the holder to receive a payment in cash, shares of common stock or a combination of both, as determined by the compensation committee. The compensation committee may also grant ordinary or tandem SARs that provide the holder with the option to settle in cash or equity. Ordinary SARs follow the terms and conditions established by the compensation committee, including the base value, exercise period and any other requirements. Tandem SARs are granted at the same time as the related option, the exercise of which results in termination of the otherwise entitlement to purchase some or all of the shares of common stock under the related option. Tandem SARs must expire before or on the same date as the related option and the base value cannot be less than the exercise price of the related option, nor can the value of the

payment exceed the difference between the exercise price of the related option and the fair market value of shares of common stock at the time of exercise.

Transferability or Assignability of Awards; Lock-Up. Our 2007 Plan generally does not allow for the transfer or assignment of awards, other than by will or descent. Each award agreement provides for a lock-up covenant by the holder, pursuant to which the holder agrees not to offer, sell, pledge or otherwise dispose of, any of our common stock received pursuant to such award, to be effective for a period not to exceed one year, upon our request or the request of our principal underwriters in connection with an underwritten public offering of our common stock. However, awards other than ISOs may be transferred by gift to a family member. Generally only the holder of an award may exercise such an award during his or her lifetime.

Adjustments; Recapitalization. In the event of a stock dividend or certain changes in our capitalization, the price per share of and the number and class of shares subject to outstanding options and other awards, as well as the aggregate number of shares available for issuance pursuant to awards under the 2007 Plan, will be proportionately and correspondingly adjusted.

Merger/Sale. Our 2007 Plan provides that, in the event of a merger or sale, as defined under our 2007 Plan, each outstanding award may be assumed or substituted for an equivalent award by a successor corporation or its affiliate. In the event that awards are not assumed or substituted, then the compensation committee may (but is not obligated to) (1) provide the holders the right to exercise their outstanding and vested awards, including the cancellation of all unexercised awards upon the closing of the merger or sale or provide for another arrangement as the compensation committee may decide and/or (2) provide for the cancellation of each outstanding award in exchange for a cash payment to the holder.

Amendment and Termination. Our board in its discretion may terminate the 2007 Plan at any time with respect to shares for which awards have not yet been granted. However, no termination of the 2007 Plan will materially impair the rights under outstanding awards without the holder's consent. Our board may amend our 2007 Plan from time to time, but no change in any outstanding award may be made which will materially impair the rights under outstanding awards without the holder's consent.

2021 Long-Term Incentive Plan

In connection with this offering, we will adopt the 2021 Long-Term Incentive Plan ("LTIP") and will reserve _____ shares of common stock for issuance pursuant to the LTIP. The LTIP is intended to promote the long-term financial interest of our company and its subsidiaries, including the growth in value of our company's equity and enhancement of long-term stockholder return. The LTIP provides for the grant of non-qualified and incentive stock options, full value awards, and cash incentive awards. The 2020 Plan provides for granting awards under various tax regimes, including, without limitation, in compliance with Section 102 of the Ordinance, and Section 3(i) of the Ordinance.

Plan Administration. The LTIP will be administered by the compensation committee. The compensation committee selects the participants, the time or times of receipt of awards, the types of awards to be granted and the applicable terms, conditions, performance targets, restrictions and other provisions of such awards, to cancel or suspend awards and to accelerate the exercisability or vesting of any award under circumstances designated by it. The compensation committee may delegate all or any portion of its responsibilities or powers under the LTIP to persons selected by it. If the compensation committee does not exist or for any other reason determined by the board of directors, and to the extent not prohibited by applicable law or the applicable rules of any stock exchange, the board of directors may take any action under the LTIP that would otherwise be the responsibility of the compensation committee.

The LTIP contains an "evergreen" provision, which allows for an automatic annual increase in the number of shares of common stock available under the LTIP on the first day of each fiscal year, in an amount equal to 5% of the then-outstanding shares of common stock (the "Annual Increase"); provided, that the compensation committee may take action prior to such annual increase to lower the amount of such increase.

If an award of common stock is settled in cash, the total number of shares with respect to which such payment is made shall not be considered to have been delivered. However, (i) if shares covered by an award are used to satisfy the applicable tax withholding obligation, the number of shares held back by the company

to satisfy such withholding obligation shall be considered to have been delivered; (ii) if the exercise price of any option granted under the LTIP is satisfied by tendering shares of common stock to us (including shares of common stock that would otherwise be distributable upon the exercise of the option), the number of shares of common stock tendered to satisfy such exercise price shall be considered to have been delivered; and (iii) if we repurchase shares of common stock with proceeds received from the exercise of an option issued under the LTIP, the total number of shares repurchased shall be deemed delivered.

The following additional limits apply to awards under the LTIP:

- the maximum number of shares of common stock that may be delivered to participants with respect to incentive stock options shall be _____ shares of common stock; provided that the limitation provides for an automatic annual increase in the number of shares of common stock available for grant as incentive stock options on the first day of each fiscal year, in an amount equal to 5% of the total outstanding shares of common stock on the effective date of the LTIP;
- the maximum annual total compensation, including the value of any awards made pursuant to this LTIP (determined as of the date of grant) that may be paid or granted to a participant who is a member of the board of directors but who is not an employee during any one-year period for service on the board of directors shall be _____; provided that such limit shall be _____ during the first year of service for a member of the board of directors who is not an employee.

The shares of common stock with respect to which awards may be made under the LTIP shall be:

- shares currently authorized but unissued;
- to the extent permitted by applicable law, currently held or acquired by the company as treasury shares, including shares purchased in the open market or in private transactions; or
- shares purchased in the open market by a direct or indirect wholly-owned subsidiary of the company, and we may contribute to the subsidiary an amount sufficient to accomplish the purchase of the shares to be so acquired.

At the discretion of the compensation committee, an award under the LTIP may be settled in cash, shares of common stock, the granting of replacement awards, or a combination thereof; provided, however, that if a cash incentive award is settled in shares of common stock, it must satisfy the minimum vesting requirements related to full value awards.

The compensation committee may use shares of common stock available under the LTIP as the form of payment for compensation, grants or rights earned or due under any other compensation plans or arrangements of our company or a subsidiary, including the plans and arrangements of our company or a subsidiary assumed in business combinations. The compensation committee may grant awards that are not subject to the minimum vesting limitations described below for options and full value awards; provided, however, that the aggregate number of shares subject to options and full value awards granted pursuant to the LTIP that are not subject to the minimum vesting limitations (excluding any such awards to the extent that they have been forfeited or cancelled) may not exceed 5% of the limit on shares of Stock granted under the LTIP.

In the event of a corporate transaction involving the company (including, without limitation, any share dividend, share split, extraordinary cash dividend, recapitalization, reorganization, merger, amalgamation, consolidation, share exchange, split-up, spin-off, sale of assets or subsidiaries, combination or exchange of shares), the compensation committee shall adjust outstanding awards to preserve the benefits or potential benefits of the awards. Action by the compensation committee may include:

- adjustment of the number and kind of shares which may be delivered under the LTIP;
- adjustment of the number and kind of shares subject to outstanding awards;
- adjustment of the exercise price of outstanding options; and
- any other adjustments that the compensation committee determines to be equitable, which may include, without limitation:

- replacement of awards with other awards which the compensation committee determines have comparable value and which are based on stock of a company resulting from the transaction; and
- cancellation of the award in return for cash payment of the current value of the award, determined as though the award is fully vested at the time of payment, provided that in the case of an option, the amount of such payment will be the excess of value of the shares of common stock subject to the option at the time of the transaction over the exercise price.

Except as otherwise provided by the compensation committee, awards under the LTIP are not transferable except as designated by the participant by will or by the laws of descent and distribution.

Eligibility. All employees and directors of, and consultants and other persons providing services to, the Company or any of its subsidiaries (or any parent or other related company, as determined by the compensation committee) are eligible to become participants in the LTIP, except that non-employees may not be granted incentive stock options.

Options. The compensation committee may grant an incentive stock option or non-qualified stock option to purchase shares of common stock at an exercise price determined by the compensation committee. Each option shall be designated as an incentive stock option or non-qualified stock option when granted. An incentive stock option is a stock option intended to satisfy additional requirements required by federal tax rules in the United States as specified in the LTIP (and any incentive stock option granted that does not satisfy such requirements shall be treated as a non-qualified stock option).

Except as described below, the exercise price for an option shall not be less than the fair market value of a share of common stock at the time the option is granted; provided that the exercise price of an incentive stock option granted to any employee who owns more than 10% of the voting power of all classes of stock in our company or a subsidiary shall not be less than 110% of the fair market value of a share of common stock at the time of grant. The exercise price of an option may not be decreased after the date of grant nor may an option be surrendered to the company as consideration for the grant of a replacement option with a lower exercise price, except as approved by our board or as adjusted for corporate transactions described above.

No option shall be surrendered to the company in consideration for a cash payment or grant of any other award if at the time of such surrender the exercise price of such option is greater than the then-current fair market value of a share of common stock, except as approved by our stockholders. In addition, the compensation committee may grant options with an exercise price less than the fair market value of the shares of common stock at the time of grant in replacement for awards under other plans assumed in connection with business combinations if the compensation committee determines that doing so is appropriate to preserve the benefit of the awards being replaced. No dividend equivalents may be granted under the LTIP with respect to any option.

The option shall be exercisable in accordance with the terms established by the compensation committee.

The full purchase price of each share of common stock purchased upon the exercise of any option shall be paid at the time of exercise of an option. Except as otherwise determined by the compensation committee, the purchase price of an option shall be payable in cash, by promissory note, or by shares of common stock (valued at fair market value as of the day of exercise), including shares of stock otherwise distributable on the exercise of the option, or a combination thereof. If the shares remain publicly traded, the compensation committee may permit a participant to pay the exercise price by irrevocably authorizing a third party to sell shares of common stock (or a sufficient portion of the shares of common stock) acquired upon exercise of the option and remit to the company a sufficient portion of the sale proceeds to pay the entire exercise price and any tax withholding resulting from such exercise. The compensation committee, in its discretion, may impose such conditions, restrictions and contingencies on shares of common stock acquired pursuant to the exercise of an option as the compensation committee determines to be desirable. In no event will an option expire more than ten years after the grant date; provided that an incentive stock option granted to any employee who owns more than 10% of the voting power of all classes of stock in the company or a subsidiary shall not be more than five years.

Full Value Awards. The following types of “full value awards” may be granted, as determined by the compensation committee:

- the compensation committee may grant awards in return for previously performed services or in return for the participant surrendering other compensation that may be due;
- the compensation committee may grant awards that are contingent on the achievement of performance or other objectives during a specified period; and
- the compensation committee may grant awards subject to a risk of forfeiture or other restrictions that lapse upon the achievement of one or more goals relating to completion of service by the participant, achievement of performance or other objectives.

Any such awards shall be subject to such conditions, restrictions and contingencies as the compensation committee determines.

Dividends or dividend equivalents settled in cash or shares of common stock may be granted to a participant in relation to a full value award with payments made either currently or credited to an account. No dividend or dividend equivalents granted in relation to a full value award that is subject to vesting shall be settled prior to the date such full value award (or applicable portion thereof) becomes vested and is settled.

Change in Control. A change in control shall have such effect on an award as is provided in the applicable award agreement, or, to the extent not prohibited by the LTIP or the applicable award agreement, as provided by the compensation committee. In the event of a change in control, the compensation committee may cancel any outstanding awards in return for cash payment of the current value of the award, determined with the award fully vested at the time of payment, provided that in the case of an option, the amount of such payment will be the excess of value of the shares of common stock subject to the option at the time of the transaction over the exercise price (and the option will be cancelled with no payment if the value of the shares at the time of the transaction are equal to or less than the exercise price). For the purposes of the LTIP, a “change in control” is generally deemed to occur when:

- any person becomes the beneficial owner of 50% or more of the company’s voting stock;
- the consummation of a reorganization, merger, consolidation, acquisition, share exchange or other corporate transaction involving our company where, immediately after the transaction, the company stockholders immediately prior to the combination hold, directly or indirectly, 50% or less of the voting stock of the combined company;
- the consummation of any plan of liquidation or dissolution providing for the distribution of all or substantially all of the assets of the company and its subsidiaries or the consummation of a sale of substantially all of the assets of the company and its subsidiaries; or
- at any time during any period of two consecutive years, individuals who at the beginning of such period were members of the Board of Directors, who we refer to as incumbent directors, cease for any reason to constitute at least a majority thereof (unless the election, or the nomination for election by the company’s stockholders, of each new director was approved by a vote of at least two-thirds of the incumbent directors).

Amendment and Termination. The Board of Directors may amend or terminate the LTIP at any time, and the Board of Directors or the compensation committee may amend any award granted under the LTIP, but no amendment or termination may adversely affect the rights of any participant without the participant’s written consent. The Board of Directors may not amend the provision of the LTIP related to re-pricing without approval of stockholders or make any material amendments to the LTIP without stockholder approval. The LTIP will remain in effect as long as any awards under the LTIP remain outstanding, but no new awards may be granted after the tenth anniversary of the date on which the stockholders approve the LTIP.

2021 Employee Share Purchase Plan

We expect to adopt a new 2021 Employee Share Purchase Plan (the “ESPP”) effective on the business day immediately prior to the effective date of the registration statement of which this prospectus forms a

part. We believe that allowing our employees to participate in our ESPP will provide them with a further incentive towards promoting our success and accomplishing our corporate goals.

Authorized Shares. A total of _____ of our shares of common stock will be available for sale under our ESPP. The number of shares that will be available for sale under our ESPP also includes an annual increase on the first day of each year beginning with 2022, equal to 1% of the outstanding shares as of the last day of the immediately preceding year, determined on a fully diluted basis, or such lesser amount as the our board of directors may determine.

ESPP Administration. We expect that the compensation committee will administer our ESPP and will have full and exclusive discretionary authority to construe, interpret and apply the terms of the ESPP, delegate ministerial duties to any of our employees, designate separate offerings under the ESPP, designate our subsidiaries and affiliates as participating in the ESPP, determine eligibility, adjudicate all disputed claims filed under the ESPP and establish procedures that it deems necessary for the administration of the ESPP, including, but not limited to, adopting such procedures and sub-plans as are necessary or appropriate to permit participation in the ESPP by employees who are foreign nationals or employed outside the United States. The administrator's findings, decisions and determinations are final and binding on all participants to the full extent permitted by law.

Eligibility. Generally, all of our employees will be eligible to participate if they are customarily employed by us, or any participating subsidiary or affiliate, for at least 20 hours per week and more than five months in any calendar year. The administrator, in its discretion, may, prior to an enrollment date for an offering period, for all options to be granted on such enrollment date, restrict participation in that offering period for an employee who:

- (i) has not completed at least two years of service (or a lesser period of time determined by the administrator) since his or her last hire date;
- (ii) customarily works not more than 20 hours per week (or a lesser period of time determined by the administrator);
- (iii) customarily works not more than five months per calendar year (or a lesser period of time determined by the administrator);
- (iv) is a highly compensated employee within the meaning of Section 423(b)(4)(D) of the Code; or
- (v) is a citizen or resident of a non-U.S. jurisdiction and the grant of a right to purchase shares under the ESPP to such employee would be prohibited under the laws of such non-U.S. jurisdiction, or the grant of a right to purchase shares under the ESPP to such employee in compliance with the laws of such non-U.S. jurisdiction would cause the ESPP to violate the requirements of Section 423 of the Code;

provided that that any exclusion under the above clauses (i), (ii), (iii), (iv) or (v) must be applied in an identical manner in a given offering period to all employees.

An employee may not be granted rights to purchase shares of common stock under our ESPP if such employee:

- (i) immediately after the grant would own shares and/or hold outstanding options to purchase such shares possessing 5% or more of the total combined voting power or value of all classes of capital shares of ours or of any parent or subsidiary of ours (an employee who participates in the component of the ESPP that is not intended to satisfy the requirements for an "employee stock purchase plan" under Section 423 of the Code is not limited in this way, unless otherwise required by applicable law); or
- (ii) holds rights to purchase shares of common stock under all employee share purchase plans of ours or any parent or subsidiary of ours that accrue at a rate that exceeds \$25,000 worth of our shares of common stock for each calendar year in which such rights are outstanding at any time.

Offering Periods. Our ESPP will provide for offering periods, not to exceed 27 months each, during which we will grant options to purchase our shares of common stock to our employees. The timing of the

offering periods will be selected by the administrator. The terms and conditions applicable to each offering period will be set forth in an offering document adopted by the administrator for the particular offering period. The provisions of offerings during separate offering periods under the ESPP need not be identical. Our ESPP will include a component that allows us to make offerings intended to qualify under Section 423 of the Code, and a component that allows us to make offerings that are not intended to qualify under Section 423 of the Code.

Contributions. Our ESPP will permit participants to purchase our shares of common stock through contributions (in the form of payroll deductions, or otherwise, to the extent permitted by the administrator). The percentage of compensation designated by an eligible employee as payroll deductions for participation in an offering may not be less than 1% and may not be more than the maximum percentage specified by the administrator in the applicable offering document (which maximum percentage shall be 20% in the absence of any such specification). A participant may increase or decrease the percentage of compensation designated in his or her subscription agreement, or may suspend his or her payroll deductions, at any time during an offering period; provided, however, that the administrator may limit the number of changes a participant may make in the applicable offering document. In the absence of any specific designation by the administrator, a participant may decrease (but not increase) his or her payroll deduction elections one time during each offering period.

Exercise of Purchase Right. Amounts contributed and accumulated by the participant will be used to purchase our shares of common stock at the end of each offering. A participant may purchase a maximum of our shares of common stock during an offering period. The purchase price of the shares will be 85% of the lower of the fair market value of our shares of common stock on (i) the first trading day of the offering period or (ii) the last trading day of the offering period. Participants may end their participation at any time during an offering period and will be paid their accrued contributions that have not yet been used to purchase our shares of common stock. Participation ends automatically upon termination of employment with us.

Non-Transferability. A participant may not transfer contributions credited to his or her account nor any rights granted under our ESPP other than by will, the laws of descent and distribution or as otherwise provided under our ESPP.

Merger or Change in Control. Our ESPP provides that in the event of a merger or change in control, the administrator may take one of a number of actions, including, among other things, providing that a successor corporation (or a parent or subsidiary of the successor corporation) will assume or substitute each outstanding purchase right, or adjusting the number and type of shares (or other securities or property) subject to outstanding rights under the ESPP and/or in the terms and conditions of outstanding rights and rights that may be granted in the future. The administrator may, alternatively, shorten the then-current offering period, and set a new purchase date that will be before the date of the proposed merger or change in control.

Amendment; Termination. The administrator will have the authority to amend, suspend or terminate our ESPP. Our ESPP is not subject to a specific termination date.

Certain Relationships and Related Party Transactions

In addition to the compensation arrangements, including employment, termination of employment and change in control arrangements, discussed in the sections titled “Management” and “Executive Compensation” and the registration rights described in the section titled “Description of Capital Stock—Registration Rights,” the following is a description of each transaction since January 1, 2018 and each currently proposed transaction in which:

- we have been or are to be a participant;
- the amount involved exceeded or exceeds \$120,000; and
- any of our directors, executive officers or holders of more than 5% of our outstanding capital stock, or any immediate family member of, or person sharing the household with, any of these individuals or entities, had or will have a direct or indirect material interest.

Transactions with Our Directors, Executive Officers and 5% Holders

Indemnification Agreements

We will enter into indemnification agreements with each of our directors and officers. The indemnification agreements and our amended and restated certificate of incorporation and amended and restated bylaws in effect upon the completion of this offering will require us to indemnify our directors and officers to the fullest extent permitted by Delaware law.

Family Relationships

Our Co-Founder and Co-Chief Executive Officer, Yaron Galai, is the brother of Eytan Galai, who serves as Chief Revenue Officer. Eytan Galai has reported directly to co-Chief Executive Officer Mr. David Kostman since October 2017 and has received customary compensation for his role, all as approved by the compensation committee. Aside from this relationship, we are not aware of any other familial relationships between our directors, officers and employees.

Other

Our Co-Founder and Co-Chief Executive Officer, Yaron Galai, owns approximately 20% of the stock of Listory Inc. Outbrain sold the assets underlying the Listory division of the company for \$1,117,000, representing the amount Outbrain had invested in the division at the time of sale in March 2020. There is a transition services agreement in place between Outbrain and Listory, for services totaling \$266,090 in 2020, and \$86,449 as of March 31, 2021, which is terminable at any time by either party.

An entity controlled by Yaron Galai purchased 169,985 shares of Series G preferred stock from Susquehanna Growth Equity Fund IV, LLLP for a total purchase price of \$1,499,999 in November 2019. David Kostman, our Co-Chief Executive Officer, purchased 22,665 shares of Series G preferred stock from Susquehanna Growth Fund IV, LLLP for a total purchase price of \$200,003 in November 2019.

Policies and Procedures for Related Person Transactions

We intend to adopt a written related person transactions policy that our executive officers, directors, nominees for election as a director, 5% stockholders, and any members of the immediate family of and any entity affiliated with any of the foregoing persons, are not permitted to enter into a transaction with us without the prior consent of our audit committee, or other independent members of our board of directors in the event it is inappropriate for our audit committee to review such transaction due to a conflict of interest. Any request for us to enter into a transaction with an executive officer, director, nominee for election as a director, 5% stockholder or any of their immediate family members or affiliates, in which the amount involved exceeds \$120,000 must first be presented to our audit committee for review, consideration and approval. In approving or rejecting any such proposal, our audit committee will consider all facts and information that is available and deemed relevant by the audit committee, including, but not limited to, whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related person’s interest in the transaction.

Although we have not previously had a written policy for the review and approval of transactions with related persons in place, our board of directors has historically reviewed and approved any transaction where a director or officer had a financial interest, including all of the transactions described above. Prior to approving such a transaction, all material facts with respect to a director's or officer's relationship or interest in the agreement or transaction were disclosed to our board of directors. Our board of directors took this information into account when evaluating the transaction and when determining whether such transaction was fair to us and in the best interest of all of our stockholders.

Principal Stockholders

The following table sets forth certain information with respect to the beneficial ownership of our capital stock as of March 31, 2021, both prior to and as adjusted to reflect the sale of our common stock offered by us in this offering for:

- each of our named executive officers;
- each of our directors;
- all of our current directors and executive officers as a group; and
- each person known by us to be the beneficial owner of more than 5% of the outstanding shares of our common stock.

Beneficial ownership is determined in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities. Shares of common stock issuable upon the exercise of stock options that are immediately exercisable or exercisable within 60 days after March 31, 2021 are deemed to be outstanding and to be beneficially owned by the person holding the stock option for the purpose of computing the ownership and percentage ownership of that person and the ownership and percentage ownership of all executive offices and directors as a group. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person. Except as otherwise indicated, all of the shares reflected in the table are shares of common stock and all persons listed below have sole voting and investment power with respect to the shares beneficially owned by them, subject to applicable community property laws. The information is not necessarily indicative of beneficial ownership for any other purpose.

Percentage ownership calculations for beneficial ownership prior to this offering are based on 76,533,149 shares outstanding as of March 31, 2021, assuming the conversion of all of our outstanding preferred stock. Percentage ownership calculations for beneficial ownership after this offering are based on shares outstanding after this offering, assuming no exercise of the underwriters' option to purchase additional shares and no purchase of shares in the offering by any existing stockholders. Except as otherwise indicated in the table below, addresses of named beneficial owners are care of Outbrain Inc., 222 Broadway, 19th Floor, New York, NY 10038.

Name of Beneficial Owner	Shares Beneficially Owned Prior to Offering		Shares Beneficially Owned After Offering	
	Number	%	Number	%
5% Stockholders:				
LSVP VII Trust ⁽¹⁾	10,657,992	13.9%		
Viola Ventures, III L.P. ⁽²⁾	10,746,015	14.0%		
Entities affiliated with Gemini Israel Ventures ⁽³⁾	8,314,716	10.9%		
Entities affiliated with Index Ventures ⁽⁴⁾	4,158,824	5.4%		
Gruner + Jahr GmbH ⁽⁵⁾	6,125,404	8.0%		
Named Executive Officers and Directors:				
Yaron Galai ⁽⁶⁾	5,993,985	7.8%		
David Kostman ⁽⁷⁾	90,235	*		
Elise Garofalo ⁽⁸⁾	426,974	*		
Ori Lahav ⁽⁹⁾	1,469,059	1.9%		
Ziv Kop ⁽¹⁰⁾	350,000	*		
Jonathan (Yoni) Cheifetz ⁽¹⁾	10,657,992	13.9%		
Shlomo Dovrat ⁽²⁾	10,746,015	14.0%		
Yossi Sela ⁽³⁾	8,314,716	10.9%		
Dominique Vidal ⁽⁴⁾	4,158,824	5.4%		
Jonathan Klahr ⁽¹¹⁾	1,903,821	2.5%		
Arne Wolter ⁽⁵⁾	6,125,404	8.0%		

Name of Beneficial Owner	Shares Beneficially Owned Prior to Offering		Shares Beneficially Owned After Offering	
	Number	%	Number	%
All executive officers and directors as a group (11 persons)	50,237,025	65.6%		

* Less than 1%.

- (1) Consists of 10,657,992 shares held by LSVP VII Trust, or Lightspeed Ventures. Lightspeed General Partner VII, L.P., or Lightspeed GP, is the general partner of Lightspeed Ventures and Lightspeed Ultimate General Partner VII, Ltd., or Lightspeed UGP, is the general partner of Lightspeed GP. Barry Eggers, Ravi Mhatre, Peter Nieh, and Christopher Schaepe, as the managing directors of Lightspeed UGP, share voting and dispositive power with respect to the shares held by Lightspeed Ventures. Each individual disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein. Jonathan (Yoni) Cheifetz, a member of our board of directors, is a Partner of Lightspeed Ventures. Mr. Cheifetz disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein. The business address of each of the Lightspeed entities is 2200 Sand Hill Road, Menlo Park, California 94025.
- (2) Consists of 10,746,015 shares held by Viola Ventures III, L.P., or Viola Ventures. Viola [3] Ltd., or Viola, is the general partner of Viola Ventures (together with Viola, the “Viola Entities”) and possesses sole voting and dispositive power over these shares. Shlomo Dovrat, a member of our board of directors, Harel Beit-On, Avi Zeevi, Ori Bendori and Rina Shainski, as directors of Viola, share voting and dispositive power with respect to the shares held by Viola Ventures. Each individual disclaims beneficial ownership of these securities except to the extent of his or her pecuniary interest therein. The business address of each of the Viola Entities is 16 Abba Eban Avenue, Herzeliya 46725 Israel.
- (3) Consists of (i) 6,583,750 shares held by Gemini Israel IV L.P., or Gemini LP, (ii) 1,606,030 shares held by Gemini Israel IV (Annex Fund) L.P., or Gemini LP Annex, (iii) 58,433 shares held by Gemini Partners Investors IV L.P., or Gemini Partners, and (iv) 66,503 shares held by Gemini Partners Investors IV (Annex Fund) L.P., or Gemini Partners Annex (together with Gemini LP, Gemini LP Annex and Gemini Partners, the “Gemini Entities”). Gemini Israel Funds Ltd., or Gemini Israel, is the general partner and/or controlling partner of each of the Gemini Entities. Yossi Sela, a member of our board of directors, is managing partner and a shareholder of Gemini Israel. The board of directors of Gemini Israel has sole investment control with respect to these entities and is comprised of Mr. Yossi Sela and Mr. Menashe Ezra. These individuals share voting power over the shares held by the Gemini Entities and may be deemed to be the beneficial owners of the securities held thereby. Each individual disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein. The business address of each of the Gemini Entities is Gemini Israel Funds, 1 Abba Eban Ave., Herzliya Pituach 4672519 Israel.
- (4) Consists of (i) 4,047,054 shares held by Index Ventures Growth II (Jersey) L.P., or Index Jersey, (ii) 59,783 shares held by Index Ventures Growth II Parallel Entrepreneur Fund (Jersey) L.P., or Index PEF, (iii) 43,866 shares held by Yucca (Jersey) S.L.P., or Yucca, and (iv) 8,121 shares held by Yucca Partners L.P. (Jersey Branch), or Yucca Partners, (together with Index Jersey, Index PEF and Yucca, the “Index Entities”). Index Venture Associates II Limited, or Index Associates, is the general partner of the Index Entities and directs the voting and dispositive control of shares held by the Index Entities. The members of the board of directors of Index Associates, Bernard Dallé, David Hall, Nigel Greenwood, Ian Henderson and Sinéad Meehan, share voting and dispositive power over the shares held by Index Associates. Each individual disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein. Dominique Vidal, a member of our board of directors, is a Partner of Index Venture Management LLP. Index Venture Management LLP advises Index Jersey and Index PEF but does not have voting, investment or dispositive power with respect to the shares held by these entities. Mr. Vidal disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein. The principal address of Index Associates and each of the Index Entities is Ogier House, The Esplanade, St. Helier, Jersey JE4 9WG, Channel Islands.

- (5) Consists of 6,125,404 shares held by Gruner + Jahr GmbH pursuant to the acquisition of Ligatus on April 1, 2019.
- (6) Consists of 5,467,943 shares and outstanding options to purchase 526,042 shares that are exercisable within 60 days of March 31, 2021. Does not include 187,000 unvested RSUs.
- (7) Consists of 51,172 shares and outstanding options to purchase 39,063 shares that are exercisable within 60 days of March 31, 2021. Does not include 1,150,000 unvested RSUs.
- (8) Consists of 104,839 shares and outstanding options to purchase 322,135 shares that are exercisable within 60 days of March 31, 2021. Does not include 616,043 unvested RSUs.
- (9) Consists of 956,038 shares and outstanding options to purchase 513,021 shares that are exercisable within 60 days of March 31, 2021.
- (10) Held for the benefit of Ziv Kop under IBI Trust.
- (11) Consists of 1,903,821 shares held by Susquehanna Growth Equity Fund IV, LLLP, or SGE. Susquehanna Growth Equity, LLC, or SGE LLC, is the investment manager of SGE and has discretionary voting and dispositive power over these shares. Amir Goldman and Arthur Dantchik, in their positions as members of the investment committee of SGE LLC, may also be deemed to have investment discretion over the shares held by SGE. The business address of SGE is One Commercial Center, 251 Little Falls Drive, Wilmington, DE 19801, and the business address of SGE LLC is 401 City Ave., Bala Cynwyd, PA 19004.

Description of Capital Stock

The following descriptions are summaries of the material terms of our amended and restated certificate of incorporation and amended and restated bylaws, which will be effective upon the closing of this offering. These descriptions are qualified in their entirety by reference to the amended and restated certificate of incorporation and amended and restated bylaws, copies of which will be filed with the SEC as exhibits to the registration statement of which this prospectus is a part, and applicable law. The descriptions of the common stock and preferred stock give effect to changes to our capital structure that will be in effect upon the closing of this offering. We refer in this section to our amended and restated certificate of incorporation as our certificate of incorporation, and we refer to our amended and restated bylaws as our bylaws.

General

Upon completion of this offering, our authorized capital stock will consist of shares of common stock, par value \$0.001 per share, and shares of preferred stock, par value \$0.001 per share, all of which shares of preferred stock will be undesignated.

As of March 31, 2021, 76,533,149 shares of our common stock were outstanding on an as-converted basis and held by approximately 553 stockholders of record. This amount assumes the conversion of all outstanding shares of our preferred stock into common stock, which will occur immediately prior to the closing of this offering.

Common Stock

Dividend Rights

Subject to preferences that may be applicable to any then outstanding preferred stock, holders of our common stock are entitled to receive dividends, if any, as may be declared from time to time by our board of directors out of legally available funds. We have never declared or paid cash dividends on any of our capital stock and currently do not anticipate paying any cash dividends after the offering or in the foreseeable future.

Voting Rights

Each holder of our common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders, including the election of directors. Our stockholders do not have cumulative voting rights in the election of directors. Accordingly, holders of a majority of the voting shares are able to elect all of the directors.

Liquidation

In the event of our liquidation, dissolution or winding up, holders of our common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then outstanding shares of preferred stock.

Rights and Preferences

Holders of our common stock have no preemptive, conversion, subscription or other rights, and there are no redemption or sinking fund provisions applicable to our common stock. The rights, preferences and privileges of the holders of our common stock are subject to and may be adversely affected by, the rights of the holders of shares of any series of our preferred stock that we may designate in the future.

The shares to be issued by us in this offering will be, when issued and paid for, validly issued, fully paid and non-assessable.

Preferred Stock

Our board of directors is authorized, subject to any limitations prescribed by law, without stockholder approval, to issue from time to time up to shares of preferred stock, in one or more series, each series

to have such rights and preferences, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences as our board of directors determines. The rights of the holders of common stock will be subject to, and may be adversely affected by, the rights of holders of any preferred stock that may be issued in the future. Following completion of this offering, we will have no shares of preferred stock outstanding, and we have no present plans to issue any shares of preferred stock.

Warrants

As of March 31, 2021, we had outstanding warrants to purchase up to 1,055,852 shares of our common stock, on an as-converted basis, with a weighted-average exercise price of \$2.92 per share.

Options

As of March 31, 2021, we had outstanding options to purchase 8,636,999 shares of our common stock under our equity incentive plans at a weighted-average exercise price of \$3.84 per share, 6,403,242 shares of which were exercisable.

RSUs

As of March 31, 2021, we had outstanding RSUs under our equity incentive plans with respect to 6,404,423 shares of our common stock.

RSAs

As of March 31, 2021, we have outstanding RSAs under our equity incentive plans with respect to 190,245 shares of our common stock.

SARs

As of March 31, 2021, we have outstanding SARs under our equity incentive plans with respect to 5,764 shares of our common stock.

Registration Rights

Our investors' rights agreement entitles our stockholders to certain registration rights following the closing of this offering. In accordance with this agreement, and subject to conditions listed below, the following entities that each beneficially own more than 5% of our outstanding stock or are our directors or executive officers are among those entitled to registration rights under the agreement: Lightspeed, Viola Ventures, entities affiliated with Gemini Israel, entities affiliated with Index Ventures, G+J, and our Co-Founder and Co-Chief Executive Officer, Yaron Galai, and our Co-Founder and General Manager, Israel, Ori Lahav.

Form S-1 Demand Rights. Beginning six months following the closing of this offering and until the fifth anniversary thereafter, upon the written request of the holders of more than 35% of the common stock issued upon conversion of the convertible preferred stock and held by our former preferred stockholders, we are required to file a registration statement in respect of the common stock held by our former preferred stockholders. Following a request to effect such a registration, we are required to give written notice of the request to the other holders of registrable securities and offer them an opportunity to include their stock in the registration statement. We are not required to effect more than two registrations on Form S-1 and we are only required to do so if the minimum aggregate offering price stated in any such demand is at least \$5.0 million.

Form S-3 Demand Rights. Upon the written request of any former preferred stockholder holding common stock issued upon conversion of the convertible preferred stock, we are required to file a registration statement on Form S-3 in respect of the common stock held by our former preferred stockholders. Following a request to effect such a registration, we are required to give written notice of the request to the other holders of registrable securities and offer them an opportunity to include their stock in the registration statement. We are not required to effect a registration on Form S-3 if we have already effected a registration on Form S-3 within the nine month period preceding the date of such request and are only required to do

so if the aggregate price to the public, net of any underwriters' discounts or commissions, from any such registration is estimated to be at least \$1.0 million.

Piggyback registration rights. Following this offering, stockholders holding registrable securities will also have the right to request that we include their registrable securities in any registration statement filed by us in the future for the purposes of a public offering for cash, subject to specified exceptions. Holders of registrable securities continue to have the right to include any registrable securities in subsequent piggyback registration statements regardless of whether the holder has opted out of such past registration statements.

Cutback. In the event that the managing underwriter advises us in writing that marketing factors require a limitation on the number of shares that can be included in a registered offering, the shares will be included in the registration statement in an agreed order of preference among the holders of registration rights. We have first preference but the aggregate amount of registrable securities registered for our stockholders may not be reduced below 25% of the aggregate amount of securities included in the offering.

Termination. With respect to any of our holders of registrable securities that hold less than 1% of our outstanding equity securities, registration rights terminate when the shares held by such stockholder can be sold within a three-month period under Rule 144.

Expenses. We will pay all expenses in carrying out the foregoing registrations other than any underwriting discounts and commissions.

Forum Selection Clause

Unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or agents or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL or (iv) any action asserting a claim governed by the internal affairs doctrine, in each such case subject to said Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock of the corporation will be deemed to have notice of and consented to the forum selection clause.

Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all claims brought to enforce any duty or liability created by the Securities Act and Section 27 of the Exchange Act creates exclusive federal jurisdiction over all claims brought to enforce any duty or liability created by the Exchange Act.

Anti-Takeover Effects of our Certificate of Incorporation and Bylaws and Delaware Law

Our certificate of incorporation and bylaws include a number of provisions that may have the effect of delaying, deferring or preventing another party from acquiring control of us and encouraging persons considering unsolicited tender offers or other unilateral takeover proposals to negotiate with our board of directors rather than pursue non-negotiated takeover attempts. These provisions include the items described below.

Board Composition and Filling Vacancies. Our certificate of incorporation provides for the division of our board of directors into three classes serving staggered three-year terms, with one class being elected each year. Our certificate of incorporation also provides that directors may be removed only for cause and then only by the affirmative vote of the holders of 75% or more of the shares then entitled to vote at an election of directors. Furthermore, any vacancy on our board of directors, however occurring, including a vacancy resulting from an increase in the size of our board, may only be filled by the affirmative vote of a majority of our directors then in office even if less than a quorum, unless otherwise determined by our board to be filled by stockholders. The classification of directors, together with the limitations on removal of directors and treatment of vacancies, has the effect of making it more difficult for stockholders to change the composition of our board of directors.

Undesignated Preferred Stock. Our certificate of incorporation provides for _____ authorized shares of preferred stock. The existence of authorized but unissued shares of preferred stock may enable our board

of directors to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or otherwise. For example, if in the due exercise of its fiduciary obligations, our board of directors were to determine that a takeover proposal is not in the best interests of our stockholders, our board of directors could cause shares of preferred stock to be issued without stockholder approval in one or more private offerings or other transactions that might dilute the voting or other rights of the proposed acquirer or insurgent stockholder or stockholder group. In this regard, our certificate of incorporation grants our board of directors broad power to establish the rights and preferences of authorized and unissued shares of preferred stock. The issuance of shares of preferred stock could decrease the amount of earnings and assets available for distribution to holders of shares of common stock. The issuance may also adversely affect the rights and powers, including voting rights, of these holders and may have the effect of delaying, deterring or preventing a change in control of us.

No Written Consent of Stockholders. Our certificate of incorporation provides that all stockholder actions are required to be taken by a vote of the stockholders at an annual or special meeting, and that stockholders may not take any action by written consent in lieu of a meeting. This limit may lengthen the amount of time required to take stockholder actions and would prevent the amendment of our bylaws or removal of directors by our stockholders without holding a meeting of stockholders.

Meetings of Stockholders. Our certificate of incorporation and bylaws provide that only the chairperson of our board, the lead independent director, if any, the chief executive officer, the president or a majority of the total authorized number of directors may call special meetings of stockholders and only those matters set forth in the notice of the special meeting may be considered or acted upon at a special meeting of stockholders. Our bylaws limit the business that may be conducted at an annual meeting of stockholders to those matters properly brought before the meeting.

Advance Notice Requirements. Our bylaws establish advance notice procedures with regard to stockholder proposals relating to the nomination of candidates for election as directors or new business to be brought before meetings of our stockholders. These procedures provide that notice of stockholder proposals must be timely given in writing to our corporate secretary prior to the meeting at which the action is to be taken. Generally, to be timely, notice must be received at our principal executive offices not less than 75 days nor more than 105 days prior to the first anniversary date of the annual meeting for the preceding year. Our bylaws specify the requirements as to form and content of all stockholders' notices. These requirements may preclude stockholders from bringing matters before the stockholders at an annual or special meeting.

Amendment to Certificate of Incorporation and Bylaws. Any amendment of our certificate of incorporation must first be approved by a majority of our board of directors, and if required by law or our certificate of incorporation, must thereafter be approved by a majority of the outstanding shares entitled to vote on the amendment and, if applicable, by a majority of the outstanding shares of each class entitled to vote thereon as a class, except that the amendment of the provisions relating to stockholder action, the amendment of our bylaws, board composition, director liability and the amendment of our certificate of incorporation must be approved by not less than 75% of the outstanding shares entitled to vote on the amendment voting together as a single class. Our bylaws may be amended by the affirmative vote of a majority of the directors then in office, subject to any limitations set forth in the bylaws, and may also be amended by the affirmative vote of at least 75% of the outstanding shares entitled to vote on the amendment, or, if our board of directors recommends that the stockholders approve the amendment, by the affirmative vote of the majority of the outstanding shares entitled to vote on the amendment, in each case voting together as a single class.

Section 203 of the Delaware General Corporation Law

Upon completion of this offering, we will be subject to the provisions of Section 203 of the Delaware General Corporation Law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a three-year period following the time that this stockholder becomes an interested stockholder, unless the business combination is approved in a prescribed manner.

Under Section 203, a business combination between a corporation and an interested stockholder is prohibited unless it satisfies one of the following conditions:

- before the stockholder became interested, our board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, shares owned by persons who are directors and also officers, and employee stock plans, in some instances, but not the outstanding voting stock owned by the interested stockholder; or
- at or after the time the stockholder became interested, the business combination was approved by our board of directors and authorized at an annual or special meeting of the stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

Section 203 defines a business combination to include:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, lease, pledge or other disposition involving the interested stockholder of 10% or more of the assets of the corporation;
- subject to exceptions, any transaction that results in the issuance of transfer by the corporation of any stock of the corporation to the interested stockholder;
- subject to exceptions, any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested stockholder; and
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 defines an interested stockholder as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation and any entity or person affiliated with or controlling or controlled by the entity or person.

Market Listing

We intend to apply to have our common stock authorized for listing on the NYSE under the symbol "OBRN."

Transfer Agent and Registrar

The transfer agent and registrar for our common stock will be American Stock Transfer & Trust Company. The transfer agent and registrar's address is 6201 15th Avenue, 3rd Floor, Brooklyn, NY 11219.

Shares Eligible for Future Sale

Immediately prior to this offering, there was no public market for our common stock. Future sales of substantial amounts of common stock in the public market, or the perception that such sales may occur, could adversely affect the market price of our common stock. Although we intend to apply to have our common stock approved for listing on the NYSE, we cannot assure you that there will be an active public market for our common stock.

Upon completion of this offering and based upon 76,533,149 shares outstanding as of March 31, 2021, on an as-converted basis, we will have outstanding an aggregate of shares of common stock, assuming no exercise of the underwriters' option to purchase additional shares and no exercise of outstanding stock options or warrants. Of these shares, the shares sold in this offering by us will be freely tradable without restriction or further registration under the Securities Act, except for any shares purchased in this offering by our "affiliates," as that term is defined in Rule 144 under the Securities Act, whose sales would be subject to certain limitations and restrictions described below. The remaining shares of common stock held by existing stockholders will be restricted securities as that term is defined in Rule 144 under the Securities Act. Restricted securities may be sold in the public market only if registered or if they qualify for exemption under Rules 144 or 701 under the Securities Act, which rules are summarized below, or another exemption.

As a result of the lock-up agreements described below and the provisions of Rule 144 and Rule 701 under the Securities Act, the shares of our common stock (excluding the shares sold in this offering) that will be available for sale in the public market are as follows:

Date of Availability of Sale	Approximate Number of Shares Eligible for Sale
On the date of this prospectus	
Between 90 and 180 days from the date of this prospectus	
At various times after 180 days from the date of this prospectus (subject, in some cases, to volume limitations)	

Equity Compensation Plans

We intend to file one or more registration statements on Form S-8 under the Securities Act to register all shares of our common stock issuable or reserved for issuance under our equity incentive plans. This amounted to shares as of March 31, 2021. The first such registration statement is expected to be filed soon after the date of this prospectus and will automatically become effective upon filing with the SEC. Accordingly, shares registered under such registration statement will be available for sale in the open market, unless such shares are subject to vesting restrictions with us or the lock-up restrictions described below.

Lock-Up Agreements

We, our officers, directors and holders of substantially all of our common stock and securities convertible into, or exercisable for, common stock, have agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any of their common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of Citigroup Global Markets Inc. and Jefferies LLC. This consent may be given at any time. There are no agreements among Citigroup Global Markets Inc. and Jefferies LLC, us and any of our security holders or affiliates releasing them from these lock-up agreements prior to the expiration of the 180-day period.

Rule 144

In general, under Rule 144, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, a person who is not our affiliate and has not been our affiliate at any time during the preceding three months and who is not a party to a lock-up agreement as described above will be entitled to sell any shares of our common stock that such person has beneficially owned for at least

six months, including the holding period of any prior owner other than one of our affiliates, without regard to volume limitations. Sales of our common stock by any such person would be subject to the availability of current public information about us if the shares to be sold were beneficially owned by such person for less than one year.

In addition, under Rule 144, a person may sell shares of our common stock acquired from us immediately upon the closing of this offering, without regard to volume limitations or the availability of public information about us, if:

- the person is not our affiliate and has not been our affiliate at any time during the preceding three months; and
- the person has beneficially owned the shares to be sold for at least one year, including the holding period of any prior owner other than one of our affiliates.

Beginning 90 days after the date of this prospectus, our affiliates who have beneficially owned shares of our common stock for at least six months, including the holding period of any prior owner other than one of our affiliates, will be entitled to sell within any three-month period a number of shares that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately shares immediately after this offering; and
- the average weekly trading volume in our common stock on the NYSE during the four calendar weeks preceding the date of filing of a Notice of Proposed Sale of Securities Pursuant to Rule 144 with respect to the sale.

Sales under Rule 144 by our affiliates are also subject to manner of sale provisions and notice requirements and to the availability of current public information about us.

Rule 701

In general, under Rule 701, any of our employees, directors, officers, consultants or advisors who purchase shares from us in connection with a compensatory stock or option plan or other written agreement before the effective date of this offering is entitled to sell such shares 90 days after the effective date of this offering in reliance on Rule 144, without having to comply with the holding period requirements of Rule 144 and, in the case of non-affiliates, without having to comply with the holding period, public information, volume limitation or notice filing provisions of Rule 144. The SEC has indicated that Rule 701 will apply to typical stock options granted by an issuer before it becomes subject to the reporting requirements of the Exchange Act, as amended, along with the shares acquired upon exercise of such options, including exercises after the date of this prospectus.

Registration Rights

Upon completion of this offering, the holders of 47,009,166 shares of our common stock have certain rights with respect to the registration of such shares under the Securities Act. A demand for registration may not be effected until 180 days after the completion of this offering unless waived by us. Upon the effectiveness of a registration statement covering these shares, the shares would become freely tradable. See “Description of Capital Stock—Registration Rights.”

Certain U.S. Federal Income Tax Considerations

The following is a summary of certain U.S. federal income tax considerations relevant to holders (as defined below) with respect to the purchase, ownership and disposition of our common stock but does not purport to be a complete analysis of all potential tax effects. The following summary is based on current provisions of the Code, U.S. Department of the Treasury (“Treasury”) regulations and judicial and administrative authority, all of which are subject to change and differing interpretations, possibly with retroactive effect. State, local, estate and foreign tax consequences are not summarized, nor are tax consequences to special classes of investors including, but not limited to, tax-exempt organizations, insurance companies, banks or other financial institutions, dealers in securities or currencies, regulated investment companies, real estate investment trusts, U.S. holders (as defined below) whose functional currency is not the U.S. dollar, persons liable for the alternative minimum tax, certain former citizens and former long-term residents of the United States, certain persons that are “controlled foreign corporations,” or “passive foreign investment companies”, persons that will hold the common stock as a part of a broader transaction, or partnerships (as described below), traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, accrual method taxpayers that file applicable financial statements (as described in section 451(b) of the Code) and persons that will hold our common stock as a position in a hedging transaction, “straddle,” “conversion transaction” or other risk reduction transaction, all of whom may be subject to tax rules that differ materially from those summarized below. Tax consequences may vary depending upon the particular status of an investor. We have not sought and will not seek any rulings from the IRS regarding the matters discussed below. There can be no assurance the IRS or a court will not take a contrary position regarding the tax consequences of the purchase, ownership and disposition of our common stock.

The summary is limited to holders who will hold our common stock as “capital assets” (generally, property held for investment) and who purchase our common stock in the initial offering. Each potential investor should consult with its own tax advisor as to the U.S. federal, state, local, foreign and any other tax consequences of the purchase, ownership and disposition of our common stock.

For purposes of this discussion a “U.S. holder” means a beneficial owner of our common stock that is, for U.S. federal income tax purposes:

- (1) an individual who is a citizen or resident of the United States;
- (2) a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or of any state thereof or the District of Columbia;
- (3) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- (4) a trust if it (i) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (ii) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

A “non-U.S.” holder means a beneficial owner of our common stock that is neither a U.S. holder nor a partnership (including any entity or arrangement treated as a partnership for U.S. federal income tax purposes) that is for U.S. federal income tax purposes, an individual, corporation, estate or trust.

If a partnership (including any entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds our common stock, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. If you are treated as a partner in such an entity holding our common stock, you should consult your own tax advisor as to the particular U.S. federal income tax consequences applicable to you.

This summary is for general information only and is not intended to constitute a complete description of all tax consequences for holders relating to the purchase, ownership and disposition of our common stock. You should consult your tax advisor concerning the particular U.S. federal income tax consequences to you of the purchase, ownership and disposition of our common stock, as well as the consequences to you arising under the

U.S. federal estate or gift tax laws or under the laws of any state, local or non-U.S. taxing jurisdiction or under any applicable income tax treaty, in light of your particular circumstances.

U.S. Holders

Dividends. Distributions with respect to our common stock will be taxable as dividend income when paid to the extent of our current and accumulated earnings and profits as determined for U.S. federal income tax purposes. To the extent that the amount of a distribution with respect to our common stock exceeds our current and accumulated earnings and profits, such distribution will be treated first as a tax-free return of capital to the extent of the U.S. holder's adjusted tax basis in such common stock, and thereafter as capital gain.

Distributions constituting dividend income received by an individual U.S. holder in respect of our common stock will generally represent "qualified dividend income" that is taxable at the preferential rates applicable to long-term capital gains, provided that certain holding period requirements are met and certain other conditions are satisfied.

Sale, Exchange, or Certain Other Taxable Dispositions of Our Common Stock. A U.S. holder will generally recognize capital gain or loss on a sale or exchange of our common stock equal to the difference between the amount realized upon the sale or exchange and such U.S. holder's adjusted tax basis in the common stock sold or exchanged. Such capital gain or loss will be long-term capital gain or loss if the U.S. holder's holding period for the common stock sold or exchanged is more than one year. Long-term capital gains of non-corporate taxpayers are generally taxed at a lower tax rate than the maximum marginal tax rate applicable to ordinary income. The deductibility of net capital losses is subject to limitations.

Information Reporting and Backup Withholding. Certain U.S. holders may be subject to backup withholding with respect to the payment of dividends on our common stock and to certain payments of proceeds on the sale, exchange or other dispositions of our common stock unless such U.S. holders provide proof of an applicable exemption or a correct taxpayer identification number, and otherwise comply with applicable requirements of the backup withholding rules.

Any amount withheld under the backup withholding rules from a payment to a U.S. holder is allowable as a credit against such holder's U.S. federal income tax, which may entitle the U.S. holder to a refund, provided that the U.S. holder provides the required information to the IRS in a timely manner. Moreover, certain penalties may be imposed by the IRS on a U.S. holder who is required to furnish information but does not do so in the proper manner.

Information returns will generally be filed with the IRS in connection with the payment of dividends on our common stock to U.S. holders and certain payments of proceeds to U.S. holders on the sale, exchange or other dispositions of our common stock, unless the U.S. holder is an exempt recipient, such as a corporation.

Medicare Tax. A U.S. holder that is an individual, an estate or a trust may be subject to a 3.8% Medicare tax on the lesser of (1) the U.S. holder's "net investment income" (or "undistributed net investment income" in the case of an estate or trust) for the relevant taxable year and (2) the excess of the U.S. holder's modified adjusted gross income for the taxable year over a certain threshold. A holder's net investment income will generally include its dividend income and its net gains from the disposition of our common stock, unless such dividend income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are a U.S. holder that is an individual, estate, or trust, you are urged to consult your tax advisor regarding the applicability of the Medicare tax to your income and gains in respect of your investment in our common stock.

Non-U.S. Holders

Distributions. Distributions with respect to our common stock will be treated as dividends to the extent paid from our current or accumulated earnings and profits as determined for U.S. federal income tax purposes. To the extent those distributions exceed both our current and our accumulated earnings and profits, they will constitute a return of capital and will first reduce a non-U.S. holder's basis in our common

stock (determined on a share by share basis), but not below zero, and then will be treated as gain from the sale of stock subject to the rules discussed below under “—Dispositions.” Generally, distributions treated as dividends paid to a non-U.S. holder with respect to our common stock will be subject to a 30% U.S. withholding tax, or such lower rate as may be specified by an applicable income tax treaty.

Subject to the discussions below under “Information Reporting and Backup Withholding” and “FATCA,” dividends that are effectively connected with a non-U.S. holder’s conduct of a trade or business within the United States (and, if a tax treaty applies, are attributable to a U.S. permanent establishment of such non-U.S. holder) are generally subject to U.S. federal income tax on a net income basis in the same manner as if the non-U.S. holder were a United States person, as defined under the Code, and are exempt from the 30% withholding tax (assuming compliance with certain certification requirements). Any such effectively connected dividends received by a non-U.S. holder that is a corporation may also, under certain circumstances, be subject to an additional “branch profits tax” at a rate of 30% (or lower applicable treaty rate). A non-U.S. holder who claims the benefit of an applicable tax treaty generally will be required to satisfy applicable certification and other requirements. Non-U.S. holders should consult their own tax advisors regarding their entitlement to benefits under a relevant tax treaty. A non-U.S. holder can generally meet the relevant certification requirement by providing a properly executed IRS Form W-8BEN (if the holder is claiming the benefits of an income tax treaty) or IRS Form W-8ECI (if the dividends are effectively connected with a trade or business in the United States) or suitable substitute form to the applicable withholding agent prior to the payment of dividends. Non-U.S. holders that do not timely provide the applicable withholding agent with the required certification, but that qualify for a reduced rate under an applicable income tax treaty, may obtain a refund of any excess amounts withheld under these rules by timely filing an appropriate claim for refund with the IRS. Special certification and other requirements apply to certain non-United States holders that are pass-through entities rather than corporations or individuals.

Dispositions. Subject to the discussions below concerning “Information Reporting and Backup Withholding” and “FATCA,” a non-U.S. holder generally will not be subject to U.S. federal income or withholding tax with respect to gain realized on the sale, exchange or other disposition of our common stock unless (i) the gain is effectively connected with such non-U.S. holder’s conduct of a trade or business within the United States (and, if a tax treaty applies, is attributable to a U.S. permanent establishment of such non-U.S. holder), (ii) in the case of a non-U.S. holder that is a non-resident alien individual, such non-U.S. holder is present in the United States for 183 or more days in the taxable year of disposition, and certain other conditions are met or (iii) our stock constitutes a U.S. real property interest by reason of our status as a “United States real property holding corporation” for U.S. federal income tax purposes.

In the case described above in (i), the gain on the disposition of our common stock will be recognized in an amount equal to the difference between the amount of cash and the fair market value of any other property received for the common stock and the non-U.S. holder’s basis in the common stock. Such gain or loss will generally be subject to U.S. federal income tax on a net income basis in the same manner as if the non-U.S. holder were a United States person, as defined under the Code. In the case of a non-U.S. holder that is a foreign corporation, such gain may also be subject to an additional branch profits tax at a rate of 30% (or a lower applicable treaty rate). In the case described above in (ii), the non-U.S. holder generally will be subject to a flat tax at a rate of 30% (or lower applicable treaty rate) on any capital gain recognized on the disposition of our common stock, which may be offset by certain U.S. source capital losses.

We believe we are not and do not anticipate becoming a “United States real property holding corporation” for U.S. federal income tax purposes. If, however, we are or become a “United States real property holding corporation,” so long as our common stock is regularly traded on an established securities market, only a non-United States holder who actually or constructively holds or held (at any time during the shorter of the five-year period ending on the date of disposition or the non-United States holder’s holding period) more than 5% of our common stock generally will be subject to United States federal income tax on the disposition of our common stock as a result of our being a United States real property holding corporation. You should consult your own advisor about the consequences that could result if we are, or become, a “United States real property holding corporation.”

Non-U.S. holders should consult their tax advisors regarding potentially applicable income tax treaties that may provide for different rules.

Information Reporting and Backup Withholding. Payment of dividends, and the tax withheld with respect thereto, is subject to information reporting requirements. These information reporting requirements apply regardless of whether withholding was reduced or eliminated by an applicable income tax treaty. Under the provisions of an applicable income tax treaty or agreement, copies of the information returns reporting such dividends and withholding may also be made available to the tax authorities in the country in which the non-U.S. holder resides. U.S. backup withholding will generally apply on payment of dividends to non-U.S. holders unless such non-U.S. holders furnish to the payor an IRS Form W-8BEN (or other applicable form), or otherwise establish an exemption and the payor does not have actual knowledge or reason to know that the holder is a United States person, as defined under the Code, that is not an exempt recipient.

Payment of the proceeds of a sale of our common stock within the United States or conducted through certain U.S.-related financial intermediaries is subject to information reporting and, depending on the circumstances, backup withholding, unless the non-U.S. holder, or beneficial owner thereof, as applicable, certifies that it is a non-U.S. holder on IRS Form W-8BEN-E or W-8BEN (or other applicable form), or otherwise establishes an exemption and the payor does not have actual knowledge or reason to know the holder is a United States person, as defined under the Code, that is not an exempt recipient.

Any amount withheld under the backup withholding rules from a payment to a non-U.S. holder is allowable as a credit against such non-U.S. holder's U.S. federal income tax, which may entitle the non-U.S. holder to a refund, provided that the non-U.S. holder timely provides the required information to the IRS. Certain penalties may be imposed by the IRS on a non-U.S. holder who is required to furnish information but does not do so in the proper manner. Non-U.S. holders should consult their own tax advisors regarding the application of backup withholding in their particular circumstances and the availability of and procedure for obtaining an exemption from backup withholding.

Foreign Account Tax Compliance Act

Withholding taxes may be imposed under the Foreign Account Tax Compliance Act and related IRS guidance concerning foreign account tax compliance rules ("FATCA") on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Withholding at a rate of 30% will generally be required on dividends in respect of, or gross proceeds from the sale or other disposition of, our common stock held by or through certain foreign financial institutions (including investment funds), unless such institution enters into an agreement with the Secretary of the Treasury to report, on an annual basis, information with respect to shares in, and accounts maintained by, the institution to the extent such shares or accounts are held by certain United States persons or by certain non-U.S. entities that are wholly or partially owned by United States persons and to withhold on certain payments. An intergovernmental agreement between the United States and an applicable foreign country, or future United States Treasury regulations, may modify these requirements. Accordingly, the entity through which our common stock is held will affect the determination of whether such withholding is required. Similarly, dividends in respect of, and gross proceeds from the sale of, our common stock held by an investor that is a non-financial non-U.S. entity that does not qualify under certain exemptions will be subject to withholding at a rate of 30%, unless such entity either (i) certifies to us that such entity does not have any "substantial United States owners" or (ii) provides certain information regarding the entity's "substantial United States owners," which we will in turn provide to the Secretary of the Treasury. We will not pay any additional amounts to holders in respect of any amounts withheld.

Pursuant to recently proposed regulations, the Treasury Department intends to eliminate FATCA requirements to withhold on gross proceeds from the sale or other disposition of certain financial instruments (which would include our stock). The Treasury Department has indicated that taxpayers may rely on these proposed regulations pending their finalization.

Prospective investors are encouraged to consult their own tax advisors regarding the potential imposition of withholding tax under FATCA on their investment in our common stock.

Underwriting

We and the underwriters named below have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. Citigroup Global Markets Inc. and Jefferies LLC are the representatives of the underwriters.

Underwriters	Number of Shares
Citigroup Global Markets Inc.	
Jefferies LLC	
Total	

The underwriters are committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

The underwriters have an option to buy up to an additional shares from us to cover sales by the underwriters of a greater number of shares than the total number set forth in the table above. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by us. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	No Exercise	Full Exercise
Per Share	\$	\$
Total	\$	\$

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to \$ per share from the initial public offering price. After the initial offering of the shares, the representatives may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

We and our officers, directors, and the holders of substantially all of our common stock and securities convertible into or exchangeable for shares of common stock, have agreed with the underwriters not to dispose of or hedge any of their common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus [subject to customary exceptions]. See "Shares Eligible for Future Sale" for a discussion of certain transfer restrictions.

Prior to the offering, there has been no public market for the shares. The initial public offering price has been negotiated among us and the representatives. Among the factors to be considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, will be our historical performance, estimates of our business potential and earnings prospects, an assessment of our management and the consideration of the above factors in relation to market valuation of companies in related businesses.

An application has been made to list the common stock on the NYSE under the symbol "OBRN." In order to meet one of the requirements for listing the common stock on the NYSE, the underwriters have undertaken to sell lots of 100 or more shares to a minimum of 400 beneficial holders.

In connection with the offering, the underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover

positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A “covered short position” is a short position that is not greater than the amount of additional shares for which the underwriters’ option described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to cover the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option described above. “Naked” short sales are any short sales that create a short position greater than the amount of additional shares for which the option described above may be exercised. The underwriters must cover any such naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of our common stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on the NYSE, in the over-the-counter market or otherwise.

We estimate that our share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately \$, which includes an amount not to exceed \$ that we have agreed to reimburse the underwriters for certain FINRA-related expenses incurred by them in connection with the Offering.

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the issuer and to persons and entities with relationships with the issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

[Foreign Selling Restrictions to come]

Legal Matters

The validity of the shares of common stock offered by this prospectus will be passed upon for us by Mayer Brown LLP, New York, New York. Skadden, Arps, Slate, Meagher & Flom LLP is representing the underwriters in this offering.

Experts

The consolidated financial statements of Outbrain Inc. as of December 31, 2020 and 2019, and for each of the years in the two-year period ended December 31, 2020 have been included herein in reliance upon the report of KPMG LLP, independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

Where You Can Find Additional Information

We filed a registration statement on Form S-1 with the SEC with respect to the registration of the common stock offered for sale with this prospectus. This prospectus does not contain all of the information set forth in the registration statement and the exhibits to the registration statement. For further information about us, the common stock we are offering by this prospectus and related matters, you should review the registration statement, including the exhibits filed as a part of the registration statement.

Statements made in this prospectus concerning the contents of any contract, agreement or other document are not complete descriptions of all terms of these documents. If a document has been filed as an exhibit to the registration statement, we refer you to the copy of the document that has been filed for a complete description of its terms. Each statement in this prospectus relating to a document filed as an exhibit is qualified in all respects by the filed exhibit. You should read this prospectus and the documents that we have filed as exhibits to the registration statement of which this prospectus forms a part completely.

As a result of this offering, we will become subject to the information and periodic reporting requirements of the Exchange Act, as amended, and, in accordance with such requirements, will file periodic reports, proxy statements, and other information with the SEC.

Our filings with the SEC, including the registration statement of which this prospectus forms a part, periodic reports, proxy statements, and other information will be available for inspection at the website of the SEC. The address of the website is <http://www.sec.gov>. We intend to furnish our stockholders with annual reports containing consolidated financial statements audited by our independent registered accounting firm.

OUTBRAIN INC.
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Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of Outbrain, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Outbrain, Inc. and subsidiaries (the Company) as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive loss, convertible preferred stock and stockholders' deficit, and cash flows for each of the years in the two-year period ended December 31, 2020, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

We have served as the Company's auditor since 2013.

New York, New York

March 25, 2021

KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

OUTBRAIN INC.

Consolidated Balance Sheets
(In thousands, except for number of shares and par value)

	2020	2019
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 93,641	\$ 49,593
Accounts receivable, net of allowances	165,449	141,746
Prepaid expenses and other current assets	18,326	13,306
Total current assets	277,416	204,645
Property, equipment and capitalized software, net	24,756	24,532
Intangible assets, net	9,812	13,302
Goodwill	32,881	32,881
Other assets	11,621	7,164
TOTAL ASSETS	\$ 356,486	\$ 282,524
LIABILITIES, CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable	\$ 118,491	\$ 85,619
Accrued compensation and benefits	23,000	14,909
Accrued and other current liabilities	109,747	87,090
Deferred revenue	5,512	3,213
Total current liabilities	256,750	190,831
Other liabilities	17,105	18,911
TOTAL LIABILITIES	\$ 273,855	\$ 209,742
Commitments and Contingencies (Note 7)		
Convertible preferred stock, par value of \$0.001 per share, Series A, B, C, D, E, F, G and H—aggregate of 47,203,157 shares authorized as of December 31, 2020 and 2019; aggregate of 47,009,166 shares issued and outstanding as of December 31, 2020 and 2019, respectively; and aggregate liquidation preference of \$200.4 million as of December 31, 2020 and 2019	162,444	162,444
STOCKHOLDERS' DEFICIT:		
Common stock, par value of \$0.001 per share—110,812,435 shares authorized as of December 31, 2020 and 2019; 29,169,963 and 28,193,335 shares issued and outstanding as of December 31, 2020 and 2019	29	28
Additional paid-in capital	92,693	88,435
Accumulated other comprehensive loss	(4,290)	(5,523)
Accumulated deficit	(168,245)	(172,602)
TOTAL STOCKHOLDERS' DEFICIT	(79,813)	(89,662)
TOTAL LIABILITIES, CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT	\$ 356,486	\$ 282,524

See Accompanying Notes to Consolidated Financial Statements.

OUTBRAIN INC.
Consolidated Statements of Operations
(In thousands)

	<u>2020</u>	<u>2019</u>
Revenue	\$767,142	\$687,333
Cost of revenue:		
Traffic acquisition costs	572,802	517,000
Other cost of revenue	29,278	28,548
Total cost of revenue	<u>602,080</u>	<u>545,548</u>
Gross profit	165,062	141,785
Operating expenses:		
Research and development	28,961	26,391
Sales and marketing	77,570	78,941
General and administrative	48,354	51,038
Total operating expenses	<u>154,885</u>	<u>156,370</u>
Income (loss) from operations	10,177	(14,585)
Other income (expense), net:		
Interest expense	(832)	(601)
Interest income and other income (expense), net	<u>(1,695)</u>	<u>152</u>
Total other income (expense), net	<u>(2,527)</u>	<u>(449)</u>
Income (loss) before provision for income taxes	7,650	(15,034)
Provision for income taxes	3,293	5,480
Net income (loss)	<u>\$ 4,357</u>	<u>\$ (20,514)</u>
Net income (loss) per common share:		
Basic	\$ 0.06	\$ (0.79)
Diluted	\$ 0.05	\$ (0.79)

See Accompanying Notes to Consolidated Financial Statements.

OUTBRAIN INC.**Consolidated Statements of Comprehensive Income (Loss)**
(In thousands)

	<u>2020</u>	<u>2019</u>
Net income (loss)	\$4,357	\$(20,514)
Other comprehensive income (loss):		
Foreign currency translation adjustments	1,233	(16)
Comprehensive income (loss)	<u>\$5,590</u>	<u>\$(20,530)</u>

See Accompanying Notes to Consolidated Financial Statements.

OUTBRAIN INC.

Consolidated Statements of Convertible Preferred Stock and Stockholders' Deficit
(In thousands, except for number of shares)

	Convertible Preferred Stock		Common Stock		Additional Paid In Capital	Accumulated Other Comprehensive (Loss)	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
Balance—January 1, 2019	46,966,186	\$162,164	21,174,300	\$20	\$ 45,048	\$(5,507)	\$(152,088)	\$(112,527)
Issuance of Series H convertible preferred stock for a business combination	35,048	228	—	—	—	—	—	—
Issuance of Series H convertible preferred stock for an asset acquisition	7,932	52	—	—	—	—	—	—
Issuance of common stock upon exercise of employee stock option	—	—	430,009	1	942	—	—	943
Issuance of common stock upon vesting of restricted stock units	—	—	463,622	1	—	—	—	1
Issuance of common stock upon acquisition	—	—	6,125,404	6	38,327	—	—	38,333
Stock-based compensation	—	—	—	—	4,118	—	—	4,118
Other comprehensive loss	—	—	—	—	—	(16)	—	(16)
Net loss	—	—	—	—	—	—	(20,514)	(20,514)
Balance—December 31, 2019	47,009,166	\$162,444	28,193,335	\$28	\$ 88,435	\$(5,523)	\$(172,602)	\$(89,662)
Issuance of common stock upon exercise of employee stock option	—	—	472,880	0	393	—	—	393
Issuance of common stock upon vesting of restricted stock units	—	—	503,748	1	—	—	—	1
Stock-based compensation	—	—	—	—	3,865	—	—	3,865
Other comprehensive loss	—	—	—	—	—	1,233	—	1,233
Net income	—	—	—	—	—	—	4,357	4,357
Balance—December 31, 2020	<u>47,009,166</u>	<u>\$162,444</u>	<u>29,169,963</u>	<u>\$29</u>	<u>\$ 92,693</u>	<u>\$(4,290)</u>	<u>\$(168,245)</u>	<u>\$(79,813)</u>

See Accompanying Notes to Consolidated Financial Statements.

OUTBRAIN INC.
Consolidated Statements of Cash Flows
(In thousands)

	For year-ended December 31, 2020	For year-ended December 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 4,357	\$(20,514)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	6,638	6,248
Amortization of capitalized software development costs	7,545	6,461
Amortization of intangible assets	4,326	4,035
Amortization of deferred traffic acquisition costs	—	38
Non-cash interest	43	51
Loss on disposal of property and equipment	—	(25)
Gain on sale of asset	(1,095)	—
Stock-based compensation	3,588	3,876
Provision for doubtful accounts	2,621	3,189
Deferred income taxes	(2,256)	(141)
Other	(1,414)	(22)
Changes in operating assets and liabilities:		
Accounts receivable	(24,124)	4,797
Prepaid expenses and other current assets	(3,729)	1,038
Other assets	(1,821)	(146)
Accounts payable	31,429	(25,366)
Accrued and other current liabilities	24,109	32,291
Deferred revenue	2,159	1,045
Other	610	(115)
Net cash provided by operating activities	<u>52,986</u>	<u>16,740</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(1,511)	(2,452)
Capitalized software development costs	(8,990)	(7,935)
Proceeds from sale of assets	1,117	—
Acquisition of business	—	2,920
Other	(39)	(122)
Net cash used in investing activities	<u>(9,423)</u>	<u>(7,589)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from exercise of common stock options and warrants	545	882
Principal payments on capital lease obligations	(4,773)	(4,541)
Net cash used in financing activities	<u>(4,228)</u>	<u>(3,659)</u>
Effect of exchange rate changes	4,750	64
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	44,085	5,556
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH—Beginning of period	49,982	44,426
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH—End of period	<u>\$ 94,067</u>	<u>\$ 49,982</u>
RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH TO THE CONSOLIDATED BALANCE SHEETS		
Cash and cash equivalents	\$ 93,641	\$ 49,593
Restricted cash, included in other assets	426	389
Total cash, cash equivalents, and restricted cash	<u>\$ 94,067</u>	<u>\$ 49,982</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid for income taxes, net of refunds	<u>\$ 2,639</u>	<u>\$ 5,489</u>
Cash paid for interest	<u>\$ 760</u>	<u>\$ 548</u>
Stock-based compensation capitalized for software development costs	<u>\$ 212</u>	<u>\$ 242</u>
Purchases of property and equipment included in accounts payable	<u>\$ 135</u>	<u>\$ 142</u>
Property and equipment financed under capital obligation arrangements	<u>\$ 4,834</u>	<u>\$ 6,769</u>
Series H convertible preferred stock issued for acquisition of a business	<u>\$ —</u>	<u>\$ 228</u>
Series H convertible preferred stock issued for asset acquisition	<u>\$ —</u>	<u>\$ 52</u>
Common stock issued for acquisition of a business	<u>\$ —</u>	<u>\$ 40,060</u>

See Accompanying Notes to Consolidated Financial Statements.

OUTBRAIN INC.**Notes to Consolidated Financial Statements
As of and For Years Ending December 31, 2020 and 2019****1. Organization, Description of Business and Summary of Significant Accounting Policies****Organization and Description of Business**

Outbrain Inc. together with our subsidiaries, (“Outbrain”, the “Company”, “we”, “our” or “us”) was incorporated in August 2006 in Delaware. The Company is headquartered in New York, New York and has wholly-owned subsidiaries in Israel, Europe, Asia, Brazil and Australia.

Outbrain is a leading recommendation platform powering the open web. Our platform provides personalized recommendations that appear as links to content, advertisements and videos on media owner’s online properties. We generate revenue from marketers through user engagements with promoted recommendations that we deliver across a variety of third-party media owner’s properties. We pay traffic acquisition costs to our media owner partners on whose digital properties the recommendations are shown. Our advertiser solutions are mainly priced using a performance-based model based on the actual number of engagements generated by users. The actual number of engagements generated by users is highly dependent on our ability to generate trustworthy and interesting recommendations to individual users based on our proprietary algorithms. A small portion of our revenue is generated through advertisers participating in programmatic auctions wherein the pricing is determined by the auction results and not dependent on user engagement.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“US GAAP”). The accompanying consolidated financial statements include the accounts of Outbrain Inc. and our wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated upon consolidation. Certain reclassifications have been made to amounts reported for the prior years to achieve consistent presentation with the current year.

Use of Estimates

The preparation of the consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expense during the reporting period. We base our estimates and judgments on historical information and on various other assumptions that we believe are reasonable under the circumstances. Estimates and assumptions made in the accompanying consolidated financial statements include, but are not limited to, the allowance for doubtful accounts, sales allowance, software development costs eligible for capitalization, valuation of deferred tax assets, the useful lives of property and equipment, the useful lives and fair value of intangible assets and goodwill, the fair value of stock-based awards, the recognition and measurement of income tax uncertainties and other contingencies. Actual results may differ from those estimates and assumptions.

Cash and Cash Equivalents

We consider all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. Cash and cash equivalents consist of cash on hand and highly liquid investments in money market funds.

Restricted Cash

Restricted cash represents security deposits for facility leases as well as time deposits with financial institutions. Restricted cash is included in other assets in the accompanying consolidated balance sheets.

OUTBRAIN INC.**Notes to Consolidated Financial Statements
As of and For Years Ending December 31, 2020 and 2019****1. Organization, Description of Business and Summary of Significant Accounting Policies (continued)****Fair Value Measurement**

We utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. Our financial instruments include restricted time deposits, severance pay fund deposits and foreign currency forward contract assets. We determine the fair value of our financial instruments based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, in which Level I provides the most reliable measure of fair value, whereas Level III, if applicable, generally would require significant management judgment:

Level I—Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date;

Level II—Inputs are observable, unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities; and

Level III—Unobservable inputs that are significant to the measurement of the fair value of the assets or liabilities that are supported by little or no market data.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded at invoiced amounts, net of allowances for doubtful accounts, if applicable, and are unsecured and do not bear interest. Accounts receivable also include earned and billable amounts not yet invoiced as of the end of the reporting period.

The allowance for doubtful accounts is based on the best estimate of the amount of probable credit losses in existing accounts receivable. We evaluate the collectability of our accounts receivable based on known collection risks and historical experience. In circumstances where we are aware of a customer's inability to meet its financial obligations to us (e.g., bankruptcy filings or substantial downgrading of credit ratings), we record a specific reserve for bad debts against amounts due to reduce the net recognized receivable to the amount we reasonably believe will be collected. For all other customers, we record reserves for bad debts based on the length of time the receivables are past due and our historical experience of collections and write-offs. If circumstances change, such as higher-than-expected defaults or an unexpected material adverse change in a major customer's ability to meet its financial obligations, our estimate of amounts collectible could be reduced by a material amount.

Certain Risks and Concentrations

Financial instruments that potentially subject us to concentrations of credit risk consist of cash and cash equivalents, restricted cash and accounts receivable. Our cash and cash equivalents and restricted cash are generally invested in high-credit quality financial instruments with both banks and financial institutions to reduce the amount of exposure to any single financial institution.

We generally do not require collateral to secure accounts receivable. No single marketer accounted for 10% or more of our total revenue for the years ended 2020 and 2019 or 10% or more of our gross accounts receivable balance as of December 31, 2020 and 2019.

For the year ended December 31, 2020, two media owners individually accounted for 12% and 11% of our total traffic acquisition costs. For the year ended December 31, 2019, two media owners individually accounted for 14% and 11% of our total traffic acquisition costs.

OUTBRAIN INC.**Notes to Consolidated Financial Statements
As of and For Years Ending December 31, 2020 and 2019****1. Organization, Description of Business and Summary of Significant Accounting Policies (continued)****Property, equipment and capitalized software, net**

Property and equipment, including leasehold improvements, are stated at cost, less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Depreciation on property and equipment, excluding leasehold improvements, is three years. Leasehold improvements are amortized on a straight-line basis over the shorter of the estimated useful lives of the assets or the remaining lease term. Amortization on leasehold improvements ranges from one to nine years.

We capitalize qualifying development costs associated with software that is developed or obtained for internal use, provided that management with the relevant authority authorizes and commits to the funding of the project, it is probable the project will be completed and the software will be used to perform the function intended. Capitalized costs, including costs incurred for enhancements that are expected to result in additional significant functionality are capitalized and amortized on a straight-line basis over the estimated useful life, which approximates three years. Costs related to preliminary project activities and post-implementation operation activities, including training and maintenance, are expensed as incurred.

Intangible assets, net

Intangible assets primarily consist of developed technology and customer and media owner relationships resulting from acquisitions. Intangible assets are carried at cost, less accumulated amortization, unless a determination has been made that their value has been impaired. Intangible assets are amortized on a straight-line basis over their estimated useful lives. Amortization expense in the accompanying consolidated statements of operations is included as a component of other cost of revenue for developed technology assets and sales and marketing expense for customer and media owner relationships and tradenames.

Impairment of Long-Lived Assets

Long-lived assets consist of our property, equipment, capitalized software development costs and other assets, including identifiable intangible assets with finite lives. Our long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable or that the useful life is shorter than we had originally estimated. Recoverability of these assets is first assessed by comparison of the carrying amount of each asset to the future undiscounted cash flows the asset is expected to generate over their remaining lives. If the asset is considered to be impaired, the amount of any impairment is measured as the difference between the carrying value and the fair value of the impaired asset. If the useful life is shorter than originally estimated, we amortize the remaining carrying value over the new shorter useful life.

Goodwill

Goodwill represents the excess of the purchase price of an acquired entity over the fair value of intangible assets acquired and liabilities assumed. Goodwill is not amortized but instead evaluated for impairment. We perform our annual impairment test of goodwill during the fourth quarter of each fiscal year or whenever events or circumstances change that would indicate that goodwill may not be recoverable. In conducting our impairment test, we can opt to perform a qualitative assessment to test goodwill for impairment or we can directly perform the two-step impairment test described below. Based on our qualitative assessment, if we determine that the fair value of a reporting unit is more likely than not (a likelihood of more than 50%) to be less than its carrying amount, the two-step impairment test will be performed. In the first step, we compare the fair value of our reporting unit to its carrying amount. If the fair value of the reporting unit exceeds the carrying value of the net assets assigned to that unit, goodwill is not considered impaired and we are not required to perform further testing. If the carrying value of the net assets assigned to the reporting unit exceeds the fair value of the reporting unit, then we must perform the

OUTBRAIN INC.**Notes to Consolidated Financial Statements
As of and For Years Ending December 31, 2020 and 2019****1. Organization, Description of Business and Summary of Significant Accounting Policies (continued)**

second step of the impairment test in order to determine the implied fair value of the reporting unit's goodwill. In the second step, if the carrying value of a reporting unit's goodwill exceeds its implied fair value, then we would record an impairment loss equal to the difference. Based on our qualitative assessment performed during the fourth quarter of fiscal years 2020 and 2019, we concluded that it was more-likely-than-not that the estimated fair value of Company's single reporting unit exceeded its carrying value. Accordingly, we did not recognize any goodwill impairment charges for the years ended December 31, 2020 and 2019.

Revenue Recognition

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (Topic 606) to supersede nearly all current revenue recognition guidance under US GAAP. The core principle of Topic 606 is to recognize revenues when goods or services are transferred to customers in an amount that reflects the consideration that is expected to be received for those goods or services. ASU 2014-09 provides a five-step model to achieve this core principle and, in doing so, it is possible that more judgment and estimates may be required within the revenue recognition process than required under previous US GAAP, including identifying performance obligations in a contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. The Company adopted the new standard effective with our December 31, 2019 annual financial statements using the modified retrospective approach. The adoption did not have a material impact on our consolidated financial statements.

We recognize revenues when we transfer control of promised services directly to our customers, in an amount that reflects the consideration to which we expect to be entitled to in exchange for those services. The Company recognizes revenue pursuant to the five-step framework contained in ASC 606: (i) identify the contract with a client; (ii) identify the performance obligations in the contract, including whether they are distinct in the context of the contract; (iii) determine the transaction price, including the constraint on variable consideration; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue as the Company satisfies the performance obligations.

We generate revenue primarily from marketers through user engagement with personalized display advertisements that we place on third-party media owners web pages and mobile applications. Our platform delivers personalized recommendations to end-users that appear as links to articles and videos on media owners' sites.

Our customers include brands, performance marketers and other advertisers, which we collectively refer to as our marketers, each of whom contract for use of our services primarily through insertion orders or through our online process, allowing marketers to establish budgets for their advertising campaigns. Advertising campaigns are billed on a monthly basis. Our payment terms generally range from 30 to 60 days.

For advertising campaigns priced on a cost-per-click basis, we bill our marketers and recognize revenue when a user clicks on an advertisement we deliver.

For campaigns priced on a cost-per-impression basis, we bill our marketers and recognize revenue based on the number of times an advertisement is displayed to a user.

Variable consideration, including allowances, discounts, refunds, credits, incentives, or other price concessions, is estimated and recorded at the time that related revenue is recognized. Advance payments from marketers for future services represent contract liabilities and are recorded as deferred revenue in our consolidated balance sheets.

The determination of whether revenue should be reported on a gross or a net basis involves significant judgement. In general, we act as a principal on behalf of our marketers and revenue is recognized gross of

OUTBRAIN INC.

**Notes to Consolidated Financial Statements
As of and For Years Ending December 31, 2020 and 2019****1. Organization, Description of Business and Summary of Significant Accounting Policies (continued)**

any distribution costs that we remit to the media owners. In these cases, we control the advertising inventory before it is transferred to our marketers. Our control is evidenced by our ability to monetize and direct the use of the advertising inventory before it is transferred to our marketers. For those revenue arrangements where we do not control the advertising inventory before it is transferred to our marketers, we are the agent and recognize revenue on a net basis. We recognize revenue net of applicable sales taxes.

Cost of Revenue

Traffic Acquisition Costs. Traffic acquisition costs consist of amounts we owe to media owners when users engage with promoted recommendations on media owners' properties. We incur costs with media owners in the period in which the click-throughs occur or in some circumstances based on a guaranteed minimum rate of payment from us in exchange for guaranteed placement of our promoted recommendations on specified portions of the media owners online properties. These guaranteed rates are typically provided per thousand qualified page views, whereby our minimum monthly payment to the media owner may fluctuate based on how many qualified page views the media owner generates, subject to a maximum guarantee. Traffic acquisition costs also include amounts payable to other third-party media owners outside of Outbrain's network.

In some instances, we may make upfront payments to media owners in connection with long-term contracts. We capitalize these advance payments under these agreements if select capitalization criteria have been met. The capitalization criteria include the existence of future economic benefits to us, the existence of legally enforceable recoverability language (e.g., early termination clauses), management's ability and intent to enforce the recoverability language and the ability to generate future earnings from the agreement in excess of amounts deferred. Capitalized amounts are amortized as traffic acquisition costs over the shorter of the period of contractual recoverability or the corresponding period of economic benefit. Amounts not yet paid are accrued systematically based on our estimate of user engagement.

Other Cost of Revenue. Cost of revenue also includes costs related to the management of our data centers, hosting fees, data connectivity costs and depreciation and amortization. Cost of revenue also includes the amortization of capitalized software that is developed or obtained for internal use associated with our revenue-generating technologies. Additionally, other cost of revenue includes amortization of intangible assets related to developed technology acquired by us and used in our revenue-generating efforts.

Research and Development

We incur research and development expenses primarily relating to the development and enhancement of our content discovery platform. These expenses consist primarily of personnel and the related overhead costs and amortization of capitalized software for non-revenue generating infrastructure. Research and development expenses are expensed as incurred, except for internal-use software development costs that qualify for capitalization.

Advertising and Promotional Costs

Advertising and promotional costs are included in sales and marketing expenses as incurred in the accompanying consolidated statements of operations. Advertising and promotional costs were \$9.3 million and \$11.0 million for the years ended December 31, 2020 and 2019, respectively.

Segment Information

Our chief operating decision maker is our Co-Chief Executive Officer who makes resource allocation decisions and assesses performance based on financial information presented on a consolidated basis. We have one business activity and there are no segment managers who are held accountable for operations,

OUTBRAIN INC.**Notes to Consolidated Financial Statements
As of and For Years Ending December 31, 2020 and 2019****1. Organization, Description of Business and Summary of Significant Accounting Policies (continued)**

operating results beyond revenues or gross profit, or plans for levels or components below the consolidated level. Accordingly, we have a single operating and reportable segment.

Stock-based Compensation

We recognize stock-based compensation for stock-based awards, including stock options, restricted stock awards (“RSAs”), restricted stock units (“RSUs”) and stock appreciation rights (“SARs”) based on the estimated fair value of the awards. We estimate the fair value of our stock option awards on the grant date using the Black-Scholes option-pricing model. The Black-Scholes option-pricing model requires the use of judgments and assumptions, including the option’s expected term and the price volatility of the underlying stock. The fair value of our RSAs and RSUs is the fair value of our common stock on the date of grant. We account for forfeitures as they occur.

Stock option awards, RSAs, RSUs and SARs generally vest subject to the satisfaction of service requirements, the satisfaction of both service requirements and achievement of certain performance conditions, or the satisfaction of service requirements and achievement of certain performance and market conditions. For stock awards that vest subject to the satisfaction of service requirements, stock-based compensation is measured based on the fair value of the award on the date of grant and is recognized as stock-based compensation on a straight-line basis over the requisite service period. For stock awards that have a performance component, stock-based compensation is measured based on the fair value on the grant date and is recognized over the requisite service period as achievement of the performance objective becomes probable.

For common stock options or warrants issued to non-employees, including consultants, we record stock-based compensation based on the fair value of the options or warrants calculated using the Black-Scholes option pricing model. We calculate the fair value of each stock-based award to non-employees on each measurement date based on the fair value of our common stock. The fair value of each stock-based award granted to non-employees is remeasured as the options or warrants vest, and the resulting change in fair value is recognized in the consolidated statements of operations during the period the related services are rendered.

Foreign Currency

We transact business in various foreign currencies. In general, the functional currency of our foreign subsidiaries is the currency of the local country. Consequently, revenues and expenses of operations outside the United States are generally translated into U.S. dollars using weighted-average exchange rates, while assets and liabilities are translated into U.S. dollars using exchange rates in effect at the balance sheet date with the resulting translation adjustments recorded as a component of accumulated other comprehensive loss within the statements of convertible preferred stock and stockholders’ deficit. Foreign currency transaction gains and losses resulting from transactions denominated in a currency other than the functional currency are recognized in the consolidated statements of operations. The net foreign exchange transaction gains (losses) included in interest income and other income (expense), net in the accompanying consolidated statements of operations were (\$3.1) million and \$0.3 million for the years ended December 31, 2020 and 2019, respectively.

Derivative Financial Instruments

We are exposed to certain risks relating to our ongoing business operations, including but not limited to, fluctuations in foreign currency exchange rates. We may enter into foreign currency forward exchange contracts to manage our foreign currency exchange risk by reducing the effects of fluctuations in foreign currency exchange rates on our net cash flows. For derivative financial instruments in which hedge accounting is not elected or applicable, we recognize gains and losses resulting from a change in fair value for these

OUTBRAIN INC.

**Notes to Consolidated Financial Statements
As of and For Years Ending December 31, 2020 and 2019**

1. Organization, Description of Business and Summary of Significant Accounting Policies (continued)

derivatives on the consolidated statement of operations in other income (expense) in the period in which the change occurs. We classify cash flows from these contracts as operating activities on the consolidated statements of cash flows.

The notional amount of our outstanding derivative instruments was \$8.8 million and \$11.5 million as of December 31, 2020 and 2019, respectively. We did not designate these foreign currency forward contracts as a hedge. The fair value of our derivatives are included in other current assets or accrued and other current liabilities in our consolidated balance sheets. We measure the fair value of our outstanding or unsettled derivatives using Level II fair value inputs, as we use a pricing model that takes into account contractual terms as well as the current foreign currency exchange rate in active markets.

Severance Pay Asset and Liability

We record a severance pay asset and liability on our consolidated balance sheets related to our employees located in Israel. Our liability for severance pay is calculated pursuant to Israeli severance pay law based on the most recent salary for the employees multiplied by the number of years of employment, as of the respective balance sheet date. Employees are entitled to one-month salary for each year of employment or a portion thereof. Our liability at each respective balance sheet date for all of our Israeli employees is fully accrued in other liabilities in the accompanying consolidated balance sheets. We fund this obligation through monthly deposits to the employee's pension and management insurance policies. The carrying value of these policies is recorded as a severance fund asset in other assets in the accompanying consolidated balance sheets.

The deposited funds may be withdrawn only upon the fulfillment of our obligation pursuant to Israeli severance pay law. The carrying value of our deposited funds is based on the cash surrender value of these policies and includes profits accumulated through the respective balance sheet date.

Income Taxes

We account for income taxes using an asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred income tax assets and liabilities are measured using the currently enacted tax rates that apply to taxable income in effect for the years in which those tax assets and liabilities are expected to be realized or settled. We regularly assess the likelihood that our deferred income tax assets will be realized. To the extent that we believe any amounts are not more likely than not to be realized, we record a valuation allowance to reduce the deferred income tax assets. Our deferred tax assets of \$2.8 million and \$1.2 million as of December 31, 2020 and 2019, respectively, are included within other assets in the consolidated balance sheet while deferred tax liabilities of \$3.4 million and \$3.9 million as of December 31, 2020 and 2019, respectively, are included within other liabilities in the consolidated balance sheet. We regularly assess the need for the valuation allowance on our deferred tax assets, and to the extent that we determine that an adjustment is needed, such adjustment will be recorded in the period that the determination is made.

We recognize the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. We recognize penalties related to income tax matters as income tax expense.

COVID-19 Impacts

In March 2020, the World Health Organization declared COVID-19 as a global pandemic. The COVID-19 pandemic has resulted in a global slowdown of economic activity causing a decrease in demand

OUTBRAIN INC.**Notes to Consolidated Financial Statements
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for a broad variety of goods and services, including those provided by certain advertisers using our platform. Many of our advertiser partners reduced their advertising spending, which had a negative impact on our results during the first half of 2020. As customers gradually shifted their spending towards digital advertising, our revenue trends improved meaningfully and returned to growth during the third and fourth quarters of 2020. Although we have seen a recovery in the advertising market and our business in the recent months, the full impact of the COVID-19 pandemic on the global economy and the extent to which the pandemic may impact our business, financial condition, and results of operations in the future remains uncertain.

Recently Issued Accounting Pronouncements**Recently issued accounting pronouncements not yet adopted**

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. ASU 2016-02 supersedes the previous leases standard, Leases (Topic 840). In June 2020 the FASB issued ASU 2020-05 Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities, the amendments in this update defer the effective date of ASU 2016-02 for private companies to fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022, early application continues to be permitted. Although adoption is not required until January 1, 2022, the Company is still evaluating the adoption date and will adopt on the earlier of January 1, 2022 or on losing Emerging Growth Company status. The Company continues to assess all impacts of adoption and expects lease liabilities and right-of-use assets to increase as a result of the adoption.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments—Credit Losses (Topic 326), which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost. ASU 2016-13 replaces the existing incurred loss impairment model with an expected loss model which requires consideration of forward-looking information to calculate credit loss estimates. These changes will result in an earlier recognition of credit losses. The amendment is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company's financial assets held at amortized cost include accounts receivable. The amendments in ASU 2020-05 also defer the effective date for Topic 326 which is required to be implemented for fiscal years beginning after December 15, 2022. The Company is still evaluating the adoption date and will adopt on the earlier of January 1, 2023 or on losing Emerging Growth Company status. The Company does not expect the adoption of this standard will have a material impact on the consolidated financial statements or related disclosures.

OUTBRAIN INC.

Notes to Consolidated Financial Statements
As of and For Years Ending December 31, 2020 and 2019

2. Fair Value Measurements

The following table sets forth the fair value of our financial assets and liabilities measured on a recurring basis by level within the fair value hierarchy:

	December 31, 2020			
	Level I	Level II	Level III	Total
	(In thousands)			
Financial Assets:				
Restricted time deposit	\$ —	\$ 426	\$ —	\$ 426
Severance pay fund deposits	—	5,379	—	5,379
Foreign currency forward contract	—	553	—	553
Total financial assets	\$ —	\$ 6,358	\$ —	\$ 6,358

	December 31, 2019			
	Level I	Level II	Level III	Total
	(In thousands)			
Financial Assets:				
Restricted time deposit	\$ —	\$ 389	\$ —	\$ 389
Severance pay fund deposits	—	4,542	—	4,542
Foreign currency forward contract	—	117	—	117
Total financial assets	\$ —	\$ 5,048	\$ —	\$ 5,048

3. Balance Sheet Components

Accounts Receivable, Net

Accounts receivable, net consists of the following:

	December 31,	
	2020	2019
	(In thousands)	
Accounts receivable	\$169,623	\$145,027
Allowance for doubtful accounts	(4,174)	(3,281)
Accounts receivable, net	\$165,449	\$141,746

Allowance for Doubtful Accounts

The allowance for doubtful accounts consists of the following activity:

	Year Ended December 31,	
	2020	2019
	(In thousands)	
Allowance for doubtful accounts, beginning balance	\$ 3,281	\$ 2,049
Provision for doubtful accounts	2,668	3,373
Recoveries	—	3
Write-offs	(1,775)	(2,144)
Allowance for doubtful accounts, ending balance	\$ 4,174	\$ 3,281

OUTBRAIN INC.

Notes to Consolidated Financial Statements
As of and For Years Ending December 31, 2020 and 2019

3. Balance Sheet Components (continued)**Property, Equipment and Capitalized Software, Net**

Property, equipment and capitalized software, net consists of the following:

	December 31,	
	2020	2019
	(In thousands)	
Computer and equipment	\$ 41,735	\$ 37,122
Capitalized software development costs	43,728	34,525
Software	3,444	4,259
Leasehold improvements	2,805	3,122
Furniture and fixtures	908	1,028
Property, equipment and capitalized software, gross	92,620	80,056
Less: accumulated depreciation and amortization	(67,864)	(55,524)
Total property, equipment and capitalized software, net	<u>\$ 24,756</u>	<u>\$ 24,532</u>

We capitalized software development costs, including stock-based compensation, of \$9.2 million and \$8.2 million for the years ended December 31, 2020 and 2019, respectively. Accumulated amortization for our capitalized software development costs was \$29.8 million and \$22.2 million as of December 31, 2020 and 2019, respectively.

As of December 31, 2020 and 2019, total computer equipment financed and software licensed under capital leases was \$7.4 million and \$7.0 million, net of accumulated amortization of \$17.2 million and \$13.5 million. Amortization expense related to total computer equipment financed and software licensed under capital leases was \$3.7 million and \$4.5 million for the years ended December 31, 2020 and 2019.

Accrued and Other Current Liabilities

Accrued and other current liabilities consist of the following:

	December 31,	
	2020	2019
	(In thousands)	
Accrued traffic acquisition costs	\$ 77,195	\$61,003
Accrued tax liabilities	9,622	5,451
Accrued agency commissions	8,755	7,277
Capital obligations, current	3,853	3,804
Other accrued expenses	10,322	9,555
Total accrued and other current liabilities	<u>\$109,747</u>	<u>\$87,090</u>

In addition to our accrued traffic acquisition cost, accounts payable includes \$111.7 million and \$78.2 million of traffic acquisition costs as of December 31, 2020 and 2019, respectively.

4. Acquisition

On April 1, 2019, we completed the acquisition of all of the outstanding shares of Ligatus GmbH ("Ligatus"), a German-based native advertising company, pursuant to a share purchase agreement between the Company and the sellers, Gruner + Jahr GmbH.

OUTBRAIN INC.

Notes to Consolidated Financial Statements
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4. Acquisition (continued)

The acquisition date fair value of the consideration transferred was approximately \$40.1 million, which consisted of 6,125,404 shares of Outbrain common stock valued at \$6.54 per share.

The acquisition was accounted for as a business combination and the results of operations of the acquired entity have been included in the Company's results of operations as of the acquisition date. The purpose of the acquisition was to expand our native offering to advertisers and strengthen our relationships with our media owners. The Company expensed all transaction costs in the period in which they were incurred. The Company allocated the purchase price to identifiable assets acquired based on their estimated fair values. The fair value of the consideration transferred and the assets acquired and liabilities assumed was determined by the Company and in doing so management engaged a third-party valuation specialist to assist with the measurement of the fair value of identifiable intangible assets. The estimated fair value of the identifiable assets acquired and liabilities assumed was based on management's best estimates. The fair values of the publisher relationships were determined using the multi-period excess earnings income approach and the customer relationships were determined using the cost approach. The fair value of trade names was determined using the relief-from-royalty method. The excess of the purchase price over the aggregate fair value of the identifiable assets acquired was recorded as goodwill and is primarily attributable to expected synergies the Company expects from future growth and potential monetization opportunities. The goodwill is deductible for tax purposes.

The table below presents the fair values allocated to Ligatus' assets and liabilities as of the acquisition date.

Cash and cash equivalents	\$ 2,920
Accounts receivable	17,394
Prepaid expenses and other current assets	3,916
Publisher relationships—intangible asset	8,345
Customer relationships—intangible asset	4,115
Tradenames	1,653
Property and equipment and other assets	563
Accounts payable	(6,223)
Accrued and other liabilities	(4,052)
Deferred revenue	(189)
Deferred tax liability	(4,581)
Net assets acquired	23,861
Goodwill	16,199
Total	<u>\$40,060</u>

Identifiable intangible assets acquired are amortized on a straight-line basis over their estimated useful lives. The Company estimated the useful lives of the acquired relationships to be four (4) years, and trade names to be eight (8) years. Amortization expense in the accompanying consolidated statements of operations is included as a component of sales and marketing expense for the acquired intangible assets.

OUTBRAIN INC.

Notes to Consolidated Financial Statements
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5. Goodwill and Intangible Assets

The changes in the carrying value of goodwill are as follows:

	Year Ended December 31,	
	2020	2019
	(In thousands)	
Goodwill, opening balance	\$32,881	\$16,682
Acquisition	—	16,199
Goodwill, closing balance	<u>\$32,881</u>	<u>\$32,881</u>

The Company has not recorded any accumulated impairments of goodwill.

The gross carrying amount and accumulated amortization of our intangible assets are as follows:

	December 31, 2020			
	Amortization Period	Gross Value	Accumulated Amortization	Net Carrying Value
	(In thousands)			
Developed technology	36-48 months	\$ 8,425	\$ (8,388)	\$ 37
Customer relationships	48 months	5,694	(3,166)	2,528
Publisher relationships	48 months	9,111	(3,986)	5,125
Trade names	8 years	1,805	(395)	1,410
Other	14 years	830	(118)	712
Total intangible assets, net		<u>\$25,865</u>	<u>\$(16,053)</u>	<u>\$9,812</u>

	December 31, 2019			
	Amortization Period	Gross Value	Accumulated Amortization	Net Carrying Value
	(In thousands)			
Developed technology	36-48 months	\$ 8,425	\$ (7,434)	\$ 991
Customer relationships	48 months	5,304	(1,970)	3,334
Publisher relationships	48 months	8,321	(1,560)	6,761
Trade names	8 years	1,648	(155)	1,493
Other	14 years	790	(67)	723
Total intangible assets, net		<u>\$24,488</u>	<u>\$(11,186)</u>	<u>\$13,302</u>

No impairment charges were recorded during the years ended December 31, 2020 and 2019.

As of December 31, 2020, estimated amortization related to our identifiable acquisition-related intangible assets in future periods was as follows:

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Notes to Consolidated Financial Statements
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5. Goodwill and Intangible Assets (continued)

Year Ending December 31,	Amount
	(In thousands)
2021	\$3,390
2022	3,353
2023	1,687
2024	247
2025	247
Thereafter	888
Total	<u>\$9,812</u>

6. Long Term Debt**Revolving Credit Facility**

The Company is party to a loan and security agreement (“Revolving Credit Facility”) with Silicon Valley Bank (“SVB”) that provides us an initial maximum borrowing capacity of up to \$35.0 million that we may use to borrow against our qualifying receivables based on a defined borrowing formula. The Revolving Credit Facility was amended in November 2018 which extended the maturity date from October 2019 to November 2, 2021.

The Revolving Credit Facility contains customary conditions to borrowings, events of default and negative covenants, including covenants that restrict the Company’s ability to dispose of assets, merge with or acquire other entities, incur indebtedness, incur encumbrances, make distributions to holders of its capital stock, make investments or engage in transactions with our affiliates. The Company is also subject to financial covenants with respect to a monthly modified liquidity ratio and Adjusted EBITDA for trailing six-month periods.

Our obligations under the Revolving Credit Facility are secured by a first priority security interest in substantially all of the assets of the Company with a negative pledge on our intellectual property. The Company was in compliance with all of its financial covenants under its Revolving Credit Facility as of December 31, 2020.

As of December 31, 2020 and December 31, 2019, we had no borrowings outstanding under our Revolving Credit Facility and our available borrowing capacity was \$35.0 million based on the defined borrowing formula.

7. Commitments and Contingencies**Legal Proceedings**

From time to time, we may become subject to legal proceedings, claims and litigation arising in the ordinary course of business. In addition, we may receive letters alleging infringement of patent or other intellectual property rights. We are not currently a party to any material legal proceedings, nor are we aware of any pending or threatened litigation that, in our opinion, would have a material adverse effect on our business, operating results, cash flows or financial condition should such litigation be resolved unfavorably.

Lease and Other Commitments

We lease certain office and data center facilities under non-cancelable operating lease arrangements for our U.S. and international locations that expire on various dates through 2024. In addition, we have entered

OUTBRAIN INC.

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7. Commitments and Contingencies (continued)

into agreements to lease apartment facilities and motor vehicles. These arrangements require us to pay certain operating expenses, such as taxes, repairs and insurance and contain renewal and escalation clauses. We recognize rent expense under these arrangements on a straight-line basis over the term of the lease.

In addition, we leased certain equipment and computers under capital lease arrangements that expired at various dates through 2024.

As of December 31, 2020, the aggregate future non-cancelable minimum lease payments consist of the following:

Year Ending December 31:	Operating Leases	Capital Leases
	(In thousands)	
2021	\$ 6,437	\$ 4,316
2022	3,807	2,645
2023	2,428	1,057
2024	1,811	129
2025	1,646	—
Thereafter	401	—
Total minimum payments required	\$ 16,530	\$ 8,147

Rent expense for all operating leases amounted to \$4.7 million and \$5.1 million for the years ended December 31, 2020 and 2019, respectively.

8. Common Stock Reserved for Issuance

We reserved shares of common stock, on an as-converted basis, for future issuance as follows:

	December 31,	
	2020	2019
Conversion of outstanding Series A convertible preferred stock	7,065,907	7,065,907
Conversion of outstanding Series B convertible preferred stock	14,565,760	14,565,760
Conversion of outstanding Series C convertible preferred stock	6,477,447	6,477,447
Conversion of outstanding Series D convertible preferred stock	5,735,026	5,735,026
Conversion of outstanding Series E convertible preferred stock	1,080,197	1,080,197
Conversion of outstanding Series F convertible preferred stock	5,318,040	5,318,040
Conversion of outstanding Series G convertible preferred stock	5,532,213	5,532,213
Conversion of outstanding Series H convertible preferred stock	1,234,576	1,234,576
Outstanding stock options	9,308,317	8,376,092
Outstanding common stock warrants	1,055,852	1,070,852
Outstanding RSAs	190,245	190,245
Outstanding RSUs	6,663,669	4,379,033
SAR awards	5,764	7,371
Shares reserved for future option grants	664,124	4,911,016
Total common stock reserved for issuance	64,897,137	65,943,775

OUTBRAIN INC.

Notes to Consolidated Financial Statements
As of and For Years Ending December 31, 2020 and 2019

9. Convertible Preferred Stock

The following tables summarizes our authorized, issued and outstanding convertible preferred stock:

Convertible Preferred Stock:	December 31, 2020 and 2019				
	Shares Authorized	Shares Issued and Outstanding	Net Carrying Value	Liquidation Price Per Share	Aggregate Liquidation Preference
	(In thousands, except share data)				
Series A	7,065,907	7,065,907	\$ 5,053	\$0.72260	\$ 5,106
Series B	14,565,760	14,565,760	11,717	0.82385	12,000
Series C	6,477,447	6,477,447	12,330	1.69820	11,000
Series D	5,735,026	5,735,026	35,035	6.14070	35,217
Series E	1,080,197	1,080,197	6,054	5.55450	6,000
Series F	5,343,425	5,318,040	35,606	13.4150	71,342
Series G	5,666,172	5,532,213	48,612	8.8243	48,818
Series H	1,269,223	1,234,576	8,037	8.8243	10,894
Total convertible preferred stock	<u>47,203,157</u>	<u>47,009,166</u>	<u>\$162,444</u>		<u>\$200,377</u>

No convertible preferred stock was issued in 2020. In 2019, we issued a combined 42,980 shares of Series H convertible preferred stock in connection with a 2018 asset acquisition and a 2017 acquisition of a business.

We recorded the convertible preferred stock at fair value on the dates of issuance, net of issuance costs. We classify our convertible preferred stock outside of stockholders' deficit because, in the event of certain "liquidation events" that are not solely within our control (including merger, acquisition, or sale of all or substantially all of our assets), the shares would become redeemable at the option of the holders. We did not adjust the carrying values of the convertible preferred stock to the deemed liquidation values of such shares since a liquidation event was not probable at any of the balance sheet dates. Subsequent adjustments to increase or decrease the carrying values to the ultimate liquidation values will be made if and when it becomes probable that such a liquidation event will occur.

The holders of our convertible preferred stock have various rights, preferences, and privileges as follows:

Conversion Rights

Each share of Series A, B, C, D, E, F, G and H convertible preferred stock is convertible at the option of the holder into the number of shares of common stock determined by dividing the original issue price by the applicable conversion price. The original issue price per share and initial conversion price per share is \$0.7226 for Series A, \$0.82385 for Series B, \$1.6982 for Series C, \$6.1407 for Series D, \$5.5545 for Series E, \$6.7075 for Series F and \$8.8243 for Series G and Series H. At each reporting date, each share of Series A, B, C, D, E, F, G and H convertible preferred stock was convertible on a one-for-one basis into common stock at the respective conversion ratios. The conversion price for each share of convertible preferred stock is adjusted for certain recapitalizations, splits, combinations, common stock dividends, or similar events.

Conversion Rights In the Event of a Qualified Initial Public Offering

Each share of convertible preferred stock shall automatically be converted into shares of common stock at the then-effective conversion price upon the consummation of the Company's sale of its common stock in a bona fide, firm commitment underwriting pursuant to a registration statement under the Securities

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9. Convertible Preferred Stock (continued)

Act of 1933, as amended, yielding at least \$30.0 million net to the Company (adjusted to reflect subsequent stock dividends, stock splits, or recapitalizations).

Conversion Price Adjustments

The conversion price per share of the Series A, B, C, D, F, G and H convertible preferred stock will be reduced if we issue any additional stock without consideration or for consideration per share less than the Series A, B, C, D, F, G and H convertible preferred stock conversion price in effect for that series.

Conversion Price Ratchet Adjustments in the Event of a Qualified Initial Public Offering

In the event of an initial public offering (“IPO”), if the IPO price per share is less than \$9.21105 per share (or 1.5 times the Series D original issuance price), the conversion price of the Series D convertible preferred stock will automatically adjust to be the lower of (i) the conversion price then in effect for the Series D or (ii) two-thirds (2/3) of the original conversion price of \$6.1407 per share.

If the IPO price per share is less than \$13.415 per share (or 2.0 times the Series F original issuance price), the conversion price of the Series F convertible preferred stock will automatically adjust to be the lower of the (i) the conversion price then in effect for the Series F convertible preferred stock or (ii) the Series F convertible preferred stock original issuance price of \$6.7075 multiplied by a fraction, the denominator of which is the Series F convertible preferred stock preference of \$13.415 per share and the numerator of which is the IPO price.

If the IPO price per share is less than \$8.8243 per share (or the Series G original issuance price) the conversion price of the Series G convertible preferred stock will automatically be adjusted to the IPO price concurrently with the closing of the IPO.

If the conversion ratio of the Series D, F and G convertible preferred stock is adjusted based on the ratchet provisions above, we may need to recognize a beneficial conversion charge in an amount that equals the difference between the adjusted conversion price and the price of the Series D, F and G convertible preferred stock on issuance.

Voting Rights

Each share of convertible preferred stock has a number of votes equal to the number of shares of common stock into which it is convertible. The holders of the Series A, B, C, D, F and G convertible preferred stock, voting together as a single class, have the right to elect six directors. The holders of the Series E and H convertible preferred stock and the common stock, voting together as a single class, have the right to elect the two remaining directors.

Liquidation Rights

In the event of any voluntary or involuntary liquidation, dissolution, or winding-up of the Company, the Series A, B, C, D, E, F, G and H convertible preferred stockholders are entitled to receive their respective per share liquidation preference, adjusted for any stock splits, recapitalizations, stock dividends or the like, plus all declared but unpaid dividends. Following distribution of the liquidation preferences to the Series A, B, C, D, E, F, G and H convertible preferred stockholders, the remaining assets of the Company available for distribution to stockholders shall be distributed among the holders of the common stock and to the holders of the Series A, B, C, D and G convertible preferred stock, based on the number of shares of common stock held by each on an as-if converted basis, subject to certain limitations.

Any acquisition of the Company by means of merger or other form of corporate reorganization in which the outstanding shares of the corporation are exchanged for securities or other consideration issued,

OUTBRAIN INC.

Notes to Consolidated Financial Statements
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9. Convertible Preferred Stock (continued)

or caused to be issued, by the acquiring corporation or its subsidiary (other than a reincorporation transaction), a sale of all or substantially all of the assets of the Company, or in the event that the Company transfers or grants a perpetual exclusive license of all or substantially all of the Company's intellectual property, shall be treated as a liquidation, dissolution, or winding-up of the corporation and shall entitle the holders of convertible preferred stock and common stock to receive at the closing in cash, securities, or other property amounts as specified in above.

Dividend Rights

The Series A, B, C, D, F and G convertible preferred stockholders are entitled to receive dividends at a rate equal to their initial issuance price per share, as adjusted for any stock splits, recapitalizations, stock dividends or the like. Such dividends are noncumulative and payable out of funds legally available if declared by our board of directors. After the payment of these dividends, any additional dividends declared by our board of directors out of funds legally available shall be shared equally among all outstanding shares on an as-converted basis. No dividends have been declared to date.

Redemption Rights

Our convertible preferred stock does not contain any fixed or determinable redemption features.

10. Stock-based Compensation**Equity Incentive Plans**

In September 2007 and as amended in January 2009, we adopted the Omnibus Securities and Incentive Plan (the "Plan"). The Plan is administered by our board of directors or designated person(s). Under the Plan, the plan administrator is allowed to determine various terms and conditions of our option and restricted stock grants, including option expiration dates (generally ten years from the date of grant), vesting terms (generally over a four-year period) and payment terms.

The Plan provides for stock option grants at an exercise price as determined by the plan administrator, but in the case of incentive stock options, not less than 100% of the fair market value of the common stock subject to the option on the date of grant and 110% for owners of 10% or more of our common stock. The Plan also provides for restricted stock grants. The purchase price of restricted stock under these awards is determined by the plan administrator. We also established a Sub-Plan of the Plan in the United Kingdom under which we were permitted to make grants of options to employees subject to tax in the United Kingdom.

In our accompanying consolidated statements of operations, we recognized stock-based compensation for our employees and non-employees as follows:

	Year Ended December 31,	
	2020	2019
	(in thousands)	
Research and development	\$ 810	\$ 672
Sales and marketing	2,071	2,067
General and administrative	707	1,137
Total stock-based compensation	<u>\$3,588</u>	<u>\$3,876</u>

As of December 31, 2020 and 2019, we have not recorded any stock-based compensation related to our stock option awards, RSAs, RSUs and SARs that vest upon the satisfaction of a performance condition because the performance condition is not probable of occurring until a qualifying liquidity event (qualified

OUTBRAIN INC.

Notes to Consolidated Financial Statements
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10. Stock-based Compensation (continued)

IPO or change of control) has occurred. If a qualifying liquidity event had occurred on December 31, 2020, we would have recorded \$9.9 million in additional stock-based compensation related to our stock options, RSAs, RSUs and SARs that vest upon the satisfaction of a performance condition.

Determination of Fair Value

The estimated grant-date fair value of all our stock options and warrants was calculated using the Black-Scholes option pricing model, based on the following assumptions:

	Year Ended December 31,	
	2020	2019
Expected term (in years)	6.02	
Risk-free interest rate	0.52%	
Expected volatility	44%	N/A
Dividend rate	0%	

We determined the assumptions for the option pricing model as discussed below. Each of these inputs is subjective and generally requires significant judgment to determine. No stock options or warrants were granted in 2019.

Expected Term—The expected term represents the period that our stock-based awards are expected to be outstanding. For option grants that are considered to be “plain vanilla,” we determine the expected term using the simplified method. The simplified method deems the term to be the average of the time-to-vesting and the contractual life of the stock-based awards. For other option grants, we consider several factors in estimating the expected term including the expected lives used by a peer group of companies within our industry that we consider to be comparable to our business, the historical option exercise behavior of our employees and post-vesting employment termination behavior taking into account the contractual life of the award. The expected term for options or warrants issued to non-employees is the contractual term.

Risk-Free Interest Rate—The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the date of grant for zero-coupon U.S. Treasury notes with maturities approximately equal to the stock-based awards’ expected term.

Expected Volatility—Since we do not have a trading history of our common stock, the expected volatility was derived from the average historical stock volatilities of several unrelated public companies within our industry that we consider to be comparable to our business over a period equivalent to the expected term of the stock-based awards.

Dividend Rate—The expected dividend is zero as we have not paid and do not anticipate paying any dividends in the foreseeable future.

Fair Value of Common Stock—Because there is no public market for our common stock as we are a private company, our board of directors has determined the fair value of the common stock by considering a number of objective and subjective factors, including having contemporaneous valuations of our common stock performed by an unrelated valuation specialist, valuations of comparable peer companies, sales of our convertible preferred stock to unrelated third parties, operating and financial performance, the lack of liquidity of our capital stock, and general and industry-specific economic outlook. The fair value of our common stock will be determined by our board of directors until such time as our common stock is listed on an established stock exchange.

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Notes to Consolidated Financial Statements
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10. Stock-based Compensation (continued)

The following table summarizes stock option, RSA and RSU activity under the Plan and related information:

	Options Outstanding					RSAs and RSUs Unvested and Outstanding	
	Shares Available for Grant	Number of Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value of Outstanding Options (In thousands)	Number of Shares	Weighted-Average Grant Date Fair Value
Outstanding—January 1, 2019	4,107,289	10,462,399	\$3.23	4.92	\$25,338	4,175,954	\$4.44
Awards authorized	—						
Options granted	—						
RSUs granted	(1,081,075)					1,081,075	\$6.53
RSUs vested	—					(463,622)	\$5.05
RSUs cancelled	224,129					(224,129)	
SARs cancelled	4,375		\$4.57				
Options exercised	—	(430,009)	\$2.27				
Options cancelled	1,656,298	(1,656,298)	\$4.39				
Outstanding—December 31, 2019	4,911,016	8,376,092	\$2.99	4.22	\$29,034	4,569,278	\$4.87
Awards authorized	—						
Options granted	(1,803,750)	1,803,750	\$2.71				
RSUs granted	(2,961,670)					2,961,670	\$6.44
RSUs vested	—					(503,748)	\$5.36
RSUs cancelled	165,305					(165,305)	
SARs cancelled	1,607						
Options exercised	—	(520,089)	\$1.15				
Options cancelled	351,616	(351,616)	\$3.97				
Outstanding December 31, 2020	664,124	9,308,317	\$3.74		\$25,495	6,861,895	\$5.50
Exercisable—December 31, 2020		6,700,057	\$2.99	3.10	\$23,802		

Stock Options

The weighted-average grant date fair value of options granted for the years ended December 31, 2020 and 2019 was \$2.71 and nil per share, respectively. The aggregate intrinsic value of options exercised was \$3.4 million and \$2.8 million for the years ended December 31, 2020 and 2019, respectively.

As of December 31, 2020, total unrecognized stock-based compensation related to unvested stock options was \$5.3 million. These costs are expected to be recognized over a weighted-average period of 3.81 years as of December 31, 2020. Certain stock options vest only upon IPO or other performance conditions.

Restricted Stock Awards

As of December 31, 2020, the total unrecognized stock-based compensation related to unvested RSAs is \$0.3 million.

OUTBRAIN INC.**Notes to Consolidated Financial Statements
As of and For Years Ending December 31, 2020 and 2019****10. Stock-based Compensation (continued)**

Certain RSAs issued during 2012 and 2013 relate to common stock issued in exchange for loans in the amount of the exercise price of the awards. The awards were also subject to a performance condition that is not probable until an IPO occurs. Because the notes were considered to be in-substance nonrecourse notes receivable, the awards are treated as a stock options for accounting purposes.

Restricted Stock Units

For those RSUs subject to occurrence of a performance condition, because the performance condition is not probable until an IPO or certain merger and acquisition events have occurred, we have not recorded any stock-based compensation to date. As of December 31, 2020, the unrecognized stock-based compensation related to unvested RSUs not subject to performance conditions is \$11.6 million.

Stock Appreciation Rights (SARs)

The Plan provides for the award of Stock Appreciation Rights that are granted in connection with a related option to certain employees. In 2014, we granted SAR awards to certain employees which vest subject to the occurrence of performance conditions and may be settled at the option of the employee, by exercise into shares, or cash settled for the difference between the market price on the date of exercise and the exercise price. As a result, these SARs, subject to consideration of performance conditions, will be recorded in our consolidated statements of financial position as a liability until the date of settlement.

The fair value of each SAR award is estimated using a similar method described for stock options. The fair value of each vested SAR award is recalculated at the end of each reporting period and the liability and expense adjusted based on the new fair value. Because these SARs vest upon an IPO and the satisfaction of other performance conditions and because these performance conditions are not probable to occur until an IPO has occurred, we have not recorded any stock-based compensation for the years ended December 31, 2020 and 2019 or recorded a liability related to these SAR grants as of December 31, 2020.

We granted 31,963 SAR awards with a weighted average exercise price of \$4.57 and a contractual term of 10 years. As of December 31, 2020, 5,764 SAR awards were outstanding with a weighted average grant date fair value of \$2.31, a weighted average remaining contractual term of 3.7 years and an aggregate intrinsic value of \$0. As of December 31, 2019, 7,371 SAR awards were outstanding with a weighted average grant date fair value of \$2.31, a weighted average remaining contractual term of 4.8 years and an aggregate intrinsic value of \$0.

Stock-Based Awards Granted Outside of Equity Incentive Plans*Warrants*

From 2007 to 2016, we issued warrants to purchase shares of common stock to certain third-party advisors, consultants and financial institutions with exercise prices ranging from \$0.001 to \$4.87 per share. The exercise period of the warrants is until the earlier of the closing of an IPO, the closing of a deemed liquidation event or the end of the warrant term. These warrants vest immediately.

OUTBRAIN INC.

Notes to Consolidated Financial Statements
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10. Stock-based Compensation (continued)

The following table summarizes warrant activity outside of the Plan and related information:

	Warrants Outstanding			
	Number of Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value of Outstanding Warrants
	(In thousands)			
Outstanding—January 1, 2019	1,370,852	\$3.92	4.11	\$3,035
Warrants granted	—	—		
Warrants expired	(300,000)	\$6.63		
Warrants exercised	—	—		
Outstanding—December 31, 2019	1,070,852	\$3.16	3.66	\$3,916
Warrants granted	—	—		
Warrants expired	(15,000)	\$0.33		
Warrants exercised	—	—		
Outstanding—December 31, 2020	<u>1,055,852</u>	\$2.92		
Exercisable—December 31, 2020	<u>1,055,852</u>	\$2.92	3.89	\$1,858

11. Income (Loss) Per Share

We apply the two-class method to calculate basic and diluted income (loss) per share attributable to common stockholders as shares of our convertible preferred stock are participating securities due to their participation rights. The two-class method is an earnings allocation method under which earnings per share is calculated for common stock considering a participating security's rights to undistributed earnings as if all such earnings had been distributed during the period. Our participating securities are not included in the computation of loss per share attributable to common stockholders in periods of net loss because the convertible preferred stockholders have no contractual obligation to participate in losses.

OUTBRAIN INC.

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11. Income (Loss) Per Share (continued)

	Year Ended December 31,	
	2020	2019
(In thousands, except share and per share data)		
Numerator:		
Basic and diluted:		
Net income (loss)	\$ 4,357	\$ (20,514)
Less: undistributed earnings allocated to participating securities	(2,688)	—
Net income (loss) attributable to common stockholders	<u>\$ 1,669</u>	<u>\$ (20,514)</u>
Denominator:		
Weighted-average shares used in computing income (loss) attributable to common stockholders, basic	28,587,502	25,967,720
Weighted-average shares used in computing income (loss) attributable to common stockholders, diluted	34,317,563	25,967,720
Net income (loss) per share attributable to common stockholders:		
Basic	<u>\$ 0.06</u>	<u>\$ (0.79)</u>
Diluted	<u>\$ 0.05</u>	<u>\$ (0.79)</u>

The following weighted-average shares have been excluded from the calculation of diluted income (loss) per share attributable to common stockholders for each period presented because they are anti-dilutive:

	Year Ended December 31,	
	2020	2019
Convertible preferred stock	47,009,166	47,009,166
Options to purchase common stock	3,174,828	4,372,927
Warrants	505,409	722,656
Restricted stock units	397,430	689,206
Total shares excluded from diluted income (loss) per share	<u>51,086,833</u>	<u>52,793,955</u>

12. Income Taxes

The components of income (loss) from continuing operations before income taxes and the income tax expense (benefit) are as follows:

	Year Ended December 31,	
	2020	2019
(In thousands)		
United States	\$ (8,213)	\$ (13,028)
Foreign	15,863	(2,006)
Income (Loss) before provision for income taxes	<u>\$ 7,650</u>	<u>\$ (15,034)</u>

OUTBRAIN INC.

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12. Income Taxes (continued)

	Year Ended December 31,	
	2020	2019
	(In thousands)	
Current provisions for income taxes:		
Federal	\$ —	\$ (43)
State	81	12
Foreign	5,468	5,652
Total current	<u>5,549</u>	<u>5,621</u>
Deferred tax benefit:		
Federal	226	170
State	46	40
Foreign	<u>(2,528)</u>	<u>(351)</u>
Total deferred tax benefit	<u>(2,256)</u>	<u>(141)</u>
Provision for income taxes	<u>\$ 3,293</u>	<u>\$ 5,480</u>

The reconciliation of the statutory federal income tax and our effective income tax is as follows:

	Year Ended December 31,	
	2020	2019
Tax at statutory federal rate	21.0%	21.0%
State tax—net of federal benefit	(3.9)%	1.8%
Foreign withholding taxes	25.4%	—
Foreign rate differential	(9.6)%	(0.9)%
Stock compensation and other permanent items	10.0%	(16.5)%
Tax rate change	(3.4)%	—
Uncertain tax positions	(11.2)%	(13.7)%
Change in valuation allowance	(32.0)%	(34.7)%
GILTI Inclusion—US	59.4%	—
Foreign tax credit carryforwards	(5.9)%	—
Capital loss carryforwards	(19.9)%	—
Return to provision adjustments	11.8%	8.0%
Other	<u>1.3%</u>	<u>(1.5)%</u>
Effective tax rate	<u>43.0%</u>	<u>(36.5)%</u>

Deferred taxes are the result of temporary differences between the bases of assets and liabilities for financial reporting and income tax purposes. Deferred tax assets and liabilities at December 31, 2020 and 2019 were comprised of the following:

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12. Income Taxes (continued)

	December 31,	
	2020	2019
	(In thousands)	
Deferred tax assets:		
Net operating loss carryforwards	\$ 31,930	\$ 39,762
Foreign tax credit carryforwards	479	—
Capital loss carryforwards	4,036	—
Stock-based compensation	861	771
Accruals, reserves, and other	6,409	4,455
Allowance for doubtful accounts	1,003	787
Gross deferred tax assets	44,718	45,775
Valuation allowance	(41,201)	(43,608)
Total deferred tax assets	3,517	2,167
Deferred tax liabilities:		
Intangible assets and capitalized software	(4,139)	(4,863)
Total deferred tax liabilities	(4,139)	(4,863)
Net deferred tax liability	\$ (622)	\$ (2,696)

Recognition of deferred tax assets is appropriate when realization of these assets is more likely than not. Based upon the weight of available evidence, which includes our historical operating performance and the recorded cumulative net losses in prior fiscal periods, we recorded a valuation allowance of \$41.2 million and \$43.6 million against the U.S. deferred tax assets as of December 31, 2020 and against the U.S. and U.K. deferred tax assets as of December 31, 2019, respectively. The net valuation allowance decreased by \$2.4 million and increased by \$5.2 million for the years ended December 31, 2020 and 2019, respectively.

As of December 31, 2020 and 2019, we had U.S. federal net operating loss carryforwards of \$105.8 million and \$129.1 million, respectively. The federal net operating loss carryforwards will expire at various amounts beginning in the year ending December 31, 2031, if not utilized. As of December 31, 2020 and 2019, we had state net operating loss carryforwards of \$126.3 million and \$128.8 million, respectively. State net operating losses will expire at various amounts beginning in the year ending December 31, 2024, if not utilized.

Utilization of the net operating losses may be subject to an annual limitation provided for in the Code under Section 382 and similar state codes. As of December 31, 2020, \$8.2 million of federal net operating losses are currently limited from use under such provisions and any annual limitation could result in the expiration of net operating loss carryforwards before utilization.

While we have recognized the U.S. federal tax impact on a portion of the undistributed earnings of our foreign subsidiaries under the Tax Cuts and Jobs Act, enacted in 2017 (“Tax Act”), our policy with respect to foreign earnings remains unchanged and we consider them to be indefinitely reinvested. Upon distribution of those earnings in the form of a dividend or otherwise, the Company could be subject to taxes, including withholding taxes payable to various foreign countries, for which a deferred tax liability is not currently recognized.

In January 2018, the FASB issued FASB Staff Question and Answer Topic 740, No. 5: Accounting for Global Intangible Low-Taxed Income (“GILTI”), which provides guidance on accounting for the GILTI provisions of the Tax Act. The GILTI provisions impose a tax on foreign income in excess of a deemed return

OUTBRAIN INC.

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12. Income Taxes (continued)

on tangible assets of foreign corporations. The guidance allows accounting for tax on GILTI to be treated as a deferred tax item or as a component of current period income tax expense in the year incurred, subject to an accounting policy election. The Company has elected to account for tax on GILTI as a component of current period income tax expense in the year incurred.

Unrecognized Tax Benefits

The activity related to the gross amount of unrecognized tax benefits is as follows:

	Year Ended December 31	
	2020	2019
	(In thousands)	
Beginning balance	\$ 2,087	\$ 33
Decreases based on tax positions related to prior year	(1,243)	(33)
Additions based on tax positions related to prior year	67	1,793
Additions based on tax positions related to current year	321	294
Ending balance	<u>\$ 1,232</u>	<u>\$2,087</u>

If recognized, our gross unrecognized tax benefits would not have a material impact on our effective tax rate for the year ended December 31, 2020. While it is often difficult to predict the outcome of any particular uncertain tax position, we believe it is reasonably possible that our unrecognized tax benefits will increase approximately \$0.2 million during the next twelve months. We further expect that the amount of unrecognized tax benefits will continue to change in the future as a result of ongoing operations, the outcomes of audits, and the expiration of the statute of limitations. This change is not expected to have a significant impact on our results of operations or financial condition.

We recognize accrued interest and penalties related to unrecognized tax benefits in our income tax (benefit) provision. For the years ended December 31, 2020 and 2019, we recognized \$(0.1) million and \$0.4 million accrued interest and penalties, respectively, which are reflected in the table above.

We are subject to taxation in the United States, various states, and several foreign jurisdictions. We establish reserves for open tax years for uncertain tax positions that may be subject to challenge by various taxing authorities. The consolidated tax provision and related accruals include the impact of such reasonably estimable losses and related interest and penalties as deemed appropriate. United States and foreign jurisdictions have statute of limitations generally ranging from 3 to 5 years. However, the statute of limitations does not begin for years that a net operating loss carryforward was generated until the loss is applied against taxable income. In that scenario, the taxing authority can only make adjustments in the original loss year to the extent of the net operating loss. Open audit years in the United States are 2013 through 2019 and in the U.K. are 2017 through 2019. We are currently under audit in Israel for 2018 and 2019.

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13. Segment Information

The following table represents total revenue based on where our marketers are physically located:

	December 31,	
	2020	2019
	(In thousands)	
USA	\$288,789	\$258,377
Europe, the Middle East and Africa (EMEA)	398,923	347,696
Other	79,430	81,260
Total revenue	<u>\$767,142</u>	<u>\$687,333</u>

Our property, equipment and capitalized software, net by geographic location are summarized as follows:

	December 31,	
	2020	2019
	(In thousands)	
USA	\$22,069	\$20,475
EMEA	2,264	2,918
Other	423	1,139
Total property, equipment and capitalized software, net	<u>\$24,756</u>	<u>\$24,532</u>

14. Subsequent Events

We evaluated subsequent events through March 25, 2021, the date these consolidated financial statements were issued.

Shares



Common Stock

**Citi
Jefferies**

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

	Amount to be Paid
Registration fee	\$
FINRA filing fee	*
Listing fees	*
Transfer agent's fees	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Miscellaneous	*
Total	\$

* To be completed by amendment.

Each of the amounts set forth above, other than the Registration fee and the FINRA filing fee, is an estimate.

Item 14. Indemnification of Directors and Officers.

The Registrant is incorporated under the laws of the State of Delaware. Section 145 of the Delaware General Corporation Law, or the DGCL, provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any threatened, pending or completed actions, suits or proceedings in which such person is made a party by reason of such person being or having been a director, officer, employee or agent to the Registrant. The DGCL provides that Section 145 is not exclusive of other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise. The Registrant's amended and restated certificate of incorporation provides for indemnification by the Registrant of members of its board of directors, members of committees of its board of directors and of other committees of the Registrant, and its executive officers, and allows the Registrant to provide indemnification for its other officers and its agents and employees, and those serving another corporation, partnership, joint venture, trust or other enterprise at the request of the Registrant, in each case to the maximum extent permitted by the DGCL.

Section 102(b)(7) of the DGCL permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for unlawful payments of dividends or unlawful stock repurchases, redemptions or other distributions or (iv) for any transaction from which the director derived an improper personal benefit. The Registrant's amended and restated certificate of incorporation provides for such limitation of liability.

The Registrant will enter into separate indemnification agreements with each of its directors which are in addition to the Registrant's indemnification obligations under its amended and restated certificate of incorporation. These indemnification agreements may require the Registrant, among other things, to indemnify its directors against expenses and liabilities that may arise by reason of their status as directors, subject to certain exceptions. These indemnification agreements may also require the Registrant to advance any expenses incurred by its directors as a result of any proceeding against them as to which they could be indemnified and to obtain and maintain directors' and officers' insurance.

The Registrant maintains standard policies of insurance under which coverage is provided (a) to its directors and officers against losses arising from claims made by reason of breach of duty or other wrongful act and (b) to the Registrant with respect to payments, which may be made by the Registrant to such officers and directors pursuant to the above indemnification provision or otherwise as a matter of law.

The proposed form of underwriting agreement will be filed as Exhibit 1.1 to this Registration Statement and it will provide for indemnification of directors and officers of the Registrant by the underwriters against certain liabilities.

Item 15. *Recent Sales of Unregistered Securities.*

Since January 1, 2018, the Registrant has sold the following securities without registration under the Securities Act of 1933, as amended, or the Securities Act:

1. In April 2018, we issued and sold an aggregate of 14,732 shares of Series H convertible preferred stock as consideration for the acquisition of Monetization Advanced Technologies Ltd., which we purchased in a cash and stock transaction. In April 2019 and December 2019, we released 3,400 and 4,532 shares of Series H convertible preferred stock, respectively, to Monetization Advanced Technologies Ltd. from escrow in connection with the acquisition. The deemed purchase price was \$8.82 per share of Series H convertible preferred stock.
2. In April 2019, we issued and sold an aggregate of 6,125,404 shares of common stock in connection with the acquisition of Ligatus. The deemed purchase price per share was \$6.54 per share of common stock.
3. From January 1, 2018 through December 31, 2020, we granted to our officers, employees, and consultants an aggregate of 8,925,969 options and RSUs to purchase or be settled in shares of our common stock with per share exercise prices ranging from \$0 to \$6.44 under our 2007 Plan. These grants represent 2,368,750 options to purchase common stock with exercise prices ranging from \$4.64 to \$6.44 and 6,557,219 RSUs.

Unless otherwise stated, the sales of the above securities were deemed to be exempt from registration under the Securities Act in reliance upon Section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder, or Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer not involving any public offering or pursuant to benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of securities in each of these transactions represented their intention to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were affixed to the share certificates and instruments issued in such transactions.

Item 16. *Exhibits and Financial Statement Schedules.*

- (a) The Exhibit Index is hereby incorporated herein by reference.
- (b) All schedules have been omitted because they are not required, are not applicable or the information is otherwise set forth in the Consolidated Financial Statements and related notes thereto.

Item 17. *Undertakings.*

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions referenced in Item 14 of this Registration Statement, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered hereunder, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

- (1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b) (1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.
- (2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in New York, New York on this day of _____, 2021.

OUTBRAIN INC.

By: _____

Name: Yaron Galai

Title: *Co-Chief Executive Officer***POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS that each person whose signature appears below hereby constitutes and appoints Yaron Galai, David Kostman or Elise Garofalo, and each of them, his or her true and lawful attorneys-in-fact and agents, with full power to act separately and full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement and all additional registration statements pursuant to Rule 462(b) of the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto each said attorney-in-fact and agent full power and authority to do and perform each and every act in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or either of them or his or her or their substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons on April _____, 2021 in the capacities indicated:

Signatures	Title
Yaron Galai	Co-Founder and Co-Chief Executive Officer and Chairman of the Board (Principal Executive Officer)
David Kostman	Co-Chief Executive Officer and Director
Elise Garofalo	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
Jonathan (Yoni) Cheifetz	Director
Shlomo Dovrat	Director
Arne Wolter	Director
Yoseph (Yossi) Sela	Director
Dominique Vidal	Director
Jonathan Klahr	Director
Ziv Kop	Director

EXHIBIT INDEX

Exhibit No.	Description
1.1*	Form of Underwriting Agreement.
3.1	Amended and Restated Certificate of Incorporation of the Registrant, as currently in effect.
3.2	Bylaws of the Registrant, as currently in effect.
3.3*	Form of Amended and Restated Certificate of Incorporation of the Registrant, to be in effect upon the completion of this offering.
3.4*	Form of Amended and Restated Bylaws to be in effect upon completion of this offering.
4.1*	Specimen stock certificate
4.2	Amended and Restated Investors' Rights Agreement by and among the Registrant and the other parties thereto dated April 1, 2019.
4.3	Amended and Restated Stockholders' Agreement by and among the Registrant and the other parties thereto dated December 24, 2020.
4.4	Warrant to purchase shares of common stock issued to Silicon Valley Bank dated November 20, 2014.
4.5	Warrant to purchase shares of common stock issued to WestRiver Mezzanine Loans, LLC dated November 20, 2014.
4.6	Warrant to purchase shares of common stock issued to WestRiver Mezzanine Loans, LLC dated September 29, 2016.
4.7	Warrant to purchase shares of common stock issued to American Friends of Tmura dated July 25, 2011.
4.8	Warrant to purchase shares of common stock issued to Ouriel Ohyaon dated January 8, 2007.
5.1*	Opinion of Mayer Brown LLP.
10.1*	Form of Indemnification Agreement between the Registrant and its directors and officers.
10.2	Amended and Restated Loan and Security Agreement dated September 15, 2014 by and between Silicon Valley Bank and the Registrant.
10.3†	2007 Omnibus Securities and Incentive Plan, as amended and restated, foreign addenda, and forms of award agreements
10.4†*	2021 Long-Term Incentive Plan, and forms of award agreements
10.5	Sixth Amendment to Amended and Restated Loan and Security Agreement dated March 27, 2020 by and between Silicon Valley Bank and the Registrant.
10.6	Fifth Amendment to Amended and Restated Loan and Security Agreement dated November 2, 2018 by and between Silicon Valley Bank and the Registrant.
10.7	Fourth Amendment to Amended and Restated Loan and Security Agreement dated October 6, 2016 by and between Silicon Valley Bank and the Registrant.
10.8	Third Amendment to Amended and Restated Loan and Security Agreement dated August 25, 2016 by and between Silicon Valley Bank and the Registrant.
10.9	Second Amendment to Amended and Restated Loan and Security Agreement dated January 27, 2016 by and between Silicon Valley Bank and the Registrant.
10.10	First Amendment to Amended and Restated Loan and Security Agreement dated November 20, 2014 by and between Silicon Valley Bank and the Registrant.
10.11*	Subordinated Term Loan and Security Agreement dated November 20, 2014 by and between Silicon Valley Bank and the Registrant.
10.12†*	Amended and Restated Employment Agreement, dated _____, by and between Elise Garfalo and the Registrant.
10.13†*	Employment Agreement, dated _____, by and between Yaron Galai and the Registrant.
10.14†*	Employment Agreement, dated _____, by and between David Kostman and the

<u>Exhibit No.</u>	<u>Description</u>
	Registrant.
10.15†*	Form of 2021 Employee Stock Purchase Plan
10.16*	Lease Agreement, dated January 17, 2017, by and between Cash and Carry Food Services Ltd. and the Registrant.
21.1	List of subsidiaries of the Registrant.
23.1*	Consent of KPMG LLP, independent registered public accountants.
23.2*	Consent of Mayer Brown LLP (included in Exhibit 5.1).
24.1*	Power of attorney (included in signature page to Registration Statement).

† Compensatory plan or agreement.

* To be filed by amendment.

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
OUTBRAIN INC.
a Delaware corporation

The following Amended and Restated Certificate of Incorporation of Outbrain Inc. (the “**Corporation**”) (i) amends and restates the provisions of the Certificate of Incorporation of the Corporation originally filed with the Secretary of State of the State of Delaware on August 11, 2006, (ii) supersedes the original Certificate of Incorporation and all subsequent amendments and restatements thereto through the date hereof in their entirety, and (iii) was approved pursuant to Sections 242 and 245 of the General Corporation Law of the State of Delaware.

ARTICLE I

The name of the Corporation is Outbrain Inc.

ARTICLE II

The address of the Corporation’s registered office in the State of Delaware is located at 251 Little Falls Drive, in the City of Wilmington, in the County of New Castle, in the State of Delaware 19808. The name of its registered agent at such address is Corporation Service Company.

ARTICLE III

The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

ARTICLE IV

A. Classes of Stock. The Corporation is authorized to issue two classes of stock to be designated, respectively, “**Common Stock**” and “**Preferred Stock**”. The total number of shares of all classes of stock which the Corporation is authorized to issue is ONE HUNDRED FIFTY EIGHT MILLION FIFTEEN THOUSAND FIVE HUNDRED NINETY TWO (158,015,592) shares, of which (i) ONE HUNDRED TEN MILLION EIGHT HUNDRED TWELVE THOUSAND FOUR HUNDRED THIRTY FIVE (110,812,435) shares shall be Common Stock, par value \$0.001 per share (“**Common Stock**”) and (ii) FORTY SEVEN MILLION TWO HUNDRED THREE THOUSAND ONE HUNDRED FIFTY SEVEN (47,203,157) shares shall be Preferred Stock, par value \$0.001 per share, of which SEVEN MILLION SIXTY-FIVE THOUSAND NINE HUNDRED AND SEVEN (7,065,907) shares are designated as Series A Preferred Stock (the “**Series A Preferred**”), FOURTEEN MILLION FIVE HUNDRED SIXTY-FIVE THOUSAND SEVEN HUNDRED SIXTY(14,565,760) shares are designated as Series B Preferred Stock (the “**Series B Preferred**”), SIX MILLION FOUR HUNDRED SEVENTY-SEVEN THOUSAND FOUR HUNDRED FORTY-SEVEN (6,477,447) shares are designated as Series C Preferred Stock (the “**Series C Preferred**”), FIVE MILLION SEVEN HUNDRED THIRTY-FIVE THOUSAND AND TWENTY-SIX (5,735,026) shares are designated as Series D Preferred Stock (the “**Series D Preferred**”), ONE MILLION EIGHTY THOUSAND ONE HUNDRED NINETY-SEVEN (1,080,197) shares are designated as Series E Preferred Stock (the “**Series E Preferred**”), FIVE MILLION THREE HUNDRED FORTY-THREE THOUSAND FOUR HUNDRED TWENTY-FIVE (5,343,425) shares are designated as Series F Preferred Stock (the “**Series F Preferred**”), FIVE MILLION SIX HUNDRED SIXTY-SIX THOUSAND ONE HUNDRED SEVENTY-TWO (5,666,172) shares are designated as Series G Preferred Stock (the “**Series G Preferred**”), and ONE MILLION TWO SIXTY NINE THOUSAND TWO HUNDRED TWENTY THREE (1,269,223) shares are designated as Series H Preferred Stock (the “**Series H Preferred**”). The Series A Preferred, Series B Preferred, Series C Preferred, Series D Preferred, Series F Preferred and Series G Preferred are referred to herein collectively as the “**Senior Preferred Stock.**” The Series E Preferred, Series H Preferred and the Common Stock are referred to herein collectively as the “**Junior Stock.**”

B. Rights, Preferences and Restrictions of Preferred Stock. The rights, preferences, privileges and restrictions granted to and imposed on the Common Stock and the Preferred Stock are as set forth below in this Amended and Restated Certificate of Incorporation.

1. Dividends. The holders of Senior Preferred Stock shall be entitled to receive, pro rata among themselves and on an as converted basis, noncumulative dividends, if and when declared by the Corporation's Board of Directors (the "**Board**"), out of any funds legally available therefor, prior and in preference to any declaration or payment of any dividend according to the following preferences and rates: (i) first, and in preference and priority to any payment of any dividend on Series F Preferred, Series D Preferred, Series C Preferred, Series B Preferred, Series A Preferred or Junior Stock, the holders of shares of Series G Preferred (by reason of their ownership thereof) shall be entitled to receive, ratably among themselves in proportion to the preferential amounts, a dividend up to an amount with respect to all dividends distributed, equal in the aggregate, to the Series G Original Issue Price (as defined below) (the "**Preferred G Dividend Preference**"); (ii) second, following payment in full of the Preferred G Dividend Preference, and in preference and priority to any payment of any dividend on Series D Preferred, Series C Preferred, Series B Preferred, Series A Preferred or Junior Stock, the holders of shares of Series F Preferred (by reason of their ownership thereof) shall be entitled to receive, ratably among themselves in proportion to the preferential amounts, a dividend up to an amount with respect to all dividends distributed, equal in the aggregate, to the Series F Original Issue Price (as defined below) (the "**Preferred F Dividend Preference**"); (iii) third, following payment in full of the Preferred G Dividend Preference and the Preferred F Dividend Preference and in preference and priority to any payment of any dividend on Series C Preferred, Series B Preferred, Series A Preferred or Junior Stock, the holders of shares of Series D Preferred (by reason of their ownership thereof) shall be entitled to receive, ratably among themselves in proportion to the preferential amounts, a dividend up to an amount with respect to all dividends distributed, equal in the aggregate, to the Series D Original Issue Price (as defined below) (the "**Preferred D Dividend Preference**"); (iv) fourth, following payment in full of the Preferred G Dividend Preference, the Preferred F Dividend Preference and the Preferred D Dividend Preference, and in preference and priority to any payment of any dividend on Series B Preferred, Series A Preferred or Junior Stock, the holders of shares of Series C Preferred (by reason of their ownership thereof) shall be entitled to receive, ratably among themselves in proportion to the preferential amounts, a dividend up to an amount with respect to all dividends distributed, equal in the aggregate, to the Series C Original Issue Price (as defined below) (the "**Preferred C Dividend Preference**"); (v) fifth, following payment in full of the Preferred G Dividend Preference, the Preferred F Dividend Preference, the Preferred D Dividend Preference and the Preferred C Dividend Preference, and in preference and priority to any payment of any dividend on Series A Preferred or Junior Stock, the holders of shares of Series B Preferred (by reason of their ownership thereof) shall be entitled to receive, ratably among themselves in proportion to the preferential amounts, a dividend up to an amount with respect to all dividends distributed, equal in the aggregate, to the Series B Original Issue Price (as defined below) (the "**Preferred B Dividend Preference**"); (vi) sixth, following payment in full of the Preferred G Dividend Preference, the Preferred F Dividend Preference, the Preferred D Dividend Preference, the Preferred C Dividend Preference and the Preferred B Dividend Preference and in preference and priority to any payment of any dividend on Junior Stock, the holders of shares of Series A Preferred (by reason of their ownership thereof) shall be entitled to receive, ratably among themselves in proportion to the preferential amounts, a dividend up to an amount with respect to all dividends distributed, equal in the aggregate, to the Series A Original Issue Price (as defined below) (the "**Preferred A Dividend Preference**"); and (vii) seventh, following payment in full of the Preferred G Dividend Preference, the Preferred F Dividend Preference, the Preferred D Dividend Preference, the Preferred C Dividend Preference, the Preferred B Dividend Preference and the Preferred A Dividend Preference, all stockholders of the Corporation will participate on a pro rata basis in the receipt of any additional dividends on an as-converted basis.

2. Liquidation Preference. In the event of any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary, distributions to the stockholders of the Corporation shall be made in the following order of preference:

(a) First, the holders of shares of Series G Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Series F Preferred, Series D Preferred, Series C Preferred, Series B Preferred, Series A Preferred and Junior Stock by reason of their ownership thereof, an amount per share equal to the Series G Original Issue Price for each such share, less cash dividends actually received in respect of such share of Series G Preferred pursuant to Section 1 hereinabove plus an amount equal to declared but unpaid dividends on each share of Series G Preferred (the “**Series G Preference**”). If upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series G Preferred shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire assets and funds of the Corporation legally available for distribution shall be distributed ratably among the holders of the Series G Preferred in proportion to the preferential amounts such holders are entitled to receive. The Original Issue Price of the Series G Preferred shall mean \$8.8243 per share (as adjusted for any stock splits, recapitalizations, stock dividends or the like) (the “**Series G Original Issue Price**”).

(b) Second, and after the Series G Preference has been paid in full, the holders of shares of Series F Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Series D Preferred, Series C Preferred, Series B Preferred, Series A Preferred and Junior Stock by reason of their ownership thereof, an amount per share equal to two (2.0) times the Series F Original Issue Price for each such share, less cash dividends actually received in respect of such share of Series F Preferred pursuant to Section 1 hereinabove plus an amount equal to declared but unpaid dividends on each share of Series F Preferred (the “**Series F Preference**”). If upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series F Preferred shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire assets and funds of the Corporation legally available for distribution (after distribution of the Series G Preference) shall be distributed ratably among the holders of the Series F Preferred in proportion to the preferential amounts such holders are entitled to receive. The Original Issue Price of the Series F Preferred shall mean \$6.7075 per share (as adjusted for any stock splits, recapitalizations, stock dividends or the like) (the “**Series F Original Issue Price**”).

(c) Third, and after the Series G Preference and the Series F Preference have been paid in full, the holders of shares of Series D Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Series C Preferred, Series B Preferred, Series A Preferred and Junior Stock by reason of their ownership thereof, an amount per share equal to the Series D Original Issue Price for each such share, less cash dividends actually received in respect of such share of Series D Preferred pursuant to Section 1 hereinabove plus an amount equal to declared but unpaid dividends on each share of Series D Preferred (the “**Series D Preference**”). If upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series D Preferred shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire assets and funds of the Corporation legally available for distribution (after distribution of the Series G Preference and the Series F Preference) shall be distributed ratably among the holders of the Series D Preferred in proportion to the preferential amounts such holders are entitled to receive. The Original Issue Price of the Series D Preferred shall mean \$6.1407 per share (as adjusted for any stock splits, recapitalizations, stock dividends or the like) (the “**Series D Original Issue Price**”).

(d) Fourth, and after the Series G Preference, the Series F Preference and the Series D Preference have been paid in full, the holders of shares of Series C Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Series B Preferred Series A Preferred and Junior Stock by reason of their ownership thereof, an amount per share equal to the Series C Original Issue Price for each such share, less cash dividends actually received in respect of such share of Series C Preferred pursuant to Section 1 hereinabove plus an amount equal to declared but unpaid dividends on each share of Series C Preferred (the “**Series C Preference**”). If upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series C Preferred shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire assets and funds of the Corporation legally available for distribution (after distribution of the Series G Preference, the Series F Preference and the Series D Preference) shall be distributed ratably among the holders of the Series C Preferred in proportion to the preferential amounts such holders are entitled to receive. The Original Issue Price of the Series C Preferred shall mean \$1.6982 per share (as adjusted for any stock splits, recapitalizations, stock dividends or the like) (the “**Series C Original Issue Price**”).

(e) Fifth, and after the Series G Preference, the Series F Preference, the Series D Preference and the Series C Preference have been paid in full, the holders of shares of Series B Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Series A Preferred and Junior Stock by reason of their ownership thereof, an amount per share equal to the Series B Original Issue Price for each such share, less cash dividends actually received in respect of such share of Series B Preferred pursuant to Section 1 hereinabove plus an amount equal to declared but unpaid dividends on each share of Series B Preferred (the “**Series B Preference**”). If upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series B Preferred shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire assets and funds of the Corporation legally available for distribution (after distribution of the Series G Preference, the Series F Preference, the Series D Preference and the Series C Preference) shall be distributed ratably among the holders of the Series B Preferred in proportion to the preferential amounts such holders are entitled to receive. The Original Issue Price of the Series B Preferred shall mean \$0.82385 per share (as adjusted for any stock splits, recapitalizations, stock dividends or the like) (the “**Series B Original Issue Price**”).

(f) Sixth, and after the Series G Preference, the Series F Preference, the Series D Preference, the Series C Preference and the Series B Preference have been paid in full, the holders of shares of Series A Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Junior Stock by reason of their ownership thereof, an amount per share equal to the Series A Original Issue Price for each such share, less cash dividends actually received in respect of such share of Series A Preferred pursuant to Section 1 hereinabove, plus an amount equal to declared but unpaid dividends on each share of Series A Preferred (the “**Series A Preference**”). If upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series A Preferred shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire assets and funds of the Corporation legally available for distribution (after the distribution of the Series G Preference, the Series F Preference, the Series D Preference, the Series C Preference and the Series B Preference) shall be distributed ratably among the holders of the Series A Preferred in proportion to the preferential amounts such holders are entitled to receive. The Original Issue Price of the Series A Preferred shall mean \$0.7226 per share (as adjusted for any stock splits, recapitalizations, stock dividends or the like) (the “**Series A Original Issue Price**”).

(g) Seventh, and after the Series G Preference, the Series F Preference, the Series D Preference, the Series C Preference, the Series B Preference and the Series A Preference have been paid in full, the holders of shares of Series E Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Series H Preferred and Common Stock by reason of their ownership thereof, an amount per share equal to the Series E Original Issue Price for each such share (the “**Series E Preference**”). If upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series E Preferred shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire assets and funds of the Corporation legally available for distribution (after the distribution of the Series G Preference, the Series F Preference, the Series D Preference, the Series C Preference, the Series B Preference and the Series A Preference) shall be distributed ratably among the holders of the Series E Preferred in proportion to the preferential amounts such holders are entitled to receive. The Original Issue Price of the Series E Preferred shall mean \$5.5545 per share (as adjusted for any stock splits, recapitalizations, stock dividends or the like) (the “**Series E Original Issue Price**”).

(h) Eighth, and after the Series G Preference, the Series F Preference, the Series D Preference, the Series C Preference, the Series B Preference, the Series A Preference and the Series E Preference have been paid in full, the holders of shares of Series H Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to the Series H Original Issue Price for each such share (the “**Series H Preference**”). If upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series H Preferred shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire assets and funds of the Corporation legally available for distribution (after the distribution of the Series G Preference, the Series F Preference, the Series D Preference, the Series C Preference, the Series B Preference, the Series A Preference and the Series E Preference) shall be distributed ratably among the holders of the Series H Preferred in proportion to the preferential amounts such holders are entitled to receive. The Original Issue Price of the Series H Preferred shall mean \$8.8243 per share (as adjusted for any stock splits, recapitalizations, stock dividends or the like) (the “**Series H Original Issue Price**” and, together with the Series G Original Issue Price, the Series F Original Issue Price, the Series D Original Issue Price, the Series C Original Issue Price, the Series B Original Issue Price, the Series A Original Issue Price and the Series E Original Issue Price, each an “**Original Issue Price**”).

(i) Ninth, upon the completion of the distribution required by subparagraphs (a), (b), (c), (d), (e), (f), (g) and (h) of this Section 2, the remaining assets of the Corporation available for distribution to stockholders shall be distributed among the holders of Common Stock and to the holders of the Senior Preferred Stock other than the Series F Preferred (on an as-if converted basis) pro rata in proportion to the number of shares of Common Stock held by each holder.

(j) Notwithstanding Sections 2(a) through 2(i) above:

(i) Without giving effect to the distribution of the Series G Preference, the Series F Preference, the Series D Preference, the Series C Preference, the Series B Preference, the Series A Preference, the Series E Preference and the Series H Preference pursuant to Sections 2(a) through 2(i) above, if upon a *pari passu* pro rata distribution of all assets of the Corporation to all holders of shares of the Corporation on an as-if converted basis, the amount per share of Series G Preferred actually distributed to the holders of Series G Preferred (including, for the removal of doubt, cash dividends actually received by such holders of Series G Preferred pursuant to Section 1 above, less an amount equal to declared but unpaid dividends on each share of Series G Preferred) is (x) in the case of a liquidation, dissolution or winding up (including a Deemed Liquidation) occurring on or before February 9, 2016 (the “**Series G First Anniversary Date**”), greater than two hundred percent (200%) or (y) occurring after the Series G First Anniversary Date, greater than three hundred percent (300%) of the Series G Original Issue Price (each of (x) and (y) being referred to as the “**Cap G Amount**”), then all Senior Preferred Stock, including the Series F Preferred (which holders thereof, for the avoidance of doubt, shall receive at least two hundred percent (200%) of the Series F Original Issue Price pursuant to this subsection i.), the Series E Preferred and the Series H Preferred, shall not be entitled to their respective preferences described in Sections 2(a) through 2(i) above, but rather to their pro rata share (on an as-if converted basis) of all assets, *provided, however*, that in such event, each holder of Series G Preferred actually receives an amount per share of Series G Preferred which (together, for the removal of doubt, with cash dividends actually received by such holders of Series G Preferred pursuant to Section 1 above, less an amount equal to declared but unpaid dividends on each share of Series G Preferred) is not less than the Cap G Amount.

(ii) In addition, in the event that (1) a distribution of the pro rata share (on an as-if converted basis) of all assets is not effected pursuant to subsection i. above; (2) after distribution of the Series G Preference; and (3) without giving effect to the distribution of the Series F Preference, the Series D Preference, the Series C Preference, the Series B Preference, the Series A Preference, the Series E Preference and the Series H Preference pursuant to Sections 2(b) through 2(i) above, if upon a *pari passu* pro rata distribution of all remaining assets of the Corporation to all holders of shares of the Corporation on an as-if converted basis, the amount per share of Series D Preferred actually distributed to the holders of Series D Preferred (including, for the removal of doubt, cash dividends actually received by such holders of Series D Preferred pursuant to Section 1 above, less an amount equal to declared but unpaid dividends on each share of Series D Preferred) is greater than two hundred twenty five percent (225%) of the Series D Original Issue Price (the “**Cap D Amount**”), then all the Series F Preferred (which holders thereof, for the avoidance of doubt, shall receive at least two hundred percent (200%) of the Series F Original Issue Price pursuant to this subsection ii.), the Series C Preferred, the Series B Preferred, the Series A Preferred, the Series E Preferred and the Series H Preferred, shall not be entitled to their respective preferences described in Sections 2(b) through 2(i) above, but rather to their pro rata share (on an as-if converted basis) of all remaining assets, *provided, however*, that this subsection ii. shall apply to the holders of the Series F Preferred, the Series D Preferred, the Series C Preferred, the Series B Preferred, the Series A Preferred, the Series E Preferred and the Series H Preferred only if each holder of Series D Preferred actually receive an amount per share of Series D Preferred which (together, for the removal of doubt, with cash dividends actually received by such holders of Series D Preferred pursuant to Section 1 above, less an amount equal to declared but unpaid dividends on each share of Series D Preferred) is not less than the Cap D Amount.

(iii) In addition, in the event that (1) a distribution is not effected pursuant to subsections i. or ii. above; (2) after distribution of the Series G Preference, the Series F Preference and the Series D Preference, and (3) without giving effect to the distribution of the Series C Preference, the Series B Preference, the Series A Preference, the Series E Preference and the Series H Preference pursuant to Sections 2(d) through 2(i) above, if upon a *pari passu* pro rata distribution of all remaining assets of the Corporation to all holders of shares of the Corporation on an as-if converted basis, the amount per share of Series C Preferred actually distributed to the holders of Series C Preferred (including, for the removal of doubt, cash dividends actually received by such holders of Series C Preferred pursuant to Section 1 above, less an amount equal to declared but unpaid dividends on each share of Series C Preferred), is greater than two hundred fifty percent (250%) of the Series C Original Issue Price (the “**Cap C Amount**”), then the Series C Preferred, the Series B Preferred, and the Series A Preferred shall not be entitled to their respective preferences described in Sections 2(d) through 2(i) above but rather to their pro rata share (on an as-if converted basis) of all remaining assets, *provided, however*, that this subsection iii. shall apply to the holders of Series C Preferred, Series B Preferred, and Series A Preferred only if each of the holders of Series C Preferred actually receives an amount per share of Series C Preferred which (together, for the removal of doubt, with cash dividends actually received by such holders of Series C Preferred pursuant to Section 1 above, less an amount equal to declared but unpaid dividends on each share of Series C Preferred) is not less than the Cap C Amount.

(iv) In addition, in the event that (1) a distribution is not effected pursuant to subsections i., ii. or iii. above, (2) after distribution of the Series G Preference, the Series F Preference, the Series D Preference, the Series C Preference and the Series B Preference, and (3) without giving effect to the distribution of the Series A Preference, the Series E Preference and the Series H Preference pursuant to Sections 2(f) through 2(i) above, if upon a *pari passu* pro rata distribution of all remaining assets of the Corporation to all holders of shares of the Corporation on an as-if converted basis, the amount per share of Series A Preferred actually distributed to the holders of Series A Preferred (including, for the removal of doubt, cash dividends actually received by such holders of Series A Preferred pursuant to Section 1 above, less an amount equal to declared but unpaid dividends on each share of Series A Preferred), is greater than three hundred percent (300%) of the Series A Original Issue Price (the “**Cap A Amount**”), then the Series A Preferred shall not be entitled to their preference described in Section 2(E) above but rather to their pro rata share (on an as-if converted basis) of all remaining assets, *provided, however*, that this subsection iv. shall apply to the holders of Series A Preferred only if each of the holders of Series A Preferred actually receives an amount per share of Series A Preferred which (together, for the removal of doubt, with cash dividends actually received by such holders of Series A Preferred pursuant to Section 1 above, less an amount equal to declared but unpaid dividends on each Series A Preferred) is not less than the Cap A Amount.

(v) Finally, for purposes of determining the amount each holder of shares of Series E Preferred or Series H Preferred is entitled to receive upon a liquidation, dissolution or winding up of this Corporation, either voluntary or involuntary, including a Deemed Liquidation, each such holder of shares of Series E Preferred or Series H Preferred shall be deemed to have converted (regardless of whether such holder actually converted) such holder’s shares of Series E Preferred or Series H Preferred into shares of Common Stock immediately prior to such liquidation, dissolution or winding up, either voluntary or involuntary, including a Deemed Liquidation, if, as a result of an actual conversion, such holder would receive, in the aggregate, an amount greater than the amount that would be distributed to such holder if such holder did not convert such shares of Series E Preferred or Series H Preferred into shares of Common Stock. If any such holder shall be deemed to have converted shares of Series E Preferred or Series H Preferred into Common Stock pursuant to this subsection v., then such holder shall not be entitled to receive any distribution that would otherwise be made to holders of Series E Preferred or Series H Preferred that have not converted (or have not been deemed to have converted) into shares of Common Stock.

(k) For purposes of this Section 2, a liquidation, dissolution or winding up of the Corporation shall be deemed to be occasioned by, and to include (each of the below events, a “**Deemed Liquidation**”), (x) in the event of a consolidation, merger or reorganization of the Corporation with or into, or a sale, transfer, or other disposition of all or substantially all of the Corporation’s assets or intellectual property, or substantially all of the Corporation’s issued and outstanding capital stock, to, any other corporation, or any other entity or person, other than a wholly-owned subsidiary of the Corporation, excluding a transaction in which stockholders of the Corporation prior to the transaction will maintain voting control of the resulting entity after the transaction (*provided, however*, that shares of the surviving entity held by stockholders of the Corporation acquired by means other than the exchange or conversion of the shares of the Corporation shall not be used in determining if the stockholders of the Corporation own more than fifty percent (50%) of the voting power of the surviving entity (or its parent), but shall be used for pursuant to a transaction or series of related transactions, other than a transaction that is a bona fide equity financing with the primary purpose of raising capital for the Corporation, a person or entity acquires fifty percent (50%) or more of the issued and outstanding shares of the Corporation or the right to appoint or elect at least fifty percent (50%) or more of the members of the Board; or (z) in the event the Corporation transfers or grants a perpetual exclusive license of all or substantially all of the Corporation’s intellectual property. An IPO (as defined below) shall not be considered a liquidation, dissolution or winding up of the Corporation pursuant to this Section 2.

(1) In any of such events, if the consideration received by the Corporation is other than cash, its value will be deemed its fair market value as determined in good faith by the Board. Any securities shall be valued as follows:

(A) Securities not subject to an investment letter or other similar restrictions on free marketability shall be valued as follows:

(1) If traded on a securities exchange, the value shall be deemed to be the average of the closing prices of the securities on such exchange over the thirty (30) day period ending three (3) days prior to the closing;

(2) if actively traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the thirty (30) day period ending three (3) days prior to the closing; and

(3) if there is no active public market, the value shall be the fair market value thereof, as determined in good faith by the Board.

(B) in the event the requirements of this Section 2 are not complied with, the Corporation shall forthwith either:

(1) cause such closing to be postponed until such time as the requirements of this Section 2 have been complied with; or

(2) cancel such transaction, in which event the rights, preferences and privileges of the holders of the Preferred Stock shall revert to and be the same as such rights, preferences and privileges existing immediately prior to the date of the first notice referred to in subsection 2(k)(ii) hereof.

(C) Securities subject to an investment letter or other restrictions on free marketability (other than restrictions arising solely by virtue of a stockholder's status as an affiliate or former affiliate) shall be valued in such a manner as to make an appropriate discount from the market value determined in good faith as above in (A)(1), (A)(2) or (A)(3) to reflect the approximate fair market value thereof, as determined by the Board.

(ii) The Corporation shall give each holder of record of Preferred Stock written notice of such impending transaction not later than ten (10) days prior to the stockholder meeting called to approve such transaction, or twenty (20) days prior to the closing of such transaction whichever notice date is earlier, and shall also notify such holders in writing of the final approval of such transaction. The first of such notices shall describe the material terms and conditions of the impending transaction, the provisions of this Section 2, and the amounts anticipated to be distributed to holders of each outstanding series and class of capital stock of the Corporation pursuant to this Section 2, and the Corporation shall thereafter give such holders prompt notice of any material changes. The transaction shall in no event take place sooner than ten (10) days after the Corporation has given the first notice provided for herein or sooner than ten (10) days after the Corporation has given notice of any material changes provided for herein; *provided, however*, that such periods may be shortened upon the written consent of the holders of Preferred Stock that are entitled to such notice rights or similar notice rights and that represent at least a majority of the voting power of all then outstanding shares of such Preferred Stock (voting together as a single class on an as converted basis).

(iii) Notwithstanding anything to the contrary contained herein, in the event of a Deemed Liquidation, if any portion of the consideration payable to the stockholders of the Corporation is placed into escrow and/or is payable to the stockholders of the Corporation subject to contingencies, the Merger Agreement (or other agreement effecting such Deemed Liquidation) shall provide that (a) the portion of such consideration that is not placed in escrow and not subject to any contingencies (the **“Initial Consideration”**) shall be allocated among the holders of capital stock of the Corporation in accordance with subsections 2(a) through 2(i) above as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation and (b) any additional consideration which becomes payable to the stockholders of the Corporation upon release from escrow or satisfaction of contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with subsections 2(a) through 2(i) above after taking into account the previous payment of the Initial Consideration as part of the same transaction.

3. **Conversion.** The holders of Preferred Stock shall have conversion rights as follows (the **“Conversion Rights”**):

(a) **Right to Convert.** Each share of Preferred Stock shall be convertible, without payment of additional consideration by the holder thereof at the option of the holder thereof, at any time after the date of issuance of such share at the office of the Corporation or any transfer agent for such stock, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the applicable Original Issue Price by the Conversion Price (as defined below) applicable to such share, determined as hereafter provided, in effect on the date the certificate is surrendered for conversion.

The conversion price per share for each share of Preferred Stock shall initially be equal to the applicable Original Issue Price of such share of Preferred Stock (the **“Conversion Price”**); *provided, however,* that the Conversion Price shall be subject to adjustment as set forth in this Section 3.

(b) Automatic Conversion.

(i) All shares of Preferred Stock shall automatically be converted into shares of Common Stock at the applicable Conversion Price at the time in effect for such Preferred Stock, immediately prior to the earlier of: (i) the closing of the Corporation's initial underwritten public offering of its Common Stock pursuant to an effective registration statement under the United States Securities Act of 1933, as amended (the "**Act**"), or equivalent law of another jurisdiction (an "**IPO**") yielding at least US \$30 million net to the Corporation (a "**Qualified IPO**"); or (ii) the written election of the holders of the majority in interest of the Corporation's issued and outstanding Senior Preferred Stock, provided that with respect to the conversion of Series G Preferred, as long as any originally issued shares of Series G Preferred remains outstanding the written consent of the holders of at least fifty-one percent (51%) of the outstanding shares of Series G Preferred (the "**Series G Investor Majority**") shall also be required, and *provided further* that with respect to the conversion of the Series F Preferred, as long as any of the originally issued shares of Series F Preferred remain outstanding the written consent of the holders of at least fifty-one percent (51%) of the outstanding shares of Series F Preferred (the "**Series F Investor Majority**") shall also be required, and *provided further* that with respect to the conversion of the Series D Preferred, as long as any of the originally issued shares of Series D Preferred remain outstanding the written consent of the holders of at least sixty percent (60%) of the outstanding shares of Series D Preferred (the "**Series D Investor Majority**") shall also be required.

(ii) Notwithstanding the foregoing and without amending or derogating in any way from the definition of the term "Qualified IPO", with respect to the conversion of the Series G Preferred, Series F Preferred and Series D Preferred upon a Qualified IPO (and with respect to the Series G Preferred, upon any IPO), the following provisions shall apply: (w) the Conversion Price of the Series G Preferred shall be determined as follows: (A) if the price of the shares sold by the underwriters to the public *before* deducting underwriting discounts and related offering costs for such Qualified IPO (the "**IPO Price**") is equal to or greater than \$8.8243 (as adjusted for any stock splits, recapitalizations, stock dividends or the like including without limitation any adjustment pursuant to this subsection (ii)), the Conversion Price then in effect for the Series G Preferred shall not be affected thereby, and (B) if the IPO price is less than \$8.8243 per share (as adjusted for any stock splits, recapitalizations, stock dividends or the like including without limitation any adjustment pursuant to this subsection (ii)), the Conversion Price then in effect for the Series G Preferred shall be reduced to the IPO Price concurrently with the closing of the IPO; (x) the Conversion Price of the Series F Preferred shall be determined as follows: (A) if the IPO Price is at least two (2.0) times the Series F Original Issue Price, the Conversion Price then in effect for the Series F Preferred shall not be affected thereby; and (B) if the IPO Price is less than two (2.0) times the Series F Original Issue Price, the Conversion Price shall be the lower of (i) the Conversion Price then in effect for the Series F Preferred, and (ii) the Series F Original Issue Price multiplied by a fraction, the denominator of which is the Series F Preference and the numerator of which is the IPO Price; and (y) the Conversion Price of the Series D Preferred shall be determined as follows: (A) if the IPO Price is at least one and one-half (1.5) times the Series D Original Issue Price, the Conversion Price then in effect for the Series D Preferred shall not be affected thereby; (B) if the IPO Price is less than one and one-half (1.5) times the Series D Original Issue Price and the original Conversion Price has not otherwise been subject to adjustment, the Conversion Price shall be two-thirds (2/3) of the original Conversion Price; and (C) if the IPO Price is less than one and one-half (1.5) times the Series D Original Issue Price and the original Conversion Price has otherwise been subject to adjustment, the Conversion Price shall be the lower of (i) the Conversion Price then in effect for the Series D Preferred, and (ii) two-thirds (2/3) of the original Conversion Price. For the removal of doubt, to the extent that Conversion Price for any of the Series G Preferred, Series F Preferred or Series D Preferred is adjusted pursuant to subsections (w)(B), (x)(B), (y)(B) or (y)(C) above respectively, then any such adjustment to the Conversion Price of the Series G Preferred, Series F Preferred or Series D Preferred shall be iterative (i.e. a circular calculation shall be employed) so that each of the Series G Preferred, Series F Preferred and Series D Preferred shall following all such adjustments receive its full entitlement pursuant to sub-sections (w)(B), (x)(B), (y)(B) or (y)(C) above.

(c) Mechanics of Conversion. Before any holder of Preferred Stock shall be entitled to convert the same into shares of Common Stock, such holder shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for the Preferred Stock, and shall give written notice to the Corporation at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for shares of Common Stock are to be issued. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Preferred Stock, or to the nominee or nominees of such holder, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Preferred Stock to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock as of such date. If the conversion is in connection with an underwritten offering of securities registered pursuant to the Act, the conversion, unless otherwise designated by the holder, will be conditioned upon the closing with the underwriters of the sale of securities pursuant to such offering, in which event the person(s) entitled to receive the Common Stock upon conversion of the Preferred Stock shall not be deemed to have converted such Preferred Stock until immediately prior to the closing of such sale of securities. In the event of an automatic conversion pursuant to Section 3(b), the outstanding shares of Preferred Stock shall be converted automatically without any further action by the holder of such shares and whether or not the certificates representing such shares are surrendered to the Corporation or the transfer agent for such Preferred Stock; and the Corporation shall not be obligated to issue certificates evidencing such Common Stock issuable upon such automatic conversion unless the certificates evidencing such shares of Preferred Stock are either delivered to the Corporation or the transfer agent for such Preferred Stock as provided above, or the holder notifies the Corporation or the transfer agent for such Preferred Stock that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates. The Corporation shall, as soon as practicable thereafter, issue and deliver to such address as the holder may direct, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled.

(d) Conversion Price Adjustments of Preferred Stock for Certain Splits and Combinations. The applicable Conversion Price for each series of Preferred Stock shall be subject to adjustment from time to time as follows:

(i) In the event the Corporation should at any time or from time to time after the date upon which any shares of Preferred Stock were first issued (the **“Purchase Date”**) fix a record date for the effectuation of a split or subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock or for the determination of the outstanding shares of Common Stock entitled to receive a dividend or other distribution payable in additional shares of Common Stock without payment of any consideration by such holder for the additional shares of Common Stock and without any comparable payment or distribution to the holders of Preferred Stock, then, as of such record date (or the date of such dividend, distribution, split or subdivision if no record date is fixed), the Conversion Price of each series of Preferred Stock then in effect shall be appropriately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase of the aggregate of shares of Common Stock outstanding.

(ii) If the number of shares of Common Stock outstanding at any time after the Purchase Date is decreased by a combination of the outstanding shares of Common Stock or reverse stock split, then, as of the record date of such combination or reverse stock split, the Conversion Price of each series of Preferred Stock then in effect shall be appropriately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in outstanding shares.

(e) Other Distributions. In the event the Corporation shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by the Corporation or other persons, assets (excluding cash dividends) or options or rights not referred to in subsection 3(g)(iii) and excluding any repurchases of securities by the Corporation not made on a pro rata basis from all holders of any class of the Corporation's securities, then, in each such case for the purpose of this subsection 3(g), the holders of the Preferred Stock shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of shares of Common Stock of the Corporation into which their shares of Preferred Stock are convertible as of the record date fixed for the determination of the holders of Common Stock of the Corporation entitled to receive such distribution.

(f) Recapitalizations, Merger and Consolidations. If at any time or from time to time there shall be a recapitalization of the Common Stock or a merger or consolidation of the Corporation with or into another corporation (other than a subdivision, combination or merger or sale of assets transaction provided for elsewhere in Section 2 or this Section 3), provision shall be made so that the holders of the Preferred Stock shall thereafter be entitled to receive upon conversion of the Preferred Stock the number of shares of stock or other securities or property of the Corporation or otherwise, which a holder of Common Stock deliverable upon conversion immediately prior to such recapitalization, merger or consolidation would have been entitled to receive on such recapitalization, merger or consolidation. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 3(f) with respect to the rights of the holders of the Preferred Stock after the recapitalization, merger or consolidation to the end that the provisions of this Section 3 (including adjustment of the Conversion Price of each series of Preferred Stock then in effect and the number of shares purchasable upon conversion of the Preferred Stock) shall be applicable after that event as nearly equivalently as may be practicable.

(g) Adjustments to Conversion Price of Senior Preferred Stock for Dilutive Issues. The Conversion Price of each series of Senior Preferred Stock shall be subject to further adjustments from time to time as follows:

(i) Special Definitions. For purposes of this Section 3(g), the following definitions shall apply:

(A) “Options” shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire either Common Stock or Convertible Securities (as defined below).

(B) “Convertible Securities” shall mean any Preferred Stock or other securities (including convertible debt) convertible into or exchangeable for Common Stock, but excluding Options.

(C) “Additional Shares of Common” shall mean all shares of Common Stock issued (or, pursuant to Section 3(g)(iii), deemed to be issued) by the Corporation after the filing of this Amended and Restated Certificate of Incorporation (the **“Filing Date”**), *other than* shares of Common Stock issued, issuable or, pursuant to Section 3(g)(iii) herein, deemed to be issued:

- (1) upon conversion of shares of Preferred Stock;
- (2) to officers, directors or employees of, or consultants or advisors to, the Corporation or any of its subsidiaries pursuant to a stock grant, option plan or purchase plan or other stock incentive program or arrangement approved by the Board for employees, officers, directors or consultants of the Corporation;
- (3) upon exercise of options or warrants outstanding as of the date of adoption of this Amended and Restated Certificate of Incorporation;
- (4) as a dividend or distribution on the Preferred Stock;
- (5) in connection with any transaction for which adjustment is made pursuant to Section 3(d)(i), 3(d)(ii), or 3(f) hereof;
- (6) without derogating from the adjustments to the Conversion Price of the Series G Preferred, the Series F Preferred and the Series D Preferred pursuant to Section 3(b)(ii), in connection with a sale to the public in an IPO;
- (7) securities issued in connection with a bona fide business acquisition of or by the Corporation, whether by merger, consolidation, sale of assets, sale or exchange of stock or otherwise approved by the Board; or
- (8) securities of the Corporation regarding which the Series G Investor Majority determine are not Additional Shares of Common, provided that (i) in the event that such issuance is at a price per share lower than the Conversion Price of the Series F Preferred then in effect, the approval of the Series F Investor Majority (voting as a separate class) shall be required as well, (ii) in the event that such issuance is at a price per share lower than the Conversion Price of the Series D Preferred then in effect, the approval of the Series D Investor Majority (voting as a separate class) shall be required as well, (iii) in the event that such issuance is at a price per share lower than the Conversion Price of the Series C Preferred then in effect, the approval of the holders of the majority of the issued and outstanding shares of Series C Preferred (voting as a separate class) shall be required as well, (iv) in the event that such issuance is at a price per share lower than the Conversion Price of the Series B Preferred then in effect, the approval of the holders of the majority of the issued and outstanding shares of Series B Preferred (voting as a separate than the Conversion Price of the Series A Preferred then in effect, the approval of the holders of the majority of the issued and outstanding shares of Series A Preferred (voting as a separate class) shall be required as well.

(ii) No Adjustment of Conversion Price. No adjustment in the Conversion Price of any series of Senior Preferred Stock shall be made in respect of the issuance of Additional Shares of Common unless the consideration per share for an Additional Share of Common issued or deemed to be issued by the Corporation is less than the applicable Conversion Price for such series of Senior Preferred Stock in effect on the date of, and immediately prior to such issue.

(iii) Options and Convertible Securities. Except as provided in Section 3(g)(i)(C)(2) above, in the event that the Corporation at any time or from time to time after the Filing Date shall issue any Options or Convertible Securities or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares of Common Stock issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities (excluding, for the removal of doubt, those described in Sections 3(g)(i)(C)(1) through 3(g)(i)(C)(Z)), shall be deemed to be Additional Shares of Common issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date; *provided, however*, that Additional Shares of Common shall not be deemed to have been issued unless the consideration per share of such Additional Shares of Common would be less than the applicable Conversion Price in effect on the date of and immediately prior to such issue, or such record date, as the case may be, and provided further that in any such case in which Additional Shares of Common are deemed to be issued:

(A) no further adjustment in the Conversion Price shall be made upon the subsequent issue of Convertible Securities or shares of Common Stock upon the exercise of such Options or conversion or exchange of such Convertible Securities, in each case, pursuant to their respective terms;

(B) if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase in the consideration payable to the Corporation, or decrease in the number of shares of Common Stock issuable, upon the exercise, conversion or exchange thereof, the Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon any such increase or decrease becoming effective, be recomputed to reflect such increase or decrease insofar as it affects such Options or the rights of conversion or exchange under such Convertible Securities;

(C) upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities which shall not have been exercised, the Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon such expiration, be recomputed as if:

(1) in the case of Convertible Securities Options for Common Stock, the only Additional Shares of Common issued were shares of Common Stock, if any, actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefor was the consideration actually received by the Corporation for the issue of all such Options, whether or not exercised, plus the consideration actually received by the Corporation upon such exercise, or for the issue of all such Convertible Securities which were actually converted or exchanged, plus the additional consideration, if any, actually received by the Corporation upon such conversion or exchange;

(2) in the case of Options for Convertible Securities, only the Convertible Securities, if any, actually issued upon the exercise thereof were issued at the time of issue of such Options, and the consideration received by the Corporation for the Additional Shares of Common deemed to have been then issued was the consideration actually received by the Corporation for the issue of all such Options, whether or not exercised, plus the consideration deemed to have been received by the Corporation upon the issue of the Convertible Securities with respect to which such Options were actually exercised; and

(3) no readjustment pursuant to clauses (1) or (2) above shall have the effect of increasing the Conversion Price to an amount which exceeds the lower of (i) the Conversion Price in effect immediately prior to the adjustment for which such readjustment is made (without giving effect to any prior adjustments that are no longer in effect), or (ii) the applicable Conversion Price that would have resulted from other issuances of Additional Shares of Common between the original adjustment date and such readjustment date.

(D) in the case of an Option which expires by its terms not more than thirty (30) days after the date of issue thereof, no adjustment of the Conversion Price shall be made until the expiration or exercise of such Option, whereupon such adjustment shall be made in the same manner provided in clause (C) above.

(iv) Adjustment of Conversion Price of the Senior Preferred Stock Upon Issuance of Additional Shares of Common. In the event that the Corporation shall at any time after the Filing Date issue Additional Shares of Common (including Additional Shares of Common deemed to be issued pursuant to Section 3(g)(iii) (x) without consideration, or (y) for a consideration per share less than the applicable Conversion Price of a series of Senior Preferred Stock (the "**Affected Class**") in effect on the date of and immediately prior to such issue, then and in such event, the Conversion Price of the Affected Class(es) shall be reduced, concurrently with such issue to a price (calculated to the nearest cent) determined by multiplying the applicable Conversion Price of the Affected Class(es) theretofore in effect by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of shares of Common Stock which the aggregate consideration received by the Corporation for the total number of Additional Shares of Common so issued would purchase at such Conversion Price of the applicable Affected Class(es) in effect immediately prior to such issue, and the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of such Additional Shares of Common so issued; *provided, however,* that, for the purposes of this Section 3(g)(iv), all shares of Common Stock issuable upon exercise, conversion or exchange of outstanding Options or Convertible Securities, as the case may be, shall be deemed to be outstanding (except as set forth in Section 3(g)(v) below), and immediately after any Additional Shares of Common are deemed issued pursuant to Section 3(g)(iii), such Additional Shares of Common shall be deemed to be outstanding, and provided further that the Conversion Price of any Affected Class shall not be so reduced at such time if the amount of such reduction would be an amount less than \$0.01, but any such amount shall be carried forward and reduction thereto with respect thereto made at the time of and together with any subsequent reduction which, together with such amount and any amount or amounts so carried forward, shall aggregate \$0.01 or more.

(v) In calculating the number of shares of Common Stock outstanding immediately prior to the issuance of the Additional Shares of Common, any Common Stock issuable upon conversion of the Senior Preferred Stock resulting from the amendment in the applicable Conversion Price provided for in subsection (iv) above being triggered due to such specific issuance, shall not be taken into consideration. For the avoidance of doubt, any previous adjustments to the Conversion Price prior to such issuance shall be taken into consideration.

(vi) Determination of Consideration. For purposes of this Section 3(g), the consideration received by the Corporation for the issue of any Additional Shares of Common shall be computed as follows:

(A) Cash and Property. Such consideration shall:

(1) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation excluding amounts paid or payable for accrued interest or accrued dividends;

(2) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue if publicly traded or as determined by the Board.

(B) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common deemed to have been issued pursuant to Section 3(g)(iii), relating to Options and Convertible Securities, shall be determined by dividing (x) the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities by (y) the maximum number of shares of Common Stock issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities, as determined in Section 3(g)(iii) hereof.

(h) No Impairment. The Corporation will not, by amendment of its Amended and Restated Certificate of Incorporation or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section 3 and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the holders of the Preferred Stock against impairment.

(i) No Fractional Shares and Certificate as to Adjustment.

(i) No fractional shares shall be issued upon the conversion of any share or shares of the Preferred Stock, and the number of shares of Common Stock to be issued shall be rounded to the nearest whole share. Whether or not fractional shares are issuable upon such conversion shall be determined on the basis of the total number of shares of Preferred Stock the holder is at the time converting into Common Stock and the number of shares of Common Stock issuable upon such aggregate conversion.

(ii) Upon the occurrence of each adjustment or readjustment of the Conversion Price of the Preferred Stock pursuant to Section 3, the Corporation, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Preferred Stock a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the reasonable written request at any time of any holder of Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustment and readjustment, (B) the Conversion Price for the Preferred Stock at the time in effect, and (C) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of a share of Preferred Stock.

(j) Notices of Record Date. In the event of any taking by the Corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right, the Corporation shall notify each holder of Preferred Stock in writing, at least ten (10) days prior to the date specified therein, specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right.

(k) Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock, in addition to such other remedies as shall be available to the holder of such Preferred Stock, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of common stock to such number of shares as shall be sufficient for such purposes.

(l) Special Adjustment of Series G Preferred Stock Conversion Price. Solely with respect to the Series G Preferred and not with respect to any other series of Senior Preferred Stock, the Series E Preferred or the Series H Preferred, if the Conversion Price of the Series D Preferred or Series F Preferred is decreased by amendment (a “**Ratchet Amendment**”) of this Amended and Restated Certificate of Incorporation (in which the Series G Preferred is not entitled to vote pursuant to the last sentence of Section 4(a) hereof), the Conversion Price of the Series G Preferred in effect immediately prior to such Ratchet Amendment shall be reduced, concurrently with such issue, so that the Series G Percentage shall be the same immediately before and immediately after such Ratchet Amendment. For the purpose of this provision: “**Series G Percentage**” shall mean the percentage of the total number of shares of Common Stock outstanding immediately prior to the Ratchet Amendment into which the Series G Preferred would convert at the Conversion Rate then applicable to the Series G Preferred; *provided, however*, that, for the purposes of such calculation all shares of Common Stock issuable upon exercise, conversion or exchange of outstanding Options or Convertible Securities, as the case may be, shall be deemed to be outstanding (except as set forth in Section 3(g)(v)).

4. Voting Rights.

(a) General Voting Rights. Each holder of shares of the Preferred Stock shall be entitled to the number of votes equal to the number of shares of Common Stock into which such shares of Preferred Stock could be converted and shall have voting rights and powers equal to the voting rights and powers of the Common Stock (except as otherwise expressly provided herein or as required by law, voting together with all other classes of Preferred Stock and with the Common Stock as a single class) and shall be entitled to notice of any stockholder meeting in accordance with the Bylaws of the Corporation. Fractional votes shall not, however, be permitted and any fractional voting rights resulting from the above formula (after aggregating all shares into which shares of Preferred Stock held by each holder could be converted) shall be rounded to the nearest whole number (with one-half being rounded upward). Each holder of Common Stock shall be entitled to one (1) vote for each share of Common Stock held. For avoidance of any doubt and without derogating from the generality of the above, except as otherwise required by law or as set forth herein, holders of Preferred Stock and Common Stock shall vote together as a single class at all times. Notwithstanding the foregoing, the Series G Preferred shall not be entitled to vote on an amendment to this Amended and Restated Certificate of Incorporation for the purpose of effecting a Ratchet Amendment.

(b) Required Class Vote. Until the consummation of an IPO, the consent of the holders of a majority in interest of the Senior Preferred Stock (voting together as a single class on an as converted basis) shall be required for (which matters shall apply, *mutatis mutandis*, to the Corporation’s subsidiaries):

(i) creating or issuing any class or series of shares or other securities having rights or a preference equal or superior to the Series G Preferred, Series F Preferred or Series D Preferred;

(ii) the merger, consolidation, acquisition or other reorganization of the Corporation, or sale, lease, other disposition of, or pledge or grant of any security interest in all or substantially all of the Corporation’s assets or shares or otherwise effecting a Deemed Liquidation;

(iii) an increase in the number of the Corporation's directors above nine, decrease in the number of the Corporation's directors below nine or change in the manner by which the composition of the Board is determined, other than as agreed in Section 7 of that certain Amended and Restated Stockholders' Agreement dated as of April 1, 2019 (the "**Stockholders' Agreement**") whereby the director nominated by certain of the Series G Preferred holders shall resign upon the effectiveness of the registration statement for an IPO pursuant to the pre-signed letter of resignation delivered to the Company, which will become effective immediately prior to the effectiveness of the registration statement for the Company's IPO;

(iv) the increase of the size of the pool (i.e. the number of shares of Common Stock reserved for issuance upon exercise of options) for options to employees, directors, consultants and advisors (the "**Pool**") or grant options or other equity based awards to any employee, officer, director, consultant or advisor outside the Pool;

(v) any transaction with any stockholder, director or officer or any affiliate thereof (except for employment agreements and stock option agreements with individuals other than the Founders (as such term is defined in the Stockholders' Agreement), approved in compliance with the law and the restrictive provisions otherwise set forth herein); and

(vi) the liquidation, dissolution or winding up of the Corporation or termination of the Corporation's activities.

In addition, until the consummation of an IPO and in addition to any other rights provided by law, the following provisions shall apply:

(x) as long as at least a majority of the originally issued shares of Series G Preferred remain outstanding, the consent of the Series G Investor Majority shall be required for any action which (by merger, reclassification or otherwise) (i) alters, amends or changes the rights, preferences or privileges of the Series G Preferred differently than the other series of Senior Preferred Stock in a manner that is adverse to the Series G Preferred, (ii) increases the number of authorized or issued shares of Series G Preferred, (iii) alters, amends, removes or waives any rights of the Series G Preferred under Section B(2) of ARTICLE N(B) (Liquidation Preference), (iv) alters, amends, removes or waives any rights of the Series G Preferred under Section B(3) of ARTICLE IV(B) (Conversion), (v) amends or removes the definition of the Series G Investor Majority set forth herein or (vi) amends this subsection (x); and

(y) as long as at least a majority of the originally issued shares of Series F Preferred remain outstanding, the consent of the Series F Investor Majority shall be required for any action which (by merger, reclassification or otherwise) (i) alters, amends or changes the rights, preferences or privileges of the Series F Preferred differently than the other series of Senior Preferred Stock in a manner that is adverse to the Series F Preferred, (ii) increases the number of authorized or issued shares of Series F Preferred, (iii) alters, amends, removes or waives any rights of the Series F Preferred under Section B(2) of ARTICLE N(B) (Liquidation Preference), (iv) alters, amends, removes or waives any rights of the Series F Preferred under Section B(3) of ARTICLE IV(B) (Conversion), (v) amends the definition of the Series F Investor Majority set forth herein or (vi) amends this subsection (y); and

(z) as long as the originally issued shares of Series D Preferred remain outstanding, the consent of the Series D Investor Majority shall be required for any action which (by merger, reclassification or otherwise) (i) alters, amends or changes the rights, preferences or privileges of the Series D Preferred differently than the other series of Senior Preferred Stock in a manner that is adverse to the Series D Preferred, (ii) increases the number of authorized or issued shares of Series D Preferred, (iii) alters, amends, removes or waives any rights of the Series D Preferred under Section B(2) of ARTICLE IV(B) (Liquidation Preference), (iv) alters, amends, removes or waives any rights of the Series D Preferred under Section B(3) of ARTICLE IV(B) (Conversion), (v) amends the definition of the Series D Investor Majority set forth herein or (vi) amends this subsection (z);

provided, that, notwithstanding the foregoing or anything else contained herein and for the removal of doubt: (i) no provision herein grants the holders of the Series G Preferred, Series F Preferred and/or Series D Preferred (or any part thereof) the ability or right to prevent the Corporation from consummating a Qualified IPO, including the adoption of an amended and restated Certificate of Incorporation to be effective no earlier than the closing of such Qualified IPO, that has been approved by a majority of the members of the Corporation's Board, and (ii) authorizing or issuing by the Corporation of any new class or series of shares (including a class or a series with rights and preferences inferior, equal or superior to the rights of the Series G Preferred, Series F Preferred or Series D Preferred, as applicable) shall not by itself be deemed to alter, change amend or waive the rights, preferences and/or privileges of the Series G Preferred, Series F Preferred or Series D Preferred.

In addition, until the consummation of an IPO and in addition to any other rights provided by law, the Corporation shall not, without first obtaining the affirmative vote or written consent of at least two directors designated by the holders of the Senior Preferred Stock, appoint or remove the Corporation's Chief Executive Officer or determine his employment terms.

Any altering or changing of the rights, preferences and/or privileges of the Series G Preferred, Series F Preferred, Series D Preferred, Series C Preferred, Series B Preferred, Series A Preferred, Series E Preferred or Series H Preferred, shall require the consent of the Series G Investor Majority and/or the Series F Investor Majority and/or the Series D Investor Majority and/or the holders of a majority of the Series C Preferred and/or Series B Preferred and/or Series A Preferred and/or Series E Preferred and/or Series H Preferred, as the case may be, voting separately on an as-converted basis, *provided, however*, that creating, authorizing or issuing by the Corporation of any new class or series of shares (including a class or a series with rights and preferences inferior, equal or superior to the rights of the Series G Preferred, Series F Preferred, Series D Preferred, Series C Preferred, Series B Preferred, Series A Preferred, Series E Preferred and/or Series H Preferred) shall not by itself be deemed as a change in the rights, preferences and/or privileges of the Series G Preferred, Series F Preferred, Series D Preferred, Series C Preferred, Series B Preferred, Series A Preferred, Series E Preferred or Series H Preferred.

(c) Status of Converted Preferred Stock. In the event any shares of Preferred Stock shall be converted pursuant to Section 3, the shares so converted shall be cancelled and shall not thereafter be issuable by the Corporation.

5. Common Stock.

(a) Dividend Rights. Subject to Section 1 of ARTICLE IV(B), dividends may be paid on the Common Stock as and when declared by the Board, subject to the prior dividend rights of the Senior Preferred Stock. Such dividends shall be distributed among the holders of Common Stock pro rata in proportion of the number of shares of Common Stock held by each (assuming conversion of all such Preferred Stock).

(b) Liquidation Rights. Upon the liquidation, dissolution or winding up of the Corporation, the assets of the Corporation shall be distributed as provided in Section 2 of ARTICLE IV(B) hereof.

(c) Redemption. The Common Stock is not redeemable.

(d) Voting Rights. The holder of each share of Common Stock shall have the right to one (1) vote, and shall be entitled to notice of any stockholder meeting in accordance with the Bylaws of the Corporation, and shall be entitled to vote upon such matters and in such manner as is otherwise provided herein or as may be provided by law. Notwithstanding the foregoing, the number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares of Common Stock then outstanding) by an affirmative vote of the holders of a majority of the stock of the Corporation (voting as a single class on an as-converted basis), irrespective of the provisions of Section 242(b)(2) of the General Corporation Law of Delaware.

6. Preemptive Rights. The holders of Senior Preferred Stock shall have such preemptive rights as set forth in that certain Amended and Restated Investors' Rights Agreement dated February 9, 2015, among the Corporation and certain of its stockholders, as amended from time to time.

ARTICLE V

The Corporation is to have perpetual existence.

ARTICLE VI

Except as otherwise provided in this Amended and Restated Certificate of Incorporation, the Board may make, repeal, alter, or rescind any or all of the Bylaws of the Corporation, *provided, however*, that no such repeal, alteration or rescission to the Bylaws of the Corporation shall be made if its effect is to delegate any of the powers vested within the Board to any committee or sub-committee of the Board, unless such repeal, alteration or rescission to the Bylaws of the Corporation, as the case may be, is consented to in writing by at least two of the directors designated by the holders of Senior Preferred Stock.

ARTICLE VII

The Board shall consist of up to nine (9) directors. The directors shall be appointed as follows: (i) the holders of the Junior Stock, voting together as a single class, shall be entitled to elect two (2) directors to the Board, (ii) the holders of Senior Preferred Stock, voting together as a single class, shall be entitled to elect six (6) directors to the Board and (iii) Gruner + Jahr GmbH ("G+J"), so long as G+J continues to hold capital stock of the Company that represents at least 5% of the issued and outstanding shares of stock of the Company on a fully diluted basis, shall be entitled to elect one (1) director to the Board. Each committee of the Board shall include at least two of the directors designated by the holders of Senior Preferred Stock.

In the event of any vacancy in the office of a director elected by an entity or by the holders of a particular class or series of stock, the vacancy may be filled only by such entity or the vote of the holders of such class or series of stock (unless such vacancy resulted from circumstances requiring a resignation pursuant to Section 7 of the Stockholders, Agreement, in which case the vacancy may be filled by a vote of the holders of Senior Preferred Stock, voting together as a single class). Any director who shall have been elected by an entity or by the holders of a particular class or series of stock may be removed without cause by, and only by, such entity or the applicable vote of the holders of shares of such class or series of stock (unless such removal resulted from circumstances requiring a resignation pursuant to Section 7 of the Stockholders, Agreement which resignation has not occurred, in which case such removal may be effected by a vote of the holders of Senior Preferred Stock, voting together as a single class).

At any meeting (or in a written consent in lieu thereof) held for the purpose of electing directors, the presence in person or by proxy (or the written consent) of the holders of at least a majority in interest of the then outstanding shares of the respective class(es) of the Corporation's stock designated for appointment of a director as set forth above, shall constitute a quorum for the election of directors to be elected by such class(es).

A vacancy in any directorship elected by the holders of the Junior Stock shall be filled only by vote or written consent of the holders of the Junior Stock, consenting or voting, as the case may be, separately. The directors to be elected by the holders of the Junior Stock, voting separately as one class, shall serve for terms extending from the date of their election and qualification and until their respective successors have been elected and qualified.

A vacancy in any directorship elected by the holders of a specific class of Senior Preferred Stock shall be filled only by vote or written consent of the holders of such specific class of Senior Preferred Stock, consenting or voting, as the case may be, separately as one class. The directors to be elected by the holders of the Senior Preferred Stock, voting separately as one class, shall serve for terms extending from the date of their election and qualification until the time of the next succeeding annual meeting of stockholders and until their successors have been elected and qualified.

ARTICLE VIII

Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws may provide. The books of the Corporation may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the Board or in the Bylaws of the Corporation.

ARTICLE IX

To the fullest extent permitted by the General Corporation Law of Delaware, as the same may be amended from time to time, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the General Corporation Law of Delaware is hereafter amended to authorize, with or without the approval of a corporation's stockholders, further reductions in the liability of the corporation's directors for breach of fiduciary duty, then a director of the Corporation shall not be liable for any such breach to the fullest extent permitted by the General Corporation Law of Delaware as so amended.

Any repeal or modification of the foregoing provisions of this ARTICLE IX or by operation of law, shall not adversely affect any right or protection of a director of the Corporation with respect to any acts or omissions of such director occurring prior to such repeal or modification.

ARTICLE X

To the fullest extent permitted by applicable law, the Corporation shall provide indemnification of (and advancement of expenses to) directors, officers, employees and other agents of the Corporation (and any other persons to which Delaware law permits the Corporation to provide indemnification), through Bylaw provisions, agreements with any such director, officer, employee or other agent or other person, vote of stockholders or disinterested directors, or otherwise, in excess of the indemnification and advancement otherwise permitted by Section 145 of the Delaware General Corporation Law, subject only to limits created by applicable Delaware law (statutory or non-statutory), with respect to actions for breach of duty to a corporation, its stockholders and others.

Any repeal or modification of any of the foregoing provisions of this ARTICLE X, by amendment of this ARTICLE X or by operation of law, shall not adversely affect any right or protection of a director, officer, employee or other agent or other person existing at the time of, or increase the liability of any director of the Corporation with respect to any acts or omissions of such director, officer or agent occurring prior to such repeal or modification.

ARTICLE XI

Whenever a compromise or arrangement is proposed between the Corporation and its creditors or any class of them and/or between the Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of the Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for the Corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for the Corporation under the provisions of Section 279 of Title 8 of the Delaware Code, order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of the Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of the Corporation, as the case may be, and also on the Corporation.

ARTICLE XII

The Corporation renounces, to the fullest extent permitted by law, any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity. An **“Excluded Opportunity”** is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of, (i) any director of the Corporation who is not an employee of the Corporation or any of its subsidiaries, or (ii) any holder of Preferred Stock or any partner, member, director, stockholder, employee or agent of any such holder, other than someone who is an employee of the Corporation or any of its subsidiaries (collectively, **“Covered Persons”**), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person’s capacity as a director of the Corporation.

IN WITNESS WHEREOF, the undersigned, being the Chief Executive Officer of the Corporation, hereby certifies that the facts hereinabove stated are truly set forth, and accordingly executes this Amended and Restated Certificate of Incorporation this 1st day of April, 2019.

OUTBRAIN INC.

/s/ Yaron Galai

By: Yaron Galai, Chief Executive Officer

BY-LAWS
OF
OUTBRAIN INC.

ARTICLE I
OFFICES

SECTION 1. Principal Office. The registered office of the corporation shall be located in such place as may be provided from time to time in the Certificate of Incorporation.

SECTION 2. Other Offices. The corporation may also have offices at such other places both within and without the State of Delaware as the board of directors may from time to time determine or as the business of the corporation may require.

ARTICLE II
STOCKHOLDERS

SECTION 1. Annual Meetings. The annual meeting of the stockholders of the corporation shall be held wholly or partially by means of remote communication or at such place, within or without the State of Delaware, on such date and at such time as may be determined by the board of directors and as shall be designated in the notice of said meeting.

SECTION 2. Special Meetings. Special meetings of the stockholders for any purpose or purposes, unless otherwise prescribed by statute or by the Certificate of Incorporation, may be held wholly or partially by means of remote communication or at any place, within or without the State of Delaware, and may be called by resolution of the board of directors, or by the Chairman or the President, or by the holders of not less than one-quarter of all of the shares entitled to vote at the meeting.

SECTION 3. Notice and Purpose of Meetings. Written or printed notice of the meeting stating the place, day and hour of the meeting and, in case of a special meeting, stating the purpose or purposes for which the meeting is called, and in case of a meeting held by remote communication stating such means, shall be delivered not less than ten nor more than sixty days before the date of the meeting, either personally, or by mail, or if prior consent has been received by a stockholder by electronic transmission, by or at the direction of the Chairman or the President, the Secretary, or the persons calling the meeting, to each stockholder of record entitled to vote at such meeting.

SECTION 4. Quorum. The holders of a majority of the shares of capital stock issued and outstanding and entitled to vote, represented in person or by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business, except as otherwise provided by statute or by the Certificate of Incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders present in person or represented by proxy shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified.

SECTION 5. Voting Process. If a quorum is present or represented, the affirmative vote of a majority of the shares of stock present or represented at the meeting, by ballot, proxy or electronic ballot, shall be the act of the stockholders unless the vote of a greater number of shares of stock is required by law, by the Certificate of Incorporation or by these by-laws. Each outstanding share of stock having voting power, shall be entitled to one vote on each matter submitted to a vote at a meeting of stockholders. A shareholder may vote either in person, by proxy executed in writing by the stockholder or by his duly authorized attorney-in-fact, or by an electronic ballot from which it can be determined that the ballot was authorized by a stockholder or proxyholder. The term, validity and enforceability of any proxy shall be determined in accordance with the General Corporation Law of the State of Delaware.

SECTION 6. Written Consent of Stockholders Without a Meeting. Whenever the stockholders are required or permitted to take any action by vote, such action may be taken without a meeting, without prior notice and without a vote, if a written consent or electronic transmission, setting forth the action so taken, shall be signed or e-mailed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting called for such purpose.

ARTICLE III DIRECTORS

SECTION 1. Powers. The business affairs of the corporation shall be managed by its board of directors, which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these by-laws directed or required to be exercised or done by the stockholders. The board of directors may adopt such rules and regulations, not inconsistent with the Certificate of Incorporation or these By-Laws or applicable laws, as it may deem proper for the conduct of its meetings and the management of the Corporation.

SECTION 2. Number, Qualifications, Term. The board of directors shall consist of one or more members. The number of directors shall be fixed initially by the Incorporator and may thereafter be changed from time to time by resolution of the board of directors or of the shareholders. Directors need not be residents of the State of Delaware nor stockholders of the corporation. The directors shall be elected at the annual meeting of the stockholders, and each director elected shall serve until the next succeeding annual meeting and until his successor shall have been elected and qualified.

SECTION 3. Vacancies. Vacancies and newly created directorships resulting from any increase in the number of directors may be filled by a majority of the directors then in office, though less than a quorum, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify. A vacancy created by the removal of a director by the stockholders may be filled by the stockholders.

SECTION 4. Place of Meetings. Meetings of the board of directors, regular or special, may be held either within or without the State of Delaware.

SECTION 5. First Meeting. The first meeting of each newly elected board of directors shall be held immediately following and at the place of the annual meeting of stockholders and no other notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present, or it may convene at such place and time as shall be fixed by the consent in writing of all the directors.

SECTION 6. Regular Meetings. Regular meetings of the board of directors may be held upon such notice, or without notice, and at such time and at such place as shall from time to time be determined by the board.

SECTION 7. Special Meetings. Special meetings of the board of directors may be called by the Chairman or the President or by the number of directors who then legally constitute a quorum. Notice of each special meeting shall, if mailed, be addressed to each director at least ten nor more than sixty days prior to the date on which the meeting is to be held.

SECTION 8. Notice; Waiver. Attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting.

SECTION 9. Quorum. One-third of the directors then in office shall constitute a quorum for the transaction of business unless a greater number is required by law, by the Certificate of Incorporation or by these by-laws. If a quorum shall not be present at any meeting of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

SECTION 10. Action Without A Meeting. Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if a consent in writing or by electronic transmission, setting forth the action so taken, shall be signed by all of the directors entitled to vote with respect to the subject matter thereof. In addition, meetings of the board may be held by means of conference telephone or voice communication as permitted by the General Corporation Law of the State of Delaware.

SECTION 11. Action. Except as otherwise provided by law or in the Certificate of Incorporation or these by-laws, if a quorum is present, the affirmative vote of a majority of the members of the board of directors will be required for any action.

SECTION 12. Removal of Directors. Any director may be removed, either for or without cause, at any time by action of the holders of a majority of the outstanding shares of stock entitled to vote thereon, either at a meeting of the holders of such shares or, whenever permitted by law, without a meeting by their written consents thereto.

ARTICLE IV
COMMITTEES

SECTION 1. Executive Committee. The board may, by resolution adopted by a majority of the whole board, designate one or more of its members to constitute members or alternate members of an Executive Committee.

SECTION 2. Powers and Authority of Executive Committee. The Executive Committee shall have and may exercise, between meetings of the Board, all the powers and authority of the Board in the management of the business and affairs of the Company, including, the right to authorize the purchase of stock, except that the Executive Committee shall not have such power or authority in reference to amending the Certificate of Incorporation; adopting an agreement of merger or consolidation; recommending to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets; recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution, or amending the by-laws of the Corporation or authorizing the declaration of a dividend.

SECTION 3. Other Committees. The Board may, by resolution adopted by a majority of the whole Board, designate one or more other committees, each of which shall, except as otherwise prescribed by law, have such authority of the Board as shall be specified in the resolution of the Board designating such committee. A majority of all the members of such committee may determine its action and fix the time and place of its meeting, unless the Board shall otherwise provide. The Board shall have the power at any time to change the membership of, to fill all vacancies in and to discharge any such committee, either with or without cause.

SECTION 4. Procedure; Meetings; Quorum. Regular meetings of the Executive Committee or any other committee of the Board, of which no notice shall be necessary, may be held at such times and places as shall be fixed by resolution adopted by a majority of the members thereof. Special meetings of the Executive Committee or any other committee of the Board shall be called at the request of any member thereof. So far as applicable, the provisions of Article III of these By-laws relating to notice, quorum and voting requirements applicable to meetings of the Board shall govern meetings of the Executive Committee or any other committee of the Board. The Executive Committee and each other committee of the Board shall keep written minutes of its proceedings and circulate summaries of such written minutes to the Board before or at the next meeting of the Board.

ARTICLE V
OFFICERS

SECTION 1. Number. The board of directors at its first meeting after each annual meeting of stockholders shall choose a President, a Secretary and a Treasurer, none of whom need be a member of the board. The board of directors may also choose a Chairman from among the directors, one or more Executive Vice Presidents, one or more Vice Presidents, Assistant Secretaries and Assistant Treasurers. The board of directors may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board of directors. More than two offices may be held by the same person.

SECTION 2. Compensation. The salaries or other compensation of all officers of the corporation shall be fixed by the board of directors. No officer shall be prevented from receiving a salary or other compensation by reason of the fact that he is also a director.

SECTION 3. Term; Removal; Vacancy. The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the whole board of directors. Any vacancy occurring in any office of the corporation shall be filled by the board of directors.

SECTION 4. Chairman. The Chairman shall, if one be elected, preside at all meetings of the board of directors.

SECTION 5. President. The President shall be the Chief Executive Officer of the corporation, shall preside at all meetings of the stockholders and the board of directors in the absence of the Chairman, shall have general supervision over the business of the corporation and shall see that all directions and resolutions of the board of directors are carried into effect.

SECTION 6. Vice President. The Executive Vice Presidents shall, in the absence or disability of the President, perform the duties and exercise the powers of the President and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe. If there shall be more than one Executive Vice President, the Executive Vice Presidents shall perform such duties and exercise such powers in the absence or disability of the President, in the order determined by the board of directors. The Vice Presidents shall, in the absence or disability of the President and of the Executive Vice Presidents, perform the duties and exercise the powers of the President and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe. If there shall be more than one vice president, the vice presidents shall perform such duties and exercise such powers in the absence or disability of the President and of the Executive Vice President, in the order determined by the board of directors.

SECTION 7. Secretary. The Secretary shall attend all meetings of the board of directors and all meetings of the stockholders and record all the proceedings of the meetings of the corporation and of the board of directors in a book to be kept for that purpose. He shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the board of directors, and shall perform such other duties as may be prescribed by the board of directors or President, under whose supervision he shall be. He shall have custody of the corporate seal of the corporation and he, or an assistant secretary, shall have the authority to affix the same to an instrument requiring it and when so affixed, it may be attested by his signature or by the signature of such assistant secretary. The board of directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his signature.

SECTION 8. Assistant Secretary. The Assistant Secretary, if there shall be one, or if there shall be more than one, the assistant secretaries in the order determined by the board of directors, shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such powers as the board of directors may from time to time prescribe.

SECTION 9. Treasurer. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the board of directors. He shall disburse the funds of the corporation as may be ordered by the board of directors, taking proper vouchers for such disbursements, and shall render to the Chairman, the President and the board of directors, at its regular meetings, or when the board of directors so requires, an account of all of his transactions as Treasurer and of the financial condition of the corporation.

SECTION 10. Assistant Treasurer. The Assistant Treasurer, if there shall be one, or, if there shall be more than one, the Assistant Treasurers in the order determined by the board of directors, shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

ARTICLE VI
CAPITAL STOCK

SECTION 1. Form. The shares of the capital stock of the corporation shall be represented by certificates in such form as shall be approved by the board of directors and shall be signed by the Chairman, the President, an Executive Vice President or a Vice President, and by the Treasurer or an assistant treasurer or the Secretary or an Assistant Secretary of the corporation, and may be sealed with the seal of the corporation or a facsimile thereof.

SECTION 2. Lost and Destroyed Certificates. The board of directors may direct a new certificate to be issued in place of any certificate theretofore issued by the corporation alleged to have been lost or destroyed. When authorizing such issue of a new certificate, the board of directors, in its discretion and as a condition precedent to the issuance thereof, may prescribe such terms and conditions as it deems expedient, and may require such indemnities as it deems adequate, to protect the corporation from any claim that may be made against it with respect to any such certificate alleged to have been lost or destroyed.

SECTION 3. Transfer of Shares. Upon surrender to the corporation or the transfer agent of the corporation of a certificate representing shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, a new certificate shall be issued to the person entitled thereto, and the old certificate cancelled and the transaction recorded upon the books of the corporation.

ARTICLE VII
INDEMNIFICATION

SECTION 1. (a) The Corporation shall indemnify, subject to the requirements of subsection (d) of this Section, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) The Corporation shall indemnify, subject to the requirements of subsection (d) of this Section, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery of the State of Delaware or such other court shall deem proper.

(c) To the extent that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b) of this Section, or in defense of any claim, issue or matter therein, the Corporation shall indemnify him against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(d) Any indemnification under subsections (a) and (b) of this Section (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in subsections (a) and (b) of this Section. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the stockholders.

(e) Expenses incurred by a director, officer, employee or agent in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized in this Section. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate.

(f) The indemnification and advancement of expenses provided by, or granted pursuant to, the other subsections of this Section shall not limit the Corporation from providing any other indemnification or advancement of expenses permitted by law nor shall they be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under any by-law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office.

(g) The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Section.

(h) For the purposes of this Section, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Section with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(i) For purposes of this Section, references to “other enterprises” shall include employee benefit plans; references to “fines” shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to “serving at the request of the Corporation” shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to any employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of the Corporation” as referred to in this Section.

(j) The indemnification and advancement of expenses provided by, or granted pursuant to, this Section shall, unless otherwise provided when authorized or ratified by the Board of Directors, continue as to a person who has ceased to be a director, officer, employee or agent of the Corporation and shall inure to the benefit of the heirs executors and administrators of such a person.

ARTICLE VIII
GENERAL PROVISIONS

SECTION 1. Checks. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the board of directors may from time to time designate.

SECTION 2. Fiscal Year. The fiscal year of the corporation shall be determined, and may be changed, by resolution of the board of directors.

SECTION 3. Seal. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the words “Corporate Seal, Delaware.” The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

ARTICLE IX
AMENDMENTS

SECTION 1. These by-laws may be altered, amended, supplemented or repealed or new by-laws may be adopted (a) at any regular or special meeting of stockholders at which a quorum is present or represented, by the affirmative vote of the holders of a majority of the shares entitled to vote, provided notice of the proposed alteration, amendment or repeal be contained in the notice of such meeting, or (b) by a resolution adopted by a majority of the whole board of directors at any regular or special meeting of the board. The stockholders shall have authority to change or repeal any by-laws adopted by the directors.

AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

THIS AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (this "**Agreement**") made as of the 1st day of April, 2019 (the "**Effective Date**"), by and among Outbrain Inc. a Delaware corporation (the "**Company**"), Yaron Galai and Ori Lahav (each a "**Founder**" and together, the "**Founders**"), the individuals and entities identified in Schedule 1 attached hereto (collectively, the "**Preferred G Holders**"), the individuals and entities identified in Schedule 2 attached hereto (collectively, the "**Preferred F Holders**"), the individuals and entities identified in Schedule 3 attached hereto (collectively, the "**Preferred D Holders**"), the individuals and entities identified in Schedule 4 attached hereto (collectively, the "**Preferred C Holders**"), the individuals and entities identified in Schedule 5 attached hereto (collectively, the "**Preferred B Holders**"), the individuals and entities identified in Schedule 6 attached hereto (collectively, the "**Preferred A Holders**") and the individuals and entities identified in Schedule 10 attached hereto (together with their Affiliates, "**G+J**"), and together with the Preferred G Holders, Preferred F Holders, Preferred D Holders, Preferred C Holders and the Preferred B Holders, the "**Preferred Holders**"), the individuals and entities identified in Schedule 7 attached hereto (collectively, the "**Common Stock Holders**") and the individuals and entities identified in Schedule 8 attached hereto (collectively, the "**Additional Common Stock Holders**").

WITNESSETH:

WHEREAS, the Preferred Holders include the holders of all of the issued and outstanding shares of Series G Preferred Stock of the Company par value \$0.001 each ("**Series G Preferred**"), all of the issued and outstanding shares of Series F Preferred Stock of the Company par value \$0.001 each ("**Series F Preferred**"), all of the issued and outstanding shares of Series D Preferred Stock of the Company par value \$0.001 each ("**Series D Preferred**"), all of the issued and outstanding shares of Series C Preferred Stock of the Company par value \$0.001 each ("**Series C Preferred**"), all of the issued and outstanding shares of Series B Preferred Stock of the Company par value \$0.001 each ("**Series B Preferred**") and of all of the issued and outstanding shares of Series A Preferred Stock of the Company, par value \$0.001 each ("**Series A Preferred**", and together with the Series F Preferred, Series D Preferred, the Series C Preferred and the Series B Preferred, the "**Preferred Stock**"), and the Common Stock Holders are the holders of issued and outstanding shares of Common Stock of the Company, par value \$0.001 each ("**Common Stock**"); and

WHEREAS, the Company and certain stockholders of the Company are parties to that certain Amended and Restated Investors' Rights Agreement dated February 11, 2015 (the "**Prior Investors' Rights Agreement**"); and

WHEREAS, the requisite parties to the Prior Investors' Rights Agreement wish to amend and restate in its entirety the Prior Investors' Rights Agreement by entering into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the parties hereby agree as follows:

1. **Affirmative Covenants.**

1.1 **Delivery of Financial Statements.** The Company shall deliver to each of the Preferred Holders:

1.1.1 As soon as practicable, but in any event within one hundred and twenty (120) days after the end of each fiscal year of the Company, an audited consolidated balance sheet of the Company as of the end of such year, and consolidated statements of income and statements of cash flow of the Company for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, United States dollar-denominated, prepared in accordance with United States generally accepted accounting principles (“GAAP”), audited by a “Big 4” firm of Independent Certified Public Accountants, and accompanied by an opinion of such firm which opinion shall state that such balance sheet and statements of income and cash flow have been prepared in accordance with GAAP applied on a basis consistent with that of the preceding fiscal year, and present fairly and accurately the financial position of the Company as of their date, and that the audit by such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards;

1.1.2 As soon as practicable, but in any event within forty-five (45) days after the end of each quarter of each fiscal year, an unaudited but reviewed consolidated balance sheet of the Company as at the end of each such period and unaudited but reviewed consolidated statements of (i) income and (ii) cash flow of the Company for such period and for the period from the beginning of the current fiscal year to the end of such quarterly period, setting forth in each case in comparative form the figures for the corresponding period of the previous fiscal year, all in reasonable detail, United States dollar-denominated and certified by the chief financial officer (or if none, by the chief executive officer) of the Company, that such financial statements were prepared in accordance with GAAP applied on a basis consistent with that of preceding periods and, except as otherwise stated therein, fairly present the financial position of the Company as of their date subject to (x) there being no footnotes contained therein and (y) changes resulting from customary year-end audit adjustments, and all reviewed by a “Big 4” firm of Independent Certified Public Accountants;

1.1.3 As soon as practicable, but in any event within forty-five (45) days after the end of each calendar quarter, information on key metrics of the Company, as described more fully and in the form set forth on Exhibit 1.1.3 attached hereto;

1.1.4 As soon as practicable, but in any event within thirty (30) days after the end of each month, a report containing a summary of the financial and business status of the Company in a form determined by the Company’s Board of Directors (the “**Board**”);

1.1.5 As soon as practicable, but in any event within thirty (30) days after the end of each calendar year, a detailed capitalization table, on a fully-diluted basis, setting forth all authorized and all issued and outstanding capital stock of the Company, showing all legally and beneficially owned securities on a stockholder by stockholder basis, together with any details of any unissued, unexercised or unvested options or warrants, and detailing any share transfers since the delivery of the previous share capitalization table, if any; and

1.1.6 The Annual Plan (as defined below), at least thirty (30) days prior to the beginning of each fiscal year covered by such Annual Plan.

1.2 For the avoidance of doubt, the foregoing obligations set forth in this Section 1.1 are independent of those set forth under those certain Management Rights Letters between the Company and certain Preferred Holders.

1.3 **Additional Information.**

1.3.1 The Company will permit the authorized representatives of (i) Index Ventures Growth II (Jersey), L.P. and/or its Affiliates (as defined below) (collectively, “**Index**”) for so long as Index holds at least two million (2,000,000) shares, as adjusted for any stock splits, recapitalizations, stock dividends or the like) of the Company’s issued and outstanding capital stock (ii) Susquehanna Growth Equity Fund IV, L.L.P. and/or its Affiliates (collectively, “**SGE**”) for so long as SGE holds at least two million (2,000,000) shares, as adjusted for any stock splits, recapitalizations, stock dividends or the like) of the Company’s issued and outstanding capital stock, and (iii) each other Preferred Holder, who, at such time, is the record holder of at least five percent (5%) of the issued and outstanding shares of the Company (on an as-converted basis) (each, an “**Entitled Holder**”), full and free access, at all reasonable times, and upon reasonable notice, to any of the properties of the Company, including its books and records, and to discuss its affairs, finances and accounts with the Company’s officers and auditor, for any purpose whatsoever. In addition, the Company will inform each Entitled Holder: (a) immediately upon the happening of any event likely to have a significant impact upon the Company or its business, of such event and its implications; and (b) with reasonable promptness, such other information and data with respect to the Company, as the Entitled Holders may from time to time reasonably request. This Section 1.3 shall not be in limitation of any rights which the Preferred Holders or the directors designated by the Preferred Holders may have under applicable law.

1.3.2 The Company will provide to HarbourVest Partners, L.P. and/or its Affiliates (collectively, “**HarbourVest**”) and SGE with reasonable promptness, such monthly financial reports, other information and data with respect to the Company as HarbourVest and SGE may from time to time reasonably request about the business and operations of the Company including, but not limited to, such information as is reasonably requested by HarbourVest and SGE in order to withhold tax or to file tax returns and reports or to furnish information to any of its partners with respect to the Company.

1.4 **Accounting.** The Company will maintain and cause each of its Subsidiaries (as defined herein) to maintain a system of accounting established and administered in accordance with GAAP consistently applied, and will set aside on its books and cause each of its operating Subsidiaries to set aside on its books all such proper reserves as shall be required by GAAP. For purposes of this Section 1.4 and Section 2 below, “**Subsidiary**” means any corporation or entity at least a majority of whose voting securities are at the time owned by the Company, or by one or more Subsidiaries, or by the Company and one or more Subsidiaries.

1.5 **Proprietary Information and Non-Competition Agreements.** The Company will not employ, or continue to employ, any person who will have access to confidential information with respect to the Company and its operations unless such person has executed and delivered a Proprietary Information and Non-Competition Agreement to the satisfaction (as to substance and form) of the Board.

1.6 **Annual Plan.** The management of the Company shall establish annually an operating plan and budget for the Company (the “**Annual Plan**”), in consultation with the Board. The Annual Plan shall be subject to the approval of the Board and shall be delivered to the Preferred Holders pursuant to Section 1.1.4.

1.7 **Confidentiality.** The Preferred Holders agree, severally and not jointly, that any information obtained pursuant to Sections 1.1, 1.2, 1.3 and 1.6, will not be disclosed without the prior written consent of the Company; provided that, in connection with periodic reports to their stockholders, partners or prospective partners, the Preferred Holders may, without first obtaining such written consent, make general statements, not containing technical or other confidential information, regarding the nature and progress of the Company’s business; provided further, that the Preferred Holders may provide summary information regarding the Company’s financial information in their reports to their respective stockholders, partners or prospective partners, but may not annex to such reports the full financial information to be provided hereunder by the Company and, provided further, that any Preferred Holder may disclose such information to any Affiliate, partner, prospective partner, member, stockholder, or wholly owned subsidiary of such Preferred Holder (or any employee or representative of any of the foregoing) in the ordinary course of business, provided the recipient is bound by or there is an understanding that there is a confidentiality obligation with respect to such information (including, for the avoidance of doubt, by virtue of being a party to this Agreement); provided however, that in the event that a Preferred Holder is required to annex financial information obtained pursuant to Sections 1.1, 1.2, 1.3 or 1.6 to such reports, such Preferred Holder shall exert its reasonable efforts to avoid annexing such financial information, in a manner consistent with applicable law and practice, but to the extent that its efforts are unsuccessful, such Preferred Holder shall be entitled to annex such financial information to such reports.

1.8 **Employee Stock.** Unless otherwise approved by the Board, all future employees and consultants of the Company who purchase, receive options to purchase, or receive awards of shares of the Company’s capital stock after the date hereof shall be required to execute restricted stock or option agreements, as applicable, providing for (i) vesting of shares over a four (4) year period, with the first twenty-five percent (25%) of such shares vesting following twelve (12) months of continued employment or service, and the remaining shares vesting in equal monthly installments over the following thirty-six (36) months, and (ii) a market stand-off provision substantially similar to that in Section 3.11. In addition, unless otherwise approved by the Board, the Company shall retain a “right of first refusal” on employee transfers until an IPO (as defined below) and shall have the right to repurchase unvested shares at cost upon termination of employment of a holder of restricted stock.

1.9 **Intellectual Property Agreements.** The Company will enter into such agreements and take such other action as is necessary to ensure that all Intellectual Property (as defined in that certain Series G Preferred Stock Purchase Agreement of even date herewith, among the Company and certain parties included therein, and all agreements ancillary thereto (the “**Series G Purchase Agreement**”), created by any current employee or consultant of the Company within the scope of his or her engagement or employment with the Company is assigned to the Company and is solely and exclusively owned by the Company.

1.10 **Termination of Rights.** The Company's obligations under Sections 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.8 and 1.9 shall terminate and shall be of no further force or effect upon the closing of the Company's initial underwritten public offering of its Common Stock pursuant to an effective registration statement under the United States Securities Act of 1933, as amended (the "**Securities Act**") or equivalent law of another jurisdiction (an "**IPO**").

2. **Preemptive Rights.** If the Company or a Subsidiary proposes to issue, offer or sell any equity securities of the Company or a Subsidiary, whether or not currently authorized, as well as rights, options, or warrants to purchase such equity securities, or securities of any type whatsoever that are, or may become, convertible or exchangeable into or exercisable for such equity securities (collectively, "**New Securities**"), the Company or the Subsidiary, as the case may be, shall first offer such New Securities to the persons and entities listed on Schedule 9 attached hereto (collectively, the "**Investors**"), who shall be entitled to purchase their pro-rata portion of the New Securities (assuming the conversion into Common Stock of all then outstanding shares of Preferred Stock). An Investor's pro rata portion shall be the ratio of the number of shares of the Company's Common Stock (assuming the conversion into Common Stock of all then outstanding shares of Preferred Stock) held by such Investor as of the date of the Offer Notice (as defined below), to the sum of the total number of outstanding shares of Common Stock held by all stockholders of the Company (assuming the conversion into Common Stock of all then outstanding shares of Preferred Stock) as of the date of the Offer Notice (the "**Pro Rata Portion**") and such portion of over allotment share, as described below, except that with respect to Yaron Galai, the Common Stock issued to him prior to the date of this Agreement (and any Common Stock to be issued upon exercise of options) shall not be taken into consideration when calculating his Pro Rata Portion. Each Investor shall be entitled to apportion the preemptive rights set forth in this Section 2 among itself and its Affiliates in any such proportions it deems appropriate in its sole discretion. Such preemptive rights shall be subject to the following provisions:

2.1 **Offer Notice.** The Company shall give notice (the "**Offer Notice**") to each Investor, stating (i) its bona fide intention to offer such New Securities, (ii) the number of such New Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such New Securities.

2.2 **Notification to Company.** By notification to the Company within ten (10) days after the Offer Notice is delivered to the Investors, each Investor may elect to purchase or otherwise acquire, at the price and on the terms specified in the Offer Notice, up to its Pro Rata Portion of New Securities. The Company shall promptly, in writing, inform each Investor that purchases all the New Securities available to it (each, a "**Fully-Exercising Investor**") of any other Investor's failure to do likewise. During the 5-day period commencing after receipt of such information, each Fully-Exercising Investor shall be entitled to obtain that portion of the New Securities for which Investors were entitled to subscribe but which were not subscribed for by the Investors that is equal to the non-purchasing stockholder's portion, pro-rata according to the respective total number of shares of Common Stock (treating all Preferred Stock as if fully converted) owned by the other stockholders exercising their right of over-allotment. Any remaining unsubscribed portion of the New Securities that are not elected to be purchased by the Investors, may, during the ninety (90) day period following the expiration of the ten day period or the additional 5-day period described above, as applicable, be offered by the Company to any person or entity at a price not less than, and upon terms no more favorable to the offeree than, those specified in the Offer Notice.

2.3 **Written Agreement.** The parties hereby agree that the terms and conditions of any sale pursuant to this Section 2 will be memorialized in, and governed by, a written purchase and sale agreement between the Company and the relevant Investors, with customary terms and provisions for such a transaction, and the parties further covenant and agree to enter into such an agreement as a condition precedent to any sale or other transfer pursuant to this Section 2. Any such agreement will be negotiated in good faith by the relevant parties thereto and with any third party purchasing New Securities. The closing of the purchase of the New Securities by the Investors and any third party offeree shall take place concurrently at a date and time agreed upon by all parties thereto. The Company may, at any time, choose to revoke its offer of New Securities to the Investors or any third party offeree and the Investors shall have no right to purchase any New Securities from the Company, subject to any agreements subsequently entered into relating to the purchase of such New Securities.

2.4 **Revival of Offer.** If the Company has not sold the New Securities within said ninety (90) day period, or if such agreement is not consummated (i.e., an initial closing has not taken place) within thirty (30) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first reoffered to the Investors in accordance with this Section 2.

2.5 **Exceptions.** Notwithstanding anything to the contrary contained herein, the provisions of this Section 2 shall not be applicable to a strategic financing by the Company in an amount up to \$10,000,000 on terms mutually agreeable to the Company, Susquehanna Growth Equity Fund IV, LLLP, HarbourVest Partners, L.P. Index Ventures Growth II (Jersey), L.P., Lightspeed Venture Partners VII, L.P., Viola Ventures III, L.P. and Gemini Israel IV, L.P. Furthermore, the rights in this Section 2 shall not be applicable to New Securities that do not constitute Additional Shares of Common (as defined in the Amended Certificate (as defined below)).

2.6 **Termination.** This Section 2 shall terminate and be of no further force or effect immediately before the consummation of an IPO; in addition and regardless of the consummation of an IPO, this Section 2 will terminate and be of no further force or effect with respect to each Investor and its Affiliates whose aggregate holdings in the Company are less than two percent (2%) of the Common Stock on an as-converted and fully diluted basis.

3. **Registration.** The following provisions govern the registration of the Company's securities:

3.1 **Definitions.** As used herein, the following terms have the following meanings:

"**Affiliate**" means, with respect to any individual or entity, an individual or entity that, directly or indirectly, controls, is controlled by or is under common control with such individual or entity, including, without limitation, any general partner, managing member, manager, member, officer or director of such entity or any venture capital fund now or hereafter existing that is controlled by one or more general partners or managing members of, shares the same management or advisory company with, or is otherwise affiliated with such individual or entity.

“Amended Certificate” means the Company’s then-current Amended and Restated Certificate of Incorporation filed with the Delaware Secretary of State.

“Business Day” means any day that is not a Saturday or Sunday or any other day on which the New York Stock Exchange or the Nasdaq Stock Market are closed for trading.

“Common Holder” means any holder of outstanding Common Registrable Shares or any assignee thereof in accordance with Section 3.10 of this Agreement.

“Common Registrable Shares” means all shares of Common Stock issued by the Company to the Founders or any assignee thereof in accordance with Section 3.10 of this Agreement.

“Form S-3” means Form S-3 under the Securities Act, as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the Securities and Exchange Commission (“SEC”) which permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

“Holder” means any holder of outstanding Registrable Shares who is a party to this agreement or any assignee thereof in accordance with Section 3.10 of this Agreement.

“Initiating Holders” means Holders holding more than thirty-five percent (35%) of the Registrable Shares.

“Register”, “registered” and “registration” refer to a registration effected by filing a registration statement in compliance with the Securities Act and the declaration or ordering by the Commission of effectiveness of such registration statement, or the equivalent actions under the laws of another jurisdiction.

“Registrable Shares” means all shares of Common Stock issuable upon conversion of the Preferred Stock, all shares of Common Stock issued by the Company in respect of such shares, all shares of Common Stock held by G+J and all shares of Common Stock that the Preferred Holders may hereafter purchase pursuant to their preemptive rights (including any over-allotment rights) or rights of first refusal, or shares of Common Stock issued on conversion or exercise of other securities so purchased or in exchange for or in replacement of, such securities; provided, however, that the following shall not be considered Registrable Shares: (i) any share of Common Stock that could be sold by the holder thereof pursuant to Rule 144(b)(1) promulgated under the Securities Act if such securities then held by such Holder constitute (x) prior to the expiration of any “lock-up agreement” entered into with the underwriters of the IPO, less than one percent (1%) of the Company’s outstanding equity securities, and (y) after such time, less than five percent (5%) of the Company’s outstanding equity securities, (ii) any share of Common Stock that has previously been registered under an effective registration statement filed pursuant to the Securities Act and disposed of in accordance with such registration statement, (iii) any share of Common Stock that has otherwise previously been sold to the public, and (iv) any share of Common Stock sold by a Holder in a transaction in which such Holder’s rights are not assigned in accordance with the provisions of Section 3.10. For the avoidance of any doubt, Common Stock issued to Yaron Galai prior to the date of this Agreement (and any Common Stock to be issued upon exercise of options) shall not be considered as Registrable Shares.

3.2 Incidental Registration.

3.2.1 Notice of Registration. Other than in connection with a request for registration pursuant to Section 3.3 or 3.4 of this Agreement, if at any time the Company, including if the Company qualifies as a well-known seasoned issuer (within the meaning of Rule 405 under the Securities Act) (a “**WKSI**”), proposes to file (i) a prospectus supplement to an effective shelf registration statement (a “**Shelf Registration Statement**”), or (ii) a registration statement (other than (x) a Shelf Registration Statement for a delayed or continuous offering pursuant to Rule 415 under the Securities Act, or (y) a registration statement relating solely to employee benefit plans or a corporate reorganization), in either case, for the sale of Common Stock or securities convertible into or exercisable for Common Stock for its own account, or for the benefit of the holders of any of its securities other than the Holders, to an underwriter on a firm commitment basis for reoffering to the public or in a “bought deal” or “registered direct offering” with one or more investment banks (subsections (i) and (ii), collectively, a “**Piggy-Back Underwritten Offering**”), then as soon as practicable but not less than fifteen (15) days prior to the filing of (a) any preliminary prospectus supplement relating to such Piggy-Back Underwritten Offering pursuant to Rule 424(b) under the Securities Act, (b) any prospectus supplement relating to such Piggy-Back Underwritten Offering pursuant to Rule 424(b) under the Securities Act (if no preliminary prospectus supplement is used) or (c) such registration statement, as the case may be, the Company shall give notice of such proposed Piggy-Back Underwritten Offering to the Holders and the Common Holders and such notice (a “**Piggyback Notice**”) shall offer the Holders and the Common Holders the opportunity to include in such Piggy-Back Underwritten Offering such number of Registrable Shares or Common Registrable Shares as each such Holder or Common Holder may request in writing. Each such Holder or Common Holder shall then have ten (10) days after receiving such Piggyback Notice to request in writing to the Company inclusion of Registrable Shares or Common Registrable Shares in the Piggy-Back Underwritten Offering, except that such Holder or Common Holder shall have two (2) Business Days after such Holder or Common Holder confirms receipt of the notice to request inclusion of Registrable Shares or Common Registrable Shares in the Piggy Back Underwritten Offering in the case of a “bought deal”, “registered direct offering” or “overnight transaction” where no preliminary prospectus is used. Upon receipt of any such request for inclusion from a Holder or a Common Holder received within the specified time, the Company shall use its reasonable best efforts to include in the applicable Piggy-Back Underwritten Offering Holders’ Registrable Shares or the Common Holders’ Common Registrable Shares requested to be included on the terms set forth in this Agreement. Prior to the commencement of any “road show” in the case of an offering in which a preliminary prospectus is used and prior to the signing of the underwriting agreement in the case of any other offering, each Holder or Common Holder shall have the right to withdraw its request for inclusion of its Registrable Shares or Common Registrable Shares in any registration by giving written notice to the Company of its request to withdraw and such withdrawal shall be irrevocable and, after making such withdrawal, such Holder or Common Holder shall no longer have any right to include Registrable Shares or Common Registrable Shares in the Piggy-Back Underwritten Offering as to which such withdrawal was made.

3.2.2 Company Not Qualifying as a WKSI. If the Company does not qualify as a WKSI, (i) the Company shall give each Holder or Common Holder fifteen (15) days' notice prior to filing a Shelf Registration Statement and, upon the written request of any Holder or Common Holder, received by the Company within ten (10) days of such notice to the Holder, the Company shall include in such Shelf Registration Statement a number of Ordinary Shares equal to the aggregate number of Registrable Shares or Common Registrable Shares requested to be included without naming any requesting Holder or Common Holder as a selling shareholder and including only a generic description of the holder of such securities (the "**Undesignated Registrable Shares**"), (ii) the Company shall not be required to give notice to any Holder or Common Holder in connection with a filing pursuant to Section 3.2.1 unless such Holder or Common Holder provided such notice to the Company pursuant to this Section 3.2.2 and included Undesignated Registrable Shares in the Shelf Registration Statement related to such filing, and (iii) at the written request of a Holder or a Common Holder given to the Company more than seven (7) days before the date specified in writing by the Company as the Company's good faith estimate of a launch of a Piggy-Back Underwritten Offering (or such shorter period to which the Company, in its sole discretion, consents), the Company shall use its reasonable best efforts to effect the registration of any of the Holders' or Common Holders' Undesignated Registrable Shares so requested to be included and shall file a post-effective amendment or, if available, a prospectus supplement to a Shelf Registration Statement to include such Undesignated Registrable Shares as any Holder or Common Holder may request, provided that (a) the Company is actively employing its reasonable best efforts to effect such Piggy-Back Underwritten Offering; and (b) the Company shall not be required to effect a post-effective amendment more than two (2) times in any twelve (12) month period.

The Company shall have the right to terminate or withdraw any registration or offering initiated by it under this Section 3.2 before the effective date of such registration or the completion of such offering, whether or not any Holder or Common Holder has elected to include Registrable Shares or Common Registrable Shares in such registration or offering. The expenses of such withdrawn registration or offering shall be borne by the Company in accordance with Section 3.6.

3.2.3 Underwriting. The right of the Holders and Common Holders to participate in a Piggy-Back Underwritten Offering pursuant to this Section 3.2 shall be conditioned upon the Holders and the Common Holders proposing to distribute their securities through such underwriting (together with the Company and the other Holders distributing their securities through such underwriting, if any) and entering into an underwriting agreement in customary form with the managing underwriter selected for such underwriting in accordance with the provisions of Section 3.5 below. Notwithstanding any other provision of this Section 3.2, if the managing underwriter advises the Company in writing, in its sole discretion, that marketing factors require a limitation of the number of shares to be registered under such registration, then the amount of Registrable Shares or Common Registrable Shares to be so sold shall be allocated (i) **first**, to the securities the Company proposes to sell, (ii) **second**, among the Holders of Registrable Shares, pro rata to the Registrable Shares held by the holders of Registrable Shares, (iii) **third**, among the Common Holders of Common Registrable Shares, pro rata to the Common Registrable Shares held by the holders of Common Registrable Shares and (iv) **fourth**, other securities, if any, requested to be included in such registration pro rata among the holders of such securities on the basis of the number of shares requested to be registered by such holders; provided, however, that in any event, all Registrable Shares requested to be included in the Piggy-Back Underwritten Offering must be included in such registration prior to any other shares of the Company, including Common Registrable Shares (with the exception of shares to be issued by the Company to the public), and further provided that, notwithstanding anything to the contrary herein, the aggregate amount of Registrable Shares, which shall have the right to participate in any proposed Piggy-Back Underwritten Offering following the IPO shall not be reduced below twenty-five percent (25%) of the aggregate amount of securities included in such offering.

3.3 **Demand Registration.**

3.3.1 **Request for Registration.**

(a) At any time beginning six (6) months following the date of the final prospectus for an IPO and until the fifth anniversary thereafter, the Initiating Holders may request in writing that all or part of the Registrable Shares held by such requesting Initiating Holders shall be registered under the Securities Act. Any such demand must request the registration of shares with an anticipated gross aggregate offering price of at least \$5,000,000.

(b) Within ten (10) days after receipt of any such request, the Company shall give written notice of such request to the other Holders and the Common Holders and shall include in such registration all Registrable Shares held by all such Holders and all Common Registrable Shares held by Common Holders who wish to participate in such demand registration and provide the Company with written requests for inclusion therein within fifteen (15) days after the receipt of the Company's notice.

(c) Thereupon, the Company shall use its reasonable commercial efforts to effect the registration of all Registrable Shares and Common Registrable Shares as to which it has received requests for registration for trading on the securities exchange specified in the request for registration; provided, however, that the Company shall not be required to effect any registration under this Section 3.3:

(1) within a period of one hundred and eighty (180) days following the effective date of a previous registration pursuant to this Section 3.3 or pursuant to Section 3.2, provided the Holders were eligible to participate in such previous registration pursuant to Section 3.2;

(2) If at the time of the request from the Initiating Holders the Company gives notice within thirty (30) days of such request that it is engaged in preparation of a registration statement or prospectus supplement, as the case may be, for a firm underwritten registered public offering (for which the registration statement or prospectus supplement will be filed within ninety (90) days) in which the Holder may include Registrable Shares pursuant to Section 3.2 above (subject to underwriting limitations provided under subsection 3.2.3);

(3) more than twice under this Section 3.3, provided that a registration shall not be counted for purposes of this subsection until such time as the applicable registration statement has been declared effective by the SEC and maintained for the period specified in Section 3.8.1 hereunder; or

(4) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance.

The Company shall be entitled to include shares of Common Stock for sale for its own account in any registration pursuant to this Section 3.3 subject to the approval of the holders of a majority of the Registrable Shares held by the Initiating Holders.

3.3.2 Underwriting. If the Initiating Holders intend to distribute the Registrable Shares covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to subsection 3.3.1 and the Company shall include such information in the written notice referred to in paragraph 3.3.1. The underwriter will be selected in accordance with the provisions of Section 3.5 below. In such event, the right of the Holders and the Common Holders to include securities in such registration shall be conditioned upon such Holders' and Common Holders' participation in such underwriting and the inclusion of such Holders' securities in the underwriting (unless otherwise mutually agreed by the holders of a majority of the Registrable Shares held by the Initiating Holders), to the extent provided herein. The Holders and Common Holders proposing to distribute their securities through such underwriting shall (together with the Company), enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting. Notwithstanding any other provision of this Section 3.3, if the managing underwriter advises the Holders and Common Holders in writing, in its sole discretion, that marketing factors require a limitation of the number of shares to be underwritten, then the amount of Registrable Shares or Common Registrable Shares to be so sold shall be allocated (i) **first**, among the Holders of Registrable Shares pro rata to the Registrable Shares held by the holders of Registrable Shares, (ii) **second**, among Common Holders of Common Registrable Shares, pro rata to the Common Registrable Shares held by the holders of Common Registrable Shares and (iii) **third**, pro rata among holders of other securities (other than Registrable Shares or Common Registrable Shares), if any, requested to be included in such registration, pro rata among the holders of such securities on the basis of the number of shares requested to be registered by such holders (the "**Other Registrable Shares**") desiring to participate in such registration on the basis of the amount of such Other Registrable Shares initially proposed to be registered by such other shareholders; provided, however, that in any event all Registrable Shares must be included in such registration prior to any other shares of the Company, including Common Registrable Shares.

3.4 Form S-3 Registration.

3.4.1 Request for Registration. In case the Company shall receive from any Holder or Holders (the “**Form S-3 Initiating Holders**”), a written request or requests (a “**Form S-3 Request Notice**”) that the Company effect a registration on Form S-3 and any related qualification or compliance with respect to all or a part of the Registrable Shares owned by such Holder or Holders, then, subject to the conditions of this Section 3.4, the Company will give written notice of the proposed registration within twenty (20) days after receipt of any such Form S-3 Request Notice to all other Holders, and include in such registration all Registrable Shares held by all such Holders who wish to participate in such registration and who have provided the Company with written notice requests for inclusion therein within fifteen (15) days after the receipt of the Company’s notice. Subject to the terms hereof, the Company will use its reasonable best efforts to effect such registration as soon as practicable. All written requests from any Holder or Holders to effect a registration on Form S-3 pursuant to this Section 3.4 shall indicate whether such Holder(s) intend to effect an offering promptly following effectiveness of the registration statement or whether, pursuant to Section 3.8.1, they intend for the registration statement to remain effective so that they may effect the offering on a delayed basis (a “**Shelf Request**”). Notwithstanding the foregoing, the Company shall not be obligated to effect any such registration, qualification or compliance, pursuant to this Section 3.4.1 (i) if Form S-3 is not available for such offering by the Holders; (ii) within ninety (90) days of the effective date of a registration statement filed pursuant to Section 3.3 or this Section 3.4.1, (iii) within ninety (90) days of a Piggy-Back Underwritten Offering in which the Form S-3 Initiating Holders had an opportunity to participate pursuant to the provisions of Section 3.2 and from which no more the twenty percent (20%) of the Registrable Shares of the Form S-3 Initiating Holders that were requested to be included were excluded pursuant to Section 3.2.3, (iv) if the Company gives notice within fifteen (15) days of the request from the Form S-3 Initiating Holders that it is engaged in preparation of a registration statement or prospectus supplement, as the case may be, for a firm underwritten registered public offering (for which the registration statement or prospectus supplement will be filed within ninety (90) days) in which the Form S-3 Initiating Holders may include Registrable Shares pursuant to Section 3.2 above (subject to underwriting limitations provided under subsection 3.2.3), (v) if the aggregate price to the public of the shares to be registered is less than \$1,000,000 (one million U.S. dollars); and (vi) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance.

3.4.2 Shelf Request. In the event a Form S-3 is filed pursuant to a Shelf Request, upon a written request (a “**Form S-3 Demand Notice**”) from any Holder or Holders (the “**Form S-3 Takedown Holders**”) that is entitled to sell securities pursuant to such Form S-3 without filing a post-effective amendment that the Company effect an offering with respect to Registrable Shares (a “**Takedown**”), the Company will, as soon as practicable, (x) deliver a notice (a “**Takedown Notice**”) relating to the proposed Takedown to all other Holders who are named or are entitled to be named as a selling shareholder in such Form S-3 without filing a post-effective amendment thereto and (y) promptly (and in any event not later than twenty (20) days after receiving such request) supplement the prospectus included in the Shelf Registration Statement as would permit or facilitate the sale and distribution of all or such portion of the Form S-3 Takedown Holders’ Registrable Shares as are specified in such request together with the Registrable Shares requested to be included in such Takedown by any other Holder(s) who notify the Company in writing within ten (10) Business Days after receipt of such notice from the Company. Notwithstanding the foregoing, the Company shall not be obligated to effect a Takedown (i) unless the Registrable Shares requested to be offered pursuant to such Takedown have an anticipated aggregate price to the public (net of any underwriting discounts and commissions) of not less than \$1,000,000 (one million U.S. dollars), (ii) if the Company has within the twelve (12) month period preceding the date of such request already effected two (2) Takedowns under this Section 3.4.2, (iii) within 90 days of the effective date of a registration statement filed pursuant to Section 3.3 or, if the filing pursuant to Section 3.4.1 included an underwritten, pursuant to Section 3.4.1, (iv) within 90 days of a Piggy-Back Underwritten Offering in which the Holder or Holders submitting the Takedown Notice had an opportunity to participate pursuant to the provisions of Section 3.2 and from which no more the twenty percent (20%) of the Registrable Shares of the Form S-3 Takedown Holders that were requested to be included were excluded pursuant to Section 3.2.3 or (y) within ninety (90) days of effecting a previous Takedown under this Section 3.4.2, or (v) if the Company gives notice within fifteen (15) days of the Form S-3 Demand Notice that it is engaged in preparation of a registration statement or prospectus supplement, as the case may be, for a firm underwritten registered public offering (for which the registration statement or prospectus supplement will be filed within ninety (90) days) in which the Form S-3 Takedown Holders may include Registrable Shares pursuant to Section 3.2 above (subject to underwriting limitations provided under subsection 3.2.3), in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance.

3.5 **Designation of Underwriter.**

(a) In the case of any registration effected pursuant to Section 3.3, the underwriter, if any, will be selected by the Initiating Holders holding the majority of Registrable Shares and approved by the Company, which approval shall not be unreasonably withheld.

(b) In the case of any registration initiated by the Company or a registration initiated under Section 3.4, the Company shall have the right to designate the managing underwriter in any underwritten offering.

3.6 **Expenses.** All expenses incurred in connection with any registration, filing or qualification, pursuant to Sections 3.2, 3.3 and 3.4, including without limitation all federal and “blue sky” registration, filing and qualification fees, printer’s and accounting fees, and fees and disbursements of counsel for the Company as well as one counsel for the Holders selected by the holders of a majority of the Registrable Shares of the Holders participating in such registration, filing or qualification shall be borne by the Company; provided, however, that each of the Holders participating in such registration shall bear or pay its pro rata portion of discounts or commissions payable to any underwriter and the fees and expenses of any additional advisors for such Holder (except as otherwise provided for herein).

3.7 **Indemnities.** In the event of any registered offering of Common Stock pursuant to this Section 3 (for the purposes of this Section 3.7, the Common Holders shall also be referred to as “Holders”):

3.7.1 The Company will indemnify and hold harmless, to the fullest extent permitted by law, any Holder and any underwriter for such Holder, and each person, if any, who controls the Holder or such underwriter, from and against any and all losses, damages, claims, liabilities, joint or several, costs and expenses (including any amounts paid in any settlement effected with the Company’s consent) to which the Holder or any such underwriter or controlling person may become subject under applicable law or otherwise, insofar as such losses, damages, claims, liabilities (or actions or proceedings in respect thereof), costs or expenses arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in the registration statement or included in the prospectus, as amended or supplemented, or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances in which they are made, not misleading, and the Company will reimburse the Holder, such underwriter and each such controlling person of the Holder or the underwriter, promptly upon demand, for any reasonable legal or any other expenses incurred by them in connection with investigating, preparing to defend or defending against or appearing as a third-party witness in connection with such loss, claim, damage, liability, action or proceeding; provided, however, that the Company will not be liable in any such case to the extent that any such loss, damage, liability, cost or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission so made in conformity with information furnished in writing by a Holder, such underwriter or such controlling persons in writing specifically for inclusion therein; provided, further, that this indemnity shall not be deemed to relieve any underwriter of any of its due diligence obligations; provided, further, that the indemnity agreement contained in this subsection 3.7.1 shall not apply to amounts paid in settlement of any such claim, loss, damage, liability or action if such settlement is effected without the consent of the Company. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the selling stockholder, the underwriter or any controlling person of the selling stockholder or the underwriter, and regardless of any sale in connection with such offering by the selling stockholder. Such indemnity shall survive the transfer of securities by a selling stockholder.

3.7.2 Each Holder participating in a registration hereunder will indemnify and hold harmless the Company, any underwriter for the Company, and each person, if any, who controls the Company or such underwriter, from and against any and all losses, damages, claims, liabilities, costs or expenses (including any amounts paid in any settlement effected with the selling stockholder’s consent) to which the Company or any such controlling person and/or any such underwriter may become subject under applicable law or otherwise, insofar as such losses, damages, claims, liabilities (or actions or proceedings in respect thereof), costs or expenses arise out of or are based on (i) any untrue or alleged untrue statement of any material fact contained in the registration statement or included in the prospectus, as amended or supplemented, or (ii) the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading, and each such Holder will reimburse the Company, any underwriter and each such controlling person of the Company or any underwriter, promptly upon demand, for any reasonable legal or other expenses incurred by them in connection with investigating, preparing to defend or defending against or appearing as a third-party witness in connection with such loss, claim, damage, liability, action or proceeding; in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was so made in strict conformity with written information furnished by such Holder specifically for inclusion therein. The foregoing indemnity agreement is subject to the condition that, insofar as it relates to any such untrue statement (or alleged untrue statement) or omission (or alleged omission) made in the preliminary prospectus but eliminated or remedied in the amended prospectus at the time the registration statement becomes effective or in the Final Prospectus, such indemnity agreement shall not inure to the benefit of (i) the Company and (ii) any underwriter, if a copy of the Final Prospectus was not furnished to the person or entity asserting the loss, liability, claim or damage at or prior to the time such furnishing is required by the Securities Act; provided, further, that this indemnity shall not be deemed to relieve any underwriter of any of its due diligence obligations; provided, further, that the indemnity agreement contained in this subsection 3.7.2 shall not apply to amounts paid in settlement of any such claim, loss, damage, liability or action if such settlement is effected without the consent of the Holders. In no event shall the liability of a Holder exceed the net proceeds from the offering received by such Holder.

3.7.3 Promptly after receipt by an indemnified party pursuant to the provisions of Sections 3.7.1 or 3.7.2 of notice of the commencement of any action involving the subject matter of the foregoing indemnity provisions, such indemnified party will, if a claim thereof is to be made against the indemnifying party pursuant to the provisions of said Section 3.7.1 or 3.7.2, promptly notify the indemnifying party of the commencement thereof; but the omission to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than hereunder except to the extent the indemnifying party is prejudiced as a result thereof. In case such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party shall have the right to participate in, and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof with counsel reasonably satisfactory to such indemnified party; provided, however, that if the defendants in any action include both the indemnified party and the indemnifying party and there is a conflict of interests which would prevent counsel for the indemnifying party from also representing the indemnified party, the indemnified party or parties shall have the right to select one separate counsel to participate in the defense of such action on behalf of such indemnified party or parties. After notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party pursuant to the provisions of said Sections 3.7.1 or 3.7.2 for any legal or other expense subsequently incurred by such indemnified party in connection with the defense thereof, unless (i) the indemnified party shall have employed counsel in accordance with the provision of the preceding sentence, (ii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after the notice of the commencement of the action and within 15 days after written notice of the indemnified party's intention to employ separate counsel pursuant to the previous sentence, or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party. No indemnifying party will consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

3.7.4 In order to provide for just and equitable contribution to joint liability under the Securities Act in any case in which either (i) an indemnified party, exercising rights under this Agreement, makes a claim for indemnification pursuant to Section 3.7.1 or 3.1.2 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case notwithstanding the fact that this Section 3.7 provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of any such indemnified party in circumstances for which indemnification is provided under this Section 3.7; then, and in each such case, the Company and such indemnified party will contribute to the aggregate losses, claims, damages or liabilities to which they may be subject (after contribution from others) in such proportion so that such Holder is responsible for the portion represented by the percentage that the public offering price of its Registrable Shares offered by and sold under the registration statement bears to the public offering price of all securities offered by and sold under such registration statement, and the Company and other selling Holders are responsible for the remaining portion; provided, however, that, in any such case: (A) no such Holder will be required to contribute any amount in excess of the public offering price of all such Registrable Shares offered and sold by such Holder pursuant to such registration statement; (B) no person or entity guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any person or entity who was not guilty of such fraudulent misrepresentation; and (C) no Holder shall be required to contribute any amount in excess of the amount such Holder would have been required to indemnify if indemnification had been applicable in accordance with its terms.

3.8 **Obligations of the Company.** Whenever required under this Section 3 to effect the registration of any Registrable Shares (including for the purpose of this Section 3.8 only, the Common Registrable Shares), the Company shall, as expeditiously as possible (for the purposes of this Section 3.8, the Common Holders shall also be referred to as “Holders”):

3.8.1 prepare and file with the SEC a registration statement with respect to such Registrable Shares and use its reasonable commercial efforts to cause such registration statement to become effective, and, upon the request of the holders of a majority of the Registrable Shares registered thereunder, keep such registration statement effective for a period of up to nine (9) months or, if sooner, until the distribution contemplated in the Registration Statement has been completed; provided, however, such nine (9)-month period shall be extended by the length of time that the Holders are required to cease distribution of the Registrable Shares pursuant to Section 3.8.5 or Section 3.9 below, if applicable.

3.8.2 prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all Registrable Shares covered by such registration statement.

3.8.3 furnish to the Holders participating in such registration such number of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Shares owned by them.

3.8.4 in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter of such offering. Each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement.

3.8.5 notify each holder of Registrable Shares covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing. Upon receipt of a notification under this Section 3.8.5 such Holders shall immediately cease distributing the Registrable Shares covered by such registration statement.

3.8.6 cause all Registrable Shares registered pursuant hereunder to be listed on each securities exchange on which similar securities issued by the Company are then listed.

3.8.7 provide a transfer agent and registrar for all Registrable Shares registered pursuant hereunder and a CUSIP number for all such Registrable Shares, in each case not later than the effective date of such registration.

3.8.8 use its commercially reasonable efforts to cause to be furnished, at the request of any Holder requesting registration of Registrable Shares pursuant to this Section 3, on the date that such Registrable Shares are delivered to the underwriters for sale in connection with a registration pursuant to this Section 3, if such securities are being sold through underwriters, or, if such securities are not being sold through underwriters, on the date that the registration statement with respect to such securities becomes effective, (i) an opinion, if required by the Holder, dated such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Shares; provided that the delivery of any "10b-5 statement" and opinion may be conditioned on the prior or concurrent delivery of a comfort letter pursuant to subsection (ii) hereof and (ii) a comfort letter dated such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Shares subject to each such Holder to whom the comfort letter is addressed providing a customary representation letter to the independent registered public accounting firm of the Company in form and substance reasonably satisfactory to such accountant.

3.9 **Deferral of Filing or Suspension of use of Registration Statement**. Notwithstanding any other provision of this Agreement, the Company may postpone the filing of any registration statement, or suspend the use of a registration statement or prospectus, up to two (2) times in any 12-month period for up to an aggregate of ninety (90) days during such 12-month period if the Company shall furnish to the relevant Holders a certificate signed by the Chief Executive Officer of the Company stating that in the good faith judgment of the Board it would be seriously detrimental to the Company or its stockholders for a registration statement to be filed or used at such time. During such periods of deferral or suspension, the Company shall not sell securities for its own account or that of any other shareholder, in each case, pursuant to a registration statement filed under the Securities Act, other than a registration statement on Form S-8; provided, however, the Company shall be permitted to file one or more Shelf Registration Statements.

3.10 **Assignment of Registration Rights.** Any of the Holders or Common Holders may assign its rights to cause the Company to register shares pursuant to this Section 3 to a transferee of no less than 200,000 Registrable Shares or Common Registrable Shares (in each case, as adjusted for any stock split, stock dividend, recapitalization or similar event), including but not limited to any Affiliate of such Holder or Common Holder; provided, however, that no transferee may be assigned any of the foregoing rights unless the Company is given a written notice by the assigning and transferring party (not later than the time of such assignment and transfer) stating the name and address of the transferee and identifying the securities of the Company as to which the rights in question are being assigned and transferred; and provided further that any such transferee shall undertake in advance and in writing to be bound by this Agreement and shall receive such assigned rights subject to all the terms and conditions of this Agreement.

3.11 **Lock-Up.** In any registration of the Company's shares each Holder and Common Holder agrees that any sales of shares of the Company may be subject to a "lock-up" period restricting such sales (including the making of any short sale of, loan, grant any option for the purchase of, or otherwise disposition of any such shares) for such period not to exceed (a) in case of an IPO – 180 days following the effective date of the registration statement for such IPO; or (b) in case of an underwritten offering thereafter – 90 days from the date of the final prospectus for such other offering. If the event that FINRA Rule 2711(f)(4) applies to an offering of Company securities, notwithstanding the foregoing, if (i) during the last seventeen (17) days of the one hundred eighty (180)-day restricted period, the Company issues an earnings release or material news or a material event relating to the Company occurs; or (ii) prior to the expiration of the one hundred eighty (180)-day restricted period, the Company announces that it will release earnings results during the sixteen (16)-day period beginning on the last day of the one hundred eighty (180)-day period, the restrictions imposed by this Section 3.11 shall continue to apply until the expiration of the eighteen (18)-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event. Each Holder and Common Holder agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriter that are consistent with the foregoing or that are necessary to give further effect thereto. The obligations described in this Section 3.11 shall not apply to a registration relating solely to employee benefit plans on Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a Commission Rule 145 transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such lock up period described above. Notwithstanding anything in this Section 3.11 to the contrary, the foregoing provisions of this Section 3.11 (1) shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, (2) shall only be applicable where all officers and directors and, in the case of an IPO, all one percent (1%) stockholders are similarly bound, and (3) shall not prevent transfers to the Holders' direct or indirect affiliates, including without limitation such Holder's direct and indirect stockholders, members, other equityholders, limited or general partners, beneficiaries (if the Holder is a trust) and such Holder's direct and indirect subsidiaries, or to any investment fund or other entity controlled or managed by, or under the common control or management with, such Holder, provided that such transferee agrees to be bound in writing by the restrictions set forth in the lock-up agreement and provided further that any such transfer shall not involve a disposition for value.

3.12 **Public Information.** At all times after the earlier of the close of business on such date as (a) a registration statement filed by the Company under the Securities Act becomes effective, (b) the Company registers a class of securities under Section 12 of the United States Securities Exchange Act of 1934, as amended, or any federal statute or code which is a successor thereto (the "**Exchange Act**"), or (c) the Company issues an offering circular meeting the requirements of Regulation A under the Securities Act, the Company shall make and keep publicly available and available to the Preferred Holders pursuant to Rule 144 under the Securities Act ("**Rule 144**"), such information as is necessary to enable the Preferred Holders to make sales of Registrable Stock pursuant to Rule 144. The Company shall comply with the current public information requirements of Rule 144 and shall furnish thereafter to any Preferred Holder, upon request, a written statement executed by the Company that it has complied with the reporting requirements of Rule 144 and such other information as may be reasonably requested in availing any Preferred Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration.

3.13 **Foreign Offerings.** The provisions of this Section 3 shall apply, mutatis mutandis, to any registration of the securities of the Company outside of the United States.

3.14 **Information by Holder.** The Holders and/or Common Holders included in any registration shall furnish to the Company such information regarding such Holder and/or Common Holder, the Registrable Shares and/or Common Registrable Shares held by them and the distribution proposed by such Holder and/or Common Holder as the Company may reasonably request in writing and as shall be required in connection with any registration, qualification or compliance referred to in this Section 3. If any Holder or Common Holder does not provide any reasonably requested information within ten (10) business days of such written request, the Company is permitted to not register such Holder's securities without penalty.

3.15 **Limitations on Subsequent Registration Rights.** From and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders of at least fifty percent (50%) of the Registrable Shares, as one class on an as converted basis, enter into any agreement with any holder or prospective holder of any securities of the Company that would allow such holder or prospective holder (i) to include such securities in any registration unless, under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of such securities will not reduce the number of the Registrable Shares of the Holders that are included, or (ii) to demand registration of any securities held by such holder or prospective holder which could result in such registration statement being declared effective prior to the fifth anniversary of the Company's IPO; provided, however, that the Company may without such consent enter into an agreement with any holder or prospective holder of any securities of the Company related to the filing of a resale shelf registration statement to register shares issued to such holder or prospective holder in an acquisition, if and only if such resale shelf registration statement does not permit underwritten offerings and the rights of Holders hereunder are not adversely impacted.

3.16 **Piggyback Registration.** If, in connection with an IPO the Company provides piggy-back registration rights for the account of a security holder or holders (other than an employee benefit plan or plans) then the Company shall provide each of the Preferred Holders (on pro rata basis with the other Preferred Holders based on each Preferred Holder's percentage ownership) with the same piggy-back registration rights subject to the same terms, conditions and limitations.

4. **Miscellaneous.**

4.1 **Further Assurances.** Each of the parties hereto shall perform such further acts and execute such further documents as may reasonably be necessary to carry out and give full effect to the provisions of this Agreement and the intentions of the parties as reflected thereby.

4.2 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware excluding that body of law pertaining to conflict of law. The parties hereto agree to submit to the jurisdiction of the United States federal and state courts of the State of Delaware with respect to the breach or interpretation of this Agreement or the enforcement of any and all rights, duties, liabilities, obligations, powers, and other relations between the parties arising under this Agreement.

4.3 **Successors and Assigns; Assignment.** Except as otherwise expressly limited herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors, and administrators of the parties hereto.

4.4 **Entire Agreement; Amendment and Waiver.** This Agreement and the Schedules hereto constitute the full and entire understanding and agreement between the parties with regard to the subject matters hereof and thereof. This Agreement supersedes in its entirety the Prior Investors' Rights Agreement, and such Prior Investors' Rights Agreement is hereby terminated and of no further force or effect. Any term of this Agreement may be amended and the observance of any term hereof may be waived (either prospectively or retroactively and either generally or in a particular instance) only with the written consent of (i) the Company, and (ii) prior to an IPO, the holders of more than fifty percent (50%) of the issued and outstanding Preferred Stock (together as a single class and on an as-converted basis) and, after an IPO, the Holders of more than fifty percent (50%) of the Registrable Shares, provided, however, anything in the foregoing notwithstanding: (A) should such waiver or amendment change the rights or privileges granted to a particular stockholder or class or series of stockholders, in a manner adverse and different from other stockholders (such more adversely affected shareholders, a "**Discriminated Class**"), then such waiver or amendment shall be subject to the written approval of the stockholder/s who are the owners of record of a majority of the issued and outstanding shares of such Discriminated Class (voting together as a single class), and (B) any right or limitation provided for the express benefit of a specifically named party to this Agreement may not be amended or waived without the consent of such party. Any amendment or waiver adopted with the applicable foregoing consents shall be binding upon all parties to this Agreement. The Company shall give prompt notice of any amendment hereof or waiver hereunder to any party hereto that did not consent in writing to such amendment or waiver.

4.5 **Notices, etc.** All notices and other communications required or permitted hereunder to be given to a party to this Agreement shall be in writing and shall be transmitted via facsimile or email or mailed by registered or certified mail, postage prepaid, or otherwise delivered by hand or by messenger, addressed to such party's address as set forth below:

if to the Preferred G Holders: to the addresses set forth in Schedule 1

with a copy to:

Yigal Arnon & Co.
22 J. Rivlin Street
Jerusalem 94240, Israel
Facsimile: +972 (2) 623-9236
Attn: Yarom Romem, Adv.
E-mail: yaromr@arnon.co.il

if to the Preferred F Holders: to the addresses set forth in Schedule 2

with a copy to:

Debevoise & Plimpton LLP
919 Third Avenue
New York, NY 10022
Facsimile: 212-909-6836
Attn: David P. Iozzi
Email: dpIozzi@debevoise.com

and to:

Amit, Pollak, Matalon & Co.
Nitsba Tower, 18th Fl.
17 Yitzhak Sadeh St.
Tel-Aviv 67775 Israel
Tel. +972 3 5689018 ext. 148
Fax. +972 3 5689017
Attn: Daniel Marcus, Adv.

if to the Preferred D Holders: to the addresses set forth in Schedule 3

with a copy (which shall not constitute notice) to:

Goodwin Procter LLP
135 Commonwealth Drive
Menlo Park, CA 94025
Attn: Anthony McCusker, Esq.

and to:

Meitar, Liguornik, Geva & Leshem, Brandwein
16 Abba Hillel Silver Rd.
Ramat Gan 52506, Israel
Facsimile: +972 (3) 610-3111
Attn: Asaf Harel, Adv.
Email: aharel@meitar.com

and to:

Shenhav & Co. Law Offices
4 Ha'nechoshet St.,
Tel Aviv 69710, Israel
Facsimile: +972 (3) 611-0788
Attn: Shmulik Atias, Adv.
Email: shmulik@shenhavlaw.co.il

if to the Preferred C Holders: to the addresses set forth in Schedule 4

with a copy to:

Meitar, Liquornik, Geva & Leshem, Brandwein
16 Abba Hillel Silver Rd.
Ramat Gan 52506, Israel
Facsimile: +972 (3) 610-3111
Attn: Asaf Harel, Adv.
Email: aharel@meitar.com

if to the Preferred B Holders: to the addresses set forth in Schedule 5

with a copy to:

Meitar, Liquornik, Geva & Leshem, Brandwein
16 Abba Hillel Silver Rd.
Ramat Gan 52506, Israel
Facsimile: +972 (3) 610-3111
Attn: Asaf Harel, Adv.
Email: aharel@meitar.com

if to the Preferred A Holders: to the addresses set forth in Schedule 6

with a copy to:

Barak S. Platt
Yigal Arnon & Co.
1 Azrieli Center
Tel Aviv 67021 Israel
Facsimile: (972-3) 608-7714

if to the Common Stock Holders: to the addresses set forth in Schedule 7

if to the Additional Common Stock Holders: to the addresses set forth in Schedule 8

if to the Company:

Michael J. Kistler
Outbrain Inc.
39 West 13th Street NY, NY 10011
Facsimile: (917) 591-5856
Email: mkistler@outbrain.com

with a copy to:

Loeb & Loeb LLP
345 Park Avenue
New York, New York 10154
Tel: (212) 407-4937
Facsimile: (212) 656-1076
Attn: Lloyd L. Rothenberg
Email: lrothenberg@loeb.com

if to G+J: to the addresses set forth in Schedule 10

or such other address with respect to a party as such party shall notify each other party in writing as above provided. Any notice sent in accordance with this Section 4.5 shall be effective (i) if mailed, seven (7) business days after mailing, (ii) if sent by messenger, upon delivery, and (iii) if sent via facsimile or email, upon transmission and electronic confirmation of receipt or (if transmitted and received on a non-business day) on the first business day following transmission and electronic confirmation of receipt.

4.6 **Delays or Omissions.** Except as expressly provided herein, no delay or omission to exercise any right, power, or remedy accruing to any party upon any breach or default under this Agreement, shall be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent, or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any of the parties, shall be cumulative and not alternative.

4.7 **Severability.** If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable under applicable law, then such provision shall be excluded from this Agreement and the remainder of this Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms; provided, however, that in such event this Agreement shall be interpreted so as to give effect, to the greatest extent consistent with and permitted by applicable law, to the meaning and intention of the excluded provision as determined by such court of competent jurisdiction.

4.8 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and enforceable against the parties actually executing such counterpart, and all of which together shall constitute one and the same instrument.

4.9 **Aggregation of Stock.** Other than with respect to rights, limitations and obligations pursuant to this Section 3 hereof, (i) all shares of Preferred Stock and shares of Common Stock, as the case may be, held or acquired by Affiliates or other affiliated entities or persons of a Preferred Holder or a Common Stock Holder, as the case may be, shall be aggregated together for the purpose of determining the availability of any rights under this Agreement, and (ii) for the purpose of this Section 4.9 “affiliated entities or persons” shall mean with respect to any entity or person, its Permitted Transferee (as defined in the Amended and Restated Stockholders’ Agreement of even date between the Company and certain stockholders of the Company).

[Signature Page to Follow]

IN WITNESS WHEREOF the parties have signed this Amended and Restated Investors' Rights Agreement as of the date first hereinabove set forth.

OUTBRAIN INC.

By: /s/ Yaron Galai

Name: Yaron Galai

Title: CEO

/s/ Yaron Galai

YARON GALAI

/s/ Ori Lahav

ORI LAHAV

Signature page to IRA

IN WITNESS WHEREOF the parties have signed this Amended and Restated Investors' Rights Agreement as of the date first hereinabove set forth.

SUSQUEHANNA GROWTH EQUITY FUND IV, LLLP

By: Susquehanna Growth Equity, LLC, its authorized agent

By: /s/ Amir

Name: Amir

Title: Goldman

HARBOURVEST PARTNERS IX-VENTURE FUND L.P.

By: HarbourVest IX-Venture Associates L.P., its General Partner

By: HarbourVest IX-Venture Associates LLC, its General Partner

By: HarbourVest Partners, LLC, its Managing Member

By: /s/ Peter B. Lipson

Name: Peter B. Lipson

Title: Managing Director

HARBOURVEST/NYSTRS CO-INVEST FUND L.P.

By: HIPEP VI Select Associates L.P., its General Partner

By: HIPEP VI Select Associates LLC, its General Partner

By: HarbourVest partners, LLC, its Managing Member

By: /s/ Peter B. Lipson

Name: Peter B. Lipson

Title: Managing Director

LIGHTSPEED VENTURE PARTNERS VII L.P.

By: Lightspeed General Partner VII, L.P., its General Partner

By: Lightspeed Ultimate General Partner VII, Ltd., its General Partner

By: /s/ Ravi Mhatre

Name: Ravi Mhatre

Title:

Signature Page to IRA

VIOLA VENTURES, III L.P.

By: Viola 3 Ltd., its General Partner

By: [ILLEGIBLE] [ILLEGIBLE]
Name:
Title:

**GEMINI ISRAEL IV L.P.
GEMINI ISRAEL IV (ANNEX FUND) L.P.**

By: Gemini Associates IV L.P., its General Partner
By: Gemini Associates IV G.P., its General Partner

By: /s/ Yossi Sela /s/ Menashe Ezra
Name: Yossi Sela Menashe Ezra
Title: Managing Partner Managing Partner

By: /s/ Yossi Sela /s/ Menashe Ezra
Name: Yossi Sela Menashe Ezra
Title: Managing Partner Managing Partner

**GEMINI PARTNERS INVESTORS IV L.P.
GEMINI PARTNERS INVESTORS IV (ANNEX FUND) L.P.**

By: Gemini Israel Funds IV Ltd., its General Partner

By: /s/ Yossi Sela /s/ Menashe Ezra
Name: Yossi Sela Menashe Ezra
Title: Managing Partner Managing Partner

By: /s/ Yossi Sela /s/ Menashe Ezra
Name: Yossi Sela Menashe Ezra
Title: Managing Partner Managing Partner

Signature Page to IRA

INDEX VENTURES GROWTH II (JERSEY), L.P.
INDEX VENTURES GROWTH II PARALLEL ENTREPRENEUR FUND (JERSEY), L.P.

By: Index Venture Growth Associates II Limited, its Managing General
Partner

By: /s/ N. T. Greenwood
Name: N. T. Greenwood
Title: Director

By: /s/ I J Henderson
Name: I J Henderson
Title: Director

YUCCA (JERSEY) SLP

By: Elian Employee Benefit Services Limited as Authorized Signatory of
Yucca (Jersey) SLP in its capacity as administrator of the Index Co-
Investment Scheme

By: /s/ David Middleton /s/ Luke Aubert
Name: David Middleton Luke Aubert
Title: Authorised Signatories

RH INTERNET II LLC

By: _____
Name:
Title:

VINTAGE INVESTMENT PARTNERS V (CAYMAN), L.P.
VINTAGE INVESTMENT PARTNERS V (ISRAEL), L.P.

By: Vintage Investment Partners 5, L.P., its General Partner
By: Vintage Fund 5 Ltd., its General Partner

By: _____
Name:
Title:

MICHEL CROUHY

MICHAL EDELSTYN (BY SIMON EDELSTYN BY PROXY)

ZOHAR GILON

LEON RECANATI

PROVIDENT FUND OF THE EMPLOYEES OF THE HEBREW
UNIVERSITY OF JERUSALEM LTD.

By: _____
Name:
Title:

MTS INVESTMENTS INC.

By: _____
Name:
Title:

STARTIFY (1992) LTD. (FKA SIGMA INVESTMENTS 1992 LTD.)

By: _____
Name:
Title:

Signature Page to IRA

LOEB & LOEB LLP

By: _____
Name:
Title:

GRUNER + JAHR GMBH

By: _____
Name:
Title:

Signature Page to IRA

Dan Galai

Ziv Kop

Ilan Lior

Hanan Salinger

Rani Nelken

Eytan Galai

Uri Galai

Noam Galai

Mickey Kertesz

Efrat Perez

Amir Lahav

Dalit Lahav

Isaschar Kurt

Rotem Doron

Ester Shabtai

Doron Levin

Signature Page IRA

SCHEDULE 1

THE PREFERRED G HOLDERS

SUSQUEHANNA GROWTH EQUITY FUND IV, LLLP
c/o Susquehanna Growth Equity, LLC
401 City Ave.
Bala Cynwyd, PA 19004
Attention: General Counsel

Schedule 1 to IRA

SCHEDULE 2

THE PREFERRED F HOLDERS

HARBOURVEST PARTNERS L.P.
c/o HarbourVest Partners, LLC
One Financial Center
44th Floor
Boston MA 02111
Attn: Tiffany Obenchain
Tel +1 617 348 3707
Fax +1 617 350 0305

with a copy (which shall not constitute notice) to:

Debevoise & Plimpton LLP
919 Third Avenue
New York, NY 10022
Facsimile: 212-909-6836
Attn: David P. Iozzi
Email: dpIozzi@debevoise.com

VIOLA VENTURES, III L.P.
Delta House
16 Abba Eben Avenue
Herzeliya 46725
Israel
Attn: Michal Cohen
Tel: +972-9-9720400
Fax: +972-9-9720401
Email: Michalc@Violaventures.com

GEMINI ISRAEL IV L.P.
GEMINI PARTNERS INVESTORS IV L.P.
GEMINI ISRAEL IV (Annex Fund) L.P.
GEMINI PARTNERS INVESTORS IV
(Annex Fund) L.P.
11 Hamenofim Street
Herzlia Pituach
Israel

LIGHTSPEED VENTURE PARTNERS VII, L.P.
2200 Sand Hill Road, Suite 100
Menlo Park, CA 94025
USA

INDEX VENTURES GROWTH II (JERSEY), L.P.
INDEX VENTURES GROWTH II PARALLEL ENTREPRENEUR FUND (JERSEY), L.P.

Index Venture Growth Associates II Limited
5th Floor
44 Esplanade
St Helier
Jersey JE1 3FG
Channel Islands
Attention: Gemma Harries

with a copy (which shall not constitute notice) to:

Index Venture Management S.A.
2 rue de Jargonnant
1207 Geneva
Switzerland
Fax: +41 22 737 0099
Attention: André Dubois

YUCCA (JERSEY) SLP
Intertrust Employee Benefit Services Limited
44 Esplanade
St Helier
Jersey JE4 9WG
Channel Islands
Attention: Sarah Earles

with a copy to:

Index Venture Management S.A.
2 rue de Jargonnant

1207 Geneva
Switzerland
Fax: +41 22 737 0099
Attention: André Dubois

Schedule 2 to IRA

Leon Recanati
27 Yoav St.,
690811, Israel
Fax: +972-9-9701866

RH INTERNET II LLC
c/o Tigris Group Inc.
535 Madison Avenue, 12th Floor
New York, New York 10022
USA
Email: ashapiro@tigris.com
Attn: Andrew M. Shapiro, General Counsel

With a copy to:

Rhodium Ltd
91 Medinat Hayehudim St.
Herzeliya Pituach 46140
Email: yaron@rhodium.co.il
Attn: Yaron Kniajer, Managing Director & CFO

Zohar Gilon
Okeanos Hotel
50 Ramat Yam St.,
Herzliya Pituach
46851 Israel
Tel: +972-9-9543555

Vintage Investment Partners V (Israel), L.P.
Vintage Investment Partners V (Cayman), L.P.
Ackerstein Towers, Bldg D 10th Floor
12 Abba Eban Avenue
Herzliya Pituach, 46120 Israel

with a copy (which shall not constitute notice) to:

Amit, Pollak, Matalon & Co.
Nitsba Tower, 18th Fl.
17 Yitzhak Sadeh St.
Tel-Aviv 67775 Israel
Tel. +972 3 5689018 ext. 148
Fax. +972 3 5689017
Attn: Daniel Marcus, Adv.

Aba Hilel 14A, Ramat – Gan
MTS Investments Inc.
C/O Mutualart Inc.
298 Fifth Ave. NY, NY 10001
USA

Schedule 2 to IRA (Cont'd)

SCHEDULE 3

THE PREFERRED D HOLDERS

VIOLA VENTURES, III L.P.
Delta House
16 Abba Eben Avenue
Herzeliya 46725
Israel
Attn: Michal Cohen
Tel: +972-9-9720400
Fax: +972-9-9720401
Email: Michalc@Violaventures.com

LIGHTSPEED VENTURE PARTNERS VII, L.P.
2200 Sand Hill Road, Suite 100
Menlo Park, CA 94025
USA

INDEX VENTURES GROWTH II (JERSEY), L.P.
Index Venture Growth Associates II Limited
5th Floor
44 Esplanade
St Helier
Jersey JE1 3FG
Channel Islands
Attention: Gemma Harries

INDEX VENTURES GROWTH II
PARALLEL ENTREPRENEUR FUND (JERSEY), L.P.
Index Venture Growth Associates II Limited
5th Floor
44 Esplanade
St Helier

Jersey JE1 3FG
Channel Islands
Attention: Gemma Harries

YUCCA (JERSEY) SLP
Intertrust Employee Benefit Services Limited
44 Esplanade
St Helier
Jersey JE4 9WG
Channel Islands
Attention: Sarah Earles

with a copy to:

Index Venture Management S.A.
2 rue de Jargonnant
1207 Geneva
Switzerland
Fax: +41 22 737 0099
Attention: André Dubois

Zohar Gilon
Okeanos Hotel
50 Ramat Yam St.,
Herzliya Pituach
46851 Israel
Tel: +972-9-9543555

Michal Edelstyn
30 Bathgate Road,
Wimbledon,
London,
SW19 5PJ

SCHEDULE 4

THE PREFERRED C HOLDERS

Name and Address:

VIOLA VENTURES, III L.P.
Delta House
16 Abba Eben Avenue
Herzeliya 46725
Israel
Attn: Michal Cohen
Tel: +972-9-9720400
Fax: +972-9-9720401
Email: Michalc@Violaventures.com

Leon Recanati
27 Yoav St.,
690811, Israel
Fax: +972-9-9701866
RH Internet II LLC
c/o Tigris Group Inc.
535 Madison Avenue, 12th Floor
New York, New York 10022
USA
Email: ashapiro@tigris.com
Attn: Andrew M. Shapiro, General Counsel

With a copy to:

Rhodium Ltd
91 Medinat Hayehudim St.
Herzeliya Pituach 46140
Email: yaron@rhodium.co.il
Attn: Yaron Kniajer, Managing Director & CFO

LIGHTSPEED VENTURE PARTNERS VII, L.P.
2200 Sand Hill Road, Suite 100
Menlo Park, CA 94025
USA

GEMINI ISRAEL IV (ANNEX FUND) L.P.
GEMINI PARTNERS INVESTORS IV (ANNEX FUND) L.P.
11 Hamenofim Street
Herzlia Pituach
Israel

PROVIDENT FUND OF THE
EMPLOYEES OF THE HEBREW UNIVERSITY OF JERUSALEM LTD.
High-Tech Village 2\2
Givat Ram Jerusalem

MTS Investments Inc.
CVO Mutualart Inc.
298 Fifth Ave. NY, NY 10001
USA

Michel Crouhy
41 Flying Cloud Course
Corle Madera, CA 94925

Zohar Gilon
Okeanos Hotel
50 Ramat Yam St.,
Herzliya Pituach
46851 Israel
Tel: +972-9-9543555

Yaron Galai
200 Rector Pl.
NY, NY 10280

Michal Edelstyn
30 Bathgate Road,
Wimbledon,
London,
SW19 5PJ

SCHEDULE 5

THE PREFERRED B HOLDERS

Name and Address:

VIOLA VENTURES, III L.P.
Delta House
16 Abba Eben Avenue
Herzeliya 46725
Israel
Attn: Michal Cohen
Tel: +972-9-9720400
Fax: +972-9-9720401
Email: Michalc@Violaventures.com

Leon Recanati
27 Yoav St.,
690811, Israel
Fax: +972-9-9701866

LIGHTSPEED VENTURE PARTNERS VII, L.P.
2200 Sand Hill Road, Suite 100
Menlo Park, CA 94025
USA

GEMINI ISRAEL IV L.P.
GEMINI PARTNERS INVESTORS IV L.P.
11 Hamenofim Street
Herzlia Pituach
Israel

RH Internet II LLC
c/o Tigris Group Inc.
535 Madison Avenue, 12th Floor
New York, New York 10022
USA
Email: ashapiro@tigris.com
Attn: Andrew M. Shapiro, General Counsel

With a copy to:

Rhodium Ltd
91 Medinat Hayehudim St.
Herzeliya Pituach 46140
Email: yaron@rhodium.co.il
Attn: Yaron Kniajer, Managing Director & CFO

Zohar Gilon
Okeanos Hotel
50 Ramat Yam St.,
Herzliya Pituach
46851 Israel
Tel: +972-9-9543555

Michel Crouhy
41 Flying Cloud Course
Corle Madera, CA 94925

Yaron Galai
200 Rector Pl.
NY, NY 10280

SCHEDULE 6

THE PREFERRED A HOLDERS

Preferred A

Name and Address

GEMINI ISRAEL IV L.P.
GEMINI PARTNERS INVESTORS IV L.P.
11 Hamenofim Street
Herzlia Pituach
Israel

LIGHTSPEED VENTURE PARTNERS VII, L.P.
2200 Sand Hill Road, Suite 100
Menlo Park, CA 94025
USA

Leon Recanati
27 Yoav St.,
690811, Israel
Fax: +972-9-9701866

PROVIDENT FUND OF THE EMPLOYEES OF THE HEBREW UNIVERSITY OF JERUSALEM LTD.
High-Tech Village 2\2
Givat Ram Jerusalem
FAX: +972-2-6586779

Michel Crouhy
41 Flying Cloud Course
Corle Madera, CA 94925

Schedule 6 to IRA

SCHEDULE 7

THE COMMON STOCKHOLDERS

9-9701866

Sigma Investments (1992) Ltd.
Aba Hilel 14A, Ramat – Gan

MTS Investments Inc.
C/O Mutualart Inc.
298 Fifth Ave. NY, NY 10001
USA

Schedule 7 to IRA

SCHEDULE 8

ADDITIONAL COMMON STOCKHOLDERS

Name and Address

Dan Galai
20a Harav Berlin St. Jerusalem, Israel

Ziv Kop
85 Medinat Hayehudim, Hertzlia

Ilan Lior
11 Menachem Begin St., Ramat Gan 52681,
Israel

Hanan Salinger
11 Menachem Begin St., Ramat Gan 52681,
Israel

Loeb & Loeb
345 Park Av, NY, NY 10154-1895

Mickey Kertesz
Verburg 6, Tel Aviv, 64289

Rani Nelkin
53 Standish St., Cambridge MA 02138 USA

Eytan Galai
20 Burla St., Jerusalem, Israel

Uri Galai
2 Oush St., Jerusalem, Israel

Noam Galai
142 E 33rd St. APT 2C. NY, NY 10016

Isaschar Kurt
8 Mania Shochat St., Holon, Israrel

Doron Levin
4 Hanegba St., Zichron Yaacov, Israel

Efrat Perez
Tachkemoni 6\2 Pardes Hana 63714

Amir Lahav
Moshav Moledet D.N. Gilboa, Israel

Dalit Lahav
Kibutz Nachsholim D.N. Hof Viola 30815

Ester Shabtai
Tsuntz 20, Tel Aviv

Rotem Doron

SCHEDULE 9

THE INVESTORS

Leon Recanati

Lightspeed Venture Partners VII, L.P.

Gemini Israel IV L.P.

Gemini Partners Investors IV L.P.

Gemini Israel IV (Annex Fund) L.P.

Gemini Partners Investors IV (Annex Fund) L.P.

Provident Fund of the Employees of the Hebrew University of Jerusalem Ltd.

Michel Crouhy

Sigma Investments (1992) Ltd.

MTS Investments Inc.

Viola Ventures, III L.P.

RH Internet II LLC

Zohar Gilon

Yaron Galai

Michal Edelstyn

Index Ventures Growth II (Jersey), L.P.

Index Ventures Growth II Parallel Entrepreneur Fund (Jersey), L.P.

Yucca (Jersey) SLP

Vintage Investment Partners V (Israel), L.P.

Vintage Investment Partners V (Cayman), L.P.

HarbourVest Partners, L.P.

Susquehanna Growth Equity Fund IV, LLLP

Gruner + Jahr GmbH

Schedule 10

G+J

Name and address:

Gruner + Jahr GmbH
Am Baumwall 11
20459 Hamburg
Germany

With a copy to:

Bertelsmann SE & Co. KGaA
Attn.: Dr. Michael Kronenburg
Carl-Bertelsmann-Str. 270
33311 Gütersloh, Germany
Fax: +49 5241 80642820
Email: michael.kronenburg@bertelsmann.de

EXHIBIT 1.1.3

Key Metrics

Metric Reports Required by Partnership and Definition of Defined Terms

Metric	Definition
Employees at end of quarter (eoq)	<ul style="list-style-type: none"> • Full time employee (FTE) equivalent • How many people are working in the business, both permanent and temporary (including part time)
Net Revenues	<ul style="list-style-type: none"> • Income that the business generates
Operating Costs	<ul style="list-style-type: none"> • Net Revenues - EBITDA
EBITDA	<ul style="list-style-type: none"> • Earnings before interests, tax, depreciation, amortization
Operating cash Burn / generation during the quarter	<ul style="list-style-type: none"> • Cash at hand current period – Cash at hand previous period +/- non operational cash outflow or inflow (financing, investing)
Cash at hand - eoq	<ul style="list-style-type: none"> • Net cash position:
	Cash at bank
	Plus short term assets (under 6 months)
	Less short term debt (under 6 months)

Schedule to be filled by the company.

	QX
FTE	
Net Revenues	
Operating Costs	
EBITDA	
Operating cash burn/generation	
Cash at hand	

Schedule 9 to IRA

AMENDED AND RESTATED STOCKHOLDERS' AGREEMENT

THIS AMENDED AND RESTATED STOCKHOLDERS' AGREEMENT (this "**Agreement**") is made and entered into as of December 24th, 2020 (the "**Effective Date**") by and among Outbrain Inc. a Delaware corporation (the "**Company**"); Yaron Galai and Ori Lahav (each a "**Founder**" and together, the "**Founders**"); the holders of shares of Common Stock and Series E Preferred Stock of the Company listed on Schedule 1 attached hereto (together with the Founders, each a "**Common Stockholder**" and collectively, the "**Common Stockholders**"); the holders of shares of the Series A Preferred Stock of the Company listed on Schedule 2 attached hereto (each a "**Preferred A Stockholder**" and together, the "**Preferred A Stockholders**"), the holders of shares of the Series B Preferred Stock of the Company listed on Schedule 3 attached hereto (each a "**Preferred B Stockholder**" and together, the "**Preferred B Stockholders**"), the holders of shares of the Series C Preferred Stock of the Company listed on Schedule 4 attached hereto (each a "**Preferred C Stockholder**" and together, the "**Preferred C Stockholders**") and the holders of shares of the Series D Preferred Stock of the Company listed on Schedule 5 attached hereto (each a "**Preferred D Stockholder**" and together, the "**Preferred D Stockholders**" and the holders of shares of the Series F Preferred Stock of the Company listed on Schedule 6 attached hereto (each a "**Preferred F Stockholder**" and together, the "**Preferred F Stockholders**" and the holders of shares of the Series G Preferred Stock of the Company listed on Schedule 7 attached hereto (each a "**Preferred G Stockholder**" and together, the "**Preferred G Stockholders**") and the holder of shares of Common Stock listed on Schedule 9 attached hereto (together with its Affiliates "**G+J**" and together with the Preferred G Stockholders, the Preferred F Stockholders, Preferred D Stockholders, the Preferred C Stockholders, the Preferred B Stockholders and the Preferred A Stockholders, the "**Preferred Stockholders**") (the Founders, the Common Stockholders and the Preferred Stockholders are referred to collectively as the "**Stockholders**").

RECITALS

WHEREAS, the Preferred Stockholders include the holders of all of the issued and outstanding shares of Series G Preferred Stock of the Company par value \$0.001 each (the "**Series G Preferred**"), Series F Preferred Stock of the Company par value \$0.001 each (the "**Series F Preferred**"), Series D Preferred Stock of the Company par value \$0.001 each (the "**Series D Preferred**"), Series C Preferred Stock of the Company par value \$0.001 each (the "**Series C Preferred**"), Series B Preferred Stock of the Company, par value \$0.001 each (the "**Series B Preferred**") and Series A Preferred Stock of the Company, par value \$0.001 each (the "**Series A Preferred**"), and together with the Series G Preferred, Series F Preferred, the Series D Preferred the Series C Preferred and the Series B Preferred, the "**Preferred Stock**"), and the Common Stockholders are the holders of issued and outstanding shares of Common Stock of the Company, par value \$0.001 each ("**Common Stock**"); and

WHEREAS, the Company and certain Stockholders are parties to that certain Stockholders' Agreement dated February 11, 2015 (the "**Prior Stockholders' Agreement**"); and

WHEREAS, the parties to the Prior Stockholders' Agreement wish to amend and restate in its entirety the Prior Stockholders' Agreement by entering into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the parties hereby agree as follows:

1. **Definitions.**

1.1 All capitalized terms used and not otherwise defined herein shall have the meanings given them in the Series G Preferred Stock Purchase Agreement dated as of February 11th, 2015 by and among the Company and the Purchasers (as defined therein).

1.2 An “**Affiliate**” shall mean, with respect to any individual or entity, an individual or entity that, directly or indirectly, controls, is controlled by or is under common control with such individual or entity, including, without limitation, any general partner, managing member, manager, member, officer or director of such entity or any venture capital fund now or hereafter existing that is controlled by one or more general partners or managing members of, shares the same management or advisory company with, or is otherwise affiliated with such individual or entity.

1.3 The “**Amended Certificate**” means the Company’s then-current Amended and Restated Certificate of Incorporation filed with the Delaware Secretary of State.

1.4 A “**Deemed Liquidation**” shall have the meaning set forth in the Amended Certificate.

1.5 An “**IPO**” means the closing of the Company’s initial underwritten public offering of its Common Stock pursuant to an effective registration statement under the United States Securities Act of 1933, as amended, or equivalent law of another jurisdiction.

1.6 A “**Permitted Transferee**” shall mean (A) with regards to any Preferred Stockholder or holder of Series E Preferred Stock, any Affiliate of such Stockholder or if such Stockholder is a partnership, any partners, former partners or affiliated partnerships managed by the same manager or managing partner or management company, or managed by an entity controlling, controlled by, or under common control with, such manager or managing partner or management company; and (B) with regards to all Stockholders, (i) any corporation or other entity wholly owned by such Stockholder, (ii) a trustee, spouse, child, brother, sister or other member of such Stockholder’s immediate family (other than pursuant to any decree of divorce, separate maintenance, any property settlement, any separation agreement or other agreement with spouse (except for bona fide estate planning purposes)), (iii) in the event of the Stockholder’s death or permanent disability, the Stockholder’s personal representative, (iv) the Stockholder’s trustee or immediate family member for estate planning purposes, or (vii) transfers by RH Internet II LLC and/or Leon Recanati to Rhodium Ltd. or its Affiliates.

1.7 A “**Qualified IPO**” shall have the meaning set forth in the Amended Certificate.

1.8 A “**Right of First Refusal Holder’s Pro Rata Share**” shall mean the quotient for each Right of First Refusal Holder obtained by dividing (i) the sum of (x) the number of shares of Common Stock then held by such Right of First Refusal Holder (as defined below), plus (y) the number of shares of Common Stock issuable upon conversion of the Preferred Stock, then held by such Right of First Refusal Holder by (ii) the sum of (a) the total number of shares of Common Stock then held by all Right of First Refusal Holders, plus (b) the number of shares of Common Stock issuable upon conversion of all then outstanding Preferred Stock held by all Right of First Refusal Holders, except that with respect to Yaron Galai, the Common Stock issued to him prior to February 11, 2015 (including Common Stock to be issued upon exercise of options) shall not be taken into consideration when calculating his pro rata share.

1.9 “**Series E Preferred Stock**” shall mean shares of the Company’s Series E Preferred Stock, par value \$0.001 per share.”

2. **Right of First Refusal.**

(a) Until an IPO, in the event that any stockholder of the Company (each a “**Selling Stockholder**”) proposes to sell, assign, transfer, pledge, hypothecate, mortgage or dispose of, by gift or otherwise, or in any way encumber (each of the foregoing being referred to as a “**Disposition**”) any of his or its shares of capital stock of the Company (“**Shares**”) (including any Disposition during such Selling Stockholder’s lifetime or upon such Selling Stockholder’s death by will or intestacy) to any person or entity, other than the Company, which is not at such time a Permitted Transferee of such Selling Stockholder, such Selling Stockholder shall give each person and entity listed on Schedule 8 attached hereto (a “**Right of First Refusal Holder**”) written notice stating: (a) the Selling Stockholder’s intention to make a Disposition of such Shares; (b) the name of the proposed third party purchaser (the “**Third Party**”); (c) the number of Shares subject to such Disposition to the Third Party; and (d) the price, terms and conditions of the proposed Disposition to the Third Party. Each Right of First Refusal Holder shall have fifteen (15) days from the date of receipt of any such notice to agree to purchase all or any part of the Right of First Refusal Holder’s Pro Rata Share of such Shares, for the price and upon the terms and conditions specified in the notice, by giving written notice to such Selling Stockholder stating therein the number of Shares to be purchased. If any Right of First Refusal Holder fails to provide a notice that it agrees to purchase its full Right of First Refusal Holder’s Pro Rata Share within such fifteen (15) day period, the Selling Stockholder selling such Shares will give the Right of First Refusal Holders who did so agree (the “**Electing Stockholders**”) notice of the number of Shares which were not subscribed for. Each Electing Stockholder shall have seven (7) days from the date of such notice to provide notice that it agrees to purchase all or any part of the Right of First Refusal Holder’s Pro Rata Share with respect to the Shares not purchased by such other Right of First Refusal Holders. For purposes of the second election under this Section 2(a), shares held by Right of First Refusal Holders other than Electing Stockholders shall be excluded from the denominator in the definition of a “Right of First Refusal Holder’s Pro Rata Share”, set forth in Section 1.8(ii).

(b) In the event that the Right of First Refusal Holder(s) fail to agree to purchase all of the Shares subject to the proposed Disposition within the fifteen (15) day and seven (7) day periods specified above, such Selling Stockholder shall have sixty (60) days thereafter to make a Disposition of all of the Shares subject to such proposed Disposition to the Third Party (as specified in the notice pursuant to Section 2(a)), at the price and upon terms and conditions no more favorable to the Third Party than specified in the notice provided to the Right of First Refusal Holders pursuant to Section 2(a) above. In the event that such Selling Stockholder has not made a Disposition of all of the Shares to the Third Party within the sixty (60) day period, such Selling Stockholder shall not thereafter make a Disposition of any Shares without first offering such Shares to the Right of First Refusal Holders in the manner provided above.

(c) The right of first refusal afforded hereunder to the Right of First Refusal Holders may not be assigned by any Right of First Refusal Holders to, and exercised by, any other person or entity. Notwithstanding any provision in this Section 2 to the contrary, any Preferred Stockholder which chooses to exercise the right of first refusal set forth in this Section 2 may designate as purchasers under such right itself or its partners or Affiliates in such proportions as it deems appropriate.

(d) Notwithstanding the foregoing, with respect to any stockholder which is a venture capital fund, the following transfers (but not any subsequent transfers) of any shares of capital stock of the Company held by such stockholder shall not be subject to the right of first refusal and the above provisions of this Section 2: (i) any transfer which is a part of the transfer of a significant portion of a portfolio of investments of such venture capital fund, (ii) any transfer to the investors of such venture capital fund in connection with the dissolution of such venture capital funds, (iii) a transfer resulting solely from a regulatory or tax constraint applicable to such venture capital fund or any of the partners of such fund and (iv) any transfer to an Affiliate of such venture capital fund.

(e) Notwithstanding the foregoing, with respect to Leon Recanati, the following transfers (but not any subsequent transfers) of any shares of capital stock of the Company held by him shall not be subject to the right of first refusal and the above provisions of this Section 2: (i) any transfer which is a part of the transfer of a significant portion of Leon Recanati's portfolio of investments, made by Leon Recanati personally, in high-tech and similar venture backed companies, and (ii) a transfer resulting solely from a regulatory or tax constraint applicable to Leon Recanati.

(f) Notwithstanding the foregoing, with respect to RH Internet II LLC and Sigma Investments (1992) Ltd. the following transfers (but not any subsequent transfers) of any shares of capital stock of the Company held by it shall not be subject to the right of first refusal and the above provisions of this Section 2: (i) any transfer which is a part of the transfer of a significant portion of a portfolio of investments of such company, (ii) any transfer to the investors of such company in connection with the dissolution of such company, and (iii) a transfer resulting solely from a regulatory or tax constraint applicable to such company.

(g) Notwithstanding the foregoing, with respect to Ziv Kop, the following transfers (but not any subsequent transfers) of any shares of capital stock of the Company held by him shall not be subject to the right of first refusal and the above provisions of this Section 2: (i) any transfer which is a part of the transfer of a significant portion of Ziv Kop's portfolio of investments, made by Ziv Kop personally, in high-tech and similar venture backed companies, and (ii) a transfer resulting solely from a regulatory or tax constraint applicable to Ziv Kop.

(h) Notwithstanding the foregoing, transfers of any shares of capital stock of the Company held by each of Leon Recanati, Ziv Kop and RH Internet II LLC, between themselves, shall not be subject to the right of first refusal and the above provisions of this Section 2.

(i) Notwithstanding anything to the contrary in this Section 2, any transfer by any stockholder to its Permitted Transferee, shall be made subject only to such Permitted Transferee agreeing in writing concurrently with such transfer, to assume all of the obligations of such transferring stockholder under all agreements involving the Company and to which such stockholder is a party and/or by which it is bound (excluding employment and consultancy agreements).

(j) The Company's equity based plans and all other issuances of Company's securities will include provisions that subject all shares issuable under such plans or other issuances to the right of first refusal provisions under this Section 2.

3. **Prohibited Stock Sales.**

3.1 Prior to the earlier of (a) an IPO, or (b) a Deemed Liquidation, the Founders shall not make a Disposition of all or any of their shares in the capital stock of the Company, of any class or series, or any rights thereto, now owned or hereafter acquired (such shares and rights are hereinafter collectively referred to as the "**Securities**") except in accordance with Section 2, this Section 3 and Section 4.

3.2 Notwithstanding Section 3.1 above, beginning January 12, 2011, each Founder may make Dispositions of up to 6.25 percent (6.25%) of his Securities in the Company during any twelve-month period; provided, however, that until the earlier of the closing of (a) an IPO or (b) a Deemed Liquidation, no Founder make a Disposition of more than 25 percent (25%) of his shares.

3.3 Notwithstanding the foregoing, the restrictions set forth in this Section 3 shall cease to apply to a Founder upon the written consent of the Preferred Stockholders holding more than fifty percent (50%) of the Company's then issued and outstanding Preferred Stock (on an as converted basis) and/or upon the death or permanent disability of such Founder.

4. **Co-Sale.**

4.1 Without derogating from the provisions of Sections 2 and 3 above, until an IPO, the following shall apply with respect to any Disposition by a Founder, other than any Disposition made in compliance with Section 3.2 above, which Disposition shall not be subject to the provisions of this Section 4.

4.2 Should a Founder or any of his Permitted Transferees (a "**Co-Sale Offeree**"), receive one or more bona fide offers (a "**Purchase Offer**"), from any person or entity (the "**Third Party**") to purchase from such Co-Sale Offeree some or all of the stock held by such Co-Sale Offeree (the "**Offered Shares**"), which Purchase Offer: (i) the Co-Sale Offeree intends to accept; and (ii) is not in breach of the Co-Sale Offeree's restrictions set forth in Section 3 above, then (i) Index Ventures Growth II (Jersey), L.P. and/or its Affiliates (collectively, "**Index**") for so long as Index holds at least two million (2,000,000) shares (as adjusted for any stock splits, recapitalizations, stock dividends or the like) of the Company's issued and outstanding capital stock; (ii) Susquehanna Growth Equity Fund IV, LLLP and/or its Affiliates (collectively, "**SGE**") for so long as SGE holds at least two million (2,000,000) shares (as adjusted for any stock splits, recapitalizations, stock dividends or the like) of the Company's issued and outstanding capital stock; and (iii) each other holder of at least five percent (5%), or in the case of HarbourVest Partners, L.P. and its Affiliates, G+J and SGE at least two percent (2%) in the aggregate, of the Company's issued and outstanding capital stock (on an as-converted basis) (each, a "**Qualified Holder**") shall have the right to participate in the Co-Sale Offeree's sale of the Offered Shares, in accordance with this Section 4, pursuant to the specified terms and conditions of such Purchase Offer.

4.3 Upon receipt of a Purchase Offer, the Co-Sale Offeree shall promptly notify all of the Qualified Holders in writing of the name and address of the Third Party and the terms and conditions of such Purchase Offer (the “**Co-Sale Notice**”). Each Qualified Holder shall be entitled, upon written notice to the Co-Sale Offeree within fifteen (15) days after receipt of the Co-Sale Notice (the “**Participation Notice**”), to sell to the Third Party up to that number of the shares of capital stock of the Company owned by such Qualified Holder (the “**Equity Shares**”) determined by multiplying the total number of Offered Shares times a fraction the numerator of which is the number of shares of Common Stock owned by such Qualified Holder (assuming for the purposes of this section, the conversion of all Preferred Stock into Common Stock) and the denominator of which is the total number of shares of Common Stock owned by all of the Qualified Holders and the selling Co-Sale Offeree (assuming, for purposes of this section, the conversion of all Preferred Stock into Common Stock). Such Participation Notice shall indicate, subject to the terms of this section, the number of shares of capital stock of the Company that such Qualified Holder undertakes to transfer to the Third Party, provided that such Participation Notice will include one or more duly executed stock power representing such Qualified Holder’s stock to be sold free and clear of all liens. To the extent one or more of the Qualified Holders exercises such right in accordance with the terms and conditions set forth below, the number of Securities that the Co- Sale Offeree may sell pursuant to such Purchase Offer shall be correspondingly reduced. At the closing of the sale of Co-Sale Securities to the Third Party, the Co-Sale Offeree shall transfer his shares to the Third Party only if the Third Party concurrently therewith purchases, on the same terms and conditions specified in the Co-Sale Notice, all of the shares of capital stock of the Company as to which Participation Notices have been delivered.

4.4 Notwithstanding any provision in this Section 4 to the contrary, any Preferred Stockholder which chooses to exercise the right of co-sale set forth in this Section 4 may designate as sellers under such right itself or its partners or Affiliates in such proportions as it deems appropriate.

4.5 In the event that any Co-Sale Offeree should make a Disposition of any securities in contravention of this Section 4, the Qualified Holders may proceed to protect and enforce their rights by suit in equity or by action at law, whether for the specific performance of any term contained in this Agreement or for an injunction against the breach of any such term or in furtherance of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right of the Qualified Holders or to take one or more of such actions.

5. **Exempted Transfers.**

Notwithstanding the foregoing or anything to the contrary herein, in addition to the exceptions to the transfer restrictions set forth in Section 2, the provisions of Section 2 shall not apply (i) with respect to shares of Common Stock held by any of Leon Recanati, MTS Investments, Inc., Sigma Investments (1992) Ltd., Provident Fund of the Employees of the Hebrew University of Jerusalem Ltd., Michel Crouhy, Gemini Israel IV L.P., Gemini Israel IV (Annex Fund) L.P., Gemini Partners Investors IV L.P., Gemini Partners Investors IV (Annex Fund) L.P., Lightspeed Venture Partners VII, L.P., SGE, Index or G+J and (ii) with respect to the Preferred Stock, in each case with regard to a pledge of capital stock that creates a mere security interest in such capital stock, provided that the pledgee thereof agrees in writing in advance to be bound by and comply with all applicable provisions of this Agreement to the same extent as if it were the pledgor making such pledge. In addition, the provisions of Sections 2, 3 and 4 shall not apply upon a Disposition of capital stock by the holder made for bona fide tax planning purposes, either during his lifetime or on death by will or intestacy to his spouse, child (natural or adopted), or any other direct lineal descendant of the holder (or his spouse) (all of the foregoing collectively referred to as "family members"), or any other relative/person approved by the Board of Directors of the Company, or any custodian or trustee of any trust, corporation partnership, limited liability company or other entity for the benefit of, or the ownership interests of which are owned wholly by, the holder or any such family members; provided that the holder shall deliver prior written notice to the Preferred Stockholders of such pledge, gift or transfer and such shares of capital stock shall at all times remain subject to the terms and restrictions set forth in this Agreement and such transferee shall, as a condition to such issuance, deliver a counterpart signature page to this Agreement as confirmation that such transferee shall be bound by all the terms and conditions of this Agreement as a party (but only with respect to the securities so transferred to the transferee).

6. **Bring-Along Rights.**

6.1 Until an IPO, and subject to the voting rights set forth in the Amended Certificate, in the event a third party offers to purchase all or substantially all of the issued capital stock and/or assets of the Company in one transaction or a series of related transactions or otherwise effect a Deemed Liquidation (the "**Purchase Offer**"), then, in the event that Stockholders holding more than fifty percent (50%) of the Company's then issued and outstanding share capital, which majority shall also include Preferred Stockholders holding more than fifty percent (50%) of the Company's then issued and outstanding Preferred Stock (on an as-converted basis), agree to accept the Purchase Offer (each of the above mentioned Preferred Stockholders agreeing to accept the Purchase Offer shall be referred to as a "**Drag Along Stockholder**"), then, provided that the Purchase Offer received all necessary consents in accordance with the Company's Amended and Restated Certificate of Incorporation:

(i) at every meeting of the stockholders of the Company called with respect to any of the following, and at every adjournment or postponement thereof, and on every action or approval by written consent of the stockholders of the Company with respect to any of the following, each of the other stockholders of the Company (the "**Remaining Holders**") shall vote all shares of capital stock of the Company that such Remaining Holder then holds or for which such Remaining Holder otherwise then has voting power: (A) in favor of approval of the Purchase Offer and any matter that could reasonably be expected to facilitate the Purchase Offer, and (B) against any proposal for any recapitalization, merger, sale of assets or other business combination (other than the Purchase Offer) between the Company and any person or entity other than the party or parties to the Purchase Offer or any other action or agreement that would result in a breach of any covenant, representation or warranty or any other obligation or agreement of the Company under the definitive agreement(s) related to the Purchase Offer or which could result in any of the conditions to the Company's obligations under such agreement(s) not being fulfilled;

(ii) if the Purchase Offer is structured as (A) a merger, consolidation or sale of assets, each Remaining Holder shall waive any dissenters' rights or similar rights in connection with such merger, consolidation or sale of assets, or (B) a sale of stock, each Remaining Holder shall agree to sell all of the Shares and rights to acquire shares of capital stock of the Company held by such Remaining Holder on the terms and conditions approved by the Drag Along Stockholders; and

(iii) each Remaining Holder shall take all necessary actions in connection with the consummation of the Purchase Offer as requested by the Company or the Drag Along Stockholders and shall, if requested by the Drag Along Stockholders, execute and deliver any agreements prepared in connection with such Purchase Offer which agreements are executed by the Drag Along Stockholders.

(b) Each Remaining Holder hereby grants to the Chief Executive Officer of the Company an irrevocable proxy, coupled with an interest, effective upon a failure or a refusal by any such Remaining Holder to vote its Shares in accordance herewith, within 30 days of the receipt of notice of the Purchase Offer, to vote all of such Remaining Holder's Shares and to take such other actions to the extent reasonably necessary to carry out the provisions of this Section 6 in the event of any breach or imminent breach of this Section 6. The Company and all of its stockholders each agree and acknowledge that: (i) monetary damages would not adequately compensate an injured party for the breach of this Section 6 by any party; (ii) this Section 6 shall be specifically enforceable; and (iii) any breach or threatened breach of this Section 6 shall be the proper subject of a temporary or permanent injunction or restraining order. Further, each party hereto waives any claim or defense that there is an adequate remedy at law for such breach or threatened breach. In the event that any party hereto who is a stockholder of the Company fails to surrender its stock certificate in connection with the consummation of such Purchase Offer, such certificate shall be deemed automatically canceled and the Company shall be authorized to issue a new certificate in the name of the third party purchaser that made the Purchase Offer (or such other person as is requested by the purchaser) and the Company's Board of Directors shall be authorized to establish an escrow account into which the consideration for such canceled shares shall be deposited and to appoint a trustee to administer such account.

6.2 The proceeds of the Purchase Offer shall be distributed pursuant to Article IV(B)(2) of the Amended Certificate.

6.3 The Company's equity based plans and all other issuances of Company's securities will include provision that subject all shares issuable under such plans or other issuances to the provisions of this Section 6.

6.4 The provisions of Section 2, 3 and 4 shall not apply to a sale of shares in accordance with this Section 6.

6.5 Notwithstanding the foregoing, a Remaining Stockholder will not be required to comply with this Section 6 in connection with any Purchase Offer unless:

(a) any representations and warranties to be made by such Remaining Stockholder in connection with the Purchase Offer are limited to representations and warranties related to authority, ownership and the ability to convey title to the shares of capital stock of the Company held by such Remaining Stockholder, including but not limited to representations and warranties that (i) the Remaining Stockholder holds all right, title and interest in and to the shares of capital stock of the Company such Remaining Stockholder purports to hold, free and clear of all liens and encumbrances, (ii) the obligations of the Remaining Stockholder in connection with the transaction have been duly authorized, if applicable, (iii) the documents to be entered into by the Remaining Stockholder have been duly executed by the Remaining Stockholder and delivered to the acquirer and are enforceable against the Remaining Stockholder in accordance with their respective terms and (iv) neither the execution and delivery of documents to be entered into in connection with the transaction, nor the performance of the Remaining Stockholder's obligations thereunder, will cause a breach or violation of the terms of any agreement, law or judgment, order or decree of any court or governmental agency;

(b) the Remaining Stockholder shall not be liable for the inaccuracy of any representation or warranty made by any other person or entity in connection with the Purchase Offer, other than the Company (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Company as well as breach by any Stockholder of any of identical representations, warranties and covenants provided by all Stockholders);

(c) the liability for indemnification, if any, of such Remaining Stockholder in connection with the Purchase Offer and for the inaccuracy of any representations and warranties made by the Company or its Stockholders in connection with such Purchase Offer, is several and not joint with any other person or entity (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Company as well as breach by any Stockholder of any of identical representations, warranties and covenants provided by all Stockholders), and subject to the provisions of the Amended Certificate related to the allocation of the escrow, is pro rata in proportion to, and does not exceed, the amount of consideration paid to such Remaining Stockholder in connection with such Purchase Offer;

(d) liability shall be limited to such Remaining Stockholder's applicable share (determined based on the respective proceeds payable to each Stockholder in connection with such Purchase Offer in accordance with the provisions of the Amended Certificate) of a negotiated aggregate indemnification amount that applies equally to all Stockholders but that in no event exceeds the amount of consideration otherwise payable to such Remaining Stockholder in connection with such Purchase Offer, except with respect to claims related to fraud by such Remaining Stockholder, the liability for which need not be limited as to such Remaining Stockholder;

(e) upon the consummation of the Purchase Offer, (i) each holder of each class or series of the Company's stock will receive the same form of consideration for their shares of such class or series as is received by other holders in respect of their shares of such same class or series of stock, (ii) each holder of a series of Preferred Stock will receive the same amount of consideration per share of such series of Preferred Stock as is received by other holders in respect of their shares of such same series, (iii) each Common Stockholder will receive the same amount of consideration per share of Common Stock or Series E Preferred Stock, as applicable, as is received by other Common Stockholders in respect of their shares of Common Stock or shares of Series E Preferred Stock, as applicable, and (iv) the aggregate consideration receivable by all holders of the Preferred Stock and Common Stock shall be allocated among the holders of Preferred Stock and Common Stock (assuming for this purpose that the Purchase Offer is a Deemed Liquidation) in accordance with Article IV (B)(2) of the Amended Certificate in effect immediately prior to the Purchase Offer; provided, however, that, notwithstanding the foregoing, if the consideration to be paid in exchange for the shares of capital stock of the Company held by the Common Stockholders or the Preferred Stockholders, as applicable, pursuant to this Subsection 6.5(e) includes any securities and due receipt thereof by any Common Stockholder or Preferred Stockholder would require under applicable law (x) the registration or qualification of such securities or of any person as a broker or dealer or agent with respect to such securities or (y) the provision to any Common Stockholder or Preferred Stockholder of any information other than such information as a prudent issuer would generally furnish in an offering made solely to "accredited investors" as defined in Regulation D promulgated under the Securities Act of 1933, as amended, the Company may cause to be paid to any such Common Stockholder or Preferred Stockholder in lieu thereof, against surrender of the shares of capital stock of the Company held by the Common Stockholder or Preferred Stockholder, as applicable, which would have otherwise been sold by such Common Stockholder or Preferred Stockholder, an amount in cash equal to the fair value (as determined in good faith by the Company) of the securities which such Common Stockholder or Preferred Stockholder would otherwise receive as of the date of the issuance of such securities in exchange for the shares of capital stock of the Company held by such Common Stockholder or Preferred Stockholder, as applicable;

(f) subject to clause (e) above, requiring the same form of consideration to be available to the holders of any single class or series of capital stock, if any holders of any capital stock of the Company are given an option as to the form and amount of consideration to be received as a result of the Purchase Offer, all holders of such capital stock will be given the same option; provided, however, that nothing in this Section 6.5(f) shall entitle any holder to receive any form of consideration that such holder would be ineligible to receive as a result of such holder's failure to satisfy any condition, requirement or limitation that is generally applicable to the Company's Stockholders; and

(g) G+J shall not be required to agree to (i) a release of claims except in its capacity as a stockholder of the Company, or (ii) any non-competition restriction and, with respect to any non-solicitation, no hire, or other restrictive covenant, the Company shall use commercially reasonable efforts, taking into account G+J's commercial requirements, to obtain an exemption for G+J; provided, however, such limitation shall not be deemed to limit, terminate or otherwise impair the Company's ability to enforce its rights pursuant to Section 24 of that certain Share Purchase Agreement dated February 25, 2019 by and among G+J, the Company and the other persons named therein to the extent the rights set forth in such section were in effect immediately prior to the closing of such Purchase Offer.

7. **Composition of the Board.**

7.1 Until the consummation of a Qualified IPO, the Company's Board of Directors shall consist of up to nine (9) members, who shall be appointed as follows:

(a) The holders of a majority of the Company's issued and outstanding Common Stock and Series E Preferred Stock, voting together as a single class (and not including any series of Preferred Stock that are convertible into Common Stock except for the Series E Preferred Stock), shall be entitled to elect two (2) directors of the Company, who shall be nominated by the Founders, but (with respect to each Founder) only for so long as he owns securities in the Company (in the event that the Founders do not own securities in the Company, the Company's Board of Directors shall name such nominees) (the "**Common Director**");

(b) The holders of Preferred Stock, voting together as a single class, shall have the right to appoint six (6) directors, to be designated: one (1) by Viola Ventures III, L.P., one (1) by Lightspeed Venture Partners VII, L.P., one (1) by Gemini Israel IV L.P., one (1) by Leon Recanati, one (1) by Index and one (1) by SGE; *provided that*, immediately prior to the effectiveness of the registration statement for the Company's IPO, SGE shall cause the director appointed by it to resign from the Board of Directors pursuant to the pre-signed letter of resignation delivered to the Company on the date hereof, which will become effective immediately prior to the effectiveness of the registration statement for the Company's IPO. SGE shall no longer have the right to appoint a director after such time; and

(c) So long as G+J continues to hold capital stock of the Company that represents at least 5% of the issued and outstanding shares of stock of the Company on a fully diluted basis G+J shall be entitled to designate one (1) member of the Board of Directors.

7.2 Until the consummation of a Qualified IPO each of (i) the Common Stockholders (voting together as a single class), (ii) the Preferred A Stockholders (on an as converted basis, voting together as a single class), (iii) HarbourVest Partners L.P. ("**HarbourVest**"), (iv) Viola Ventures III, L.P., (v) Index and (vi) to the extent that G+J holds capital stock of the Company that represents less than 5% but at least 2% of the issued and outstanding shares of stock of the Company on a fully diluted basis, G+J, shall each be entitled to appoint a non-voting observer to the Company's Board of Directors (the "**Observer**") (provided however, that the Company shall not be required to pay any expenses of an Observer, other than the Observer appointed by HarbourVest, in connection with such Observer's participation in a meeting of the Company's Board of Directors and, provided further, that each such Observer shall, as a condition precedent to attending a meeting of the Company's Board of Directors and/or receiving any materials from the Company, execute a confidentiality agreement as approved by the Company). The Company shall provide to each Observer that has signed a confidentiality agreement as approved by the Company the same materials provided to each of the members of the Company's Board of Directors, provided the Company may withhold some or all of such materials if the Board of Directors, in its reasonable discretion, determines that such materials are particularly sensitive and confidential.

7.3 Each committee of the Company's Board of Directors shall include at least two of the directors appointed by the holders of Preferred Stock. No powers conferred to the Company's Board of Directors may be delegated to any of its committees (each a "**Committee**") without the prior written consent of at least two of the directors appointed by the holders of Preferred Stock. Notwithstanding the foregoing, no powers may be delegated to any Committee if the effect of such delegation is to adversely affect the board approval rights held by the Preferred Stockholders.

7.4 Each party to this Agreement agrees that it shall vote all shares of the Company it holds or otherwise has the power to vote (including, without limitation, any Common Stock obtained upon the conversion of Preferred Stock and all shares acquired after the date of this Agreement) to ensure election or removal of the Company's directors in accordance with the provisions of this Section 7. Any director may only be removed and replaced as set forth in Section 7.1. A resolution regarding the filling of vacancies, and replacement and removal of directors may be adopted in a meeting of the relevant class or by a written consent of the relevant class, in each case, by a majority vote.

7.5 The right of a specific stockholder, to designate the members of the Company's Board of Directors as specified above, shall remain in effect as long as such stockholder and/or its Affiliates owns shares of the Company. Except as otherwise set forth above, in the event that any such stockholder and/or its Affiliates no longer hold shares in the Company, the applicable board member shall be appointed by the applicable class, without any right or obligation to vote for a specific designee.

7.6 The Company will take all steps necessary to ensure that: (i) those holders entitled to appoint member(s) to the Board of Directors of the Company shall also be entitled to appoint directors, in the same number and under the same conditions, to the Board of Directors of each subsidiary of the Company; and (ii) that the veto rights and special majority requirements for taking certain actions as set forth in Section 4 of Article IV of the Amended Certificate, also apply to any such action or resolution of a subsidiary.

7.7 The Company shall reimburse the members of the Board of Directors, and the observer appointed by HarbourVest, for all out of pocket expenses (including travel expenses) incurred as directors, or as an observer in the case of HarbourVest, of the Company (i) with respect to participation in Board meetings, in accordance with a policy to be adopted by the Board of Directors, and (ii) with respect to other expenses, if such expenses have been approved in advance by the Company.

7.8 Indemnification Matters. The Company hereby acknowledges that certain directors including any director appointed by G+J (each a "**Fund Director**") may have certain rights to indemnification, advancement of expenses and/or insurance provided by one or more of the holders of the Company's Common Stock, Series A Preferred, Series B Preferred, Series C Preferred, Series D Preferred, Series F Preferred and Series G Preferred, as applicable, and certain of their affiliates (collectively, the "**Fund Indemnitors**"). The Company hereby agrees (a) that it is the indemnitor of first resort (i.e., its obligations to any such Fund Director are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by such Fund Director are secondary), (b) that it shall be required to advance the full amount of expenses incurred by such Fund Director and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement by or on behalf of any such Fund Director to the extent legally permitted and as required by the Amended Certificate or Bylaws of the Company (or any agreement between the Company and such Fund Director), without regard to any rights such Fund Director may have against the Fund Indemnitors, and (c) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Fund Indemnitors on behalf of any such Fund Director with respect to any claim for which such Fund Director has sought indemnification from the Company shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Fund Director against the Company.

8. **Changes in Stock.** If, from time to time during the term of this Agreement (a) there is a dividend of any security, stock split or other change in the character or amount of any of the outstanding securities of the Company or (b) there is any consolidation or merger immediately following which stockholders of the Company hold more than fifty percent (50%) of the voting equity securities of the surviving corporation, then, in such event, any and all new, substituted or additional securities or other property to which any stockholder is entitled by reason of his ownership of the Shares shall be immediately subject to the provisions of this Agreement and be included in the word “Shares” and “Securities” for all purposes of this Agreement with the same force and effect as the Shares and Securities presently subject to this Agreement and with respect to which such securities or property were distributed.

9. **Legends.** All certificates representing any Shares subject to the terms of this Agreement shall have endorsed thereon a legend to substantially the following effect:

“THE SALE, PLEDGE OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE TERMS AND CONDITIONS OF A CERTAIN AMENDED AND RESTATED STOCKHOLDERS’ AGREEMENT BY AND AMONG THE HOLDER HEREOF, THE COMPANY AND CERTAIN OTHER STOCKHOLDERS OF THE COMPANY. A COPY OF SUCH AGREEMENT IS ON FILE AT THE COMPANY’S PRINCIPAL PLACE OF BUSINESS.”

10. **Transfer of Stock.** The Company shall not (a) permit any transfer on its books of any Shares which shall have been sold or transferred in violation of any of the provisions set forth in this Agreement or (b) treat as owner of such Shares or accord the right to vote as owner or to pay any dividends to any transferee to whom such Shares shall have been sold or transferred in violation of any of the provisions set forth in this Agreement.

11. **Strategic Stand-Still.** Except in connection with the sale of all or substantially all of the Company’s issued capital stock or any other Deemed Liquidation, no Stockholder shall transfer, any securities of the Company or grant any right with respect to such securities (any such action, a “Grant”), to a strategic investor, as determined by a majority of the Company’s Board of Directors (any such investor, including affiliates and/or other parties acting in concert with it, a “Strategic Investor”), if following such Grant, the Strategic Investor will hold (beneficially or of record) or have the right to acquire or the right to vote or direct the vote of, securities of the Company which constitute, or are convertible into, in the aggregate, more than 20% of the Company’s capital stock, unless the holders of at least sixty-six percent (66%) of the Preferred Stock (on an as converted basis, voting together as a single class) have provided their prior written consent to such Grant (the “Written Consent”), and then, only on the terms and conditions set forth in the Written Consent. The Written Consent shall also be required for any additional Grant to a Strategic Investor which has already received a Written Consent with respect to a prior Grant.

12. **Termination.** The provisions of Sections 9 through 11 shall terminate upon an IPO, and this Agreement shall terminate upon the closing of a Qualified IPO.

13. **Miscellaneous.**

13.1 **Further Assurances.** Each of the parties hereto shall perform such further acts and execute such further documents as may reasonably be necessary to carry out and give full effect to the provisions of this Agreement and the intentions of the parties as reflected thereby.

13.2 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware excluding that body of law pertaining to conflict of law. The parties hereto agree to submit to the jurisdiction of the United States federal and state courts of the State of Delaware with respect to the breach or interpretation of this Agreement or the enforcement of any and all rights, duties, liabilities, obligations, powers, and other relations between the parties arising under this Agreement.

13.3 **Successors and Assigns; Assignment.** Except as otherwise expressly limited herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors, and administrators of the parties hereto.

13.4 **Entire Agreement; Amendment and Waiver.** This Agreement and the Schedules hereto constitute the full and entire understanding and agreement between the parties with regard to the subject matters hereof and thereof, and amend and restate in its entirety the Prior Stockholders' Agreement. Any term of this Agreement may be amended and the observance of any term hereof may be waived (either prospectively or retroactively and either generally or in a particular instance) only with the written consent of (i) the Company, and (ii) the holders of more than fifty percent (50%) of the issued and outstanding Preferred Stock (on an as converted basis, together as a single class) which are held by parties to this Agreement, provided, however, (a) should such waiver or amendment change the rights or privileges granted to a particular stockholder or class or series of stockholders, in a manner adverse and different from other stockholders (such more adversely affected stockholders, a "**Discriminated Class**"), then such waiver or amendment shall be subject to the written approval of the stockholder/s who are the owners of record of a majority of the issued and outstanding shares of such Discriminated Class voting together as a single class, and (b) any right or limitation provided for the express benefit of a specifically named party to this Agreement may not be amended or waived without the consent of such party. Further, Sections 6.2 and 6.5(e)(iv) and this sentence may not be amended or waived (i) as long as any originally issued shares of Series G Preferred remains outstanding, without the written consent of the owners of record of at least fifty-one percent (51%) of the outstanding shares of Series G Preferred, (ii) as long as any of the originally issued shares of Series F Preferred remain outstanding, without the written consent of the holders of at least fifty-one percent (51%) of the outstanding shares of Series F Preferred, and (iii) as long as any of the originally issued shares of Series D Preferred remain outstanding, without the written consent of the holders of at least sixty percent (60%) of the outstanding shares of Series D Preferred. Any amendment or waiver adopted with the applicable foregoing consents shall be binding upon all parties to this Agreement.

13.5 **Notices, etc.** All notices and other communications required or permitted hereunder to be given to a party to this Agreement shall be in writing and shall be telecopied or mailed by registered or certified mail, postage prepaid, or otherwise delivered by hand or by messenger, addressed to such party's address as set forth below:

if to the Preferred B Stockholders or the Preferred C Stockholders or the Preferred D Stockholders or the Preferred F Stockholders or the Preferred G Stockholders to the addresses set forth in Schedule 3 or Schedule 4 or Schedule 5 or Schedule 6 or Schedule 7, as applicable:

with a copy (which shall not constitute notice) to:

Yigal Arnon & Co.
22 J. Rivlin Street
Jerusalem 94240, Israel
Facsimile: +972 (2) 623-9236
Attn: Yarom Romem, Adv.
E-mail: yaromr@arnon.co.il

with a copy (which shall not constitute notice) to:

Meitar, Liguornik, Geva & Leshem, Brandwein
16 Abba Hillel Silver Rd.
Ramat Gan 52506, Israel
Facsimile: +972 (3) 610-3656
Attn: Asaf Harel, Adv.
E-mail: aharel@meitar.com

and to:

Shenhav & Co. Law Offices
4 Ha'nechoshet St.,
Tel Aviv 69710, Israel
Facsimile: +972 (3) 611-0788
Attn: Shmulik Atias, Adv.
E-mail: shmulik@shenhavlaw.co.ilshmulik@shenhavlaw.co.il

and to:

Goodwin Procter LLP
135 Commonwealth Drive
Menlo Park, CA 94025
Attn: Anthony McCusker, Esq.

and to:

Amit, Pollak, Matalon & Co.
Nitsba Tower, 18th Fl.
17 Yitzhak Sadeh St.
Tel-Aviv 67775 Israel
Tel. +972 3 5689018 ext. 148
Fax. +972 3 5689017
Attn: Daniel Marcus, Adv.

if to the Preferred A Stockholders: to the addresses set forth in Schedule 2

with a copy to:

Barak S. Platt
Yigal Arnon & Co.
1 Azrieli Center
Tel Aviv 67021 Israel
Facsimile: (972-3) 608-7714

if to the Common Holders: to the addresses set forth in Schedule 1

if to the Company:

Michael J. Kistler
Outbrain Inc.
39 West 13th Street NY, NY 10011
Facsimile: (917) 591-5856

and to:

Loeb & Loeb LLP
345 Park Avenue
New York, New York 10154
Tel.: 212 407-4937
Facsimile: 212 656-1076
Attn: Lloyd L. Rothenberg

if to G+J to the addresses set forth on Schedule 9.

or such other address with respect to a party as such party shall notify each other party in writing as above provided. Any notice sent in accordance with this Section 13.5 shall be effective (i) if mailed, seven (7) business days after mailing, (ii) if sent by messenger, upon delivery, and (iii) if sent via telecopier, upon transmission and electronic confirmation of receipt or (if transmitted and received on a non-business day) on the first business day following transmission and electronic confirmation of receipt.

13.6 Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party upon any breach or default under this Agreement, shall be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent, or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any of the parties, shall be cumulative and not alternative.

13.7 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable under applicable law, then such provision shall be excluded from this Agreement and the remainder of this Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms; provided, however, that in such event this Agreement shall be interpreted so as to give effect, to the greatest extent consistent with and permitted by applicable law, to the meaning and intention of the excluded provision as determined by such court of competent jurisdiction.

13.8 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and enforceable against the parties actually executing such counterpart, and all of which together shall constitute one and the same instrument.

13.9 Additional Parties. Notwithstanding anything to the contrary contained herein, if shares of Series E Preferred Stock are issued on or after the date hereof or additional Common Stock are issued after the date hereof pursuant to exercise of Awards under the Company's 2007 Omnibus Securities and Incentive Plan (as such term is defined therein) or pursuant to exercise of warrants, any holder of such Series E Preferred Stock or purchaser of Common Stock shall become a party to this Agreement by executing a Joinder Agreement, substantially in the form attached hereto as Exhibit A, and thereafter shall be deemed a "Common Stockholder" for all purposes hereunder, and Schedule I to this Agreement shall be updated to reflect the addition of such "Common Stockholder".

13.10 Aggregation of Stock. All Preferred Stock or Common Stock, as the case may be held or acquired by a stockholder and its Permitted Transferee(s), and Leon Recanati and RH Internet II LLC, shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Amended and Restated Stockholders' Agreement as of the date set forth above.

OUTBRAIN INC.

By: /s/ Yaron Galai

Name: Yaron Galai

Title: CEO

/s/ Yaron Galai

YARON GALAI

/s/ Ori Lahav

ORI LAHAV

Signature page to SHA

IN WITNESS WHEREOF, the undersigned have executed this Amended and Restated Stockholders' Agreement as of the date set forth above.

SUSQUEHANNA GROWTH EQUITY FUND IV, LLLP

By: Susquehanna Growth Equity, LLC, its authorized agent

By: /s/ Amir

Name: Amir
Title: Goldman

HARBOURVEST PARTNERS IX-VENTURE FUND L.P.

By: HarbourVest IX-Venture Associates L.P., its General Partner

By: HarbourVest IX-Venture Associates LLC, its General Partner

By: HarbourVest Partners, LLC, its Managing Member

By: /s/ Peter B. Lipson

Name: Peter B. Lipson
Title: Managing Director

HARBOURVEST/NYSTRS CO-INVEST FUND L.P.

By: HIPEP VI Select Associates L.P., its General Partner

By: HIPEP VI Select Associates LLC, its General Partner

By: HarbourVest partners, LLC, its Managing Member

By: /s/ Peter B. Lipson

Name: Peter B. Lipson
Title: Managing Director

LIGHTSPEED VENTURE PARTNERS VII L.P.

By: Lightspeed General Partner VII, L.P., its General Partner

By: Lightspeed Ultimate General Partner VII, Ltd., its General Partner

By: /s/ Ravi Mhatre

Name: Ravi Mhatre
Title:

Signature page to SHA

VIOLA VENTURES, III L.P.

By: Viola 3 Ltd., its General Partner

By: [ILLEGIBLE] [ILLEGIBLE]
Name:
Title:

GEMINI ISRAEL IV L.P.

GEMINI ISRAEL IV (ANNEX FUND) L.P.

By: Gemini Associates IV L.P., its General Partner

By: Gemini Associates IV G.P., its General Partner

By: /s/ Yossi Sela /s/ Menashe Ezra
Name: Yossi Sela Menashe Ezra
Title: Managing Partner Managing Partner

By: /s/ Yossi Sela /s/ Menashe Ezra
Name: Yossi Sela Menashe Ezra
Title: Managing Partner Managing Partner

GEMINI PARTNERS INVESTORS IV L.P.

GEMINI PARTNERS INVESTORS IV (ANNEX FUND) L.P.

By: Gemini Israel Funds IV Ltd., its General Partner

By: /s/ Yossi Sela /s/ Menashe Ezra
Name: Yossi Sela Menashe Ezra
Title: Managing Partner Managing Partner

By: /s/ Yossi Sela /s/ Menashe Ezra
Name: Yossi Sela Menashe Ezra
Title: Managing Partner Managing Partner

Signature page to SHA

**INDEX VENTURES GROWTH II (JERSEY), L.P.
INDEX VENTURES GROWTH II PARALLEL ENTREPRENEUR FUND
(JERSEY), L.P.**

By: Index Venture Growth Associates II Limited, its Managing General
Partner

By: /s/ N.T. Greenwood
Name: N.T. Greenwood
Title: Director

By: /s/ I J Henderson
Name: I J Henderson
Title: Director

YUCCA (JERSEY) SLP

By: Elian Employee Benefit Services Limited as Authorized Signatory of
Yucca (Jersey) SLP in its capacity as administrator of the Index Co-
Investment Scheme

By: /s/ David Middleton /s/ Luke Aubert
Name: David Middleton Luke Aubert
Title: Authorised Signatories

RH INTERNET II LLC

By: _____
Name:
Title:

**VINTAGE INVESTMENT PARTNERS V (CAYMAN), L.P.
VINTAGE INVESTMENT PARTNERS V (ISRAEL), L.P.**

By: Vintage Investment Partners 5, L.P., its General Partner
By: Vintage Fund 5 Ltd., its General Partner

By: _____
Name:
Title:

Signature page to SHA

MICHEL CROUHY

MICHAL EDELSTYN (by Simon Edelstyn by Proxy)

ZOHAR GILON

LEON RECANATI

PROVIDENT FUND OF THE EMPLOYEES OF THE HEBREW UNIVERSITY OF JERUSALEM LTD.

By: _____
Name:
Title:

MTS INVESTMENTS INC.

By: _____
Name:
Title:

STARTIFY (1992) LTD. (FKA SIGMA INVESTMENTS 1992 LTD.)

By: _____
Name:
Title:

LOEB & LOEB LLP

By: _____
Name:
Title:

Signature page to SHA

By: _____

Name:

Title:

Signature page to SHA

Dan Galai
Ziv Kop
Ilan Lior
Hanan Salinger
Rani Nelken
Eytan Galai
Uri Galai
Noam Galai

Mickey Kertesz
Efrat Perez
Amir Lahav
Dalit Lahav
Isaschar Kurt
Rotem Doron
Ester Shabtai
Doron Levin

Signature page to SHA

SCHEDULE 1

THE COMMON STOCKHOLDERS

Name and Address

Dan Galai
20a Harav Berlin St.
Jerusalem, Israel

Ziv Kop
85 Medinat Hayehudim,
Hertzlia

Ilan Lior
11 Menachem Begin St.,
Ramat Gan 52681, Israel

Hanan Salinger
11 Menachem Begin St.,
Ramat Gan 52681, Israel

Loeb & Loeb
345 Park Ave,
NY, NY 10154-1895

Mickey Kertesz
Verburg 6, Tel Aviv,
64289

Rani Nelkin
53 Standish St.,
Cambridge MA 02138
USA

Eytan Galai
20 Burla St., Jerusalem,
Israel

Uri Galai
2 Oush St., Jerusalem,
Israel

Noam Galai
142 E 33rd St. APT 2C.
NY, NY 10016
Isaschar Kurt
8 Mania Shochat St.,
Holon, Israel

Doron Levin
4 Hanegba St.,
Zichron
Yaacov, Israel

Efrat Perez
Tachkemoni 6/2 Pardes
Hana 63714

Amir Lahav
Moshav Moledet D.N.
Gilboa, Israel

Dalit Lahav
Kibutz Nachsholim D.N.
Hof Viola 30815

Ester Shabtai
Tsuntz 20, Tel Aviv

Rotem Doron
Sigma Investments (1992)
Ltd.

Aba Hilel 14A, Ramat –
Gan
MTS Investments Inc.
CVO Mutualart Inc.
298 Fifth Ave. NY, NY 1
0001
USA

Series E Preferred Holders
(Visual Revenue merger)

Lerer Media Ventures, L.P.

Lerer Ventures II, L.P.

KIMA Ventures

NYC Seed, LLC

SV Angel III, LP

Fabrice Grinda

Tim Holbech

Ariel Lebowits

K. Fonager Holdings ApS

TFG Holding ApS

Tobias Peggs

John Batdorf

Serendipity Investments,
S.L.

C. Taylor Greene

Dennis Mortensen

IA Venture Strategies
Fund II, L.P.

IA Venture Strategies II

Schedule 1 to SHA

Side Fund, L.P.

SoftBank Capital
Technology New York
Fund, L.P.

G&H Partners

Original 8 ApS

Charles Holbech

Tejaswi Nadahalli

Alex Poon

Schedule 1 to SHA

SCHEDULE 2

THE PREFERRED A STOCKHOLDERS

Name and Address

GEMINI ISRAEL IV L.P.
GEMINI PARTNERS INVESTORS IV L.P.
11 Hamenofim Street
Herzlia Pituach
Israel

LIGHTSPEED VENTURE PARTNERS VII, L.P.
2200 Sand Hill Road, Suite 100
Menlo Park, CA 94025
USA

Leon Recanati
27 Yoav St.,
690811, Israel
Fax: +972-9-9701866

PROVIDENT FUND OF THE EMPLOYEES OF THE HEBREW UNIVERSITY OF JERUSALEM LTD. High-Tech Village 2\2
Givat Ram Jerusalem
FAX: +972-2-6586779

Michel Crouhy
Clinton St.
Brooklyn, NY 11201 USA

Schedule 2 to SHA

SCHEDULE 3

THE PREFERRED B STOCKHOLDERS

Name and Address:

VIOLA VENTURES, III L.P.
Delta House
16 Abba Eben Avenue
Herzeliya 46725
Israel
Attn: Michal Cohen
Tel: +972-9-9720400
Fax: +972-9-9720401
Email: Michalc@Violaventures.com Michalc@Violaventures.com

LIGHTSPEED VENTURE PARTNERS VII, L.P.
2200 Sand Hill Road, Suite 100
Menlo Park, CA 94025
USA

GEMINI ISRAEL IV L.P.
GEMINI PARTNERS INVESTORS IV L.P.
11 Hamenofim Street
Herzlia Pituach
Israel

Michel Crouhy
160 Clinton St.
Brooklyn, NY 11201 USA

Zohar Gilon
28 Shalva Street
Herzliya Pituach
46705 Israel

Yaron Galai
200 Rector Pl.
NY, NY 10280

Leon Recanati
27 Yoav St.,
690811, Israel
Fax: +972-9-9701866

RH INTERNET II LLC
c/o Tigris Group Inc.
535 Madison Avenue, 12th Floor
New York, New York 10022
USA
Email:
ashapiro@tigris.com ashapiro@tigris.com
Attn: Andrew M. Shapiro, General Counsel

With a copy to:

Rhodium Ltd
Medinat Hayehudim St.
Herzeliya Pituach 46140
Email:
yaron@rhodium.co.il yaron@rhodium.co.il
Attn: Yaron Kniajer, Managing Director &
CFO

SCHEDULE 4

THE PREFERRED C STOCKHOLDERS

Name and Address:

VIOLA VENTURES, III L.P.
Delta House
16 Abba Eben Avenue
Herzeliya 46725
Israel
Attn: Michal Cohen
Tel: +972-9-9720400
Fax: +972-9-9720401
Email: Michalc@Violaventures.com Michalc@Violaventures.com

Leon Recanati
27 Yoav St.,
690811, Israel
Fax: +972-9-9701866

RH INTERNET II LLC
c/o Tigris Group Inc.
535 Madison Avenue, 12th Floor
New York, New York 10022
USA
Email:
ashapiro@tigris.com ashapiro@tigris.com
Attn: Andrew M. Shapiro, General Counsel

With a copy to:

Rhodium Ltd
Medinat Hayehudim St.
Herzeliya Pituach 46140
Email:
yaron@rhodium.co.il yaron@rhodium.co.il
Attn: Yaron Kniajer, Managing Director & CFO

LIGHTSPEED VENTURE PARTNERS VII, L.P.
2200 Sand Hill Road, Suite 100
Menlo Park, CA 94025
USA

GEMINI ISRAEL IV (ANNEX FUND) L.P.
GEMINI PARTNERS INVESTORS IV (ANNEX FUND) L.P.
11 Hamenofim Street
Herzlia Pituach
Israel

PROVIDENT FUND OF THE EMPLOYEES OF THE HEBREW UNIVERSITY OF JERUSALEM LTD.
High-Tech Village 2/2
Givat Ram Jerusalem

MTS Investments Inc.
CVO Mutualart Inc.
298 Fifth Ave. NY, NY 10001
USA
Michel Crouhy
160 Clinton St.
Brooklyn, NY 11201 USA

Zohar Gilon
28 Shalva Street

Herzliya Pituach

Israel

Yaron Galai
200 Rector Pl.
NY, NY 10280

Michal Edelstyn
30 Bathgate Road,
Wimbledon,
London,

SCHEDULE 5

THE PREFERRED D STOCKHOLDERS

Name and Address:

VIOLA VENTURES, III L.P.
Delta House
16 Abba Eben Avenue
Herzeliya 46725
Israel
Attn: Michal Cohen
Tel: +972-9-9720400
Fax: +972-9-9720401
Email: Michalc@Violaventures.com Michalc@Violaventures.com

LIGHTSPEED VENTURE PARTNERS VII, L.P.
2200 Sand Hill Road, Suite 100
Menlo Park, CA 94025
USA

INDEX VENTURES GROWTH II (JERSEY), L.P.
Index Venture Growth Associates II Limited
5th Floor
44 Esplanade
St Helier
Jersey JE1 3FG
Channel Islands
Attention: Gemma Harries

INDEX VENTURES GROWTH II
PARALLEL ENTREPRENEUR FUND (JERSEY), L.P.
5th Floor
44 Esplanade
St Helier
Jersey JE1 3FG
Channel Islands
Attention: Gemma Harries

YUCCA (JERSEY) SLP
Intertrust Employee Benefit Services Limited
44 Esplanade
St Helier
Jersey JE4 9WG
Channel Islands
Attention: Sarah Earles

with a copy to:

Index Venture Management S.A.
2 rue de Jargonnant
Geneva
Switzerland
Fax: +41 22 737 0099
Attention: André Dubois

Zohar Gilon
28 Shalva Street
Herzliya Pituach
46705 Israel

Michal Edelstyn
30 Bathgate Road,
Wimbledon,
London,
SW19 5PJ

SCHEDULE 6

THE PREFERRED F STOCKHOLDERS

Name and address:

HARBOURVEST PARTNERS IX-VENTURE FUND L.P.
HARBOURVEST/NYSTRS CO-INVEST FUND L.P.
c/o HarbourVest Partners, LLC
One Financial Center
Floor
Boston MA 02111
Attn: Tiffany Obenchain
Tel +1 617 348 3707
Fax +1 617 350 0305

with a copy (which shall not constitute notice) to:

Debevoise & Plimpton LLP
919 Third Avenue
New York, NY 10022
Facsimile: 212-909-6836
Attn: David P. Iozzi
E-mail:
dpIozzi@debevoise.com dpIozzi@debevoise.com

VIOLA VENTURES, III L.P.
Delta House
16 Abba Eben Avenue
Herzeliya 46725
Israel
Attn: Michal Cohen
Tel: +972-9-9720400
Fax: +972-9-9720401
Email: Michalc@Violaventures.com

GEMINI ISRAEL IV L.P.
GEMINI PARTNERS INVESTORS IV L.P.
GEMINI ISRAEL IV (Annex Fund) L.P.
GEMINI PARTNERS INVESTORS IV
(Annex Fund) L.P.
11 Hamenofim Street
Herzlia Pituach
Israel

LIGHTSPEED VENTURE PARTNERS VII, L.P.
2200 Sand Hill Road, Suite 100
Menlo Park, CA 94025
USA

INDEX VENTURES GROWTH II (JERSEY), L.P.
INDEX VENTURES GROWTH II PARALLEL ENTREPRENEUR FUND (JERSEY), L.P.
5th Floor
44 Esplanade
St Helier
Jersey JE1 3FG
Channel Islands
Attention: Gemma Harries

with a copy (which shall not constitute notice) to:

Index Venture Management S.A.
2 rue de Jargonnant
1207 Geneva
Switzerland
Fax: +41 22 737 0099
Attention: André Dubois

YUCCA (JERSEY) SLP

Intertrust Employee Benefit Services Limited
44 Esplanade
St Helier
Jersey JE4 9WG
Channel Islands
Attention: Sarah Earles

with a copy to:
Index Venture Management S.A.
2 rue de Jargonnant
Geneva
Switzerland
Fax: +41 22 737 0099
Attention: André Dubois

Leon Recanati
27 Yoav St.,
690811, Israel
Fax: +972-9-9701866

RH INTERNET II LLC
c/o Tigris Group Inc.
535 Madison Avenue, 12th Floor
New York, New York 10022
USA
Email:
ashapiro@tigris.com
ashapiro@tigris.com
Attn: Andrew M. Shapiro, General Counsel

With a copy to:
Rhodium Ltd
91 Medinat Hayehudim St.
Herzeliya Pituach 46140
Email:
yaron@rhodium.co.il
yaron@rhodium.co.il
Attn: Yaron Kniajer, Managing Director & CFO

Zohar Gilon
Okeanos Hotel
50 Ramat Yam St.
Herzliya Pituach
Israel
Tel: +972-9-9543555

Vintage Investment Partners V (Israel), L.P.
Vintage Investment Partners V (Cayman), L.P.
Ackerstein Towers, Bldg D 10th Floor
12 Abba Eban Avenue
Herzliya Pituach, 46120 Israel

with a copy (which shall not constitute notice) to:
Amit, Pollak, Matalon & Co.
Nitsba Tower, 18th Fl.

17 Yitzhak Sadeh St.
Tel-Aviv 67775 Israel
Tel. +972 3 5689018 ext. 148
Fax. +972 3 5689017
Attn: Daniel Marcus, Adv.

MTS Investments Inc.
C/O Mutualart Inc.
298 Fifth Avenue
NY, NY 10001

SCHEDULE 7

THE PREFERRED G STOCKHOLDERS

Name and address:

Susquehanna Growth Equity Fund IV, LLLP
c/o Susquehanna Growth Equity, LLC
401 City Ave.
Bala Cynwyd, PA 19004
Attention: General Counsel

Schedule 7 to SHA

SCHEDULE 8

RIGHT OF FIRST REFUSAL HOLDERS

SUSQUEHANNA GROWTH EQUITY FUND IV, LLLP
GEMINI ISRAEL IV L.P.
GEMINI PARTNERS INVESTORS IV L.P.
LIGHTSPEED VENTURE PARTNERS VII, L.P.
Leon Recanati
PROVIDENT FUND OF THE EMPLOYEES OF THE HEBREW UNIVERSITY OF JERUSALEM LTD.
Michel Crouhy
VIOLA VENTURES, III L.P.
RH Internet II LLC
Zohar Gilon
Yaron Galai
GEMINI ISRAEL IV (ANNEX FUND) L.P.
GEMINI PARTNERS INVESTORS IV (ANNEX FUND) L.P.
MTS Investments Inc.
Michel Crouhy
Michal Edelstyn
INDEX VENTURES GROWTH II (JERSEY), L.P.
INDEX VENTURES GROWTH II PARALLEL ENTREPRENEUR FUND (JERSEY), L.P.
YUCCA (JERSEY) SLP
HARBOURVEST PARTNERS IX-VENTURE FUND L.P.
HARBOURVEST/NYSTRS CO-INVEST FUND L.P.
Vintage Investment Partners V (Israel), L.P.
Vintage Investment Partners V (Cayman), L.P.
Gruner + Jahr GmbH

Schedule 8 to SHA

SCHEDULE 9

G+J

Name and address:

Gruner + Jahr GmbH
Am Baumwall 11
20459 Hamburg
Germany

With a copy to:

Bertelsmann SE & Co. KGaA
Attn.: Dr. Michael Kronenburg
Carl-Bertelsmann-Str. 270
33311 Gütersloh, Germany
Fax: +49 5241 80642820
Email: michael.kronenburg@bertelsmann.de

Schedule 9 to SHA

Exhibit A

JOINDER AGREEMENT

In reference to the Amended and Restated Stockholders' Agreement made as of _____, 2019, among Outbrain Inc., a Delaware corporation (the "Company") and the other parties named therein (the "Agreement"):

WHEREAS, [according to the Company's 2007 Omnibus Securities and Incentive Plan each Holder (as such term is defined therein)] / [pursuant to that certain Warrant Agreement between the Company and the Holder (as such term is defined therein), the Holder] is required to enter and be bound by the terms of the Agreement; and

WHEREAS, the Holder named herein has acquired shares of the Company, and has received a copy of the Agreement and desires to join in and agrees to be bound by the terms and provisions thereto, and the Company desires to grant to the Holder certain rights and obligations in accordance with the Agreement (as it may be duly amended from time to time).

NOW THEREFORE, the parties hereto hereby agree as follows:

1. Upon the execution of this instrument, the Holder, whose details are set forth in Section 2 hereof, shall become a party to the Agreement (as it may be duly amended from time to time) and shall for all purposes be deemed to be a Common Stockholder thereunder and subject to all of the obligations of a Common Stockholder set forth therein. 2. Name of Holder:

Address for notices: _____

Fax: _____

E-mail: _____

IN WITNESS WHEREOF each of the parties has executed this instrument as of _____, _____ in one or more counterparts.

[HOLDER]

OUTBRAIN INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

Exhibit A to SHA

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “**ACT**”), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN SECTIONS 5.3 AND 5.4 BELOW, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

WARRANT TO PURCHASE STOCK

Company: Outbrain Inc., a Delaware corporation

Number of Shares: As set forth in Paragraph A below

Type/Series of Stock: Common Stock, \$0.001 par value per share

Warrant Price: \$4.50 per Share, subject to adjustment

Issue Date: November 20, 2014

Expiration Date: November 19, 2024 **See also Section 5.1(b).**

Credit Facility: This Warrant to Purchase Stock (“**Warrant**”) is issued in connection with that certain Mezzanine Loan and Security Agreement of even date herewith between Silicon Valley Bank and the Company (as amended and/or modified and in effect from time to time, the “**Loan Agreement**”).

THIS WARRANT CERTIFIES THAT, for good and valuable consideration, SILICON VALLEY BANK (together with any successor or permitted assignee or transferee of this Warrant, “**Holder**”) is entitled to purchase up to such number of fully paid and non-assessable shares of the above-stated Type/Series of Stock (the “**Class**”) of the above-named company (the “**Company**”) as determined pursuant to Paragraph A below, at the above-stated Warrant Price, all as set forth above and as adjusted pursuant to Section 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant. Reference is made to Section 5.4 of this Warrant whereby Silicon Valley Bank shall transfer this Warrant to its parent company, SVB Financial Group.

A. Number of Shares. This Warrant shall be exercisable for the Initial Shares, plus the Additional Shares, if any (collectively, and as may be adjusted from time to time in accordance with the provisions hereof, the “**Shares**”).

(1) Initial Shares. As used herein, “**Initial Shares**” means 137,500 shares of the Class, subject to adjustment from time to time in accordance with the provisions of this Warrant.

(2) Additional Shares. On the date (if any) that the Term B Loan Advance (as defined in the Loan Agreement) is made to the Company, this Warrant automatically shall become exercisable for an additional 100,000 shares of the Class (the “**Additional Shares**”), subject to adjustment from time to time in accordance with the provisions of this Warrant, including, without limitation, adjustments in respect of events occurring prior to the date, if any, on which this Warrant becomes exercisable for the Additional Shares.

SECTION 1. EXERCISE.

1.1 Method of Exercise. Holder may at any time and from time to time exercise this Warrant, in whole or in part, by delivering to the Company the original of this Warrant together with a duly executed Notice of Exercise in substantially the form attached hereto as Appendix 1 and, unless Holder is exercising this Warrant pursuant to a cashless exercise as set forth in Section 1.2, a check, wire transfer of same-day funds (to an account designated by the Company), or other form of payment acceptable to the Company for the aggregate Warrant Price for the Shares being purchased.

1.2 Cashless Exercise. On any exercise of this Warrant, in lieu of payment of the aggregate Warrant Price in the manner as specified in Section 1.1 above, but otherwise in accordance with the requirements of Section 1.1, Holder may elect to receive Shares equal to the value of this Warrant, or portion hereof as to which this Warrant is being exercised. Thereupon, the Company shall issue to the Holder such number of fully paid and non-assessable Shares as are computed using the following formula:

$$X = Y(A-B)/A$$

where:

X = the number of Shares to be issued to the Holder;

Y = the number of Shares with respect to which this Warrant is being exercised (inclusive of the Shares surrendered to the Company in payment of the aggregate Warrant Price);

A = the Fair Market Value (as determined pursuant to Section 1.3 below) of one Share; and

B = the Warrant Price.

1.3 Fair Market Value. If shares of the Class are then traded or quoted on a nationally recognized securities exchange, inter-dealer quotation system or over-the-counter market (a "**Trading Market**"), the fair market value of a Share shall be the closing price or last sale price of a share of the Class reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company. If shares of the Class are not then traded in a Trading Market, the Board of Directors of the Company shall determine the fair market value of a Share in its reasonable good faith judgment.

1.4 Delivery of Certificate and New Warrant. Within a reasonable time after Holder exercises this Warrant in the manner set forth in Section 1.1 or 1.2 above, the Company shall deliver to Holder a certificate representing the Shares issued to Holder upon such exercise and, if this Warrant has not been fully exercised and has not expired, a new warrant of like tenor representing the Shares not so acquired.

1.5 Replacement of Warrant. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form, substance and amount to the Company or, in the case of mutilation, on surrender of this Warrant to the Company for cancellation, the Company shall, within a reasonable time, execute and deliver to Holder, in lieu of this Warrant, a new warrant of like tenor and amount.

1.6 Treatment of Warrant Upon Acquisition of Company.

(a) Acquisition. For the purpose of this Warrant, “**Acquisition**” means any transaction or series of related transactions involving: (i) the sale, lease, exclusive license, or other disposition of all or substantially all of the assets of the Company (ii) any merger or consolidation of the Company into or with another person or entity (other than a merger or consolidation effected exclusively to change the Company’s domicile), or any other corporate reorganization, in which the stockholders of the Company in their capacity as such immediately prior to such merger, consolidation or reorganization, own less than a majority of the Company’s (or the surviving or successor entity’s) outstanding voting power immediately after such merger, consolidation or reorganization (or, if such Company stockholders beneficially own a majority of the outstanding voting power of the surviving or successor entity as of immediately after such merger, consolidation or reorganization, such surviving or successor entity is not the Company); or (iii) any sale or other transfer by the stockholders of the Company of shares representing at least a majority of the Company’s then-total outstanding combined voting power.

(b) Treatment of Warrant at Acquisition. In the event of an Acquisition in which the consideration to be received by the Company’s stockholders consists solely of cash, solely of Marketable Securities or a combination of cash and Marketable Securities (a “**Cash/Public Acquisition**”), and the fair market value of one Share as determined in accordance with Section 1.3 above would be greater than the Warrant Price in effect on such date immediately prior to such Cash/Public Acquisition, and Holder has not exercised this Warrant pursuant to Section 1.1 above as to all Shares, then this Warrant shall automatically be deemed to be exercised on a cashless basis pursuant to Section 1.2 above as to all Shares effective immediately prior to and contingent upon the consummation of a Cash/Public Acquisition. In connection with such Cashless Exercise, Holder shall be deemed to have restated each of the representations and warranties in Section 4 of the Warrant as of the date thereof and the Company shall promptly notify the Holder of the number of Shares (or such other securities) issued upon exercise. In the event of a Cash/Public Acquisition where the fair market value of one Share as determined in accordance with Section 1.3 above would be less than the Warrant Price in effect immediately prior to such Cash/Public Acquisition, then this Warrant will expire immediately prior to the consummation of such Cash/Public Acquisition.

(c) Upon the closing of any Acquisition other than a Cash/Public Acquisition, the acquiring, surviving or successor entity shall assume the obligations of this Warrant, and this Warrant shall thereafter be exercisable for the same securities and/or other property as would have been paid for the Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on and as of the closing of such Acquisition, subject to further adjustment from time to time in accordance with the provisions of this Warrant.

(d) As used in this Warrant, “**Marketable Securities**” means securities meeting all of the following requirements: (i) the issuer thereof is then subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and is then current in its filing of all required reports and other information under the Act and the Exchange Act; (ii) the class and series of shares or other security of the issuer that would be received by Holder in connection with the Acquisition were Holder to exercise this Warrant on or prior to the closing thereof is then traded in a Trading Market, and (iii) following the closing of such Acquisition, Holder would not be restricted from publicly re-selling all of the issuer’s shares and/or other securities that would be received by Holder in such Acquisition were Holder to exercise this Warrant in full on or prior to the closing of such Acquisition, except to the extent that any such restriction (x) arises solely under federal or state securities laws, rules or regulations, and (y) does not extend beyond six (6) months from the closing of such Acquisition.

SECTION 2. ADJUSTMENTS TO THE SHARES AND WARRANT PRICE.

2.1 Stock Dividends, Splits, Etc. If the Company declares or pays a dividend or distribution on the outstanding shares of the Class payable in additional shares of the Class or other securities or property (other than cash), then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without additional cost to Holder, the total number and kind of securities and property which Holder would have received had Holder owned the Shares of record as of the date the dividend or distribution occurred. If the Company subdivides the outstanding shares of the Class by reclassification or otherwise into a greater number of shares, the number of Shares purchasable hereunder shall be proportionately increased and the Warrant Price shall be proportionately decreased. If the outstanding shares of the Class are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Warrant Price shall be proportionately increased and the number of Shares shall be proportionately decreased.

2.2 Reclassification, Exchange, Combinations or Substitution. Upon any event whereby all of the outstanding shares of the Class are reclassified, exchanged, combined, substituted, or replaced for, into, with or by Company securities of a different class and/or series, then from and after the consummation of such event, this Warrant will be exercisable for the number, class and series of Company securities that Holder would have received had the Shares been outstanding on and as of the consummation of such event, and subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant. The provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, combinations, substitutions, replacements or other similar events.

2.3 No Fractional Share. No fractional Share shall be issuable upon exercise of this Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional Share interest arises upon any exercise of the Warrant, the Company shall eliminate such fractional Share interest by paying Holder in cash the amount computed by multiplying the fractional interest by (i) the fair market value (as determined in accordance with Section 1.3 above) of a full Share, less (ii) the then-effective Warrant Price.

2.4 Notice/Certificate as to Adjustments. Upon each adjustment of the Warrant Price, Class and/or number of Shares, the Company, at the Company's expense, shall notify Holder in writing within a reasonable time setting forth the adjustments to the Warrant Price, Class and/or number of Shares and facts upon which such adjustment is based. The Company shall, upon written request from Holder, furnish Holder with a certificate of its Chief Financial Officer, including computations of such adjustment and the Warrant Price, Class and number of Shares in effect upon the date of such adjustment.

SECTION 3. REPRESENTATIONS AND COVENANTS OF THE COMPANY.

3.1 Representations and Warranties. The Company represents and warrants to, and agrees with, the Holder as follows:

(a) The initial Warrant Price referenced on the first page of this Warrant is not greater than the fair market value of a share of the Class as determined by the most recently completed valuation, approved by the Company's Board of Directors, of the Company's stock for purposes of its compliance with Section 409A of the Internal Revenue Code of 1986, as amended.

(b) All Shares which may be issued upon the exercise of this Warrant shall, upon issuance, be duly authorized, validly issued, fully paid and non-assessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws. The Company covenants that it shall at all times cause to be reserved and kept available out of its authorized and unissued capital stock such number of shares of the Class and other securities as will be sufficient to permit the exercise in full of this Warrant.

(c) The Company's capitalization table attached hereto as Schedule 1 is true and complete, in all material respects, as of the Issue Date.

3.2 Notice of Certain Events. If the Company proposes at any time to:

(a) declare any dividend or distribution upon the outstanding shares of the Class, whether in cash, property, stock, or other securities and whether or not a regular cash dividend;

(b) offer for subscription or sale pro rata to the holders of the outstanding shares of the Class any additional shares of any class or series of the Company's stock (other than pursuant to contractual pre-emptive rights);

(c) effect any reclassification, exchange, combination, substitution, reorganization or recapitalization of the outstanding shares of the Class;

(d) effect an Acquisition or to liquidate, dissolve or wind up; or

(e) effect its initial, underwritten offering and sale of its securities to the public pursuant to an effective registration statement under the Act (the "IPO");

then, in connection with each such event, the Company shall give Holder:

(1) in the case of the matters referred to in (a) and (b) above, at least seven (7) Business Days prior written notice of the earlier to occur of the effective date thereof or the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of outstanding shares of the Class will be entitled thereto) or for determining rights to vote, if any;

(2) in the case of the matters referred to in (c) and (d) above at least seven (7) Business Days prior written notice of the date when the same will take place (and specifying the date on which the holders of outstanding shares of the Class will be entitled to exchange their shares for the securities or other property deliverable upon the occurrence of such event and such reasonable information as Holder may reasonably require regarding the treatment of this Warrant in connection with such event giving rise to the notice); and

(3) with respect to the IPO, at least seven (7) Business Days prior written notice of the date on which the Company proposes to file its registration statement in connection therewith.

The Company will also provide information requested by Holder that is reasonably necessary to enable Holder to comply with Holder's accounting or reporting requirements.

SECTION 4. REPRESENTATIONS. WARRANTIES OF THE HOLDER.

The Holder represents and warrants to the Company as follows:

4.1 Purchase for Own Account. This Warrant and the Shares to be acquired upon exercise of this Warrant by Holder are being acquired for investment for Holder's account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Act. Holder also represents that it has not been formed for the specific purpose of acquiring this Warrant or the Shares.

4.2 Disclosure of Information. Holder is aware of the Company's business affairs and financial condition and has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying securities. Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to Holder or to which Holder has access.

4.3 Investment Experience. Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. Holder has experience as an investor in securities of companies in the development stage and acknowledges that Holder can bear the economic risk of such Holder's investment in this Warrant and its underlying securities. Holder has such knowledge and experience in financial or business matters that Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 Accredited Investor Status. Holder is an "accredited investor" within the meaning of Regulation D promulgated under the Act.

4.5 The Act. Holder understands that this Warrant and the Shares issuable upon exercise hereof have not been registered under the Act in reliance upon a specific exemption therefrom which exemption depends upon, among other things, the bona fide nature of the Holder's investment intent as expressed herein. Holder understands that this Warrant and the Shares issued upon any exercise hereof must be held indefinitely unless subsequently registered under the Act and qualified under applicable state securities laws, or unless exemption from such registration and qualification are otherwise available. Holder is aware of the provisions of Rule 144 promulgated under the Act.

4.6 No Voting Rights. Holder, as a holder of this Warrant, will not have any voting rights until the exercise of this Warrant.

SECTION 5. MISCELLANEOUS.

5.1 Term; Automatic Cashless Exercise Upon Expiration.

(a) Term. Subject to the provisions of Section 1.6 above, this Warrant is exercisable in whole or in part at any time and from time to time on or before 6:00 PM, Pacific time, on the Expiration Date and shall be void thereafter.

(b) Automatic Cashless Exercise upon Expiration. In the event that, upon the Expiration Date, the fair market value of one Share as determined in accordance with Section 1.3 above is greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares for which it shall not previously have been exercised, and the Company shall, within a reasonable time, deliver a certificate representing the Shares issued upon such exercise to Holder.

5.2 Legends. Each certificate evidencing Shares shall be imprinted with a legend in substantially the following form:

THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN THAT CERTAIN WARRANT TO PURCHASE STOCK ISSUED BY THE ISSUER TO SILICON VALLEY BANK DATED NOVEMBER 20, 2014, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

5.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issued upon exercise of this Warrant may not be transferred or assigned in whole or in part except in compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation letters and legal opinions reasonably satisfactory to the Company, as reasonably requested by the Company). The Company shall not require Holder to provide an opinion of counsel if the transfer is to SVB Financial Group (Silicon Valley Bank's parent company) or any other affiliate of Holder, provided that any such transferee is an "accredited investor" as defined in Regulation D promulgated under the Act.

5.4 Transfer Procedure. After receipt by Silicon Valley Bank of the executed Warrant, Silicon Valley Bank will transfer all of this Warrant to its parent company, SVB Financial Group. By its acceptance of this Warrant, SVB Financial Group hereby makes to the Company each of the representations and warranties set forth in Section 4 hereof and agrees to be bound by all of the terms and conditions of this Warrant as if the original Holder hereof. Subject to the provisions of Section 5.3 and upon providing the Company with written notice, SVB Financial Group and any subsequent Holder may transfer all or part of this Warrant or the Shares issued upon exercise of this Warrant to any transferee, provided, however, in connection with any such transfer, SVB Financial Group or any subsequent Holder will give the Company notice of the portion of the Warrant and/or Shares being transferred with the name, address and taxpayer identification number of the transferee and Holder will surrender this Warrant to the Company for reissuance to the transferee(s) (and Holder if applicable); and provided further, that any subsequent transferee other than SVB Financial Group shall agree in writing with the Company to be bound by all of the terms and conditions of this Warrant and shall make the representations in Section 4 hereof. Notwithstanding any contrary provision herein, at all times prior to the IPO, Holder may not, without the Company's prior written consent, transfer this Warrant or any portion hereof, or any Shares issued upon any exercise hereof, to any person or entity who directly competes with the Company, except in connection with an Acquisition of the Company by such a direct competitor.

5.5 Notices. All notices and other communications hereunder from the Company to the Holder, or vice versa, shall be deemed delivered and effective (i) when given personally, (ii) on the third (3rd) Business Day after being mailed by first-class registered or certified mail, postage prepaid, (iii) upon actual receipt if given by facsimile or electronic mail and such receipt is confirmed in writing by the recipient, or (iv) on the First Business Day following delivery to a reliable overnight courier service, courier fee prepaid, in any case at such address as may have been furnished to the Company or Holder, as the case may be, in writing by the Company or such Holder from time to time in accordance with the provisions of this Section 5.5. All notices to Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise:

SVB Financial Group
Attn: Treasury Department
3003 Tasman Drive, HC 215
Santa Clara, CA 95054
Telephone: (408) 654-7400
Facsimile: (408) 988-8317
Email address: derivatives@svb.com

Notice to the Company shall be addressed as follows until Holder receives notice of a change in address:

Outbrain Inc.
Attn: Chief Financial Officer
39 West 13th Street, 3rd Floor
New York, NY 10011
Telephone:
Facsimile:
Email:

and

Outbrain Inc.
Attn: Michael Kistler
39 West 13th Street, 3rd Floor
New York, NY 10011
Telephone: 212 353-5898
Facsimile:
Email: mkistler@outbrain.com

With a copy (which shall not constitute notice) to:

Loeb & Loeb LLP
Attn: Lloyd Rothenberg
345 Park Ave
New York, New York 10154
Telephone: 212 407-4937
Facsimile: 212 407-4990
Email: lrothenberg@Ioeb.com

5.6 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated (either generally or in a particular instance and either retroactively or prospectively) only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

5.7 Attorneys' Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.

5.8 Counterparts: Facsimile/Electronic Signatures. This Warrant may be executed in counterparts, all of which together shall constitute one and the same agreement. Any signature page delivered electronically or by facsimile shall be binding to the same extent as an original signature page with regards to any agreement subject to the terms hereof or any amendment thereto.

5.9 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of California, without giving effect to its principles regarding conflicts of law.

5.10 Headings. The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.

5.11 Business Days. "**Business Day**" is any day that is not a Saturday, Sunday or a day on which Silicon Valley Bank is closed.

[Remainder of page left blank intentionally]

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Warrant to Purchase Stock to be executed by their duly authorized representatives effective as of the Issue Date written above.

“COMPANY”

OUTBRAIN INC.

By: /s/ Yaron Galai

Name: Yaron Galai

(Print)

Title: CEO

“HOLDER”

SILICON VALLEY BANK

By: /s/ Brendan P. Quinn

Name: Brendan P. Quinn

(Print)

Title: VP

APPENDIX 1

NOTICE OF EXERCISE

1. The undersigned Holder hereby exercises its right to purchase _____ shares of the Common/Series _____ Preferred [circle one] Stock of _____ (the "**Company**") in accordance with the attached Warrant To Purchase Stock, and tenders payment of the aggregate Warrant Price for such shares as follows:

- check in the amount of \$_____ payable to order of the Company enclosed herewith
- Wire transfer of immediately available funds to the Company's account
- Cashless Exercise pursuant to Section 1.2 of the Warrant
- Other [Describe] _____

2. Please issue a certificate or certificates representing the Shares in the name specified below:

Holder's Name

(Address)

3. By its execution below and for the benefit of the Company, Holder hereby restates each of the representations and warranties in Section 4 of the Warrant to Purchase Stock as of the date hereof.

HOLDER:

By: _____

Name: _____

Title: _____

(Date): _____

SCHEDULE 1

Company Capitalization Table

See attached

Schedule 1

OUTBRAIN CAP TABLE

Period End

30-Sep-14

Shareholders	Common Stock	Series A	Series B	Series C	Series D	Series E	Series F	Total Preferred Stock	Total	% Outstanding Shares Ownership	% Fully Diluted Ownership
Founders											
Ori Lahav	959,163	-	-	-	-	-	-	-	959,163	1.66%	1.32%
Yaron Galai	5,000,000	-	182,072	44,392	-	-	-	226,454	5,226,454	9.05%	7.17%
Incorporation Shareholders											
Amir Lahav	75,000	-	-	-	-	-	-	-	75,000	0.13%	0.10%
Dalit Lahav	15,498	-	-	-	-	-	-	-	15,498	0.03%	0.02%
Dan Galai	1,000,000	-	-	-	-	-	-	-	1,000,000	1.73%	1.37%
Doron Levin	100,000	-	-	-	-	-	-	-	100,000	0.17%	0.14%
Efrat Peretz	47,233	-	-	-	-	-	-	-	47,233	0.08%	0.06%
Ester Shabtai	90,498	-	-	-	-	-	-	-	90,498	0.16%	0.12%
Eytan Galai	150,000	-	-	-	-	-	-	-	150,000	0.26%	0.21%
Ilan Lior	100,000	-	-	-	-	-	-	-	100,000	0.17%	0.14%
Isaschar Kurt	200,000	-	-	-	-	-	-	-	200,000	0.35%	0.27%
Loeb & Loeb LLP	100,000	-	-	-	-	-	-	-	100,000	0.17%	0.14%
Mickey Kertesz	50,000	-	-	-	-	-	-	-	50,000	0.09%	0.07%
Noam Galai	100,000	-	-	-	-	-	-	-	100,000	0.17%	0.14%
Rani Nelken	89,375	-	-	-	-	-	-	-	89,375	0.15%	0.12%
Salinger & Co.	125,000	-	-	-	-	-	-	-	125,000	0.22%	0.17%
Uri Galai	100,000	-	-	-	-	-	-	-	100,000	0.17%	0.14%
Ziv Kop	250,000	-	-	-	-	-	-	-	250,000	0.43%	0.34%
Other Early Shareholders											
Leon Recanati	1,892,593	691,976	364,144	529,973	-	-	74,543	1,660,636	3,553,229	6.15%	4.88%
Michel Crouhy	182,963	50,860	134,357	89,771	-	-	-	274,988	457,951	0.79%	0.63%
Mikhal Edelstyn	-	-	-	90,000	10,050	-	-	-	100,050	0.17%	0.14%
MTS Investments Inc.	343,056	-	-	83,645	-	-	100,000	183,645	526,701	0.91%	0.72%
Provident Fund of the Employees of the Hebrew University of Jerusalem Ltd.	343,056	95,285	-	106,879	-	-	-	202,164	545,220	0.94%	0.75%
Sigma P.C.M. Ltd.	74,517	-	-	-	-	-	-	-	74,517	0.13%	0.10%
Zohar Gilon	-	-	182,072	44,393	25,300	-	44,726	296,491	296,491	0.51%	0.41%
Consultants											
David Rosenblatt	50,000	-	-	-	-	-	-	-	50,000	0.09%	0.07%
Jack Haire	50,000	-	-	-	-	-	-	-	50,000	0.09%	0.07%
Kevin Fortuna	100,000	-	-	-	-	-	-	-	100,000	0.17%	0.14%
Kevin Fortuna (AKF Partners)	100,000	-	-	-	-	-	-	-	100,000	0.17%	0.14%
Vivek Shah	82,539	-	-	-	-	-	-	-	82,539	0.14%	0.11%
Venture Capital Groups											
Carmel Ventures, III LP.	-	-	7,282,880	1,784,105	814,239	-	298,174	10,179,398	10,179,398	17.62%	13.97%
Gemini	914,815	2,834,053	2,603,211	1,589,920	-	-	372,717	7,399,901	8,314,716	14.39%	11.41%
Harbourvest	-	-	-	-	-	-	2,415,207	2,415,207	2,415,207	4.18%	3.31%
Index	649,548	279,840	-	-	2,931,262	-	298,174	3,509,276	4,158,824	7.20%	5.71%
Lightspeed Venture Partners VII, LP.	914,815	3,113,893	2,603,211	1,624,637	1,954,175	-	447,261	9,743,177	10,657,992	18.45%	14.62%
RH Internet II LLC	-	-	1,213,813	489,732	-	-	596,347	2,299,892	2,299,892	3.98%	3.16%
Vintage	-	-	-	-	-	-	670,891	670,891	670,891	1.16%	0.92%
Visual Revenue Shareholders	42,708	-	-	-	-	1,080,197	-	1,080,197	1,122,905	1.94%	1.54%
Current and Former Employees	3,246,579	-	-	-	-	-	-	-	3,246,579	5.62%	4.45%
Common Stock and Preferred Stock	17,538,956	7,065,907	14,565,760	6,477,447	5,735,026	1,080,197	5,318,040	40,242,377	57,781,333	100.00%	79.28%
Stock Options Outstanding									11,935,419		16.38%
Warrants Outstanding Under the Plan									35,000		0.05%
Warrants Outstanding Outside of the Plan									480,852		0.66%
Stock Awards, RSAs, RSUs Unvested									1,250,000		1.72%
SARs									25,952		0.04%
Shares Available for Issuance Under Option Plan									1,373,052		1.88%
Grand Total	17,538,956	7,065,907	14,565,760	6,477,447	5,735,026	1,080,197	5,318,040	40,242,377	72,881,608	100.00%	100.00%

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “**ACT**”), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN SECTIONS 5.3 AND 5.4 BELOW, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

WARRANT TO PURCHASE STOCK

Company: Outbrain Inc., a Delaware corporation

Number of Shares: As set forth in Paragraph A below

Type/Series of Stock: Common Stock, \$0.001 par value per share

Warrant Price: \$4.50 per Share, subject to adjustment

Issue Date: November 20, 2014

Expiration Date: November 19, 2024

See also Section 5.I(b).

Credit Facility: This Warrant to Purchase Stock (“**Warrant**”) is issued in connection with that certain Mezzanine Loan and Security Agreement of even date herewith between Silicon Valley Bank and the Company (as amended and/or modified and in effect from time to time, the “**Loan Agreement**”) and the participation therein of WestRiver Mezzanine Loans, LLC pursuant to an arrangement among Silicon Valley Bank, WestRiver Management, LLC and WestRiver Mezzanine Loans, LLC.

THIS WARRANT CERTIFIES THAT, for good and valuable consideration, WESTRIVER MEZZANINE LOANS, LLC (together with any successor or permitted assignee or transferee of this Warrant, “**Holder**”) is entitled to purchase up to such number of fully paid and non-assessable shares of the above-stated Type/Series of Stock (the “**Class**”) of the above-named company (the “**Company**”) as determined pursuant to Paragraph A below, at the above-stated Warrant Price, all as set forth above and as adjusted pursuant to Section 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant.

A. **Number of Shares.** This Warrant shall be exercisable for the Initial Shares, plus the Additional Shares, if any (collectively, and as may be adjusted from time to time in accordance with the provisions hereof, the “**Shares**”).

(1) **Initial Shares.** As used herein, “**Initial Shares**” means 137,500 shares of the Class, subject to adjustment from time to time in accordance with the provisions of this Warrant.

(2) **Additional Shares.** On the date (if any) that the Term B Loan Advance (as defined in the Loan Agreement) is made to the Company, this Warrant automatically shall become exercisable for an additional 100,000 shares of the Class (the “**Additional Shares**”), subject to adjustment from time to time in accordance with the provisions of this Warrant, including, without limitation, adjustments in respect of events occurring prior to the date, if any, on which this Warrant becomes exercisable for the Additional Shares.

SECTION 1. EXERCISE.

1.1 Method of Exercise. Holder may at any time and from time to time exercise this Warrant, in whole or in part, by delivering to the Company the original of this Warrant together with a duly executed Notice of Exercise in substantially the form attached hereto as Appendix 1 and, unless Holder is exercising this Warrant pursuant to a cashless exercise as set forth in Section 1.2, a check, wire transfer of same-day funds (to an account designated by the Company), or other form of payment acceptable to the Company for the aggregate Warrant Price for the Shares being purchased.

1.2 Cashless Exercise. On any exercise of this Warrant, in lieu of payment of the aggregate Warrant Price in the manner as specified in Section 1.1 above, but otherwise in accordance with the requirements of Section 1.1, Holder may elect to receive Shares equal to the value of this Warrant, or portion hereof as to which this Warrant is being exercised. Thereupon, the Company shall issue to the Holder such number of fully paid and non-assessable Shares as are computed using the following formula:

$$X = Y(A-B)/A$$

where:

X = the number of Shares to be issued to the Holder;

Y = the number of Shares with respect to which this Warrant is being exercised (inclusive of the Shares surrendered to the Company in payment of the aggregate Warrant Price);

A = the Fair Market Value (as determined pursuant to Section 1.3 below) of one Share; and

B = the Warrant Price.

1.3 Fair Market Value. If shares of the Class are then traded or quoted on a nationally recognized securities exchange, inter-dealer quotation system or over-the-counter market (a "**Trading Market**"), the fair market value of a Share shall be the closing price or last sale price of a share of the Class reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company. If shares of the Class are not then traded in a Trading Market, the Board of Directors of the Company shall determine the fair market value of a Share in its reasonable good faith judgment.

1.4 Delivery of Certificate and New Warrant. Within a reasonable time after Holder exercises this Warrant in the manner set forth in Section 1.1 or 1.2 above, the Company shall deliver to Holder a certificate representing the Shares issued to Holder upon such exercise and, if this Warrant has not been fully exercised and has not expired, a new warrant of like tenor representing the Shares not so acquired.

1.5 Replacement of Warrant. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form, substance and amount to the Company or, in the case of mutilation, on surrender of this Warrant to the Company for cancellation, the Company shall, within a reasonable time, execute and deliver to Holder, in lieu of this Warrant, a new warrant of like tenor and amount.

1.6 Treatment of Warrant Upon Acquisition of Company.

(a) Acquisition. For the purpose of this Warrant, “**Acquisition**” means any transaction or series of related transactions involving: (i) the sale, lease, exclusive license, or other disposition of all or substantially all of the assets of the Company (ii) any merger or consolidation of the Company into or with another person or entity (other than a merger or consolidation effected exclusively to change the Company’s domicile), or any other corporate reorganization, in which the stockholders of the Company in their capacity as such immediately prior to such merger, consolidation or reorganization, own less than a majority of the Company’s (or the surviving or successor entity’s) outstanding voting power immediately after such merger, consolidation or reorganization (or, if such Company stockholders beneficially own a majority of the outstanding voting power of the surviving or successor entity as of immediately after such merger, consolidation or reorganization, such surviving or successor entity is not the Company); or (iii) any sale or other transfer by the stockholders of the Company of shares representing at least a majority of the Company’s then-total outstanding combined voting power.

(b) Treatment of Warrant at Acquisition. In the event of an Acquisition in which the consideration to be received by the Company’s stockholders consists solely of cash, solely of Marketable Securities or a combination of cash and Marketable Securities (a “**Cash/Public Acquisition**”), and the fair market value of one Share as determined in accordance with Section 1.3 above would be greater than the Warrant Price in effect on such date immediately prior to such Cash/Public Acquisition, and Holder has not exercised this Warrant pursuant to Section 1.1 above as to all Shares, then this Warrant shall automatically be deemed to be exercised on a cashless basis pursuant to Section 1.2 above as to all Shares effective immediately prior to and contingent upon the consummation of a Cash/Public Acquisition. In connection with such Cashless Exercise, Holder shall be deemed to have restated each of the representations and warranties in Section 4 of the Warrant as of the date thereof and the Company shall promptly notify the Holder of the number of Shares (or such other securities) issued upon exercise. In the event of a Cash/Public Acquisition where the fair market value of one Share as determined in accordance with Section 1.3 above would be less than the Warrant Price in effect immediately prior to such Cash/Public Acquisition, then this Warrant will expire immediately prior to the consummation of such Cash/Public Acquisition.

(c) Upon the closing of any Acquisition other than a Cash/Public Acquisition, the acquiring, surviving or successor entity shall assume the obligations of this Warrant, and this Warrant shall thereafter be exercisable for the same securities and/or other property as would have been paid for the Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on and as of the closing of such Acquisition, subject to further adjustment from time to time in accordance with the provisions of this Warrant.

(d) As used in this Warrant, “**Marketable Securities**” means securities meeting all of the following requirements: (i) the issuer thereof is then subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and is then current in its filing of all required reports and other information under the Act and the Exchange Act; (ii) the class and series of shares or other security of the issuer that would be received by Holder in connection with the Acquisition were Holder to exercise this Warrant on or prior to the closing thereof is then traded in a Trading Market, and (iii) following the closing of such Acquisition, Holder would not be restricted from publicly re-selling all of the issuer’s shares and/or other securities that would be received by Holder in such Acquisition were Holder to exercise this Warrant in full on or prior to the closing of such Acquisition, except to the extent that any such restriction (x) arises solely under federal or state securities laws, rules or regulations, and (y) does not extend beyond six (6) months from the closing of such Acquisition.

SECTION 2. ADJUSTMENTS TO THE SHARES AND WARRANT PRICE.

2.1 Stock Dividends, Splits, Etc. If the Company declares or pays a dividend or distribution on the outstanding shares of the Class payable in additional shares of the Class or other securities or property (other than cash), then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without additional cost to Holder, the total number and kind of securities and property which Holder would have received had Holder owned the Shares of record as of the date the dividend or distribution occurred. If the Company subdivides the outstanding shares of the Class by reclassification or otherwise into a greater number of shares, the number of Shares purchasable hereunder shall be proportionately increased and the Warrant Price shall be proportionately decreased. If the outstanding shares of the Class are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Warrant Price shall be proportionately increased and the number of Shares shall be proportionately decreased.

2.2 Reclassification, Exchange, Combinations or Substitution. Upon any event whereby all of the outstanding shares of the Class are reclassified, exchanged, combined, substituted, or replaced for, into, with or by Company securities of a different class and/or series, then from and after the consummation of such event, this Warrant will be exercisable for the number, class and series of Company securities that Holder would have received had the Shares been outstanding on and as of the consummation of such event, and subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant. The provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, combinations, substitutions, replacements or other similar events.

2.3 No Fractional Share. No fractional Share shall be issuable upon exercise of this Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional Share interest arises upon any exercise of the Warrant, the Company shall eliminate such fractional Share interest by paying Holder in cash the amount computed by multiplying the fractional interest by (i) the fair market value (as determined in accordance with Section 1.3 above) of a full Share, less (ii) the then-effective Warrant Price.

2.4 Notice/Certificate as to Adjustments. Upon each adjustment of the Warrant Price, Class and/or number of Shares, the Company, at the Company's expense, shall notify Holder in writing within a reasonable time setting forth the adjustments to the Warrant Price, Class and/or number of Shares and facts upon which such adjustment is based. The Company shall, upon written request from Holder, furnish Holder with a certificate of its Chief Financial Officer, including computations of such adjustment and the Warrant Price, Class and number of Shares in effect upon the date of such adjustment.

SECTION 3. REPRESENTATIONS AND COVENANTS OF THE COMPANY.

3.1 Representations and Warranties. The Company represents and warrants to, and agrees with, the Holder as follows:

(a) The initial Warrant Price referenced on the first page of this Warrant is not greater than the fair market value of a share of the Class as determined by the most recently completed valuation, approved by the Company's Board of Directors, of the Company's stock for purposes of its compliance with Section 409A of the Internal Revenue Code of 1986, as amended.

(b) All Shares which may be issued upon the exercise of this Warrant shall, upon issuance, be duly authorized, validly issued, fully paid and non-assessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws. The Company covenants that it shall at all times cause to be reserved and kept available out of its authorized and unissued capital stock such number of shares of the Class and other securities as will be sufficient to permit the exercise in full of this Warrant.

(c) The Company's capitalization table attached hereto as Schedule 1 is true and complete, in all material respects, as of the Issue Date.

3.2 Notice of Certain Events. If the Company proposes at any time to:

(a) declare any dividend or distribution upon the outstanding shares of the Class, whether in cash, property, stock, or other securities and whether or not a regular cash dividend;

(b) offer for subscription or sale pro rata to the holders of the outstanding shares of the Class any additional shares of any class or series of the Company's stock (other than pursuant to contractual pre-emptive rights);

(c) effect any reclassification, exchange, combination, substitution, reorganization or recapitalization of the outstanding shares of the Class;

(d) effect an Acquisition or to liquidate, dissolve or wind up; or

(e) effect its initial, underwritten offering and sale of its securities to the public pursuant to an effective registration statement under the Act (the "IPO");

then, in connection with each such event, the Company shall give Holder:

(1) in the case of the matters referred to in (a) and (b) above, at least seven (7) Business Days prior written notice of the earlier to occur of the effective date thereof or the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of outstanding shares of the Class will be entitled thereto) or for determining rights to vote, if any;

(2) in the case of the matters referred to in (c) and (d) above at least seven (7) Business Days prior written notice of the date when the same will take place (and specifying the date on which the holders of outstanding shares of the Class will be entitled to exchange their shares for the securities or other property deliverable upon the occurrence of such event and such reasonable information as Holder may reasonably require regarding the treatment of this Warrant in connection with such event giving rise to the notice); and

(3) with respect to the IPO, at least seven (7) Business Days prior written notice of the date on which the Company proposes to file its registration statement in connection therewith.

The Company will also provide information requested by Holder that is reasonably necessary to enable Holder to comply with Holder's accounting or reporting requirements.

SECTION 4. REPRESENTATIONS, WARRANTIES OF THE HOLDER.

The Holder represents and warrants to the Company as follows:

4.1 Purchase for Own Account. This Warrant and the Shares to be acquired upon exercise of this Warrant by Holder are being acquired for investment for Holder's account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Act. Holder also represents that it has not been formed for the specific purpose of acquiring this Warrant or the Shares.

4.2 Disclosure of Information. Holder is aware of the Company's business affairs and financial condition and has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying securities. Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to Holder or to which Holder has access.

4.3 Investment Experience. Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. Holder has experience as an investor in securities of companies in the development stage and acknowledges that Holder can bear the economic risk of such Holder's investment in this Warrant and its underlying securities. Holder has such knowledge and experience in financial or business matters that Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 Accredited Investor Status. Holder is an "accredited investor" within the meaning of Regulation D promulgated under the Act.

4.5 The Act. Holder understands that this Warrant and the Shares issuable upon exercise hereof have not been registered under the Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Holder's investment intent as expressed herein. Holder understands that this Warrant and the Shares issued upon any exercise hereof must be held indefinitely unless subsequently registered under the Act and qualified under applicable state securities laws, or unless exemption from such registration and qualification are otherwise available. Holder is aware of the provisions of Rule 144 promulgated under the Act.

4.6 No Voting Rights. Holder, as a holder of this Warrant, will not have any voting rights until the exercise of this Warrant.

SECTION 5. MISCELLANEOUS.

5.1 Term; Automatic Cashless Exercise Upon Expiration.

(a) Term. Subject to the provisions of Section 1.6 above, this Warrant is exercisable in whole or in part at any time and from time to time on or before 6:00 PM, Pacific time, on the Expiration Date and shall be void thereafter.

(b) Automatic Cashless Exercise upon Expiration. In the event that, upon the Expiration Date, the fair market value of one Share as determined in accordance with Section 1.3 above is greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares for which it shall not previously have been exercised, and the Company shall, within a reasonable time, deliver a certificate representing the Shares issued upon such exercise to Holder.

5.2 Legends. Each certificate evidencing Shares shall be imprinted with a legend in substantially the following form:

THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “**ACT**”), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN THAT CERTAIN WARRANT TO PURCHASE STOCK ISSUED BY THE ISSUER TO WESTRIVER MEZZANINE LOANS, LLC DATED NOVEMBER 20, 2014, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

5.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issued upon exercise of this Warrant may not be transferred or assigned in whole or in part except in compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation letters and legal opinions reasonably satisfactory to the Company, as reasonably requested by the Company). The Company shall not require Holder to provide an opinion of counsel if the transfer is to an affiliate of Holder, provided that such affiliate is an “accredited investor” as defined in Regulation D promulgated under the Act.

5.4 Transfer Procedure. Subject to the provisions of Section 5.3 and upon providing the Company with written notice, Holder may transfer all or part of this Warrant or the Shares issued upon exercise of this Warrant to any transferee, provided, however, in connection with any such transfer, Holder will give the Company notice of the portion of the Warrant and/or Shares being transferred with the name, address and taxpayer identification number of the transferee and Holder will surrender this Warrant to the Company for reissuance to the transferee(s) (and Holder if applicable); and provided further, that any subsequent transferee shall agree in writing with the Company to be bound by all of the terms and conditions of this Warrant and shall make the representations in Section 4 hereof. Notwithstanding any contrary provision herein, at all times prior to the IPO, Holder may not, without the Company’s prior written consent, transfer this Warrant or any portion hereof, or any Shares issued upon any exercise hereof, to any person or entity who directly competes with the Company, except in connection with an Acquisition of the Company by such a direct competitor.

5.5 Notices. All notices and other communications hereunder from the Company to the Holder, or vice versa, shall be deemed delivered and effective (i) when given personally, (ii) on the third (3rd) Business Day after being mailed by first-class registered or certified mail, postage prepaid, (iii) upon actual receipt if given by facsimile or electronic mail and such receipt is confirmed in writing by the recipient, or (iv) on the first Business Day following delivery to a reliable overnight courier service, courier fee prepaid, in any case at such address as may have been furnished to the Company or Holder, as the case may be, in writing by the Company or such Holder from time to time in accordance with the provisions of this Section 5.5. All notices to Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise:

WestRiver Mezzanine Loans, LLC
c/o Chief Financial Officer
3720 Carillon Point
Kirkland, Washington 98033-7455
Attention: Trent Dawson
Telephone: (425) 952-3951
Email: tdawson@westrivermgmt.com

With a copy (which shall not constitute notice) to:

Perkins Coie LLP
1201 Third Avenue, Suite 4800
Seattle, Washington 98101-3099
Attention: David C. Clarke
Telephone: (206) 359-8612
Email: dclarke@perkinscoie.com

Notice to the Company shall be addressed as follows until Holder receives notice of a change in address:

Outbrain Inc.
Attn: Chief Financial Officer
39 West 13th Street, 3rd Floor
New York, NY 10011
Telephone:
Facsimile:
Email:

and

Outbrain Inc.
Attn: Michael Kistler
39 West 13th Street, 3rd Floor
New York, NY 10011
Telephone: 212 353-5898
Facsimile:
Email: mkistler@outbrain.com

With a copy (which shall not constitute notice) to:

Loeb & Loeb LLP
Attn: Lloyd Rothenberg
345 Park Ave
New York, New York 10154
Telephone: 212 407-4937
Facsimile: 212 407-4990
Email: lrothenberg@loeb.com

5.6 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated (either generally or in a particular instance and either retroactively or prospectively) only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

5.7 Attorneys' Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.

5.8 Counterparts; Facsimile/Electronic Signatures. This Warrant may be executed in counterparts, all of which together shall constitute one and the same agreement. Any signature page delivered electronically or by facsimile shall be binding to the same extent as an original signature page with regards to any agreement subject to the terms hereof or any amendment thereto.

5.9 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of California, without giving effect to its principles regarding conflicts of law.

5.10 Headings. The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.

5.11 Business Days. "**Business Day**" is any day that is not a Saturday, Sunday or a day on which WestRiver Mezzanine Loans, LLC is closed.

[Remainder of page left blank intentionally]

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Warrant to Purchase Stock to be executed by their duly authorized representatives effective as of the Issue Date written above.

“COMPANY”

OUTBRAIN INC.

By: /s/ Yaron Galai

Name: Yaron Galai
(Print)

Title: CEO

“HOLDER”

WESTRIVER MEZZANINE LOANS, LLC

By: Loan Manager, LLC, its
Managing Member

By: /s/ Erik J. Anderson
Erik J. Anderson, Manager

APPENDIX 1

NOTICE OF EXERCISE

1. The undersigned Holder hereby exercises its right to purchase _____ shares of the Common/Series _____ Preferred [circle one] Stock of _____ (the "**Company**") in accordance with the attached Warrant To Purchase Stock, and tenders payment of the aggregate Warrant Price for such shares as follows:

- check in the amount of \$ _____ payable to order of the Company enclosed herewith
- Wire transfer of immediately available funds to the Company's account
- Cashless Exercise pursuant to Section 1.2 of the Warrant
- Other [Describe] _____

2. Please issue a certificate or certificates representing the Shares in the name specified below:

Holder's Name

(Address)

3. By its execution below and for the benefit of the Company, Holder hereby restates each of the representations and warranties in Section 4 of the Warrant to Purchase Stock as of the date hereof.

HOLDER:

By: _____

Name: _____

Title: _____

(Date): _____

SCHEDULE 1

Company Capitalization Table

See attached
Schedule 1

OUTBRAIN CAP TABLE

Period End

30-Sep-14

Shareholders	Common Stock	Series A	Series B	Series C	Series D	Series E	Series F	Total Preferred Stock	Total	% Outstanding Shares Ownership	% Fully Diluted Ownership
Founders											
Ori Lahav	959,163	-	-	-	-	-	-	-	959,163	1.66%	1.32%
Yaron Galai	5,000,000	-	182,072	44,392	-	-	-	226,464	5,226,454	9.05%	7.17%
Incorporation Shareholders											
Amir Lahav	75,000	-	-	-	-	-	-	-	75,000	0.13%	0.10%
Dalit Lahav	15,498	-	-	-	-	-	-	-	15,498	0.03%	0.02%
Dan Galai	1,000,000	-	-	-	-	-	-	-	1,000,000	1.73%	1.37%
Doron Levin	100,000	-	-	-	-	-	-	-	100,000	0.17%	0.14%
Efrat Peretz	47,233	-	-	-	-	-	-	-	47,233	0.08%	0.06%
Ester Shabtal	90,498	-	-	-	-	-	-	-	90,498	0.16%	0.12%
Eytan Galai	150,000	-	-	-	-	-	-	-	150,000	0.26%	0.21%
Itan Licir	100,000	-	-	-	-	-	-	-	100,000	0.17%	0.14%
Isaschar Kurt	200,000	-	-	-	-	-	-	-	200,000	0.35%	0.27%
Loeb & Loeb LLP	100,000	-	-	-	-	-	-	-	100,000	0.17%	0.14%
Mickey Kertesz	50,000	-	-	-	-	-	-	-	50,000	0.09%	0.07%
Noam Galai	100,000	-	-	-	-	-	-	-	100,000	0.17%	0.14%
Rani Netken	89,375	-	-	-	-	-	-	-	89,375	0.15%	0.12%
Salinger & Co.	125,000	-	-	-	-	-	-	-	125,000	0.22%	0.17%
Uri Galai	100,000	-	-	-	-	-	-	-	100,000	0.17%	0.14%
Ziv Kop	250,000	-	-	-	-	-	-	-	250,000	0.43%	0.34%
Other Early Shareholders											
Leon Recanati	1,892,593	691,976	364,144	529,973	-	-	74,543	1,660,636	3,553,229	6.15%	4.88%
Michel Crouhy	182,963	50,860	134,357	89,771	-	-	-	274,988	457,951	0.79%	0.63%
Mikhal Edelstyn	-	-	-	90,000	10,050	-	-	-	100,050	0.17%	0.14%
MTS Investments Inc.	343,056	-	-	83,645	-	-	100,000	183,645	526,701	0.91%	0.72%
Provident Fund of the Employees of the Hebrew University of Jerusalem Ltd.	343,056	95,285	-	106,879	-	-	-	202,164	545,220	0.94%	0.75%
Sigma P.C.M. Ltd.	74,517	-	-	-	-	-	-	-	74,517	0.13%	0.10%
Zohar Gilon	-	-	182,072	44,393	25,300	-	44,726	296,491	296,491	0.51%	0.41%
Consultants											
David Rosenblatt	50,000	-	-	-	-	-	-	-	50,000	0.09%	0.07%
Jack Haire	50,000	-	-	-	-	-	-	-	50,000	0.09%	0.07%
Kevin Fortuna	100,000	-	-	-	-	-	-	-	100,000	0.17%	0.14%
Kevin Fortuna (AKF Partners)	100,000	-	-	-	-	-	-	-	100,000	0.17%	0.14%
Vivek Shah	82,539	-	-	-	-	-	-	-	82,539	0.14%	0.11%
Venture capital Groups											
Carmel Ventures, III LP.	-	-	7,282,880	1,784,105	814,239	-	298,174	10,179,398	10,179,398	17.62%	13.97%
Gemini	914,815	2,834,053	2,603,211	1,589,920	-	-	372,717	7,399,901	8,314,716	14.39%	11.41%
Harbauinvest	-	-	-	-	-	-	2,415,207	2,415,207	2,415,207	4.18%	3.31%
Index	649,548	279,840	-	-	2,931,262	-	298,174	3,509,276	4,158,824	7.20%	5.71%
Uightspeed Venture Partners VII, LP.	914,815	3,113,893	2,603,211	1,624,637	1,954,175	-	447,261	9,743,177	10,657,992	18.45%	14.62%
RH Internet II LLC	-	-	1,213,813	489,732	-	-	596,347	2,299,892	2,299,892	3.98%	3.16%
Vintage	-	-	-	-	-	-	670,891	670,891	670,891	1.16%	0.92%
Visual Revenue Shareholders	42,708	-	-	-	-	1,080,197	-	1,080,197	1,122,905	1.94%	1.54%
Current and Former Employees	3,246,579	-	-	-	-	-	-	-	3,246,579	5.62%	4.45%
Common Stock and Preferred Stock	17,533,956	7,065,907	14,565,760	6,477,447	5,735,026	1,080,197	5,318,040	40,242,377	57,781,333	100.00%	79.28%
Stock Options outstanding									11,935,419		16.38%
Warrants Outstanding Under the Plan									35,000		0.05%
Warrants Outstanding Outside of the Plan									480,852		0.65%
Stock Awards, RSAs, RSUs Unvested									1,250,000		1.72%
SARs									25,952		0.04%
Shares Available for Issuance Under Option Plan									1,373,052		US%
Grand Total	17,533,956	7,065,907	14,565,760	6,477,447	5,735,026	1,080,197	5,318,040	40,242,377	72,881,608	100.00%	100.00%

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “**ACT**”), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN SECTIONS 5.3 AND 5.4 BELOW, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

WARRANT TO PURCHASE STOCK

Company: Outbrain Inc., a Delaware corporation

Number of Shares: 82,500¹, subject to adjustment

Type/Series of Stock: Common Stock, \$0.001 par value per share

Warrant Price: \$4.87¹ per Share, subject to adjustment

Issue Date: September 29, 2016

Expiration Date: September 29, 2026 **See also Section 5.1 (b).**

Credit Facility: This Warrant to Purchase Stock (“**Warrant**”) is issued in connection with that certain First Amendment, dated January 27, 2016, to that certain Mezzanine Loan and Security Agreement dated November 20, 2014, between Silicon Valley Bank and the Company (collectively, and as may be further amended and/or modified and in effect from time to time, the “**Loan Agreement**”) and the participation therein of WestRiver Mezzanine Loans, LLC pursuant to an arrangement between Silicon Valley Bank and WestRiver Mezzanine Loans, LLC.

THIS WARRANT CERTIFIES THAT, for good and valuable consideration, WESTRIVER MEZZANINE LOANS, LLC (together with any successor or permitted assignee or transferee of this Warrant, “**Holder**”) is entitled to purchase up to the number of fully paid and non-assessable shares (the “**Shares**”) of the above-stated Type/Series of Stock (the “**Class**”) of the above-named company (the “**Company**”), at the above-stated Warrant Price, all as set forth above and as adjusted pursuant to Section 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant.

SECTION 1. EXERCISE.

1.1 Method of Exercise. Holder may at any time and from time to time exercise this Warrant, in whole or in part, by delivering to the Company the original of this Warrant together with a duly executed Notice of Exercise in substantially the form attached hereto as Appendix I and, unless Holder is exercising this Warrant pursuant to a cashless exercise as set forth in Section 1.2, a check, wire transfer of same-day funds (to an account designated by the Company), or other form of payment acceptable to the Company for the aggregate Warrant Price for the Shares being purchased.

¹ Share number and exercise price are subject to adjustment in connection with events described in Section 2 below that occur after effective date of First Amendment to Mezzanine Loan and Security Agreement and on or before issuance of Warrant.

1.2 Cashless Exercise. On any exercise of this Warrant, in lieu of payment of the aggregate Warrant Price in the manner as specified in Section 1.1 above, but otherwise in accordance with the requirements of Section 1.1, Holder may elect to receive Shares equal to the value of this Warrant, or portion hereof as to which this Warrant is being exercised. Thereupon, the Company shall issue to the Holder such number of fully paid and non-assessable Shares as are computed using the following formula:

$$X = Y(A-B)/A$$

where:

- X = the number of Shares to be issued to the Holder;
- Y = the number of Shares with respect to which this Warrant is being exercised (inclusive of the Shares surrendered to the Company in payment of the aggregate Warrant Price);
- A = the Fair Market Value (as determined pursuant to Section 1.3 below) of one Share; and
- B = the Warrant Price.

1.3 Fair Market Value. If shares of the Class are then traded or quoted on a nationally recognized securities exchange, inter-dealer quotation system or over-the-counter market (a "**Trading Market**"), the fair market value of a Share shall be the closing price or last sale price of a share of the Class reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company. If shares of the Class are not then traded in a Trading Market, the Board of Directors of the Company shall determine the fair market value of a Share in its reasonable good faith judgment.

1.4 Delivery of Certificate and New Warrant. Within a reasonable time after Holder exercises this Warrant in the manner set forth in Section 1.1 or 1.2 above, the Company shall deliver to Holder a certificate representing the Shares issued to Holder upon such exercise and, if this Warrant has not been fully exercised and has not expired, a new warrant of like tenor representing the Shares not so acquired.

1.5 Replacement of Warrant. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form, substance and amount to the Company or, in the case of mutilation, on surrender of this Warrant to the Company for cancellation, the Company shall, within a reasonable time, execute and deliver to Holder, in lieu of this Warrant, a new warrant of like tenor and amount.

1.6 Treatment of Warrant Upon Acquisition of Company.

(a) Acquisition. For the purpose of this Warrant, "**Acquisition**" means any transaction or series of related transactions involving: (i) the sale, lease, exclusive license, or other disposition of all or substantially all of the assets of the Company (ii) any merger or consolidation of the Company into or with another person or entity (other than a merger or consolidation effected exclusively to change the Company's domicile), or any other corporate reorganization, in which the stockholders of the Company in their capacity as such immediately prior to such merger, consolidation or reorganization, own less than a majority of the Company's (or the surviving or successor entity's) outstanding voting power immediately after such merger, consolidation or reorganization (or, if such Company stockholders beneficially own a majority of the outstanding voting power of the surviving or successor entity as of immediately after such merger, consolidation or reorganization, such surviving or successor entity is not the Company); or (iii) any sale or other transfer by the stockholders of the Company of shares representing at least a majority of the Company's then-total outstanding combined voting power.

(b) Treatment of Warrant at Acquisition. In the event of an Acquisition in which the consideration to be received by the Company's stockholders consists solely of cash, solely of Marketable Securities or a combination of cash and Marketable Securities (a "**Cash/Public Acquisition**"), and the fair market value of one Share as determined in accordance with Section 1.3 above would be greater than the Warrant Price in effect on such date immediately prior to such Cash/Public Acquisition, and Holder has not exercised this Warrant pursuant to Section 1.1 above as to all Shares, then this Warrant shall automatically be deemed to be exercised on a cashless basis pursuant to Section 1.2 above as to all Shares effective immediately prior to and contingent upon the consummation of a Cash/Public Acquisition. In connection with such Cashless Exercise, Holder shall be deemed to have restated each of the representations and warranties in Section 4 of the Warrant as of the date thereof and the Company shall promptly notify the Holder of the number of Shares (or such other securities) issued upon exercise. In the event of a Cash/Public Acquisition where the fair market value of one Share as determined in accordance with Section 1.3 above would be less than the Warrant Price in effect immediately prior to such Cash/Public Acquisition, then this Warrant will expire immediately prior to the consummation of such Cash/Public Acquisition.

(c) Upon the closing of any Acquisition other than a Cash/Public Acquisition, the acquiring, surviving or successor entity shall assume the obligations of this Warrant, and this Warrant shall thereafter be exercisable for the same securities and/or other property as would have been paid for the Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on and as of the closing of such Acquisition, subject to further adjustment from time to time in accordance with the provisions of this Warrant.

(d) As used in this Warrant, "**Marketable Securities**" means securities meeting all of the following requirements: (i) the issuer thereof is then subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and is then current in its filing of all required reports and other information under the Act and the Exchange Act; (ii) the class and series of shares or other security of the issuer that would be received by Holder in connection with the Acquisition were Holder to exercise this Warrant on or prior to the closing thereof is then traded in a Trading Market, and (iii) following the closing of such Acquisition, Holder would not be restricted from publicly re-selling all of the issuer's shares and/or other securities that would be received by Holder in such Acquisition were Holder to exercise this Warrant in full on or prior to the closing of such Acquisition, except to the extent that any such restriction (x) arises solely under federal or state securities laws, rules or regulations, and (y) does not extend beyond six (6) months from the closing of such Acquisition.

SECTION 2. ADJUSTMENTS TO THE SHARES AND WARRANT PRICE.

2.1 Stock Dividends, Splits, Etc. If the Company declares or pays a dividend or distribution on the outstanding shares of the Class payable in additional shares of the Class or other securities or property (other than cash), then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without additional cost to Holder, the total number and kind of securities and property which Holder would have received had Holder owned the Shares of record as of the date the dividend or distribution occurred. If the Company subdivides the outstanding shares of the Class by reclassification or otherwise into a greater number of shares, the number of Shares purchasable hereunder shall be proportionately increased and the Warrant Price shall be proportionately decreased. If the outstanding shares of the Class are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Warrant Price shall be proportionately increased and the number of Shares shall be proportionately decreased.

2.2 Reclassification, Exchange, Combinations or Substitution. Upon any event whereby all of the outstanding shares of the Class are reclassified, exchanged, combined, substituted, or replaced for, into, with or by Company securities of a different class and/or series, then from and after the consummation of such event, this Warrant will be exercisable for the number, class and series of Company securities that Holder would have received had the Shares been outstanding on and as of the consummation of such event, and subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant. The provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, combinations, substitutions, replacements or other similar events.

2.3 No Fractional Share. No fractional Share shall be issuable upon exercise of this Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional Share interest arises upon any exercise of the Warrant, the Company shall eliminate such fractional Share interest by paying Holder in cash the amount computed by multiplying the fractional interest by (i) the fair market value (as determined in accordance with Section 1.3 above) of a full Share, less (ii) the then-effective Warrant Price.

2.4 Notice/Certificate as to Adjustments. Upon each adjustment of the Warrant Price, Class and/or number of Shares, the Company, at the Company's expense, shall notify Holder in writing within a reasonable time setting forth the adjustments to the Warrant Price, Class and/or number of Shares and facts upon which such adjustment is based. The Company shall, upon written request from Holder, furnish Holder with a certificate of its Chief Financial Officer, including computations of such adjustment and the Warrant Price, Class and number of Shares in effect upon the date of such adjustment.

SECTION 3. REPRESENTATIONS AND COVENANTS OF THE COMPANY.

3.1 Representations and Warranties. The Company represents and warrants to, and agrees with, the Holder as follows:

(a) The initial Warrant Price referenced on the first page of this Warrant is not greater than the fair market value of a share of the Class as determined by the most recently completed valuation, approved by the Company's Board of Directors, of the Company's stock for purposes of its compliance with Section 409A of the Internal Revenue Code of 1986, as amended.

(b) All Shares which may be issued upon the exercise of this Warrant shall, upon issuance, be duly authorized, validly issued, fully paid and non-assessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws. The Company covenants that it shall at all times cause to be reserved and kept available out of its authorized and unissued capital stock such number of shares of the Class and other securities as will be sufficient to permit the exercise in full of this Warrant.

(c) The Company's capitalization table attached hereto as Schedule 1 is true and complete, in all material respects, as of the Issue Date.

3.2 Notice of Certain Events. If the Company proposes at any time to:

- (a) declare any dividend or distribution upon the outstanding shares of the Class, whether in cash, property, stock, or other securities and whether or not a regular cash dividend;
- (b) offer for subscription or sale pro rata to the holders of the outstanding shares of the Class any additional shares of any class or series of the Company's stock (other than pursuant to contractual pre-emptive rights);
- (c) effect any reclassification, exchange, combination, substitution, reorganization or recapitalization of the outstanding shares of the Class;
- (d) effect an Acquisition or to liquidate, dissolve or wind up; or
- (e) effect its initial, underwritten offering and sale of its securities to the public pursuant to an effective registration statement under the Act (the "**IPO**");

then, in connection with each such event, the Company shall give Holder:

(1) in the case of the matters referred to in (a) and (b) above, at least seven (7) Business Days prior written notice of the earlier to occur of the effective date thereof or the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of outstanding shares of the Class will be entitled thereto) or for determining rights to vote, if any;

(2) in the case of the matters referred to in (c) and (d) above at least seven (7) Business Days prior written notice of the date when the same will take place (and specifying the date on which the holders of outstanding shares of the Class will be entitled to exchange their shares for the securities or other property deliverable upon the occurrence of such event and such reasonable information as Holder may reasonably require regarding the treatment of this Warrant in connection with such event giving rise to the notice); and

(3) with respect to the IPO, at least seven (7) Business Days prior written notice of the date on which the Company proposes to file its registration statement in connection therewith.

The Company will also provide information requested by Holder that is reasonably necessary to enable Holder to comply with Holder's accounting or reporting requirements.

SECTION 4. REPRESENTATIONS, WARRANTIES OF THE HOLDER.

The Holder represents and warrants to the Company as follows:

4.1 Purchase for Own Account. This Warrant and the Shares to be acquired upon exercise of this Warrant by Holder are being acquired for investment for Holder's account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Act. Holder also represents that it has not been formed for the specific purpose of acquiring this Warrant or the Shares.

4.2 Disclosure of Information. Holder is aware of the Company's business affairs and financial condition and has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying securities. Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to Holder or to which Holder has access.

4.3 Investment Experience. Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. Holder has experience as an investor in securities of companies in the development stage and acknowledges that Holder can bear the economic risk of such Holder's investment in this Warrant and its underlying securities. Holder has such knowledge and experience in financial or business matters that Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 Accredited Investor Status. Holder is an "accredited investor" within the meaning of Regulation D promulgated under the Act.

4.5 The Act. Holder understands that this Warrant and the Shares issuable upon exercise hereof have not been registered under the Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Holder's investment intent as expressed herein. Holder understands that this Warrant and the Shares issued upon any exercise hereof must be held indefinitely unless subsequently registered under the Act and qualified under applicable state securities laws, or unless exemption from such registration and qualification are otherwise available. Holder is aware of the provisions of Rule 144 promulgated under the Act.

4.6 No Voting Rights. Holder, as a holder of this Warrant, will not have any voting rights until the exercise of this Warrant.

SECTION 5. MISCELLANEOUS.

5.1 Term; Automatic Cashless Exercise Upon Expiration.

(a) Term. Subject to the provisions of Section 1.6 above, this Warrant is exercisable in whole or in part at any time and from time to time on or before 6:00 PM, Pacific time, on the Expiration Date and shall be void thereafter.

(b) Automatic Cashless Exercise upon Expiration. In the event that, upon the Expiration Date, the fair market value of one Share as determined in accordance with Section 1.3 above is greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares for which it shall not previously have been exercised, and the Company shall, within a reasonable time, deliver a certificate representing the Shares issued upon such exercise to Holder.

5.2 Legends. Each certificate evidencing Shares shall be imprinted with a legend in substantially the following form:

THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN THAT CERTAIN WARRANT TO PURCHASE STOCK ISSUED BY THE ISSUER TO WESTRIVER MEZZANINE LOANS, LLC DATED SEPTEMBER 29, 2016, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

5.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issued upon exercise of this Warrant may not be transferred or assigned in whole or in part except in compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation letters and legal opinions reasonably satisfactory to the Company, as reasonably requested by the Company). The Company shall not require Holder to provide an opinion of counsel if the transfer is to an affiliate of Holder, provided that such affiliate is an "accredited investor" as defined in Regulation D promulgated under the Act.

5.4 Transfer Procedure. Subject to the provisions of Section 5.3 and upon providing the Company with written notice, Holder may transfer all or part of this Warrant or the Shares issued upon exercise of this Warrant to any transferee, provided, however, in connection with any such transfer, Holder will give the Company notice of the portion of the Warrant and/or Shares being transferred with the name, address and taxpayer identification number of the transferee and Holder will surrender this Warrant to the Company for reissuance to the transferee(s) (and Holder if applicable); and provided further, that any subsequent transferee shall agree in writing with the Company to be bound by all of the terms and conditions of this Warrant and shall make the representations in Section 4 hereof. Notwithstanding any contrary provision herein, at all times prior to the IPO, Holder may not, without the Company's prior written consent, transfer this Warrant or any portion hereof, or any Shares issued upon any exercise hereof, to any person or entity who directly competes with the Company, except in connection with an Acquisition of the Company by such a direct competitor.

5.5 Notices. All notices and other communications hereunder from the Company to the Holder, or vice versa, shall be deemed delivered and effective (i) when given personally, (ii) on the third (3rd) Business Day after being mailed by first-class registered or certified mail, postage prepaid, (iii) upon actual receipt if given by facsimile or electronic mail and such receipt is confirmed in writing by the recipient, or (iv) on the first Business Day following delivery to a reliable overnight courier service, courier fee prepaid, in any case at such address as may have been furnished to the Company or Holder, as the case may be, in writing by the Company or such Holder from time to time in accordance with the provisions of this Section 5.5. All notices to Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise:

WestRiver Mezzanine Loans, LLC
c/o Chief Financial Officer
3720 Carillon Point
Kirkland, Washington 98033-7455
Attention: Trent Dawson
Telephone: (425) 952-3951
Email: tdawson@westrivermgmt.com

With a copy (which shall not constitute notice) to:

Perkins Coie LLP
1201 Third Avenue, Suite 4800
Seattle, Washington 98101-3099
Attention: David C. Clarke
Telephone: (206) 359-8612
Email: dclarke@perkinscoie.com

Notice to the Company shall be addressed as follows until Holder receives notice of a change in address:

Outbrain Inc.
Attn: Chief Financial Officer
39 West 13th Street, 3rd Floor
New York, NY 10011
Telephone: 917.534.5383
Email: egarofalo@outbrain.com

and

Outbrain Inc.
Attn: Michael Kistler
39 West 13th Street, 3rd Floor
New York, NY 10011
Telephone: 212 353-5898
Email: mkistler@outbrain.com

With a copy (which shall not constitute notice) to:

Loeb & Loeb LLP
Attn: Lloyd Rothenberg
345 Park Ave
New York, New York 10154
Telephone: 212 407-4937
Facsimile: 212 407-4990
Email: lrothenberg@loeb.com

5.6 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated (either generally or in a particular instance and either retroactively or prospectively) only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

5.7 Attorneys' Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.

5.8 Counterparts; Facsimile/Electronic Signatures. This Warrant may be executed in counterparts, all of which together shall constitute one and the same agreement. Any signature page delivered electronically or by facsimile shall be binding to the same extent as an original signature page with regards to any agreement subject to the terms hereof or any amendment thereto.

5.9 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of California, without giving effect to its principles regarding conflicts of law.

5.10 Headings. The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.

5.11 Business Days. "**Business Day**" is any day that is not a Saturday, Sunday or a day on which banks in Washington are closed.

[Remainder of page left blank intentionally]

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Warrant to Purchase Stock to be executed by their duly authorized representatives effective as of the Issue Date written above.

“COMPANY”

OUTBRAIN INC.

By: /s/ Barry Schofield
Name: Barry Schofield
(Print)
Title: VP, Corporate Finance & Treasury

“HOLDER”

WESTRIVER MEZZANINE LOANS, LLC

By: Loan Manager, LLC, its Managing Member

By: _____
Trent Dawson, Chief Financial Officer

APPENDIX 1

NOTICE OF EXERCISE

1. The undersigned Holder hereby exercises its right to purchase _____ shares of the Common/Series _____ Preferred [circle one] Stock of _____ (the "**Company**") in accordance with the attached Warrant To Purchase Stock, and tenders payment of the aggregate Warrant Price for such shares as follows:

- check in the amount of \$_____ payable to order of the Company enclosed herewith
- Wire transfer of immediately available funds to the Company's account
- Cashless Exercise pursuant to Section 1.2 of the Warrant
- Other [Describe] _____

2. Please issue a certificate or certificates representing the Shares in the name specified below:

Holder's Name

(Address)

3. By its execution below and for the benefit of the Company, Holder hereby restates each of the representations and warranties in Section 4 of the Warrant to Purchase Stock as of the date hereof.

HOLDER: _____
By: _____
Name: _____
Title: _____
(Date): _____

SCHEDULE 1

Company Capitalization Table

See attached

Schedule 1

NEITHER THIS WARRANT NOR ANY SECURITIES WHICH MAY BE ISSUED UPON CONVERSION OR EXERCISE HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR REGISTERED OR OTHERWISE QUALIFIED UNDER ANY STATE SECURITIES LAW. NEITHER THIS WARRANT NOR ANY SUCH SECURITIES MAY BE SOLD OR OFFERED FOR SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER SAID ACT AND REGISTRATION OR OTHER QUALIFICATION UNDER ANY APPLICABLE STATE SECURITIES LAWS, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION OR OTHER QUALIFICATION IS NOT REQUIRED.

WARRANT

to Purchase up to an Aggregate of 100,000

Shares of Common Stock (subject to adjustment) of

OUTBRAIN, INC.

at a per share price as detailed below

VOID AFTER THE EXPIRATION OF THE OPTION PERIOD (defined below)

This is to certify that American Friends of Tmura ("**Holder**") is entitled to purchase, subject to the provision of this Warrant, from Outbrain, Inc. a company incorporated under the laws of the State of Delaware (the "**Company**"), during the period (the "**Option Period**") from the date hereof and until the earlier of (i) immediately prior to the closing of the initial public offering of the Company's shares ("**IPO**"), (ii) a Deemed Liquidation, as such term is defined in the Company's Amended and Restated Certificate of Incorporation of the Company, or (iii) on the tenth anniversary of the date hereof, an aggregate of up to 100,000 (subject to adjustment as provided in Section 3 below) fully paid and non-assessable shares of Common Stock, US\$ 0.001 par value per share (the "**Warrant Shares**"), of the Company at a price of US\$0,576 per share (the "**Exercise Price**"), all subject to the terms and conditions set forth below.

1. **Exercise of Warrant**

(a) **Exercise.** Subject to the provisions hereof, this Warrant may be exercised, in whole or in part, on one or more occasions at any time during the Option Period. Notice of exercise of this Warrant in the form annexed hereto duly completed and executed on behalf of the Holder must be submitted to the Company no later than the expiration of the Option Period.

(b) **Method of Exercise.**

(i) **Exercise for Cash** - This Warrant may be exercised in whole or in part by presentation and surrender hereof to the Company at the principal office of the Company, accompanied by (i) a written notice of exercise and (ii) payment to the Company, for the account of the Company, of the Exercise Price for the number of Warrant Shares specified in such notice. The Exercise Price for the number of Warrant Shares specified in the notice shall be payable in immediately available good funds, in U.S. dollars.

(ii) Net Exercise - In the event of (i) the closing of the IPO, (ii) the closing of any transaction for the sale of all or substantially all of the assets or the shares of the Company, or (iii) the merger or consolidation of the Company in which the Company is not the surviving entity (an “Exit Event”), and provided that the Warrant has not been previously fully exercised or terminated, in lieu of the payment method set forth in Section 1(b)(i) above, the Holder may elect to exchange the Warrant for a number of Warrant Shares calculated pursuant to the following formula. If the Holder elects to exchange this Warrant as provided in this Section 1(b)(ii), the Holder shall tender to the Company the Warrant along with the Notice of Exercise, and the Company shall issue to the Holder the number of Warrant Shares computed using the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where:

X = the number of Warrant Shares to be issued to the Holder.

Y = the number of shares of Warrant Shares purchasable under the Warrant (as adjusted to the date of such calculation, but excluding those shares already issued under this Warrant).

A = the Fair Market Value (as defined below) of one share of the Company’s Common Stock.

B = Per share Exercise Price (as adjusted to the date of such calculation).

“**Fair Market Value**” of a share of the Company’s Commons Stock shall mean:

- (a) Except as set forth in paragraphs 1(b)(ii)(b) and 1(b)(ii)(c) (below), as determined by the Company’s Board of Directors in good faith.
 - (b) If the exercise date is the date of closing of the IPO, then the price at which the Common Stock is being sold to the public in the IPO (after deduction of discounts and commissions but before expenses).
 - (c) If the exercise date is the date of closing of an Exit Event, then the value of such shares as determined for purpose of such transaction, and, in the absence of such determination, in accordance with Section 1(c)(i)(a) above.
-

(c) **Partial Exercise, Etc.** If this Warrant should be exercised in part, the Company shall, promptly after surrender of this Warrant for cancellation, execute and deliver a new Warrant evidencing the rights of the Holder to purchase the balance of the shares purchasable hereunder.

(d) **Issuance of the Warrant Shares.** Promptly after presentation and surrender of the notice of exercise accompanied by the payment of the Exercise Price pursuant to Section 1(b)(i) above or in accordance with Section 1(b)(ii) above, the Company shall issue to the Holder the shares to which the Holder is entitled thereto. Upon receipt by the Company of the notice of exercise and the Exercise Price, the Holder shall be deemed to be the holder of the shares issuable upon such exercise, notwithstanding that the share transfer books of the Company shall then be closed and that certificates representing such shares shall not then be actually delivered to the Holder. The Company shall pay all charges that may be payable in connection with the issuance of the shares and the preparation and delivery of share certificates pursuant to this Section 1 in the name of the Holder, but shall not pay any taxes, levies, charges and the like payable by the Holder by virtue of the receipt, holding and exercise of this Warrant or of the holding, issuance, exercise or sale of the Warrant Shares to or by the Holder.

(e) **Withholding Taxes.** The Holder is responsible for any and all taxes to be paid in connection with the exercise of the Warrant or the sale of the Warrant Shares. To the extent required by applicable federal, state, local or foreign law, and as a condition to the Company's obligation to issue any Warrant Shares upon the exercise of the Warrant in full or in part, Holder will make arrangements reasonably satisfactory to the Company for the payment of any withholding tax obligations that arise by reason of such exercise.

2. **Reservation of Shares**

The Company hereby agrees that at all times it will maintain and reserve, free from pre-emptive rights, such number of authorized but unissued Warrant Shares so that this Warrant may be exercised without additional authorization of Warrant Shares after giving effect to all other options, warrants, convertible securities and other rights to acquire shares of the Company.

3. **Adjustment**

The number of Warrant Shares purchasable upon the exercise of this Warrant and the Exercise Price shall be subject to adjustment from time to time or upon exercise as provided in this Section 3.

(a) **Rights Offer.** If the Company's shareholders are offered any securities whatsoever by a rights issue, neither the Exercise Price nor the quantity of Warrant Shares will be adjusted, provided that the Company shall offer identical rights on the same terms and conditions to the Holder, as if the Holder had exercised this Warrant in full immediately prior to the date of conferring the right to participate in the rights issue.

(b) Consolidation and Division. If the Company consolidates its shares into shares of greater nominal value, or subdivides them into shares of lesser nominal value, the number of Warrant Shares to be allotted on exercise of this Warrant after such consolidation or subdivision and the Exercise Price will be reduced or increased, as the case may be. The Holder will not be entitled to receive a fraction of a Warrant Share.

(c) Bonus Shares and Certain Distributions. In the event of a distribution of share dividend, other distribution payable in additional shares or bonus shares prior to the end of the Option Period, this Warrant shall represent, subject to its exercise, the right to acquire, in addition to the number of Warrant Shares indicated in the caption of this Warrant, and without payment of any additional consideration therefor, the amount of shares in such share dividend, other distribution payable in additional shares or bonus shares to which the Holder hereof would have been entitled had this Warrant been exercised prior to the distribution of the bonus shares.

(d) General Protection. The Company will not, by amendment of its Certificate of Incorporation, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder, but will at all times in good faith assist in the carrying out of all the provisions hereof and in taking of all such actions and making all such adjustments as may be necessary or appropriate in order to protect the rights of the Holder against impairment.

4. Representations of Holder

The Holder, by accepting this Warrant, represents that the Holder is acquiring this Warrant for its own account or the account of an affiliate for investment purposes and not with the view to any offering or distribution and that the Holder will not sell or otherwise dispose of this Warrant or the underlying Warrant Shares in violation of applicable securities laws. The Holder acknowledges that the certificates representing any Warrant Shares will bear a legend indicating that they have not been registered under the Securities Act and may not be sold by the Holder except pursuant to an effective registration statement or pursuant to an exemption from the registration requirements of the Securities Act and in accordance with federal and state securities laws.

5. No Stockholder Rights

The Holder shall not, by virtue hereof, be entitled to any rights or privileges of a stockholder in the Company.

Upon exercising any portion of this Warrant, Holder shall enter into and be bound by all of the terms of the Company's Stockholders' Agreement, if any.

6. Termination

This Warrant and the rights conferred hereunder shall terminate on the earlier of: (i) the expiration of the Option Period, or (ii) the date of exercise in full of this Warrant.

7. **Limitation on Transfer**

This Warrant and the rights of the Holder hereunder may not be transferred and/or assigned in any way whatsoever other than in connection with an estate planning, and no transaction in respect thereof shall be made, either for consideration or for no consideration.

8. **Governing Law**

This Warrant shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to principles of conflicts or choice of laws. The parties hereto hereby submit to the jurisdiction of the courts of the State of New York located in New York City or the United States District Court for the Southern District of New York for every dispute, action, claim or proceeding arising from or in connection with this Warrant.

DATED: July 26, 2011

OUTBRAIN, INC.

By: /s/ Patrick Kelly

Name: Patrick Kelly

Title: VP Finance, Secretary

We acknowledge and agree to the terms of this Warrant.

/s/ Baruch Lipner

(sign)

American Friends of Tmura

By: /s/ Baruch Lipner

Name: Baruch Lipner

Title: Executive Director

NOTICE OF EXERCISE

To: Outbrain, Inc.

1. The undersigned hereby elects to purchase _____ shares of Common Stock of Outbrain, Inc., pursuant to the terms of the attached Warrant, (a) tenders herewith payment of the purchase price for such shares; or (b) tenders the Warrant as a net exercise pursuant to Section 1(c)(ii) thereof.
2. In exercising this Warrant, the undersigned hereby confirms and acknowledges that the shares are being acquired solely for the account of the undersigned and not as a nominee for any other party, or for investment, and that the undersigned will not offer, sell or otherwise dispose of any such shares except under circumstances that will not result in a violation of the Securities Act of 1933, as amended, or any state securities laws.
3. Please issue a certificate representing said shares in the name of the undersigned.
4. Please issue a new Warrant for the unexercised portion of the attached Warrant in the name of the undersigned.

(Date)

(Print Name)

(Signature)

**IRREVOCABLE LETTER OF APPOINTMENT
OF PROXY AND POWER OF ATTORNEY**

1. The undersigned holder (“**Stockholder**”) of [___] shares of Common Stock (the “**Shares**”) of OUTBRAIN, INC, a Delaware corporation (the “**Company**”), hereby irrevocably (to the fullest extent permitted by the Delaware General Corporation Law) appoints the chairman of the Company’s Board of Directors, as may be appointed from time to time (the “**Chairman**”) as the Stockholder’s true and lawful, sole and exclusive proxy and attorney-in-fact, with full power of substitution, to vote and exercise all voting and related rights as Stockholders proxy (i) at all annual and special meetings of the stockholders of the Company including any class meetings, and any postponements or adjournments thereof, and (ii) on all consents or dissents by stockholders of the Company to corporate actions in writing without a meeting, with respect to all of the Shares (which term shall include the Shares and any other voting security of the Company owned as of record by the Stockholder (whether now owned or hereafter acquired)), in the Chairman’s sole discretion. The Stockholder shall be entitled to receive any notice submitted to the stockholders of the Company; provided, that Stockholder hereby waives the timely delivery of any such notice (including with respect to meetings of the stockholders of the Company). Without limiting the foregoing, the Chairman, in his capacity as proxy holders hereunder shall have the right to waive the timely delivery of any such notice on behalf of Stockholder.
 2. The proxy granted by the Stockholder pursuant to this Irrevocable Letter of Appointment is coupled with an interest and is given to secure the performance of the Stockholder’s duties under certain obligations that he took upon himself toward the Chairman.
 3. In addition, the Stockholder hereby irrevocably constitutes and appoints the Chairman as the Stockholder’s true and lawful attorney-in-fact, with full power of substitution and with full power and authority to act in the name of, for and on behalf of, the Stockholder with respect to any and all matters arising in connection with the Shares or any agreement to which the Stockholder and the Company are bound, including, but not limited to, the power and authority on behalf of the Stockholder to make, execute, acknowledge and deliver any and all contracts, amendments, stock powers, orders, receipts, notices, instructions, certificates, letters and other writings, and in general do any and all things, that the Chairman in his sole discretion may deem advisable and not adverse to the Stockholder, in each case as fully as could the Stockholder if personally present and acting. The Stockholder hereby agrees that, upon the execution and deliver of any such instruments by the Chairman on behalf of the Stockholder, the Stockholder shall be bound by and obligated to perform each and every covenant and agreement of the Stockholder contained therein.
 4. The Chairman is hereby empowered to determine in his sole discretion the time or times when, the purpose for and the manner in which any power herein conferred upon him shall be exercised, and the conditions, provisions or covenants of any instrument or document that may be executed by him pursuant hereto.
-

5. The Stockholder hereby agrees to indemnify the Chairman for and to hold the Chairman free from and harmless against any and all loss, claim, damage, liability or expense incurred by or on behalf of the Chairman under this Irrevocable Letter of Appointment arising out of or in connection with acting as Stockholder's proxy or attorney-in-fact hereunder, as well as the reasonable costs and expenses of defending against any claim of liability hereunder, and not due to the Chairman's own gross negligence or willful misconduct.
6. This Irrevocable Letter of Appointment shall be irrevocable until, and shall automatically terminate upon, the consummation of the Company's initial public offering, and shall survive the death, incompetency or disability of the Stockholder (if he or she is an individual), or the merger or dissolution of the Stockholder (that is a corporation or a partnership), and shall be binding upon Stockholder's successors and assignees. The Stockholder acknowledges and understands that the specific date on which this Irrevocable Letter of Appointment will terminate is not presently known, and that such date may be more than three years after the date hereof.
7. The undersigned acknowledges and agrees that his/its undertakings as per the above are and will remain irrevocable, as one or more third parties will be relying upon them in taking action that they may otherwise not take, and by which they may be adversely changing their financial and/or legal situation.
8. Stock certificates representing the Shares shall be imprinted with a legend stating that the shares are subject to this Irrevocable Letter of Appointment. Upon termination of this Irrevocable Letter of Appointment and upon receipt of certificates representing Shares bearing a legend referring to this Irrevocable Letter of Appointment, certificates without the legend may be reissued by the Company.
9. This Irrevocable Letter of Appointment shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to its conflict of laws principles. The undersigned hereby submits to the jurisdiction of New York courts every dispute arising from, or in connection with, this Irrevocable Letter of Appointment.
10. Stockholder hereby revokes any prior oral or written proxy which may have been executed by Stockholder with respect to any securities of the Company and agrees not to grant any subsequent proxies with respect to any securities of the Company until after the termination of this Irrevocable Letter of Appointment.

American Friends of Tmura

Address: _____

Date: _____

[For US Investors]

Today: _____

To
Outbrain, Inc.

Dear Sirs,

The undersigned (the “**Investor**”), having been granted, under a Warrant Agreement dated as of _____ (the “**Warrant Agreement**”) the right to purchase from Outbrain, Inc., a Delaware corporation (“**the Company**”), 100,000 shares of Common Stock, \$0.001 par value each of the Company against payment of the sum of \$[____] per share, hereby represents and warrants as follows:

1. The Investor resides in the United States in the state or other jurisdiction included within the Investor’s address set forth below the Investor’s signature below;
 2. The Investor understands and acknowledges that the Company has entered into the Warrant Agreement with the Investor in reliance upon (i) the accuracy of the information supplied to the Company by the Investor, and (ii) the Investor’s representation to the Company, including those contained herein, which the Investor’s execution of the Warrant Agreement and of this instrument hereby confirms, that the Shares to be received by the Investor will be acquired for investment for the Investor’s own account, not as a nominee or agent, and not with a view to the sale or distribution of any part thereof in violation of applicable securities laws.
 3. The Investor understands and acknowledges that the offering of the Shares pursuant to the Warrant Agreement will not be registered under the Securities Act of 1933 on the grounds that the offering and sale of securities contemplated by the Warrant Agreement are exempt from registration pursuant to Section 4(2) of the Securities Act of 1933 (the “**Securities Act**”) and Rule 506 of Regulation D promulgated thereunder, and that the Company’s reliance upon such exemption is predicated upon the Investor’s representations set forth herein.
 4. The Investor acknowledges and agrees that the Shares must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. The Investor has been advised or is aware of the provisions of Rule 144 promulgated under the Securities Act, which permits limited public resale of securities purchased in a private placement subject to the satisfaction of certain conditions, including, among other things: the availability of certain current public information about the Company, the resale occurring not less than the required holding period, the sale being through an unsolicited “broker’s transaction” or in transactions directly with a market maker (as said term is defined under the Securities Exchange Act of 1934, as amended) and the number of shares being sold during any three-month period not exceeding specified limitations.
-

5. The Investor: (i) is an “accredited investor” within the meaning of Rule 501 of Regulation D promulgated under the Securities Act, (ii) has previously invested in securities of companies in the development stage and acknowledges that it is able to fend for itself, and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Shares; (iii) has the ability to bear the economic risks of the Investor’s prospective investment; (iv) is able, without materially impairing its financial condition, to hold the Shares, for an indefinite period of time and to suffer complete loss on its investment.
6. The Investor agrees, at any time and from time to time, without consideration, to take such actions and to execute and deliver such documents as may be reasonably required by the Company to effectuate or complete this instrument and/or the rights of the Company hereunder.

(sign)

Name: American Friends of Tmura

Address: _____

[For Non-US Investors]

Today : _____

To
Outbrain, Inc.

Dear Sirs,

The undersigned (the **“Investor”**), having been granted, under a Warrant Agreement dated as of _____ (the **“Warrant Agreement”**) the right to purchase from Outbrain, Inc., a Delaware corporation (**“the Company”**), 100,000 shares of Common Stock, \$0.001 par value each of the Company against payment of the sum of \$[____] per share, hereby represents and warrants as follows:

1. The Investor is not a “U.S. person” as that term is defined in Rule 902(k) of Regulation S promulgated under the Securities Act of 1933 (the “Securities Act”), meaning that the Investor is not (i) a natural person resident in the United States, (ii) a partnership or corporation organized or incorporated under the laws of the United States, (iii) an estate of which any executor or administrator is a U.S. person, (iv) a trust of which any trustee is a U.S. person, or (v) a partnership or corporation organized or incorporated under the laws of a jurisdiction outside the United States but formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act.
2. The Investor is not purchasing the Shares for the account or benefit of any U.S. person, or with a view towards distribution to any U.S. person, in violation of the registration requirements of the Securities Act.
3. The Investor will make all subsequent offers and sales of the Shares either (x) outside of the United States in compliance with Regulation S; (y) pursuant to a registration under the Securities Act; or (z) pursuant to an available exemption from registration under the Securities Act. Specifically, such Shareholder will not resell the Shares to any U.S. person or within the United States prior to the expiration of a period commencing on the Effective Date and ending on the date that is one year thereafter, except pursuant to registration under the Securities Act or an exemption from registration under the Securities Act.
4. The Investor did not receive an offer to purchase the Shares from the Company or any of its representatives at any time when the Investor was physically present in the United States, and the Investor has executed the Warrant Agreement outside of the United States.

(sign)
Name: American Friends of Tmura
Address: _____

NEITHER THIS WARRANT NOR ANY SECURITIES WHICH MAY BE ISSUED UPON CONVERSION OR EXERCISE HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR REGISTERED OR OTHERWISE QUALIFIED UNDER ANY STATE SECURITIES LAW. NEITHER THIS WARRANT NOR ANY SUCH SECURITIES MAY BE SOLD OR OFFERED FOR SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER SAID ACT AND REGISTRATION OR OTHER QUALIFICATION UNDER ANY APPLICABLE STATE SECURITIES LAWS, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION OR OTHER QUALIFICATION IS NOT REQUIRED.

WARRANT

to Purchase up to an Aggregate of 37,713

Shares of Common Stock (subject to adjustment) of

OUTBRAIN, INC.

at a per share price as detailed below

VOID AFTER THE EXPIRATION OF THE OPTION PERIOD (defined below)

This is to certify that Ouriel Ohyaon ("**Holder**") is entitled to purchase, subject to the provisions of this Warrant, from OUTBRAIN, INC., a company incorporated under the laws of the State of Delaware (the "**Company**"), during the period (the "**Option Period**") from the date hereof until the earlier of (i) immediately prior to the closing of the initial public offering of the Company's shares ("**IPO**"), or (ii) immediately prior to the closing of any transaction for the sale of substantially all of the assets or the shares of the Company, an aggregate of up to 37,713 (subject to adjustment as provided in Section 3 below)-fully paid and non-assessable shares of Common Stock, U.S.\$ 0.001 par value per share (the "**Warrant Shares**"), of the Company at a price of U.S.\$0.2186 per share (the "**Exercise Price**"), all subject to the terms and conditions set forth below.

1. Vesting and Exercise of Warrant

(a) **Vesting; Acceleration.** Initially, the entire Warrant will be unvested; during the term that Holder is serving as an advisor to the Company, portions of the Warrant will become vested in twenty-four equal installments, each of which to occur every month (approximately 1,571 shares/month) on a cumulative basis over the twenty-four month period commencing on January 8, 2007. It is hereby clarified that no portion of the Warrant shall vest from and after the date that Holder ceases to serve as an advisor to the Company.

Notwithstanding the above, this Warrant, to the extent not previously terminated or expired and provided that Holder is serving as an advisor to the Company as of the relevant time, shall become fully vested immediately prior to the earlier of: (i) the closing of the IPO, (ii) the closing of any transaction for the sale of all or substantially all of the assets or the shares of the Company, or (iii) the merger or consolidation of the Company in which the Company is not the surviving entity (an “Exit Event”).

(b) **Notice of Exercise.** Notice of exercise of this Warrant in the form annexed hereto duly completed and executed on behalf of the Holder must be submitted to the Company no later than the expiration of the Option Period.

(c) **Method of Exercise.**

(i) **Exercise for Cash** - The vested portion of this Warrant may be exercised in whole or in part by presentation and surrender hereof to the Company at the principal office of the Company, accompanied by (i) a written notice of exercise and (ii) payment to the Company, for the account of the Company, of the Exercise Price for the number of Warrant Shares specified in such notice. The Exercise Price for the number of Warrant Shares specified in the notice shall be payable in immediately available good funds, in U.S. dollars.

(ii) **Net Exercise** – In the event of an IPO or an Exit Event, and provided that the Warrant has not been previously fully exercised or terminated, in lieu of the payment method set forth in Section 1(c)(i) above, the Holder may elect to exchange the vested portion of the Warrant for a number of Warrant Shares calculated pursuant to the following formula. If the Holder elects to exchange this Warrant as provided in this Section 1(c)(ii), the Holder shall tender to the Company the Warrant along with the Notice of Exercise, and the Company shall issue to the Holder the number of Warrant Shares computed using the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where:

X = the number of Warrant Shares to be issued to the Holder.

Y = the number of shares of vested Warrant Shares purchasable under the Warrant (as adjusted to the date of such calculation, but excluding those shares already issued under this Warrant).

A = the Fair Market Value (as defined below) of one share of the Company’s Common Stock.

B = Per share Exercise Price (as adjusted to the date of such calculation).

“**Fair Market Value**” of a share of the Company’s Commons Stock shall mean:

- (a) Except as set forth in paragraphs 1(c)(ii)(b) and 1(c)(ii)(c) (below), as determined by the Company’s Board of Directors in good faith.
- (b) If the exercise date is the date of closing of the IPO, then the price at which the Common Stock is being sold to the public in the IPO (after deduction of discounts and commissions but before expenses).
- (c) If the exercise date is the date of closing of an Exit Event, then the Value of such shares as determined for purpose of such transaction, and, in the absence of such determination, in accordance with Section 1(c)(i)(a) above.

(d) **Partial Exercise, Etc.** If this Warrant should be exercised in part, the Company shall, promptly after surrender of this Warrant for cancellation, execute and deliver a new Warrant evidencing the rights of the Holder to purchase the balance of the shares purchasable hereunder.

(e) **Issuance of the Warrant Shares.** Promptly after presentation and surrender of the notice of exercise accompanied by the payment of the Exercise Price pursuant to Section 1(c)(i) above or in accordance with Section 1(c) (ii) above, the Company shall issue to the Holder the shares to which the Holder is entitled thereto. Upon receipt by the Company of the notice of exercise and the Exercise Price, the Holder shall be deemed to be the holder of the shares issuable upon such exercise, notwithstanding that the share transfer books of the Company shall then be closed and that certificates representing such shares shall not then be actually delivered to the Holder. The Company shall pay all charges that may be payable in connection with the issuance of the shares and the preparation and delivery of share certificates pursuant to this Section 1 in the name of the Holder, but shall not pay any taxes, levies, charges and the like payable by the Holder by virtue of the receipt, holding and exercise of this Warrant or of the holding, issuance, exercise or sale of the Warrant Shares to or by the Holder.

(f) **Withholding Taxes.** The Holder is responsible for any and all taxes to be paid in connection with the exercise of the Warrant or the sale of the Warrant Shares. To the extent required by applicable federal, state, local or foreign law, and as a condition to the Company’s obligation to issue any Warrant Shares upon the exercise of the Warrant in full or in part, Holder will make arrangements reasonably satisfactory to the Company for the payment of any withholding tax obligations that arise by reason of such exercise.

2. Reservation of Shares

The Company hereby agrees that at all times it will maintain and reserve, free from pre-emptive rights, such number of authorized but unissued Warrant Shares so that this Warrant may be exercised without additional authorization of Warrant Shares after giving effect to all other options, warrants, convertible securities and other rights to acquire shares of the Company.

3. **Adjustment**

The number of Warrant Shares purchasable upon the exercise of this Warrant and the Exercise Price shall be subject to adjustment from time to time or upon exercise as provided in this Section 3.

(a) **Rights Offer.** If the Company's shareholders are offered any securities whatsoever by a rights issue, neither the Exercise Price nor the quantity of Warrant Shares will be adjusted, provided that the Company shall offer identical rights on the same terms and conditions to the Holder, as if the Holder had exercised this Warrant in full immediately prior to the date of conferring the right to participate in the rights issue.

(b) **Consolidation and Division.** If the Company consolidates its Warrant Shares into shares of greater nominal value, or subdivides them into shares of lesser nominal value, the number of Warrant Shares to be allotted on exercise of this Warrant after such consolidation or subdivision and the Exercise Price will be reduced or increased, as the case may be. The Holder will not be entitled to receive a fraction of a Warrant Share.

(c) **Bonus Shares and Certain Distributions.** In the event of a distribution of share dividend, other distribution payable in additional shares or bonus shares prior to the end of the Option Period, this Warrant shall represent, subject to its exercise, the right to acquire, in addition to the number of Warrant Shares indicated in the caption of this Warrant, and without payment of any additional consideration therefor, the amount of shares in such share dividend, other distribution payable in additional shares or bonus shares to which the Holder hereof would have been entitled had this Warrant been exercised prior to the distribution of the bonus shares.

(d) **General Protection.** The Company will not, by amendment of its Certificate of Incorporation, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder, but will at all times in good faith assist in the carrying out of all the provisions hereof and in taking of all such actions and making all such adjustments as may be necessary or appropriate in order to protect the rights of the Holder against impairment.

4. **Representations of Holder**

The Holder has executed a letter directed to the Company indicating that the Holder is either an "accredited investor" or not a "U.S. person". The Holder understands that the Company is relying on the Holder's representations relating to the Holder's status in order to comply with the securities laws of the United States. The Holder, by accepting this Warrant, represents that the Holder is acquiring this Warrant for its own account or the account of an affiliate for investment purposes and not with the view to any offering or distribution and that the Holder will not sell or otherwise dispose of this Warrant or the underlying Warrant Shares in violation of applicable securities laws. The Holder acknowledges that the certificates representing any Warrant Shares will bear a legend indicating that they have not been registered under the Securities Act and may not be sold by the Holder except pursuant to an effective registration statement or pursuant to an exemption from the registration requirements of the Securities Act and in accordance with federal and state securities laws.

5. **No Stockholder Rights**

The Holder shall not, by virtue hereof be entitled to any rights of privileges of a stockholder in the Company.

6. **Termination**

This Warrant and the rights conferred hereunder shall terminate on the earlier of: (i) the expiration of the Option Period, or (ii) the date of exercise in full of this Warrant.

7. **Limitation On Transfer**

This Warrant and the rights of the Holder hereunder may not be transferred and/or assigned in any way whatsoever other than in connection with an estate planning and no transaction in respect thereof shall be made, either for consideration or for no consideration.

8.. **Governing Law**

This Warrant shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to principles of conflicts or choice of laws. The parties hereto hereby submit to the jurisdiction of the courts of the State of New York located in New York City or the United States District Court for the Southern District of New York for every dispute, action, claim or proceeding arising from or in connection with this Warrant.

DATED: January 8, 2007

OUTBRAIN, INC.

By: /s/ Yaron Galai

Name: Yaron Galai

Title: CEO

I acknowledge and agree to the terms of this Warrant.

/s/ Ouriel Ohayon

(sign)

Name: Ouriel Ohayon

NOTICE OF EXERCISE

To: Outbrain, Inc.

1. The undersigned hereby elects to purchase _____ shares of Common Stock of Outbrain, Inc., pursuant to the terms of the attached Warrant, (a) tenders herewith payment of the purchase price for such shares; or (b) tenders the Warrant as a net exercise pursuant to Section 1 (c)(ii) thereof.
2. In exercising this Warrant, the undersigned hereby confirms and acknowledges that the shares are being acquired solely for the account of the undersigned and not as a nominee for any other party, or for investment, and that the undersigned will not offer, sell or otherwise dispose of any such shares except under circumstances that will not result in a violation of the Securities Act of 1933, as amended, or any state securities laws.
3. The undersigned represents and warrants that the undersigned (a) purchased the Warrant from the Company, (b) is an “accredited investor” (as such term is defined in Rule 501(a) under the Securities Act of 1933, as amended (the “Securities Act”)), or (c) is not a “U.S. person” (as defined in Rule 902(k) under the Securities Act).
3. Please issue a certificate representing said shares in the name of the undersigned.
4. Please issue a new Warrant for the unexercised portion of the attached Warrant in the name of the undersigned.

(Date)

(Print Name)

(Signature)

**AMENDED AND RESTATED
LOAN AND SECURITY AGREEMENT**

THIS AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT (this “**Agreement**”) dated as of September 15, 2014 (the “**Effective Date**”) between (i) **SILICON VALLEY BANK**, a California corporation (“**Bank**”), and (ii) **OUTBRAIN INC.**, a Delaware corporation (“**Borrower**”), provides the terms on which Bank shall lend to Borrower and Borrower shall repay Bank. This Agreement amends and restates in its entirety that certain Loan and Security Agreement dated as of May 24, 2013 between Borrower and Bank (as amended from time to time, the “**Prior Loan Agreement**”). The parties agree as follows:

1 ACCOUNTING AND OTHER TERMS

Accounting terms not defined in this Agreement shall be construed following GAAP. Calculations and determinations must be made following GAAP. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in Section 13. All other terms contained in this Agreement, unless otherwise indicated, shall have the meaning provided by the Code to the extent such terms are defined therein.

2 LOAN AND TERMS OF PAYMENT

2.1 **Promise to Pay.** Borrower hereby unconditionally promises to pay Bank the outstanding principal amount of all Credit Extensions and accrued and unpaid interest thereon as and when due in accordance with this Agreement.

2.2 **Revolving Advances.**

(a) **Availability.** Subject to the terms and conditions of this Agreement and to deduction of Reserves, Bank shall make Advances not exceeding the Availability Amount. Amounts borrowed under the Revolving Line may be repaid and, prior to the Revolving Line Maturity Date, reborrowed, subject to the applicable terms and conditions precedent herein.

(b) **Termination; Repayment.** The Revolving Line terminates on the Revolving Line Maturity Date, when the principal amount of all Advances, the unpaid interest thereon, and all other Obligations relating to the Revolving Line shall be immediately due and payable.

2.3 **Overadvances.** If, at any time, the outstanding principal amount of any Advances exceeds the lesser of either the Revolving Line or the Borrowing Base, Borrower shall immediately pay to Bank in cash the amount of such excess (such excess, the “**Overadvance**”). Without limiting Borrower’s obligation to repay Bank any Overadvance, Borrower agrees to pay Bank interest on the outstanding amount of any Overadvance, on demand, at the Default Rate.

2.4 **Payment of Interest on the Credit Extensions.**

(a) **Advances.** Subject to Section 2.4(b), the principal amount outstanding under the Revolving Line shall accrue interest at a floating per annum rate equal to three-quarters of one percentage point (0.75%) above the Prime Rate; provided, however, during a Streamline Period, the principal amount outstanding under the Revolving Line shall accrue interest at a floating per annum rate equal to one-quarter of one percentage point (0.25%) above the Prime Rate, which interest shall be payable monthly in accordance with Section 2.4(e) below.

(b) Default Rate. Immediately upon the occurrence and during the continuance of an Event of Default, Obligations shall bear interest at a rate per annum which is five percent (5.0%) above the rate that is otherwise applicable thereto (the “**Default Rate**”). Fees and expenses which are required to be paid by Borrower pursuant to the Loan Documents (including, without limitation, Bank Expenses) but are not paid when due shall bear interest until paid at a rate equal to the highest rate applicable to the Obligations. Payment or acceptance of the increased interest rate provided in this Section 2.4(b) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Bank.

(c) Adjustment to Interest Rate. Changes to the interest rate of any Credit Extension based on changes to the Prime Rate shall be effective on the effective date of any change to the Prime Rate and to the extent of any such change.

(d) Minimum Interest. In the event the aggregate amount of interest earned by Bank in connection with the Revolving Line in any month (such period, the “**Minimum Interest Period**,” which period shall begin on the Effective Date and continue with each month thereafter until the earlier of the Revolving Line Maturity Date or the date this Agreement is terminated) is less than Six Thousand Dollars (\$6,000) (exclusive of any collateral monitoring fees, or any other fees and charges hereunder) (“**Minimum Interest**”), Borrower shall pay to Bank, upon demand by Bank, an amount equal to the (i) Minimum Interest minus (ii) the aggregate amount of all interest earned by Bank (exclusive of any collateral monitoring fees, or any other fees and charges hereunder) in such Minimum Interest Period. The amount of Minimum Interest charged shall be prorated for any partial Minimum Interest Period and any partial Minimum Interest Period resulting from the termination of this Agreement. Borrower shall not be entitled to any credit, rebate, or repayment of any Minimum Interest pursuant to this Section 2.4(d) notwithstanding any termination of this Agreement or the suspension or termination of Bank’s obligation to make loans and advances hereunder. Bank may deduct amounts owing by Borrower under this Section 2.4(d) pursuant to the terms of Section 2.6(c). Bank shall provide Borrower written notice of deductions made from the Designated Deposit Account pursuant to the terms of this Section 2.4(d).

(e) Payment; Interest Computation. Interest is payable monthly on the last calendar day of each month and shall be computed on the basis of a 360-day year for the actual number of days elapsed. In computing interest, (i) all payments received after 12:00 p.m. Eastern time on any day shall be deemed received at the opening of business on the next Business Day, and (ii) the date of the making of any Credit Extension shall be included and the date of payment shall be excluded; provided, however, that if any Credit Extension is repaid on the same day on which it is made, such day shall be included in computing interest on such Credit Extension.

2.5 Fees. Borrower shall pay to Bank:

(a) **Commitment Fee.** A fully earned, non-refundable commitment fee of Thirty Seven Thousand Five Hundred Dollars (\$37,500), payable as follows: Eighteen Thousand Seven Hundred Fifty Dollars (\$18,750) on the Effective Date, and Eighteen Thousand Seven Hundred Fifty Dollars (\$18,750) on the first anniversary of the Effective Date.

(b) **Bank Expenses.** All Bank Expenses (including reasonable attorneys' fees and expenses for documentation and negotiation of this Agreement) incurred through and after the Effective Date, when due (or, if no stated due date, upon demand by Bank).

(c) **Fees Fully Earned.** Unless otherwise provided in this Agreement or in a separate writing by Bank, Borrower shall not be entitled to any credit, rebate, or repayment of any fees earned by Bank pursuant to this Agreement notwithstanding any termination of this Agreement or the suspension or termination of Bank's obligation to make loans and advances hereunder. Bank may deduct amounts owing by Borrower under the clauses of this Section 2.5 pursuant to the terms of Section 2.6(c). Bank shall provide Borrower written notice of deductions made from the Designated Deposit Account pursuant to the terms of the clauses of this Section 2.5.

2.6 Payments; Application of Payments; Debit of Accounts.

(a) All payments to be made by Borrower under any Loan Document shall be made in immediately available funds in Dollars, without setoff or counterclaim, before 12:00 p.m. Eastern time on the date when due. Payments of principal and/or interest received after 12:00 p.m. Eastern time are considered received at the opening of business on the next Business Day. When a payment is due on a day that is not a Business Day, the payment shall be due the next Business Day, and additional fees or interest, as applicable, shall continue to accrue until paid.

(b) Bank has the exclusive right to determine the order and manner in which all payments with respect to the Obligations may be applied. Borrower shall have no right to specify the order or the accounts to which Bank shall allocate or apply any payments required to be made by Borrower to Bank or otherwise received by Bank under this Agreement when any such allocation or application is not specified elsewhere in this Agreement.

(c) Bank may debit any of Borrower's deposit accounts, including the Designated Deposit Account, for principal and interest payments or any other documented amounts Borrower owes Bank when due. These debits shall not constitute a set-off.

3 CONDITIONS OF LOANS

3.1 Conditions Precedent to Initial Credit Extension. Bank's obligation to make the initial Credit Extension is subject to the condition precedent that Bank shall have received, in form and substance satisfactory to Bank, such documents, and completion of such other matters, as Bank may reasonably deem necessary or appropriate, including, without limitation:

(a) duly executed original signatures of Borrower to the Loan Documents;

(b) the Operating Documents and long-form good standing certificates of Borrower certified by the Secretary of State (or equivalent agency) of Borrower's jurisdiction of organization or formation and each jurisdiction in which Borrower is qualified to conduct business, each as of a date no earlier than thirty (30) days prior to the Effective Date;

(c) duly executed original signatures to the completed Borrowing Resolutions for Borrower;

(d) certified copies, dated as of a recent date, of financing statement and other lien searches, as Bank may request, accompanied by written evidence (including any UCC termination statements) that the Liens indicated in any such financing statements either constitute Permitted Liens or have been or, in connection with the initial Credit Extension, will be terminated or released;

(e) the Perfection Certificate of Borrower, together with the duly executed original signature thereto;

(f) a legal opinion of Borrower's counsel dated as of the Effective Date together with the duly executed original signature thereto;

(g) evidence satisfactory to Bank that the insurance policies and endorsements required by Section 6.7 hereof are in full force and effect, together with appropriate evidence showing lender loss payable and/or additional insured clauses or endorsements in favor of Bank; and

(h) payment of the fees and Bank Expenses then due as specified in Section 2.5 hereof.

3.2 Conditions Precedent to all Credit Extensions. Bank's obligations to make each Credit Extension, including the initial Credit Extension, are subject to the following conditions precedent:

(a) timely receipt of an executed Transaction Report;

(b) the representations and warranties in this Agreement shall be true, accurate, and complete in all material respects on the date of the Transaction Report and on the Funding Date of each Credit Extension; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date, and no Event of Default shall have occurred and be continuing or result from the Credit Extension. Each Credit Extension is Borrower's representation and warranty on that date that the representations and warranties in this Agreement remain true, accurate, and complete in all material respects; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date; and

(c) Bank determines to its reasonable satisfaction that there has not been any material impairment in the general affairs, management, results of operation, financial condition or the prospect of repayment of the Obligations, or any material adverse deviation by Borrower from the most recent business plan of Borrower presented to and accepted by Bank.

3.3 Covenant to Deliver. Borrower agrees to deliver to Bank each item required to be delivered to Bank under this Agreement as a condition precedent to any Credit Extension; provided, however, such condition precedent shall not require Borrower to deliver any item required under this Agreement prior to the required delivery date under this Agreement. Borrower expressly agrees that a Credit Extension made prior to the receipt by Bank of any such item shall not constitute a waiver by Bank of Borrower's obligation to deliver such item, and the making of any Credit Extension in the absence of a required item shall be in Bank's sole discretion.

3.4 Procedures for Borrowing. Subject to the prior satisfaction of all other applicable conditions to the making of an Advance set forth in this Agreement, to obtain an Advance, Borrower shall notify Bank (which notice shall be irrevocable) by electronic mail, facsimile, or telephone by 12:00 p.m. Eastern time on the Funding Date of the Advance. In connection with such electronic or facsimile notification, Borrower shall deliver to Bank by electronic mail or facsimile a completed Transaction Report executed by a Responsible Officer or his or her designee. Bank may rely on any telephone notice given by a person whom Bank believes is a Responsible Officer or designee. Bank shall credit proceeds of an Advance to the Designated Deposit Account. Bank may make Advances under this Agreement based on instructions from a Responsible Officer or his or her designee or without instructions if the Advances are necessary to meet Obligations which have become due.

3.5 Post-Closing Requirements. Bank shall have received, in form and substance satisfactory to Bank within the time periods set forth below, the following:

(a) Within sixty (60) days after the Effective Date (i) a landlord's consent in favor of Bank for (A) 2200 Busse Road, Elk Grove, Illinois 60007, (B) 1 Enterprise Avenue North, Seacaucus, New Jersey 07094, and (C) 600 West 7th Street, Las Angeles, California 90017 by the respective landlord thereof, together with the duly executed original signatures thereto, and (ii) a bailee's waiver in favor of Bank for each location where Borrower maintains property with a third party, by each such third party, together with the duly executed original signatures thereto; and

(b) Within ninety (90) days after the Effective Date, Borrower shall close all of its Collateral Accounts in the United States not located at Bank, with the proceeds in such Collateral Accounts transferred to an account of Borrower at Bank.

4 CREATION OF SECURITY INTEREST

4.1 Grant of Security Interest. Borrower hereby grants Bank, to secure the payment and performance in full of all of the Obligations, a continuing security interest in, and pledges to Bank, the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof.

Borrower acknowledges that it previously has entered, and/or may in the future enter, into Bank Services Agreements with Bank. Regardless of the terms of any Bank Services Agreement, Borrower agrees that any amounts Borrower owes Bank thereunder shall be deemed to be Obligations hereunder and that it is the intent of Borrower and Bank to have all such Obligations secured by the first priority perfected security interest in the Collateral granted herein (subject only to Permitted Liens that are permitted pursuant to the terms of this Agreement to have superior priority to Bank's Lien in this Agreement).

If this Agreement is terminated, Bank's Lien in the Collateral shall continue until the Obligations (other than inchoate indemnity obligations and any Obligations under Bank Services Agreements that are cash collateralized in accordance with Section 4.1 of this Agreement) are repaid in full in cash. Upon payment in full in cash of the Obligations (other than inchoate indemnity obligations and any Obligations under Bank Services Agreements that are cash collateralized in accordance with Section 4.1 of this Agreement) and at such time as Bank's obligation to make Credit Extensions has terminated, Bank shall, at the sole cost and expense of Borrower, release its Liens in the Collateral and all rights therein shall revert to Borrower. In the event (x) all Obligations (other than inchoate indemnity obligations), except for Bank Services, are satisfied in full, and (y) this Agreement is terminated, Bank shall terminate the security interest granted herein upon Borrower providing cash collateral acceptable to Bank in its good faith business judgment for Bank Services, if any. In the event such Bank Services consist of outstanding Letters of Credit, Borrower shall provide to Bank cash collateral in an amount equal to (x) if such Letters of Credit are denominated in Dollars, then at least one hundred percent (100.0%); and (y) if such Letters of Credit are denominated in a Foreign Currency, then at least one hundred five percent (105.0%), of the Dollar Equivalent of the face amount of all such Letters of Credit plus all interest, fees, and costs due or to become due in connection therewith (as estimated by Bank in its business judgment), to secure all of the Obligations relating to such Letters of Credit.

4.2 Priority of Security Interest. Borrower represents, warrants, and covenants that the security interest granted herein is and shall at all times continue to be a first priority perfected security interest in the Collateral (subject only to Permitted Liens that are permitted pursuant to the terms of this Agreement to have superior priority to Bank's Lien under this Agreement). If Borrower shall acquire a commercial tort claim, Borrower shall promptly notify Bank in a writing signed by Borrower of the general details thereof and grant to Bank in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to Bank.

4.3 Authorization to File Financing Statements. Borrower hereby authorizes Bank to file financing statements, without notice to Borrower, with all appropriate jurisdictions to perfect or protect Bank's interest or rights hereunder, including a notice that any disposition of the Collateral, by either Borrower or any other Person, shall be deemed to violate the rights of Bank under the Code.

5 **REPRESENTATIONS AND WARRANTIES**

Borrower represents and warrants as follows:

5.1 Due Organization, Authorization; Power and Authority. Borrower is duly existing and in good standing as a Registered Organization in its jurisdiction of formation and is qualified and licensed to do business and is in good standing in any jurisdiction in which the conduct of its business or its ownership of property requires that it be qualified except where the failure to do so could not reasonably be expected to have a material adverse effect on Borrower's business. In connection with this Agreement, Borrower has delivered to Bank a completed certificate as of the Effective Date signed by Borrower, entitled "Perfection Certificate". Borrower represents and warrants to Bank that (a) Borrower's exact legal name is that indicated on the Perfection Certificate and on the signature page hereof; (b) Borrower is an organization of the type and is organized in the jurisdiction set forth in the Perfection Certificate; (c) the Perfection Certificate accurately sets forth Borrower's organizational identification number or accurately states that Borrower has none; (d) the Perfection Certificate accurately sets forth Borrower's place of business, or, if more than one, its chief executive office as well as Borrower's mailing address (if different than its chief executive office); (e) Borrower (and each of its predecessors) has not, in the past five (5) years, changed its jurisdiction of formation, organizational structure or type, or any organizational number assigned by its jurisdiction; and (f) all other information set forth on the Perfection Certificate pertaining to Borrower and each of its Subsidiaries is accurate and complete (it being understood and agreed that Borrower may from time to time update certain information in the Perfection Certificate after the Effective Date to the extent permitted by one or more specific provisions in this Agreement). If Borrower is not now a Registered Organization but later becomes one, Borrower shall promptly notify Bank of such occurrence and provide Bank with Borrower's organizational identification number.

The execution, delivery and performance by Borrower of the Loan Documents to which it is a party have been duly authorized, and do not (i) conflict with any of Borrower's organizational documents, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law, (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which Borrower or any of its Subsidiaries or any of their property or assets may be bound or affected, (iv) require any action by, filing, registration, or qualification with, or Governmental Approval from, any Governmental Authority (except such Governmental Approvals which have already been obtained and are in full force and effect and except where the failure to make any filing, registration or qualification could not reasonably be expected to have a material adverse effect on Borrower's business), or (v) conflict with, contravene, constitute a default or breach under, or result in or permit the termination or acceleration of, any material agreement by which Borrower is bound. Borrower is not in default under any agreement to which it is a party or by which it is bound in which the default could reasonably be expected to have a material adverse effect on Borrower's business.

5.2 Collateral. Borrower has good title to, rights in, and the power to transfer each item of the Collateral upon which it purports to grant a Lien hereunder, free and clear of any and all Liens except Permitted Liens. Borrower has no Collateral Accounts at or with any bank or financial institution other than Bank or Bank's Affiliates except for the Collateral Accounts described in the Perfection Certificate delivered to Bank in connection herewith and which Borrower has taken such actions as are necessary to give Bank a perfected security interest therein, pursuant to the term of Section 6.8(b). The Accounts recorded or reflected on Borrower's Books or records are bona fide, existing obligations of the Account Debtors.

The Collateral is not in the possession of any third party bailee (such as a warehouse) except as otherwise provided in the Perfection Certificate. None of the components of the Collateral shall be maintained at locations other than as provided in the Perfection Certificate or as permitted pursuant to Section 7.2.

Borrower is the sole owner of the Intellectual Property which it owns or purports to own except for (a) non-exclusive licenses granted to its customers in the ordinary course of business, (b) over-the-counter software that is commercially available to the public, and (c) material Intellectual Property licensed to Borrower and noted on the Perfection Certificate. Each Patent which it owns or purports to own and which is material to Borrower's business is valid and enforceable, and no part of the Intellectual Property which Borrower owns or purports to own and which is material to Borrower's business has been judged invalid or unenforceable, in whole or in part. To the best of Borrower's knowledge, no claim has been made that any part of the Intellectual Property violates the rights of any third party except to the extent such claim would not reasonably be expected to have a material adverse effect on Borrower's business.

Except as noted on the Perfection Certificate, Borrower is not a party to, nor is it bound by, any Restricted License.

5.3 Accounts Receivable.

(a) For each Account with respect to which Advances are requested, on the date each Advance is requested and made, such Account shall be an Eligible Account.

(b) All statements made and all unpaid balances appearing in all invoices, instruments and other documents evidencing the Eligible Accounts are and shall be true and correct as of the date of such invoice or issuance of such other document and all such invoices, instruments and other documents, and all of Borrower's Books are genuine and in all respects what they purport to be. All sales and other transactions underlying or giving rise to each Eligible Account shall comply in all material respects with all applicable laws and governmental rules and regulations. Borrower has no knowledge of any actual or imminent Insolvency Proceeding of any Account Debtor whose accounts are Eligible Accounts in any Transaction Report. To the best of Borrower's knowledge, all signatures and endorsements on all documents, instruments, and agreements relating to all Eligible Accounts are genuine, and all such documents, instruments and agreements are legally enforceable in accordance with their terms.

5.4 Litigation. Except as set forth in the Perfection Certificate delivered on the Effective Date or as disclosed pursuant to Section 6.2(i), there are no actions or proceedings pending or, to the knowledge of any Responsible Officer, threatened in writing by or against Borrower or any of its Subsidiaries involving more than, individually or in the aggregate, One Hundred Thousand Dollars (\$100,000).

5.5 Financial Statements; Financial Condition. All consolidated financial statements for Borrower and any of its Subsidiaries delivered to Bank fairly present in all material respects Borrower's consolidated financial condition and Borrower's consolidated results of operations (subject to the lack of footnotes and year-end adjustments). There has not been any material deterioration in Borrower's consolidated financial condition since the date of the most recent financial statements submitted to Bank.

5.6 Solvency. The fair salable value of Borrower's consolidated assets (including goodwill minus disposition costs) exceeds the fair value of Borrower's liabilities; Borrower is not left with unreasonably small capital after the transactions in this Agreement; and Borrower is able to pay its debts (including trade debts) as they mature.

5.7 Regulatory Compliance. Borrower is not an "investment company" or a company "controlled" by an "investment company" under the Investment Company Act of 1940, as amended. Borrower is not engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors). Borrower (a) has complied in all material respects with all Requirements of Law, and (b) has not violated any Requirements of Law the violation of which could reasonably be expected to have a material adverse effect on its business. None of Borrower's or any of its Subsidiaries' properties or assets has been used by Borrower or any Subsidiary or, to the best of Borrower's knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than legally. Borrower and each of its Subsidiaries have obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all Governmental Authorities that are necessary to continue their respective businesses as currently conducted.

5.8 Subsidiaries; Investments. Borrower does not own any stock, partnership, or other ownership interest or other equity securities except for Permitted Investments.

5.9 Tax Returns and Payments; Pension Contributions. Borrower has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower except (a) to the extent such taxes are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as such reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made therefor, or (b) if such taxes, assessments, deposits and contributions do not, individually or in the aggregate, exceed Twenty Thousand Dollars (\$20,000).

To the extent Borrower defers payment of any contested taxes, Borrower shall (i) notify Bank in writing of the commencement of, and any material development in, the proceedings, and (ii) post bonds or take any other steps required to prevent the Governmental Authority levying such contested taxes from obtaining a Lien upon any of the Collateral that is other than a "Permitted Lien." Borrower is unaware of any claims or adjustments proposed for any of Borrower's prior tax years which could result in additional taxes becoming due and payable by Borrower. Borrower has paid all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms, and Borrower has not withdrawn from participation in, and has not permitted partial or complete termination of, or permitted the occurrence of any other event with respect to, any such plan which could reasonably be expected to result in any liability of Borrower, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

5.10 Use of Proceeds. Borrower shall use the proceeds of the Credit Extensions as working capital and to fund its general business requirements and not for personal, family, household or agricultural purposes.

5.11 Full Disclosure. No written representation, warranty or other statement of Borrower in any certificate or written statement given to Bank, as of the date such representation, warranty, or other statement was made, taken together with all such written certificates and written statements given to Bank, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not misleading (it being recognized by Bank that the projections and forecasts provided by Borrower in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ from the projected or forecasted results).

5.12 Definition of "Knowledge." For purposes of the Loan Documents, whenever a representation or warranty is made to Borrower's knowledge or awareness, to the "best of" Borrower's knowledge, or with a similar qualification, knowledge or awareness means the actual knowledge, after reasonable investigation, of any Responsible Officer.

6 AFFIRMATIVE COVENANTS

Borrower shall do all of the following:

6.1 Government Compliance.

(a) Except as permitted by Section 7.3, maintain its and all its Subsidiaries' legal existence and good standing in their respective jurisdictions of formation and maintain qualification in each jurisdiction in which the failure to so qualify would reasonably be expected to have a material adverse effect on Borrower's business or operations. Borrower shall comply, and have each Subsidiary comply, in all material respects, with all laws, ordinances and regulations to which it is subject.

(b) Obtain all of the Governmental Approvals necessary for the performance by Borrower of its obligations under the Loan Documents to which it is a party and the grant of a security interest to Bank in all of its property. Borrower shall promptly provide copies of any such obtained Governmental Approvals to Bank.

6.2 Financial Statements, Reports, Certificates. Provide Bank with the following:

(a) a Transaction Report (and any schedules related thereto) (i) with each request for an Advance, and (ii) within thirty (30) days after the end of each month;

(b) (i) within thirty (30) days after the end of each month, (A) monthly accounts receivable agings, aged by invoice date and (B) monthly accounts payable agings, aged by invoice date, and (ii) upon request by Bank, copies of outstanding or held check registers, if any, monthly reconciliations of accounts receivable agings (aged by invoice date), transaction reports, and general ledger;

(c) as soon as available, but no later than thirty (30) days after the last day of each month, a company prepared consolidated balance sheet and income statement covering Borrower's consolidated operations for such month certified by a Responsible Officer and in a form acceptable to Bank (the **"Monthly Financial Statements"**);

(d) within thirty (30) days after the last day of each month and together with the Monthly Financial Statements, a duly completed Compliance Certificate signed by a Responsible Officer, certifying that as of the end of such month, Borrower was in full compliance with all of the terms and conditions of this Agreement (except as specifically noted therein), and setting forth calculations showing compliance with the financial covenants set forth in this Agreement and such other information as Bank may reasonably request, including, without limitation, a statement that at the end of such month there were no held checks;

(e) within thirty (30) days after the end of each of Borrower's fiscal years, and contemporaneously with any updates or changes thereto, an annual operating budget and annual financial projection as to the then current fiscal year (prepared on a quarterly basis) as approved by Borrower's board of directors, together with any related business forecasts used in the preparation of such annual financial projections, in a form of presentation reasonably acceptable to Bank;

(f) as soon as available, and in any event within one hundred eighty (180) days following the end of Borrower's fiscal year, audited consolidated financial statements prepared under GAAP, consistently applied, together with an unqualified opinion on the financial statements from an independent certified public accounting firm reasonably acceptable to Bank. Notwithstanding the foregoing, Borrower shall provide Bank, on or before September 30, 2014, with Borrower's audited consolidated financial statements for the fiscal years ended 2012 and 2013;

(g) in the event that Borrower becomes subject to the reporting requirements under the Exchange Act within five (5) days of filing, copies of all periodic and other reports, proxy statements and other materials filed by Borrower with the SEC, any Governmental Authority succeeding to any or all of the functions of the SEC or with any national securities exchange, or distributed to its shareholders, as the case may be. Documents required to be delivered pursuant to the terms hereof (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which Borrower posts such documents, or provides a link thereto, on Borrower's website on the Internet at Borrower's website address; provided, however, Borrower shall promptly notify Bank in writing (which may be by electronic mail) of the posting of any such documents;

(h) within five (5) days of delivery, copies of all statements, reports and notices made available to Borrower's security holders or to any holders of Subordinated Debt;

(i) prompt report of any legal actions pending or threatened in writing against Borrower or any of its Subsidiaries that could result in uninsured damages or costs to Borrower or any of its Subsidiaries of, individually or in the aggregate, Fifty Thousand Dollars (\$50,000) or more; and

(j) other financial information reasonably requested by Bank.

6.3 Accounts Receivable.

(a) Schedules and Documents Relating to Accounts. Borrower shall deliver to Bank transaction reports and schedules of collections, as provided in Section 6.2, on Bank's standard forms; provided, however, that Borrower's failure to execute and deliver the same shall not affect or limit Bank's Lien and other rights in all of Borrower's Accounts, nor shall Bank's failure to advance or lend against a specific Account affect or limit Bank's Lien and other rights therein. If requested by Bank, Borrower shall furnish Bank with copies (or, at Bank's request following the occurrence and during the continuance of an Event of Default, originals) of all contracts, orders, invoices, and other similar documents, and all shipping instructions, delivery receipts, bills of lading, and other evidence of delivery, for any goods the sale or disposition of which gave rise to such Accounts. In addition, Borrower shall deliver to Bank, on its request, the originals of all instruments, chattel paper, security agreements, guarantees and other documents and property evidencing or securing any Accounts in excess of \$100,000, in the same form as received, with all necessary indorsements, and copies of all credit memos.

(b) Disputes. Borrower shall promptly notify Bank of all disputes or claims relating to Accounts in excess of \$50,000 individually or \$150,000 in the aggregate per month for all such disputes or claims. Borrower may forgive (completely or partially), compromise, or settle any Account for less than payment in full, or agree to do any of the foregoing so long as (i) Borrower does so in good faith, in a commercially reasonable manner, in the ordinary course of business, in arm's-length transactions, and reports the same to Bank in the regular reports provided to Bank; (ii) no Default or Event of Default has occurred and is continuing; and (iii) after taking into account all such discounts, settlements and forgiveness, the total outstanding Advances will not exceed the lesser of the Revolving Line or the Borrowing Base.

(c) Collection of Accounts. Borrower shall have the right to collect all Accounts, unless and until a Default or an Event of Default has occurred and is continuing. Bank shall require that Borrower direct Account Debtors to deliver or transmit all proceeds of Accounts into a lockbox account, or such other "blocked account" as specified by Bank (either such account, the "**Cash Collateral Account**"). Whether or not an Event of Default has occurred and is continuing, Borrower shall immediately deliver all payments on and proceeds of Accounts to the Cash Collateral Account and (i) prior to the occurrence of an Event of Default, (A) during a Streamline Period, transferred to the Designated Deposit Account or (B) when a Streamline Period is not in effect, applied to immediately reduce the Obligations and (ii) following the occurrence of an Event of Default, in accordance with Section 9.4.

(d) Returns. Provided no Event of Default has occurred and is continuing, if any Account Debtor returns any Inventory to Borrower, Borrower shall promptly (i) determine the reason for such return, (ii) issue a credit memorandum to the Account Debtor in the appropriate amount, and (iii) provide a copy of such credit memorandum to Bank, upon request from Bank. In the event any attempted return occurs after the occurrence and during the continuance of any Event of Default, Borrower shall hold the returned Inventory in trust for Bank, and immediately notify Bank of the return of the Inventory.

(e) **Verification.** Bank may, from time to time, verify directly with the respective Account Debtors the validity, amount and other matters relating to the Accounts, either in the name of Borrower or Bank or such other name as Bank may choose, and notify any Account Debtor of Bank's security interest in such Account.

(f) **No Liability.** Bank shall not be responsible or liable for any shortage or discrepancy in, damage to, or loss or destruction of, any goods, the sale or other disposition of which gives rise to an Account, or for any error, act, omission, or delay of any kind occurring in the settlement, failure to settle, collection or failure to collect any Account, or for settling any Account in good faith for less than the full amount thereof, nor shall Bank be deemed to be responsible for any of Borrower's obligations under any contract or agreement giving rise to an Account. Nothing herein shall, however, relieve Bank from liability for its own gross negligence or willful misconduct.

6.4 Remittance of Proceeds. Except as otherwise provided in Section 6.3(c), deliver, in kind, all proceeds arising from the disposition of any Collateral to Bank in the original form in which received by Borrower not later than the following Business Day after receipt by Borrower, to be applied to the Obligations (a) prior to an Event of Default, pursuant to the terms of Section 2.5(b) hereof, and (b) after the occurrence and during the continuance of an Event of Default, pursuant to the terms of Section 9.4 hereof; provided that, if no Event of Default has occurred and is continuing, Borrower shall not be obligated to remit to Bank the proceeds of the sale of worn out or obsolete Equipment disposed of by Borrower in good faith in an arm's length transaction for an aggregate purchase price of One Hundred Thousand Dollars (\$100,000) or less (for all such transactions in any fiscal year). Borrower agrees that it will not commingle proceeds of Collateral with any of Borrower's other funds or property, but will hold such proceeds separate and apart from such other funds and property and in an express trust for Bank. Nothing in this Section limits the restrictions on disposition of Collateral set forth elsewhere in this Agreement.

6.5 Taxes; Pensions. Timely file, and require each of its Subsidiaries to timely file, all required tax returns and reports and timely pay, and require each of its Subsidiaries to timely pay, all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower and each of its Subsidiaries, except (i) if such taxes, assessments, deposits and contributions do not, individually or in the aggregate, exceed Fifty Thousand Dollars (\$50,000) or (ii) for deferred payment of any taxes contested pursuant to the terms of Section 5.9 hereof, and shall deliver to Bank, on demand, appropriate certificates attesting to such payments, and pay all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms.

6.6 Access to Collateral; Books and Records. At reasonable times, on three (3) Business Day's notice (provided no notice is required if an Event of Default has occurred and is continuing), Bank, or its agents, shall have the right to inspect the Collateral and the right to audit and copy Borrower's Books. The foregoing inspections and audits shall be conducted at Borrower's expense and no more often than once every twelve (12) months unless an Event of Default has occurred and is continuing in which case such inspections and audits shall occur as often as Bank shall determine is necessary. The charge therefor shall be \$850 per person per day (or such higher amount as shall represent Bank's then-current standard charge for the same), plus reasonable out-of-pocket expenses. In the event Borrower and Bank schedule an audit more than five (5) Business Days in advance, and Borrower cancels or seeks to or reschedules the audit with less than five (5) Business Days written notice to Bank, then (without limiting any of Bank's rights or remedies) Borrower shall pay Bank a fee of \$1,000 plus any out-of-pocket expenses incurred by Bank to compensate Bank for the anticipated costs and expenses of the cancellation or rescheduling.

6.7 Insurance.

(a) Keep its business and the Collateral insured for risks and in amounts standard for companies of Borrower's size and in Borrower's industry and location and as Bank may reasonably request. Insurance policies shall be in a form, with financially sound and reputable insurance companies that are not Affiliates of Borrower, and in amounts that are reasonably satisfactory to Bank. All property policies shall have a lender's loss payable endorsement showing Bank as lender loss payee. All liability policies shall show, or have endorsements showing, Bank as an additional insured. Bank shall be named as lender loss payee and/or additional insured with respect to any such insurance providing coverage in respect of any Collateral.

(b) Ensure that proceeds payable under any property policy are, at Bank's option, payable to Bank on account of the Obligations, unless such proceeds are payable to the holder of a Lien permitted pursuant to subsection (c) of the definition of Permitted Liens.

(c) At Bank's request, Borrower shall deliver certified copies of insurance policies and evidence of all premium payments. Each provider of any such insurance required under this Section 6.7 shall agree, by endorsement upon the policy or policies issued by it or by independent instruments furnished to Bank, that it will give Bank thirty (30) days prior written notice before any such policy or policies shall be materially altered or canceled. If Borrower fails to obtain insurance as required under this Section 6.7 or to pay any amount or furnish any required proof of payment to third persons and Bank, Bank may make all or part of such payment or obtain such insurance policies required in this Section 6.7, and take any action under the policies Bank deems prudent.

6.8 Operating Accounts.

(a) Maintain all of its and all of its Subsidiaries' depository, operating and securities/investment accounts with Bank and/or Bank's Affiliates with the exception of the Offshore Accounts. Notwithstanding the foregoing, Borrower shall have ninety (90) days after the Effective Date to close all of its Collateral Accounts in the United States not located at Bank, and transfer the proceeds in such Collateral Accounts to an account of Borrower at Bank.

(b) Provide Bank five (5) days prior written notice before establishing any Collateral Account at or with any bank or financial institution other than Bank or Bank's Affiliates. For each Collateral Account not located at Bank and/or Bank's Affiliates (other than Offshore Accounts) that Borrower at any time maintains, Borrower shall cause the applicable bank or financial institution (other than Bank) at or with which any Collateral Account is maintained to execute and deliver a Control Agreement or other appropriate instrument with respect to such Collateral Account to perfect Bank's Lien in such Collateral Account in accordance with the terms hereunder which Control Agreement may not be terminated without the prior written consent of Bank. The provisions of the previous sentence shall not apply to deposit accounts exclusively used for payroll, payroll taxes, and other employee wage and benefit payments to or for the benefit of Borrower's employees and identified to Bank by Borrower as such, and the Collateral Accounts described in Section 6.8(a) above during such ninety (90) day transition period, provided, however, if such Collateral Accounts are not closed within ninety (90) days after the Effective Date, Borrower shall be required to comply with this Section 6.8(b) for all such Collateral Accounts.

6.9 Financial Covenants.

Maintain at all times, subject to periodic reporting as set forth below, calculated on a consolidated basis with respect to Borrower and its Subsidiaries:

- (a) Adjusted Quick Ratio. An Adjusted Quick Ratio of at least 1.00 to 1.00, tested as of the last day of each month.

6.10 Protection of Intellectual Property Rights.

(a) (i) Use commercially reasonable efforts to protect, defend and maintain the validity and enforceability of its Intellectual Property; (ii) promptly advise Bank in writing of material infringements or any other event that could reasonably be expected to materially and adversely affect the value of its Intellectual Property; and (iii) not allow any Intellectual Property material to Borrower's business to be abandoned, forfeited or dedicated to the public without Bank's written consent.

(b) Provide written notice to Bank within ten (10) days of entering or becoming bound by any Restricted License (other than over-the-counter software that is commercially available to the public). Borrower shall take such steps as Bank reasonably requests to obtain the consent of, or waiver by, any Person whose consent or waiver is necessary for (i) any Restricted License to be deemed "Collateral" and for Bank to have a security interest in it that might otherwise be restricted or prohibited by law or by the terms of any such Restricted License, whether now existing or entered into in the future, and (ii) Bank to have the ability in the event of a liquidation of any Collateral to dispose of such Collateral in accordance with Bank's rights and remedies under this Agreement and the other Loan Documents.

6.11 Litigation Cooperation. From the date hereof and continuing through the termination of this Agreement, make available to Bank, without expense to Bank, Borrower and its officers, employees and agents and Borrower's books and records, to the extent that Bank may deem them reasonably necessary to prosecute or defend any third-party suit or proceeding instituted by or against Bank with respect to any Collateral or relating to Borrower.

6.12 Formation or Acquisition of Subsidiaries. Notwithstanding and without limiting the negative covenants contained in Sections 7.3 and 7.7 hereof, at the time that Borrower forms any direct or indirect Subsidiary or acquires any direct or indirect Subsidiary after the Effective Date, Borrower shall (a) cause such new Subsidiary to provide to Bank a joinder to the Loan Agreement to cause such Subsidiary to become a co-borrower hereunder, together with such appropriate financing statements and/or Control Agreements, all in form and substance satisfactory to Bank (including being sufficient to grant Bank a first priority Lien (subject to Permitted Liens) in and to the assets of such newly formed or acquired Subsidiary), (b) provide to Bank appropriate certificates and powers and financing statements, pledging all of the direct or beneficial ownership interest in such new Subsidiary, in form and substance satisfactory to Bank; provided, that with respect to any Foreign Subsidiary, in the event that Borrower and Bank mutually agree that (i) the grant of a continuing pledge and security interest in and to the assets of any such Foreign Subsidiary, (ii) the guaranty of the Obligations of the Borrower by any such Foreign Subsidiary and/or (iii) the pledge by Borrower of a perfected security interest in one hundred percent (100%) of the stock, units or other evidence of ownership of each Foreign Subsidiary, would reasonably be expected to have a material adverse tax effect on the Borrower, then the Borrower shall only be required to grant and pledge to Bank a perfected security interest in up to sixty-five percent (65%) of the stock, units or other evidence of ownership of such Foreign Subsidiary; and (c) provide to Bank all other documentation in form and substance satisfactory to Bank, including one or more opinions of counsel satisfactory to Bank, which in its opinion is appropriate with respect to the execution and delivery of the applicable documentation referred to above. Any document, agreement, or instrument executed or issued pursuant to this Section 6.12 shall be a Loan Document.

6.13 Further Assurances. Execute any further instruments and take further action as Bank reasonably requests to perfect or continue Bank's Lien in the Collateral or to effect the purposes of this Agreement.

7 NEGATIVE COVENANTS

Borrower shall not do any of the following without Bank's prior written consent:

7.1 Dispositions. Convey, sell, lease, transfer, assign, or otherwise dispose of (collectively, "**Transfer**"), or permit any of its Subsidiaries to Transfer, all or any part of its business or property, except for Transfers (a) of Inventory in the ordinary course of business; (b) of worn-out or obsolete Equipment that is, in the reasonable judgment of Borrower, no longer economically practicable to maintain or useful in the ordinary course of business of Borrower; (c) consisting of Permitted Liens and Permitted Investments; (d) consisting of the sale or issuance of any stock of Borrower permitted under Section 7.2 of this Agreement; (e) consisting of Borrower's use or transfer of money or Cash Equivalents in the ordinary course of its business for the payment of ordinary course business expenses in a manner that is not prohibited by the terms of this Agreement or the other Loan Documents; and (f) of assets resulting from a casualty or condemnation event; and (g) non-exclusive licenses for the use of the property of Borrower or its Subsidiaries in the ordinary course of business.

7.2 Changes in Business, Management, Ownership, or Business Locations. (a) Engage in or permit any of its Subsidiaries to engage in any business other than the businesses currently engaged in by Borrower and such Subsidiary, as applicable, or reasonably related thereto; (b) liquidate or dissolve; or (c) (i) fail to provide notice to Bank of any Key Person departing from or ceasing to be employed by Borrower within five (5) days after his or her departure from Borrower; or (ii) enter into any transaction or series of related transactions in which the stockholders of Borrower who were not stockholders immediately prior to the first such transaction own more than forty percent (40%) of the voting stock of Borrower immediately after giving effect to such transaction or related series of such transactions (other than by the sale of Borrower's equity securities in a public offering or to venture capital or private equity investors so long as Borrower identifies to Bank the venture capital or private equity investors at least seven (7) Business Days prior to the closing of the transaction and provides to Bank a description of the material terms of the transaction).

Borrower shall not, without at least thirty (30) days prior written notice to Bank: (1) add any new offices or business locations, including warehouses (unless such new offices or business locations contain less than Fifty Thousand Dollars (\$50,000) in Borrower's assets or property) or deliver any portion of the Collateral valued, individually or in the aggregate, in excess of One Hundred Thousand Dollars (\$100,000) to a bailee at a location other than to a bailee and at a location already disclosed in the Perfection Certificate, (2) change its jurisdiction of organization, (3) change its organizational structure or type, (4) change its legal name, or (5) change any organizational number (if any) assigned by its jurisdiction of organization. If Borrower intends to deliver any portion of the Collateral valued, individually or in the aggregate, in excess of One Hundred Thousand Dollars (\$100,000) to a bailee, and Bank and such bailee are not already parties to a bailee agreement governing both the Collateral and the location to which Borrower intends to deliver the Collateral, then Borrower will first receive the written consent of Bank, and such bailee shall execute and deliver a bailee agreement in form and substance satisfactory to Bank.

7.3 Mergers or Acquisitions. Merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with any other Person, or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock or property of another Person (including, without limitation, by the formation of any Subsidiary). A Subsidiary may merge or consolidate into another Subsidiary or into Borrower.

7.4 Indebtedness. Create, incur, assume, or be liable for any Indebtedness, or permit any Subsidiary to do so, other than Permitted Indebtedness.

7.5 Encumbrance. Create, incur, allow, or suffer any Lien on any of its property, or assign or convey any right to receive income, including the sale of any Accounts, or permit any of its Subsidiaries to do so, except for Permitted Liens, permit any Collateral not to be subject to the first priority security interest granted herein (except Permitted Liens that are permitted pursuant to the terms of this Agreement to have superior priority to Bank's Lien under this Agreement), or enter into any agreement, document, instrument or other arrangement (except with or in favor of Bank) with any Person which directly or indirectly prohibits or has the effect of prohibiting Borrower or any Subsidiary from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of Borrower's or any Subsidiary's Intellectual Property, except as is otherwise permitted in Section 7.1 hereof and the definition of "Permitted Liens" herein.

7.6 Maintenance of Collateral Accounts. Maintain any Collateral Account except pursuant to the terms of Section 6.8(b) hereof.

7.7 Distributions; Investments. (a) Pay any dividends or make any distribution or payment or redeem, retire or purchase any capital stock provided that (i) Borrower may convert any of its convertible securities into other securities pursuant to the terms of such convertible securities or otherwise in exchange thereof, (ii) Borrower may pay dividends solely in common stock; and (iii) Borrower may repurchase the stock of former employees or consultants pursuant to stock repurchase agreements so long as an Event of Default does not exist at the time of such repurchase and would not exist after giving effect to such repurchase, provided that the aggregate amount of all such repurchases does not exceed One Hundred Thousand Dollars (\$100,000) per fiscal year; or (b) directly or indirectly make any Investment (including, without limitation, by the formation of any Subsidiary) other than Permitted Investments, or permit any of its Subsidiaries to do so.

7.8 Transactions with Affiliates. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of Borrower, except for transactions that are (i) in the ordinary course of Borrower's business, upon fair and reasonable terms that are no less favorable to Borrower than would be obtained in an arm's length transaction with a non-affiliated Person or (ii) Permitted Investments.

7.9 Subordinated Debt. (a) Make or permit any payment on any Subordinated Debt, except under the terms of the subordination, intercreditor, or other similar agreement to which such Subordinated Debt is subject, or (b) amend any provision in any document relating to the Subordinated Debt which would increase the amount thereof, provide for earlier or greater principal, interest, or other payments thereon, or adversely affect the subordination thereof to Obligations owed to Bank.

7.10 Compliance. Become an "investment company" or a company controlled by an "investment company", under the Investment Company Act of 1940, as amended, or undertake as one of its important activities extending credit to purchase or carry margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System), or use the proceeds of any Credit Extension for that purpose; (a) fail to meet the minimum funding requirements of ERISA, (b) fail to prevent a Reportable Event or Prohibited Transaction, as defined in ERISA, from occurring; (c) fail to comply with the Federal Fair Labor Standards Act, the failure of any of the conditions described in clauses (a) through (c) which could reasonably be expected to have a material adverse effect on Borrower's business; or violate any other law or regulation, if the violation could reasonably be expected to have a material adverse effect on Borrower's business, or permit any of its Subsidiaries to do so; withdraw or permit any Subsidiary to withdraw from participation in, permit partial or complete termination of, or permit the occurrence of any other event with respect to, any present pension, profit sharing and deferred compensation plan which could reasonably be expected to result in any liability of Borrower, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

8 EVENTS OF DEFAULT

Any one of the following shall constitute an event of default (an “**Event of Default**”) under this Agreement:

8.1 Payment Default. Borrower fails to (a) make any payment of principal or interest on any Credit Extension when due, or (b) pay any other Obligations within three (3) Business Days after such Obligations are due and payable (which three (3) Business Day cure period shall not apply to payments due on the Revolving Line Maturity Date). During the cure period, the failure to make or pay any payment specified under clause (b) hereunder is not an Event of Default (but no Credit Extension will be made during the cure period);

8.2 Covenant Default.

(a) Borrower fails or neglects to perform any obligation in Sections 6.2, 6.5, 6.7, 6.8, 6.9, 6.10(b), 6.12, 6.13 or violates any covenant in Section 7; or

(b) Borrower fails or neglects to perform, keep, or observe any other term, provision, condition, covenant or agreement contained in this Agreement or any Loan Documents, and as to any default (other than those specified in this Section 8) under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure the default within ten (10) days after the occurrence thereof; provided, however, that if the default cannot by its nature be cured within the ten (10) day period or cannot after diligent attempts by Borrower be cured within such ten (10) day period, and such default is likely to be cured within a reasonable time, then Borrower shall have an additional period (which shall not in any case exceed thirty (30) days) to attempt to cure such default, and within such reasonable time period the failure to cure the default shall not be deemed an Event of Default (but no Credit Extensions shall be made during such cure period). Cure periods provided under this section shall not apply, among other things, to financial covenants or any other covenants set forth in clauses (a) above;

8.3 Material Adverse Change. A Material Adverse Change occurs;

8.4 Attachment; Levy; Restraint on Business.

(a) (i) The service of process seeking to attach, by trustee or similar process, any funds of Borrower or of any entity under the control of Borrower (including a Subsidiary), or (ii) a notice of lien or levy is filed against any of Borrower’s assets by any Governmental Authority, and the same under subclauses (i) and (ii) hereof are not, within ten (10) days after the occurrence thereof, discharged or stayed (whether through the posting of a bond or otherwise); provided, however, no Credit Extensions shall be made during any ten (10) day cure period; or

(b) (i) any material portion of Borrower’s assets is attached, seized, levied on, or comes into possession of a trustee or receiver, or (ii) any court order enjoins, restrains, or prevents Borrower from conducting all or any material part of its business;

8.5 Insolvency. (a) Borrower or any of its Subsidiaries is unable to pay its debts (including trade debts) as they become due or otherwise becomes insolvent; (b) Borrower or any of its Subsidiaries begins an Insolvency Proceeding; or (c) an Insolvency Proceeding is begun against Borrower or any of its Subsidiaries and is not dismissed or stayed within forty-five (45) days (but no Credit Extensions shall be made while any of the conditions described in clause (a) exist and/or until any Insolvency Proceeding is dismissed);

8.6 Other Agreements. There is, under any agreement to which Borrower is a party with a third party or parties, (a) any default resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness in an amount individually or in the aggregate in excess of One Hundred Thousand Dollars (\$100,000); or (b) any breach or default by Borrower, the result of which could have a material adverse effect on Borrower's business;

8.7 Judgments; Penalties. One or more fines, penalties or final judgments, orders or decrees for the payment of money in an amount, individually or in the aggregate, of at least One Hundred Thousand Dollars (\$100,000) (not covered by independent third-party insurance as to which liability has been accepted by such insurance carrier) shall be rendered against Borrower by any Governmental Authority, and the same are not, within ten (10) days after the entry, assessment or issuance thereof, discharged, satisfied, or paid, or after execution thereof, stayed or bonded pending appeal, or such judgments are not discharged prior to the expiration of any such stay (provided that no Credit Extensions will be made prior to the satisfaction, payment, discharge, stay, or bonding of such fine, penalty, judgment, order or decree);

8.8 Misrepresentations. Borrower or any Person acting for Borrower makes any representation, warranty, or other statement now or later in this Agreement, any Loan Document or in any writing delivered to Bank or to induce Bank to enter this Agreement or any Loan Document, and such representation, warranty, or other statement is incorrect in any material respect when made;

8.9 Subordinated Debt. The Obligations shall for any reason be subordinated to Subordinated Debt or shall not have the priority contemplated by this Agreement; or

8.10 Governmental Approvals. Any Governmental Approval shall have been (a) revoked, rescinded, suspended, modified in an adverse manner or not renewed in the ordinary course for a full term or (b) subject to any decision by a Governmental Authority that designates a hearing with respect to any applications for renewal of any of such Governmental Approval or that could result in the Governmental Authority taking any of the actions described in clause (a) above, and such decision or such revocation, rescission, suspension, modification or non-renewal (i) cause, or could reasonably be expected to cause, a Material Adverse Change, or (ii) adversely affects the legal qualifications of Borrower or any of its Subsidiaries to hold such Governmental Approval in any applicable jurisdiction and such revocation, rescission, suspension, modification or non-renewal could reasonably be expected to affect the status of or legal qualifications of Borrower or any of its Subsidiaries to hold any Governmental Approval in any other jurisdiction.

9 BANK'S RIGHTS AND REMEDIES

9.1 Rights and Remedies. Upon the occurrence and during the continuance of an Event of Default, Bank may, without notice or demand, do any or all of the following:

(a) declare all Obligations immediately due and payable (but if an Event of Default described in Section 8.5 occurs all Obligations are immediately due and payable without any action by Bank);

(b) stop advancing money or extending credit for Borrower's benefit under this Agreement or under any other agreement between Borrower and Bank;

(c) demand that Borrower (i) deposit cash with Bank in an amount equal to at least 100% (105% with respect to Letters of Credit denominated in a Foreign Currency) of the Dollar Equivalent of the aggregate face amount of all Letters of Credit remaining undrawn (plus, in each case, all interest, fees, and costs due or to become due in connection therewith (as estimated by Bank in its good faith business judgment)), to secure all of the Obligations relating to such Letters of Credit, as collateral security for the repayment of any future drawings under such Letters of Credit, and Borrower shall forthwith deposit and pay such amounts, and (ii) pay in advance all letter of credit fees scheduled to be paid or payable over the remaining term of any Letters of Credit;

(d) terminate any FX Contracts;

(e) verify the amount of, demand payment of and performance under, and collect any Accounts and General Intangibles, settle or adjust disputes and claims directly with Account Debtors for amounts on terms and in any order that Bank considers advisable, and notify any Person owing Borrower money of Bank's security interest in such funds;

(f) make any payments and do any acts it considers necessary or reasonable to protect the Collateral and/or its security interest in the Collateral including, without limitation, perfecting Bank's security interest in Borrower's Intellectual Property. Borrower shall assemble the Collateral if Bank requests and make it available as Bank designates. Bank may enter premises where the Collateral is located, take and maintain possession of any part of the Collateral, and pay, purchase, contest, or compromise any Lien which appears to be prior or superior to its security interest (other than Permitted Liens that are permitted pursuant to the terms of this agreement to have superior priority to Bank's Lien under this Agreement) and pay all expenses incurred. Borrower grants Bank a license to enter and occupy any of its premises, without charge, to exercise any of Bank's rights or remedies;

(g) apply to the Obligations any (i) balances and deposits of Borrower it holds, or (ii) any amount held by Bank owing to or for the credit or the account of Borrower;

(h) ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell the Collateral. Bank is hereby granted a non-exclusive, royalty-free license or other right to use, without charge, Borrower's labels, Patents, Copyrights, mask works, rights of use of any name, trade secrets, trade names, Trademarks, and advertising matter, or any similar property as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and, in connection with Bank's exercise of its rights under this Section, Borrower's rights under all licenses and all franchise agreements inure to Bank's benefit;

(i) place a "hold" on any account maintained with Bank and/or deliver a notice of exclusive control, any entitlement order, or other directions or instructions pursuant to any Control Agreement or similar agreements providing control of any Collateral;

(j) demand and receive possession of Borrower's Books; and

(k) exercise all rights and remedies available to Bank under the Loan Documents or at law or equity, including all remedies provided under the Code (including disposal of the Collateral pursuant to the terms thereof).

9.2 Power of Attorney. Borrower hereby irrevocably appoints Bank as its lawful attorney-in-fact, exercisable upon the occurrence and during the continuance of an Event of Default, to: (a) endorse Borrower's name on any checks or other forms of payment or security; (b) sign Borrower's name on any invoice or bill of lading for any Account or drafts against Account Debtors; (c) settle and adjust disputes and claims about the Accounts directly with Account Debtors, for amounts and on terms Bank determines reasonable; (d) make, settle, and adjust all claims under Borrower's insurance policies; (e) pay, contest or settle any Lien, charge, encumbrance, security interest, and adverse claim in or to the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; and (f) transfer the Collateral into the name of Bank or a third party as the Code permits. Borrower hereby appoints Bank as its lawful attorney-in-fact to sign Borrower's name on any documents necessary to perfect or continue the perfection of Bank's security interest in the Collateral regardless of whether an Event of Default has occurred until all Obligations have been satisfied in full (other than inchoate indemnity obligations and any other obligations which, by their terms, are to survive the termination of this Agreement and any Obligations under Bank Services Agreements that are cash collateralized in accordance with Section 4.1 of this Agreement) and Bank is under no further obligation to make Credit Extensions hereunder. Bank's foregoing appointment as Borrower's attorney in fact, and all of Bank's rights and powers, coupled with an interest, are irrevocable until all Obligations have been fully repaid and performed (other than inchoate indemnity obligations and any other obligations which, by their terms, are to survive the termination of this Agreement and any Obligations under Bank Services Agreements that are cash collateralized in accordance with Section 4.1 of this Agreement) and Bank's obligation to provide Credit Extensions terminates.

9.3 Protective Payments. If Borrower fails to obtain the insurance called for by Section 6.7 or fails to pay any premium thereon or fails to pay any other amount which Borrower is obligated to pay under this Agreement or any other Loan Document or which may be required to preserve the Collateral, Bank may obtain such insurance or make such payment, and all amounts so paid by Bank are Bank Expenses and immediately due and payable, bearing interest at the then highest rate applicable to the Obligations, and secured by the Collateral. Bank will make reasonable efforts to provide Borrower with notice of Bank obtaining such insurance at the time it is obtained or within a reasonable time thereafter. No payments by Bank are deemed an agreement to make similar payments in the future or Bank's waiver of any Event of Default.

9.4 Application of Payments and Proceeds Upon Default. If an Event of Default has occurred and is continuing, Bank shall have the right to apply in any order any funds in its possession, whether from Borrower account balances, payments, proceeds realized as the result of any collection of Accounts or other disposition of the Collateral, or otherwise, to the Obligations. Bank shall pay any surplus to Borrower by credit to the Designated Deposit Account or to other Persons legally entitled thereto; Borrower shall remain liable to Bank for any deficiency. If Bank, directly or indirectly, enters into a deferred payment or other credit transaction with any purchaser at any sale of Collateral, Bank shall have the option, exercisable at any time, of either reducing the Obligations by the principal amount of the purchase price or deferring the reduction of the Obligations until the actual receipt by Bank of cash therefor.

9.5 Bank's Liability for Collateral. So long as Bank complies with reasonable banking practices regarding the safekeeping of the Collateral in the possession or under the control of Bank, Bank shall not be liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage to the Collateral; (c) any diminution in the value of the Collateral; or (d) any act or default of any carrier, warehouseman, bailee, or other Person. Borrower bears all risk of loss, damage or destruction of the Collateral.

9.6 No Waiver; Remedies Cumulative. Bank's failure, at any time or times, to require strict performance by Borrower of any provision of this Agreement or any other Loan Document shall not waive, affect, or diminish any right of Bank thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by the party granting the waiver and then is only effective for the specific instance and purpose for which it is given. Bank's rights and remedies under this Agreement and the other Loan Documents are cumulative. Bank has all rights and remedies provided under the Code, by law, or in equity. Bank's exercise of one right or remedy is not an election and shall not preclude Bank from exercising any other remedy under this Agreement or other remedy available at law or in equity, and Bank's waiver of any Event of Default is not a continuing waiver. Bank's delay in exercising any remedy is not a waiver, election, or acquiescence.

9.7 Demand Waiver. Borrower waives demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees held by Bank on which Borrower is liable.

10 NOTICES

All notices, consents, requests, approvals, demands, or other communication by any party to this Agreement or any other Loan Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the U.S. mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by electronic mail or facsimile transmission; (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, facsimile number, or email address indicated below. Bank or Borrower may change its mailing or electronic mail address or facsimile number by giving the other party written notice thereof in accordance with the terms of this Section 10.

If to Borrower: Outbrain Inc.
 39 West 13th Street, 3rd Floor
 New York, New York 10011
 Attn: Barry Schofield
 Email: bschofield@outbrain.com

and: Outbrain Inc.
39 West 13th Street, 3rd Floor
New York, New York 10011
Attn: Michael J. Kistler, Esquire
Email: MKistler@outbrain.com

with a copy to: Loeb & Loeb LLP
345 Park Avenue
New York, New York 10154
Attn: Lloyd Rothenberg, Esquire
Fax: (212) 407-4990
Email: lrothenberg@loeb.com

If to Bank: Silicon Valley Bank
505 Fifth Avenue, 11th Floor
New York, New York 10017
Attn: Claudia Canales
Email: ccanales@svb.com

with a copy to: Riemer & Braunstein LLP
Three Center Plaza
Boston, Massachusetts 02108
Attn: Charles W. Stavros, Esquire
Fax: (617) 880-3456
Email: cstavros@riemerlaw.com

11 CHOICE OF LAW, VENUE, JURY TRIAL WAIVER

New York law governs the Loan Documents without regard to principles of conflicts of law. Borrower and Bank each submit to the exclusive jurisdiction of the State and Federal courts in New York, New York; provided, however, that nothing in this Agreement shall be deemed to operate to preclude Bank from bringing suit or taking other legal action in any other jurisdiction to realize on the Collateral or any other security for the Obligations, or to enforce a judgment or other court order in favor of Bank. Borrower expressly submits and consents in advance to the jurisdiction of New York, New York in any action or suit commenced in any court located in such jurisdiction, and Borrower hereby waives any objection that it may have based upon lack of personal jurisdiction, improper venue, or forum non conveniens and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court. Borrower hereby waives personal service of the summons, complaints, and other process issued in such action or suit and agrees that service of such summons, complaints, and other process may be made by registered or certified mail addressed to Borrower at the address set forth in, or subsequently provided by Borrower in accordance with, Section 10 of this Agreement and that service so made shall be deemed completed upon the earlier to occur of Borrower's actual receipt thereof or three (3) days after deposit in the U.S. mails, proper postage prepaid.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BORROWER AND BANK EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE LOAN DOCUMENTS OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR BOTH PARTIES TO ENTER INTO THIS AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.

This Section 11 shall survive the termination of this Agreement.

12 GENERAL PROVISIONS

12.1 Termination Prior to Revolving Line Maturity Date; Survival. All covenants, representations and warranties made in this Agreement continue in full force until this Agreement has terminated pursuant to its terms and all Obligations have been satisfied. So long as Borrower has satisfied the Obligations (other than inchoate indemnity obligations and any other obligations which, by their terms, are to survive the termination of this Agreement and any Obligations under Bank Services Agreements that are cash collateralized in accordance with Section 4.1 of this Agreement), this Agreement may be terminated prior to the Revolving Line Maturity Date by Borrower, effective three (3) Business Days after written notice of termination is given to Bank. Those obligations that are expressly specified in this Agreement as surviving this Agreement's termination shall continue to survive notwithstanding this Agreement's termination.

12.2 Successors and Assigns. This Agreement binds and is for the benefit of the successors and permitted assigns of each party. Borrower may not assign this Agreement or any rights or obligations under it without Bank's prior written consent (which may be granted or withheld in Bank's discretion). Bank has the right, without the consent of Borrower, to sell, transfer, assign, negotiate, or grant participation in all or any part of, or any interest in, Bank's obligations, rights, and benefits under this Agreement and the other Loan Documents; provided, that, Bank shall provide Borrower with notice of such sale, transfer or assignment within a commercially reasonable period thereafter. Notwithstanding the foregoing, prior to the occurrence of an Event of Default, Bank shall not assign any interest in the Loan Documents to an operating company which is a direct competitor of Borrower.

12.3 Indemnification. Borrower agrees to indemnify, defend and hold Bank and its directors, officers, employees, agents, attorneys, or any other Person affiliated with or representing Bank (each, an "**Indemnified Person**") harmless against: (i) all obligations, demands, claims, and liabilities (collectively, "**Claims**") claimed or asserted by any other party in connection with the transactions contemplated by the Loan Documents; and (ii) all losses or expenses (including Bank Expenses) in any way suffered, incurred, or paid by such Indemnified Person as a result of, following from, consequential to, or arising from transactions between Bank and Borrower (including reasonable attorneys' fees and expenses), except for Claims, expenses and/or losses directly caused by such Indemnified Person's gross negligence or willful misconduct.

This Section 12.3 shall survive until all statutes of limitation with respect to the Claims, losses, and expenses for which indemnity is given shall have run.

12.4 Time of Essence. Time is of the essence for the performance of all Obligations in this Agreement.

12.5 Severability of Provisions. Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

12.6 Correction of Loan Documents. Bank may correct patent errors and fill in any blanks in the Loan Documents consistent with the agreement of the parties.

12.7 Amendments in Writing; Waiver; Integration. No purported amendment or modification of any Loan Document, or waiver, discharge or termination of any obligation under any Loan Document, shall be enforceable or admissible unless, and only to the extent, expressly set forth in a writing signed by the party against which enforcement or admission is sought. Without limiting the generality of the foregoing, no oral promise or statement, nor any action, inaction, delay, failure to require performance or course of conduct shall operate as, or evidence, an amendment, supplement or waiver or have any other effect on any Loan Document. Any waiver granted shall be limited to the specific circumstance expressly described in it, and shall not apply to any subsequent or other circumstance, whether similar or dissimilar, or give rise to, or evidence, any obligation or commitment to grant any further waiver. The Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of the Loan Documents merge into the Loan Documents.

12.8 Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement.

12.9 Confidentiality. In handling any confidential information, Bank shall exercise the same degree of care that it exercises for its own proprietary information, but disclosure of information may be made: (a) to Bank's Subsidiaries or Affiliates (such Subsidiaries and Affiliates, together with Bank, collectively, "**Bank Entities**"); (b) to prospective transferees or purchasers of any interest in the Credit Extensions (provided, however, Bank shall use its best efforts to obtain any prospective transferee's or purchaser's agreement to the terms of this provision); (c) as required by law, regulation, subpoena, or other order; (d) to Bank's regulators or as otherwise required in connection with Bank's examination or audit; (e) as Bank considers appropriate in exercising remedies under the Loan Documents; and (f) to third-party service providers of Bank so long as such service providers have executed a confidentiality agreement with Bank with terms no less restrictive than those contained herein. Confidential information does not include information that is either: (i) in the public domain or in Bank's possession when disclosed to Bank, or becomes part of the public domain (other than as a result of its disclosure by Bank in violation of this Agreement) after disclosure to Bank; or (ii) disclosed to Bank by a third party, if Bank does not know that the third party is prohibited from disclosing the information.

Bank Entities may use anonymous forms of confidential information for aggregate datasets, for analyses or reporting, and for any other uses not expressly prohibited in writing by Borrower. The provisions of the immediately preceding sentence shall survive termination of this Agreement.

12.10 Attorneys' Fees, Costs and Expenses. In any action or proceeding between Borrower and Bank arising out of or relating to the Loan Documents, the Bank shall be entitled to recover its reasonable attorneys' fees and other costs and expenses incurred, in addition to any other relief to which it may be entitled.

12.11 Electronic Execution of Documents. The words "execution," "signed," "signature" and words of like import in any Loan Document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity and enforceability as a manually executed signature or the use of a paper-based recordkeeping systems, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act.

12.12 Right of Setoff. Borrower hereby grants to Bank a Lien and a right of setoff as security for all Obligations to Bank, whether now existing or hereafter arising upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of Bank or any entity under the control of Bank (including a subsidiary of Bank) or in transit to any of them. At any time after the occurrence and during the continuance of an Event of Default, without demand or notice, Bank may setoff the same or any part thereof and apply the same to any liability or Obligation of Borrower even though unmaturred and regardless of the adequacy of any other collateral securing the Obligations. ANY AND ALL RIGHTS TO REQUIRE BANK TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE OBLIGATIONS, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF BORROWER, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

12.13 Captions. The headings used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

12.14 Construction of Agreement. The parties mutually acknowledge that they and their attorneys have participated in the preparation and negotiation of this Agreement. In cases of uncertainty this Agreement shall be construed without regard to which of the parties caused the uncertainty to exist.

12.15 Relationship. The relationship of the parties to this Agreement is determined solely by the provisions of this Agreement. The parties do not intend to create any agency, partnership, joint venture, trust, fiduciary or other relationship with duties or incidents different from those of parties to an arm's-length contract.

12.16 Third Parties. Nothing in this Agreement, whether express or implied, is intended to: (a) confer any benefits, rights or remedies under or by reason of this Agreement on any Person other than the express parties to it and their respective permitted successors and assigns; (b) relieve or discharge the obligation or liability of any Person not an express party to this Agreement; or (c) give any Person not an express party to this Agreement any right of subrogation or action against any party to this Agreement.

13 DEFINITIONS

13.1 Definitions. As used in the Loan Documents, the word “shall” is mandatory, the word “may” is permissive, the word “or” is not exclusive, the words “includes” and “including” are not limiting, the singular includes the plural, and numbers denoting amounts that are set off in brackets are negative. As used in this Agreement, the following capitalized terms have the following meanings:

“**Account**” is any “account” as defined in the Code with such additions to such term as may hereafter be made, and includes, without limitation, all accounts receivable and other sums owing to Borrower.

“**Account Debtor**” is any “account debtor” as defined in the Code with such additions to such term as may hereafter be made.

“**Adjusted Quick Ratio**” is the ratio of (a) Quick Assets to (b) Current Liabilities minus the current portion of Deferred Revenue.

“**Advance**” or “**Advances**” means a revolving credit loan (or revolving credit loans) under the Revolving Line.

“**Affiliate**” is, with respect to any Person, each other Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person’s senior executive officers, directors, partners and, for any Person that is a limited liability company, that Person’s managers and members.

“**Agreement**” is defined in the preamble hereof.

“**Authorized Signer**” is any individual listed in Borrower’s Borrowing Resolution who is authorized to execute the Loan Documents, including any Advance request, on behalf of Borrower.

“**Availability Amount**” is (a) the lesser of (i) the Revolving Line or (ii) the amount available under the Borrowing Base minus (b) the outstanding principal balance of any Advances.

“**Bank**” is defined in the preamble hereof.

“**Bank Entities**” is defined in Section 12.9.

“**Bank Expenses**” are all audit fees and expenses, costs, and expenses (including reasonable attorneys’ fees and expenses) for preparing, amending, negotiating, administering, defending and enforcing the Loan Documents (including, without limitation, those incurred in connection with appeals or Insolvency Proceedings) or otherwise incurred with respect to Borrower.

“Bank Services” are any products, credit services, and/or financial accommodations previously, now, or hereafter provided to Borrower or any of its Subsidiaries by Bank or any Bank Affiliate, including, without limitation, any letters of credit, cash management services (including, without limitation, merchant services, direct deposit of payroll, business credit cards, and check cashing services), interest rate swap arrangements, and foreign exchange services as any such products or services may be identified in Bank’s various agreements related thereto (each, a **“Bank Services Agreement”**).

“Borrower” is defined in the preamble hereof

“Borrower’s Books” are all Borrower’s books and records including ledgers, federal and state tax returns, records regarding Borrower’s assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information.

“Borrowing Base” is eighty percent (80%) of Eligible Accounts, as determined by Bank from Borrower’s most recent Transaction Report; provided, however, that Bank has the right, after consultation with Borrower, to decrease the foregoing percentages in its good faith business judgment to mitigate the impact of events, conditions, contingencies, or risks which may adversely affect the Collateral or its value.

“Borrowing Resolutions” are, with respect to any Person, those resolutions adopted by such Person’s board of directors (and, if required under the terms of such Person’s Operating Documents, stockholders) and delivered by such Person to Bank approving the Loan Documents to which such Person is a party and the transactions contemplated thereby, together with a certificate executed by its secretary on behalf of such Person certifying (a) such Person has the authority to execute, deliver, and perform its obligations under each of the Loan Documents to which it is a party, (b) that set forth as a part of or attached as an exhibit to such certificate is a true, correct, and complete copy of the resolutions then in full force and effect authorizing and ratifying the execution, delivery, and performance by such Person of the Loan Documents to which it is a party, (c) the name(s) of the Person(s) authorized to execute the Loan Documents, including any Advance request, on behalf of such Person, together with a sample of the true signature(s) of such Person(s), and (d) that Bank may conclusively rely on such certificate unless and until such Person shall have delivered to Bank a further certificate canceling or amending such prior certificate.

“Business Day” is any day that is not a Saturday, Sunday or a day on which Bank is closed.

“Cash Collateral Account” is defined in Section 6.3(c).

“Cash Equivalents” means (a) marketable direct obligations issued or unconditionally guaranteed by the United States or any agency or any State thereof having maturities of not more than one (1) year from the date of acquisition; (b) commercial paper maturing no more than one (1) year after its creation and having the highest rating from either Standard & Poor’s Ratings Group or Moody’s Investors Service, Inc.; and (c) Bank’s certificates of deposit issued maturing no more than one (1) year after issue.

“**Claims**” is defined in Section 12.3.

“**Code**” is in the United States, the Uniform Commercial Code, as the same may, from time to time, be enacted and in effect in the State of New York; provided, that, to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priority of, or remedies with respect to, Bank’s Lien on any Collateral is governed by the Uniform Commercial Code in effect in a jurisdiction other than the State of New York, the term “**Code**” shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions.

“**Collateral**” is any and all properties, rights and assets of Borrower described on Exhibit A.

“**Collateral Account**” is any Cash Collateral Account, Deposit Account, Securities Account, or Commodity Account.

“**Commodity Account**” is any “commodity account” as defined in the Code with such additions to such term as may hereafter be made.

“**Compliance Certificate**” is that certain certificate in the form attached hereto as Exhibit B.

“**Contingent Obligation**” is, for any Person, any direct or indirect liability, contingent or not, of that Person for (a) any indebtedness, lease, dividend, letter of credit or other obligation of another such as an obligation, in each case, directly or indirectly guaranteed, endorsed, co-made, discounted or sold with recourse by that Person, or for which that Person is directly or indirectly liable; (b) any obligations for undrawn letters of credit for the account of that Person; and (c) all obligations from any interest rate, currency or commodity swap agreement, interest rate cap or collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; but “Contingent Obligation” does not include endorsements in the ordinary course of business. The amount of a Contingent Obligation is the stated or determined amount of the primary obligation for which the Contingent Obligation is made or, if not determinable, the maximum reasonably anticipated liability for it determined by the Person in good faith; but the amount may not exceed the maximum of the obligations under any guarantee or other support arrangement.

“**Control Agreement**” is any control agreement entered into among the depository institution at which Borrower maintains a Deposit Account or the securities intermediary or commodity intermediary at which Borrower maintains a Securities Account or a Commodity Account, Borrower, and Bank pursuant to which Bank obtains control (within the meaning of the Code) over such Deposit Account, Securities Account, or Commodity Account.

“Copyrights” are any and all copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret.

“Credit Extension” is any Advance, any Overadvance, Letter of Credit, FX Contract, amount utilized for cash management services, or any other extension of credit by Bank for Borrower’s benefit.

“Currency” is coined money and such other banknotes or other paper money as are authorized by law and circulate as a medium of exchange.

“Current Liabilities” are all obligations and liabilities of Borrower to Bank, plus, without duplication, the aggregate amount of Borrower’s Total Liabilities that mature within one (1) year but excluding intercompany payables and statutory severance required in Israel.

“Default” means any event which with notice or passage of time or both, would constitute an Event of Default.

“Default Rate” is defined in Section 2.4(b).

“Deferred Revenue” is all amounts received or invoiced in advance of performance under contracts and not yet recognized as revenue.

“Deposit Account” is any “deposit account” as defined in the Code with such additions to such term as may hereafter be made.

“Designated Deposit Account” is the multicurrency account denominated in Dollars, account number ending 2448, maintained by Borrower with Bank.

“Dollars,” “dollars” or use of the sign “\$” means only lawful money of the United States and not any other currency, regardless of whether that currency uses the “\$” sign to denote its currency or may be readily converted into lawful money of the United States.

“Dollar Equivalent” is, at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in a Foreign Currency, the equivalent amount therefor in Dollars as determined by Bank at such time on the basis of the then-prevailing rate of exchange in San Francisco, California, for sales of the Foreign Currency for transfer to the country issuing such Foreign Currency.

“Domestic Subsidiary” means a Subsidiary organized under the laws of the United States or any state or territory thereof or the District of Columbia.

“Effective Date” is defined in the preamble hereof.

“Eligible Accounts” means Accounts which arise in the ordinary course of Borrower’s business that meet all Borrower’s representations and warranties in Section 5.3. Bank reserves the right at any time after the Effective Date to adjust any of the criteria set forth below and to establish new criteria in its good faith business judgment. Unless Bank otherwise agrees in writing, Eligible Accounts shall not include:

- (a) Accounts for which the Account Debtor is Borrower’s Affiliate, officer, employee, or agent;
- (b) Accounts that the Account Debtor has not paid within one hundred twenty (120) days of invoice date regardless of invoice payment period terms;
- (c) Accounts with credit balances over one hundred twenty (120) days from invoice date;
- (d) Accounts owing from an Account Debtor if fifty percent (50%) or more of the Accounts owing from such Account Debtor have not been paid within one hundred twenty (120) days of invoice date;
- (e) Accounts owing from an Account Debtor which is not located in the United States, Canada, the United Kingdom, Japan, Italy, France or Germany, unless otherwise approved by Bank in writing on a case-by-case basis in its sole and absolute discretion;
- (f) Accounts billed from and/or payable to Borrower outside of the United States unless Bank has a first priority, perfected security interest or other enforceable Lien in such Accounts under all applicable laws, including foreign laws (sometimes called foreign invoiced accounts);
- (g) Accounts owing from an Account Debtor to the extent that Borrower is indebted or obligated in any manner to the Account Debtor (as creditor, lessor, supplier or otherwise - sometimes called “contra” accounts, accounts payable, customer deposits or credit accounts), but only to the extent of Borrower’s indebtedness or obligation to such Account Debtor;
- (h) Accounts owing from an Account Debtor which is a United States government entity or any department, agency, or instrumentality thereof unless Borrower has assigned its payment rights to Bank and the assignment has been acknowledged under the Federal Assignment of Claims Act of 1940, as amended;
- (i) Accounts for demonstration or promotional equipment, or in which goods are consigned, or sold on a “sale guaranteed”, “sale or return”, “sale on approval”, or other terms if Account Debtor’s payment may be conditional;
- (j) Accounts owing from an Account Debtor where goods or services have not yet been rendered to the Account Debtor (sometimes called memo billings or prebillings);
- (k) Accounts subject to contractual arrangements between Borrower and an Account Debtor where payments shall be scheduled or due according to completion or fulfillment requirements where the Account Debtor has a right of offset for damages suffered as a result of Borrower’s failure to perform in accordance with the contract (sometimes called contracts accounts receivable, progress billings, milestone billings, or fulfillment contracts);

- (l) Accounts owing from an Account Debtor the amount of which may be subject to withholding based on the Account Debtor's satisfaction of Borrower's complete performance (but only to the extent of the amount withheld; sometimes called retainage billings);
- (m) Accounts subject to trust provisions, subrogation rights of a bonding company, or a statutory trust;
- (n) Accounts owing from an Account Debtor that has been invoiced for goods that have not been shipped to the Account Debtor unless Bank, Borrower, and the Account Debtor have entered into an agreement acceptable to Bank wherein the Account Debtor acknowledges that (i) it has title to and has ownership of the goods wherever located, (ii) a bona fide sale of the goods has occurred, and (iii) it owes payment for such goods in accordance with invoices from Borrower (sometimes called "bill and hold" accounts);
- (o) Accounts for which the Account Debtor has not been invoiced;
- (p) Accounts that represent non-trade receivables or that are derived by means other than in the ordinary course of Borrower's business;
- (q) Accounts for which Borrower has changed the invoice date;
- (r) Accounts arising from chargebacks, debit memos or other payment deductions taken by an Account Debtor;
- (s) Accounts arising from product returns and/or exchanges (sometimes called "warranty" or "RMA" accounts);
- (t) Accounts in which the Account Debtor disputes liability or makes any claim (but only up to the disputed or claimed amount), or if the Account Debtor is subject to an Insolvency Proceeding, or becomes insolvent, or goes out of business;
- (u) Accounts owing from an Account Debtor with respect to which Borrower has received Deferred Revenue (but only to the extent of such Deferred Revenue);
- (v) Accounts owing from an Account Debtor, whose total obligations to Borrower exceed twenty-five percent (25%) of all Accounts, for the amounts that exceed that percentage, unless Bank approves in writing; and
- (w) Accounts for which Bank in its good faith business judgment determines collection to be doubtful, including, without limitation, accounts represented by "refreshed" or "recycled" invoices.

“Equipment” is all “equipment” as defined in the Code with such additions to such term as may hereafter be made, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

“ERISA” is the Employee Retirement Income Security Act of 1974, and its regulations.

“Event of Default” is defined in Section 8.

“Exchange Act” is the Securities Exchange Act of 1934, as amended.

“Foreign Currency” means lawful money of a country other than the United States.

“Foreign Subsidiary” means any Subsidiary which is not a Domestic Subsidiary.

“Funding Date” is any date on which a Credit Extension is made to or for the account of Borrower which shall be a Business Day.

“FX Contract” is any foreign exchange contract by and between Borrower and Bank under which Borrower commits to purchase from or sell to Bank a specific amount of Foreign Currency on a specified date.

“GAAP” is generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other Person as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination.

“General Intangibles” is all “general intangibles” as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation, all Intellectual Property, claims, income and other tax refunds, security and other deposits, payment intangibles, contract rights, options to purchase or sell real or personal property, rights in all litigation presently or hereafter pending (whether in contract, tort or otherwise), insurance policies (including without limitation key man, property damage, and business interruption insurance), payments of insurance and rights to payment of any kind.

“Governmental Approval” is any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority.

“Governmental Authority” is any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization.

“Indebtedness” is (a) indebtedness for borrowed money or the deferred price of property or services, such as reimbursement and other obligations for surety bonds and letters of credit, (b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) capital lease obligations, and (d) Contingent Obligations.

“Indemnified Person” is defined in Section 12.3.

“Insolvency Proceeding” is any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

“Intellectual Property” means, with respect to any Person, all of such Person’s right, title, and interest in and to the following:

- (a) its Copyrights, Trademarks and Patents;
- (b) any and all trade secrets and trade secret rights, including, without limitation, any rights to unpatented inventions, know-how, operating manuals;
- (c) any and all source code;
- (d) any and all design rights which may be available to such Person;
- (e) any and all claims for damages by way of past, present and future infringement of any of the foregoing, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the Intellectual Property rights identified above; and
- (f) all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents.

“Interest Expense” means for any fiscal period, interest expense (whether cash or non-cash) determined in accordance with GAAP for the relevant period ending on such date, including, in any event, interest expense with respect to any Credit Extension and other Indebtedness of Borrower and its Subsidiaries, including, without limitation or duplication, all commissions, discounts, or related amortization and other fees and charges with respect to letters of credit and bankers’ acceptance financing and the net costs associated with interest rate swap, cap, and similar arrangements, and the interest portion of any deferred payment obligation (including leases of all types).

“Inventory” is all “inventory” as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products, including without limitation such inventory as is temporarily out of Borrower’s custody or possession or in transit and including any returned goods and any documents of title representing any of the above.

“Investment” is any beneficial ownership interest in any Person (including stock, partnership interest or other securities), and any loan, advance or capital contribution to any Person.

“Key Person” is Borrower’s (a) Chief Executive Officer, who is Yaron Galai as of the Effective Date, and (b) Chief Financial Officer, who is Elise Garofalo as of the Effective Date.

“Letter of Credit” is a standby or commercial letter of credit issued by Bank upon request of Borrower based upon an application, guarantee, indemnity, or similar agreement.

“Lien” is a claim, mortgage, deed of trust, levy, charge, pledge, security interest or other encumbrance of any kind, whether voluntarily incurred or arising by operation of law or otherwise against any property.

“Loan Documents” are, collectively, this Agreement and any schedules, exhibits, certificates, notices, and any other documents related to this Agreement, the Perfection Certificate, any Bank Services Agreement, any subordination agreement, any note, or notes or guaranties executed by Borrower or any Guarantor, and any other present or future agreement by Borrower and/or any Guarantor with or for the benefit of Bank in connection with this Agreement or Bank Services, all as amended, restated, or otherwise modified.

“Material Adverse Change” is (a) a material impairment in the perfection or priority of Bank’s Lien in the Collateral or in the value of such Collateral; (b) a material adverse change in the business, operations, or condition (financial or otherwise) of Borrower; (c) a material impairment of the prospect of repayment of any portion of the Obligations; or (d) Bank determines, based upon information available to it and in its reasonable judgment, that there is a reasonable likelihood that Borrower shall fail to comply with one or more of the financial covenants in Section 6 during the next succeeding financial reporting period.

“Minimum Interest” is defined in Section 2.4(d).

“Minimum Interest Period” is defined in Section 2.4(d).

“Monthly Financial Statements” is defined in Section 6.2(c).

“Obligations” are Borrower’s obligations to pay when due any debts, principal, interest, fees, Bank Expenses, and other amounts Borrower owes Bank now or later, under this Agreement or the other Loan Documents, including, without limitation, interest accruing after Insolvency Proceedings begin and debts, liabilities, or obligations of Borrower assigned to Bank, and to perform Borrower’s duties under the Loan Documents.

“Offshore Accounts” are accounts maintained by Borrower’s Subsidiaries outside the United States and United Kingdom with financial institutions other than Bank or Bank’s Affiliates, provided that the maximum balance maintained in such accounts does not exceed the aggregate amount of Six Million Dollars (\$6,000,000) at any time.

“Operating Documents” are, for any Person, such Person’s formation documents, as certified by the Secretary of State (or equivalent agency) of such Person’s jurisdiction of organization on a date that is no earlier than thirty (30) days prior to the Effective Date, and, (a) if such Person is a corporation, its bylaws (as the case may be) in current form, (b) if such Person is a limited liability company, its limited liability company agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), each of the foregoing with all current amendments or modifications thereto.

“Overadvance” is defined in Section 2.3.

“Patents” means all patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same.

“Perfection Certificate” is defined in Section 5.1.

“Permitted Indebtedness” is:

- (a) Borrower’s Indebtedness to Bank under this Agreement and the other Loan Documents;
- (b) Indebtedness existing on the Effective Date and shown on the Perfection Certificate;
- (c) Subordinated Debt;
- (d) unsecured Indebtedness to trade creditors incurred in the ordinary course of business;
- (e) Indebtedness incurred as a result of endorsing negotiable instruments received in the ordinary course of business;
- (f) Indebtedness secured by Liens permitted under clauses (a) and (c) of the definition of “Permitted Liens” hereunder;
- (g) Indebtedness consisting of the financing of insurance premiums arising in the ordinary course of business not to exceed Twenty Five Thousand Dollars (\$25,000) in the aggregate at any time;
- (h) deferred compensation due to employees not to exceed Fifty Thousand Dollars (\$50,000) in the aggregate at any time; and
- (i) extensions, refinancings, modifications, amendments and restatements of any items of Permitted Indebtedness (a) through (h) above, provided that the principal amount thereof is not increased or the terms thereof are not modified to impose more burdensome terms upon Borrower or its Subsidiary, as the case may be.

“Permitted Investments” are:

- (a) Investments (including, without limitation, Subsidiaries) existing on the Effective Date and shown on the Perfection Certificate;
- (b) Investments consisting of Cash Equivalents; and
- (c) Investments by Borrower in Subsidiaries not to exceed Ten Million Dollars (\$10,000,000) in any fiscal quarter of Borrower, not to exceed Forty Million Dollars (\$40,000,000) in the aggregate in any fiscal year.

“Permitted Liens” are:

- (a) Liens existing on the Effective Date and shown on the Perfection Certificate or arising under this Agreement and the other Loan Documents;
- (b) Liens for taxes, fees, assessments or other government charges or levies, either (i) not due and payable or (ii) being contested in good faith and for which Borrower maintains adequate reserves on its Books, provided that no notice of any such Lien has been filed or recorded under the Internal Revenue Code of 1986, as amended, and the Treasury Regulations adopted thereunder;
- (c) purchase money Liens or capital leases (i) on Equipment acquired or held by Borrower incurred for financing the acquisition of the Equipment securing no more than Ten Million Dollars (\$10,000,000) in the aggregate amount outstanding, or (ii) existing on Equipment when acquired, if the Lien is confined to the property and improvements and the proceeds of the Equipment;
- (d) Liens of carriers, warehousemen, suppliers, or other Persons that are possessory in nature arising in the ordinary course of business so long as such Liens attach only to Inventory, securing liabilities in the aggregate amount not to exceed One Hundred Thousand Dollars (\$100,000) and which are not delinquent or remain payable without penalty or which are being contested in good faith and by appropriate proceedings which proceedings have the effect of preventing the forfeiture or sale of the property subject thereto;
- (e) Liens to secure payment of workers’ compensation, employment insurance, old-age pensions, social security and other like obligations incurred in the ordinary course of business (other than Liens imposed by ERISA);
- (f) leases or subleases of real property granted in the ordinary course of Borrower’s business (or, if referring to another Person, in the ordinary course of such Person’s business), and leases, subleases, non-exclusive licenses or sublicenses of personal property (other than Intellectual Property) granted in the ordinary course of Borrower’s business (or, if referring to another Person, in the ordinary course of such Person’s business), if the leases, subleases, licenses and sublicenses do not prohibit granting Bank a security interest therein;
- (g) Liens in favor of other financial institutions arising in connection with Borrower’s deposit and/or securities accounts held at such institutions, provided that Bank has a perfected security interest in the amounts held in such deposit and/or securities accounts;

(h) Liens on insurance policies and the proceeds thereof securing the financing of premiums with respect thereto; and

(i) Liens incurred in the extension, renewal or refinancing of the Indebtedness secured by Liens described in (a) through (h), but any extension, renewal or replacement Lien must be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness may not increase.

“Person” is any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

“Prime Rate” is the rate of interest per annum from time to time published in the money rates section of The Wall Street Journal or any successor publication thereto as the “prime rate” then in effect; provided that if such rate of interest, as set forth from time to time in the money rates section of The Wall Street Journal, becomes unavailable for any reason as determined by Bank, the “Prime Rate” shall mean the rate of interest per annum announced by Bank as its prime rate in effect at its principal office in the State of California (such Bank announced Prime Rate not being intended to be the lowest rate of interest charged by Bank in connection with extensions of credit to debtors).

“Prior Loan Agreement” is defined in the preamble.

“Quick Assets” is, on any date, Borrower’s consolidated, unrestricted cash maintained with Bank plus net billed accounts receivable, determined according to GAAP.

“Registered Organization” is any “registered organization” as defined in the Code with such additions to such term as may hereafter be made.

“Requirement of Law” is as to any Person, the organizational or governing documents of such Person, and any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Reserves” means, as of any date of determination, such amounts as Bank may from time to time establish and revise in its good faith business judgment, reducing the amount of Advances and other financial accommodations which would otherwise be available to Borrower (a) to reflect events, conditions, contingencies or risks which, as determined by Bank in its good faith business judgment, do or may adversely affect (i) the Collateral or any other property which is security for the Obligations or its value (including without limitation any increase in delinquencies of Accounts), (ii) the assets, business or prospects of Borrower or any Guarantor, or (iii) the security interests and other rights of Bank in the Collateral (including the enforceability, perfection and priority thereof); or (b) to reflect Bank’s reasonable belief that any collateral report or financial information furnished by or on behalf of Borrower or any Guarantor to Bank is or may have been incomplete, inaccurate or misleading in any material respect; or (c) in respect of any state of facts which Bank determines constitutes an Event of Default or may, with notice or passage of time or both, constitute an Event of Default.

“Responsible Officer” is any of the Chief Executive Officer, President, Chief Financial Officer and Controller of Borrower.

“Restricted License” is any material license or other agreement with respect to which Borrower is the licensee (a) that prohibits or otherwise restricts Borrower from granting a security interest in Borrower’s interest in such license or agreement or any other property, or (b) for which a default under or termination of could interfere with the Bank’s right to sell any Collateral.

“Revolving Line” is an aggregate principal amount equal to Thirty Five Million Dollars (\$35,000,000) outstanding at any time.

“Revolving Line Maturity Date” is September 15, 2016.

“SEC” shall mean the Securities and Exchange Commission, any successor thereto, and any analogous Governmental Authority.

“Securities Account” is any “securities account” as defined in the Code with such additions to such term as may hereafter be made.

“Streamline Period” is, on and after the Effective date, provided no Event of Default has occurred and is continuing, the period (a) commencing on the first day of the month following the day that Borrower provides to Bank a written report that Borrower has, for each consecutive day in the immediately preceding calendar month, maintained an Adjusted Quick Ratio of greater than 1.10 to 1.00, as determined by Bank in its reasonable discretion (the **“Streamline Threshold”**); and (b) terminating on the earlier to occur of (i) the occurrence of an Event of Default, and (ii) the first day thereafter in which Borrower fails to maintain the Streamline Threshold, as determined by Bank in its reasonable discretion. Upon the termination of a Streamline Period, Borrower must maintain the Streamline Threshold each consecutive day for one (1) calendar month, as determined by Bank in its reasonable discretion, prior to entering into a subsequent Streamline Period. Borrower shall give Bank prior written notice of Borrower’s election to enter into any such Streamline Period, and each such Streamline Period shall commence on the first day of the monthly period following the date the Bank determines, in its reasonable discretion, that the Streamline Threshold has been achieved.

“Subordinated Debt” is indebtedness incurred by Borrower subordinated to all of Borrower’s now or hereafter indebtedness to Bank (pursuant to a subordination, intercreditor, or other similar agreement in form and substance satisfactory to Bank entered into between Bank and the other creditor), on terms acceptable to Bank.

“Subsidiary” is, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless the context otherwise requires, each reference to a Subsidiary herein shall be a reference to a Subsidiary of Borrower.

“Total Liabilities” is on any day, obligations that should, under GAAP, be classified as liabilities on Borrower’s consolidated balance sheet, including all Indebtedness.

“Trademarks” means any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Borrower connected with and symbolized by such trademarks.

“Transaction Report” is that certain report of transactions and schedule of collections on Bank’s standard form.

“Transfer” is defined in Section 7.1.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date.

BORROWER:

OUTBRAIN INC.

By /s/ Yaron Galai _____
Name: Yaron Galai _____
Title: CEO _____

BANK:

SILICON VALLEY BANK

By /s/ Claudia Canales _____
Name: Claudia Canales _____
Title: Director _____

[Signature Page to Amended and Restated Loan and Security Agreement]

EXHIBIT A – COLLATERAL DESCRIPTION

The Collateral consists of all of Borrower's right, title and interest in and to the following personal property:

All goods, Accounts (including health-care receivables), Equipment, Inventory, contract rights or rights to payment of money, leases, license agreements, franchise agreements, General Intangibles, commercial tort claims, documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, Deposit Accounts, certificates of deposit, fixtures, letters of credit rights (whether or not the letter of credit is evidenced by a writing), securities, and all other investment property, supporting obligations, and financial assets, whether now owned or hereafter acquired, wherever located; and

all Borrower's Books relating to the foregoing, and any and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, proceeds and insurance proceeds of any or all of the foregoing.

Notwithstanding the foregoing, the Collateral does not include any of the following: (a) more than 65% of the presently existing and hereafter arising issued and outstanding shares of capital stock owned by Borrower of any Foreign Subsidiary which shares entitle the holder thereof to vote for directors or any other matter; (b) rights held under a license that are not assignable by their terms without the consent of the licensor thereof (but only to the extent such restriction on assignment is enforceable under applicable law); (c) any interest of Borrower as a lessee or sublessee under a real property lease or an Equipment lease if Borrower is prohibited by the terms of such lease from granting a security interest in such lease or under which such an assignment or Lien would cause a default to occur under such lease (other than to the extent that any such term would be rendered ineffective pursuant to Section 9-407(a) of Article/Division 9 of the Code); provided, however, that upon termination of such prohibition, such interest shall immediately become Collateral without any action by Borrower or Bank; or (d) any Intellectual Property; provided, however, the Collateral shall include all Accounts and all proceeds of Intellectual Property. If a judicial authority (including a U.S. Bankruptcy Court) would hold that a security interest in the underlying Intellectual Property is necessary to have a security interest in such Accounts and such property that are proceeds of Intellectual Property, then the Collateral shall automatically, and effective as of the Effective Date, include the Intellectual Property to the extent necessary to permit perfection of Bank's security interest in such Accounts and such other property of Borrower that are proceeds of the Intellectual Property.

EXHIBIT B

COMPLIANCE CERTIFICATE

TO: SILICON VALLEY BANK
FROM: OUTBRAIN INC.

Date: _____

The undersigned, in his or her capacity as authorized officer of Outbrain Inc. and Outbrain UK Limited (each and together, jointly and severally, “**Borrower**”) and not in her or her individual capacity certifies that under the terms and conditions of the Loan and Security Agreement between Borrower and Bank (the “**Agreement**”): (1) Borrower is in complete compliance for the period ending _____ with all required covenants except as noted below; (2) there are no Events of Default; (3) all representations and warranties in the Agreement are true and correct in all material respects on this date except as noted below; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date; (4) Borrower, and each of its Subsidiaries, has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower except as otherwise permitted pursuant to the terms of Section 5.9 of the Agreement; and (5) no Liens have been levied or claims made against Borrower or any of its Subsidiaries relating to unpaid employee payroll or benefits of which Borrower has not previously provided written notification to Bank. Attached are the required documents supporting the certification. The undersigned certifies that these are prepared in accordance with GAAP consistently applied from one period to the next except as explained in an accompanying letter or footnotes. The undersigned acknowledges that no borrowings may be requested at any time or date of determination that Borrower is not in compliance with any of the terms of the Agreement, and that compliance is determined not just at the date this certificate is delivered. Capitalized terms used but not otherwise defined herein shall have the meanings given them in the Agreement.

Please indicate compliance status by circling Yes/No under “Complies” column.

Reporting Covenants	Required	Complies
Monthly financial statements with Compliance Certificate	Monthly within 30 days	Yes No
Annual financial statement (CPA Audited) + CC	FYE within 180 days	Yes No
10-0, 10-K and 8-K	Within 5 days after filing with SEC	Yes No
A/R & A/P Agings	Monthly within 30 days	Yes No
Transaction Reports	Monthly within 30 days and each request for an Advance	Yes No
Projections	FYE within 30 days	Yes No

Financial Covenant	Required	Actual	Complies
Maintain as indicated:			
Minimum Adjusted Quick Ratio	1.00:1.00	___ : 1.0	Yes No

Performance Pricing		Applies
Adjusted Quick Ratio > 1.10:1.00	Prime + 0.25%	Yes No
Adjusted Quick Ratio ≤ 1.10:1.00	Prime + 0.75%	Yes No

The following financial covenant analysis and information set forth in Schedule 1 attached hereto are true and accurate as of the date of this Certificate.

The following are the exceptions with respect to the certification above: (If no exceptions exist, state "No exceptions to note.")

OUTBRAIN INC.

By: _____
Name: _____
Title: _____

BANK USE ONLY

Received by: _____
AUTHORIZED SIGNER

Date: _____

Verified: _____
AUTHORIZED SIGNER

Date: _____

Compliance Status: Yes No

Schedule 1 to Compliance Certificate

Financial Covenants of Borrower

In the event of a conflict between this Schedule and the Loan Agreement, the terms of the Loan Agreement shall govern.

I. Adjusted Quick Ratio (Section 6.9(a))

Required: 1.00:1.00

Actual:

- | | |
|--|----------|
| A. Aggregate value of Borrower's consolidated, unrestricted cash maintained with Bank | \$ _____ |
| B. Aggregate value of Borrower's consolidated net billed accounts receivable, determined according to GAAP | \$ _____ |
| C. Quick Assets (the sum of lines A and B) | \$ _____ |
| D. Aggregate value of all Obligations of Borrower to Bank | \$ _____ |
| E. Aggregate value of liabilities that should, under GAAP, be classified as liabilities on Borrower's consolidated balance sheet, including all Indebtedness, not otherwise reflected in line D above, that matures within one (1) year but excluding intercompany payables and statutory severance required in Israel | \$ _____ |
| F. Current Liabilities (the sum of lines D and E) | \$ _____ |
| G. Aggregate value of current portion of all amounts received or invoiced by Borrower in advance of performance under contracts and not yet recognized as revenue | \$ _____ |
| H. Line F minus G | \$ _____ |
| I. Adjusted Quick Ratio (line C divided by line H) | _____ |

Is line I equal to or greater than 1.00:1.00?

_____ No, not in compliance

_____ Yes, in compliance

OUTBRAIN INC.

2007 OMNIBUS SECURITIES AND INCENTIVE PLAN

AMENDED AND RESTATED JANUARY 21, 2009

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OUTBRAIN INC.

2007 OMNIBUS SECURITIES AND INCENTIVE PLAN

AMENDED AND RESTATED JANUARY 21, 2009

ARTICLE I

PURPOSE

The purpose of this Outbrain Inc. 2007 Omnibus Securities and Incentive Plan (the "Plan") is to benefit the stockholders of Outbrain Inc., a Delaware corporation (the "Company"), by assisting the Company to attract, retain and provide incentives to key management employees and nonemployee directors of, and non-employee consultants to, the Company and its Affiliates, and to align the interests of such employees, nonemployee directors and nonemployee consultants with those of the Company's stockholders. Accordingly, the Plan provides for the granting of Distribution Equivalent Rights, Incentive Stock Options, Non-Qualified Stock Options, Performance Share Awards, Restricted Stock Awards, Stock Appreciation Rights, Tandem Stock Appreciation Rights, Unrestricted Stock Awards or any combination of the foregoing, as may be best suited to the circumstances of the particular Employee, Director or Consultant as provided herein.

ARTICLE II

DEFINITIONS

The following definitions shall be applicable throughout the Plan unless the context otherwise requires:

"Affiliate" shall mean any person or entity which, at the time of reference, directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the Company.

"Award" shall mean, individually or collectively, any Distribution Equivalent Right, Option, Performance Share Award, Performance Unit Award, Restricted Stock Award, Stock Appreciation Right or Unrestricted Stock Award.

"Award Agreement" shall mean a written agreement between the Company and the Holder with respect to an Award, each of which shall constitute a part of the Plan.

"Board" shall mean the Board of Directors of the Company.

“Cause” shall mean (i) if the Holder is a party to an employment or similar agreement with the Company or an Affiliate which agreement defines “Cause” (or a similar term) therein, “Cause” shall have the same meaning as provided for in such agreement, or (ii) for a Holder who is not a party to such an agreement, “Cause” shall mean termination by the Company or an Affiliate of the employment (or other service relationship) of the Holder by reason of the Holder’s (A) intentional failure to perform reasonably assigned duties, (B) dishonesty or willful misconduct in the performance of the Holder’s duties, (C) involvement in a transaction which is materially adverse to the Company or an Affiliate, (D) breach of fiduciary duty involving personal profit, (E) willful violation of any law, rule, regulation or court order (other than misdemeanor traffic violations and misdemeanors not involving misuse or misappropriation of money or property), (F) commission of an act of fraud or intentional misappropriation or conversion of any asset or opportunity of the Company or an Affiliate, or (G) material breach of any provision of the Plan or the Holder’s Award Agreement or any other written agreement between the Holder and the Company or an Affiliate, in each case as determined in good faith by the Board, the determination of which shall be final, conclusive and binding on all parties.

“Change of Control” shall mean (i) for a Holder who is a party to an employment or consulting agreement with the Company or an Affiliate which agreement defines “Change of Control” (or a similar term) therein, “Change of Control” shall have the same meaning as provided for in such agreement, or (ii) for a Holder who is not a party to such an agreement, “Change of Control” shall mean the satisfaction of any one or more of the following conditions (and the “Change of Control” shall be deemed to have occurred as of the first day that any one or more of the following conditions shall have been satisfied):

(a) Any person (as such term is used in paragraphs 13(d) and 14(d)(2) of the Exchange Act, hereinafter in this definition, “Person”), other than the Company or an Affiliate or an employee benefit plan of the Company or an Affiliate, becomes the beneficial owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the Company’s then outstanding securities;

(b) The closing of a merger, consolidation or other business combination (a “Business Combination”) other than a Business Combination in which holders of common stock of the Company immediately prior to the Business Combination have substantially the same proportionate ownership of common stock of the surviving corporation immediately after the Business Combination as immediately before;

(c) The closing of either (i) an agreement for the sale or disposition of all or substantially all of the Company’s assets to any entity that is not an Affiliate, or (ii) a plan of complete liquidation of the Company;

(d) The persons who were members of the Board immediately before a tender offer by any Person other than the Company or an Affiliate, or before a merger, consolidation or contested election, or before any combination of such transactions, cease to constitute a majority of the members of the Board as a result of such transaction or transactions; or

(e) Any other event which shall be deemed by a majority of the members of the Board to constitute a “Change of Control.”

“Code” shall mean the Internal Revenue Code of 1986, as amended. Reference in the Plan to any section of the Code shall be deemed to include any amendments or successor provisions to any section and any regulation under such section.

“Committee” shall mean a committee comprised of (i) at any time that the Common Stock is not registered under Section 12 of the Exchange Act, the full Board or a committee designated by the Board, and (ii) at any time that the Common Stock is registered under Section 12 of the Exchange Act, not less than three (3) members of the Board who are selected by the Board as provided in Section 4.1.

“Common Stock” shall mean the Common Stock, par value \$0.001 per share, of the Company.

“Company” shall mean Outbrain Inc., a Delaware corporation, and any successor thereto.

“Consultant” shall mean any non-Employee (individual or entity) advisor to the Company or an Affiliate who or which has contracted directly with the Company or an Affiliate to render bona fide consulting or advisory services thereto.

“Director” shall mean a member of the Board or a member of the board of directors of an Affiliate, in either case, who is not an Employee.

“Distribution Equivalent Right” shall mean an Award granted under Article XII of the Plan which entitles the Holder to receive bookkeeping credits, cash payments and/or Common Stock distributions equal in amount to the distributions that would have been made to the Holder had the Holder held a specified number of shares of Common Stock during the period the Holder held the Distribution Equivalent Right.

“Distribution Equivalent Right Award Agreement” shall mean a written agreement between the Company and a Holder with respect to a Distribution Equivalent Right Award.

“Effective Date” shall mean October 24, 2007.

“Employee” shall mean any employee, including officers, of the Company or an Affiliate.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

“Fair Market Value” shall mean, as determined consistent with the applicable requirements of Sections 409A and 422 of the Code, as of any specified date, the closing sales price of the Common Stock for such date (or, in the event that the Common Stock is not traded on such date, on the immediately preceding trading date) on the Nasdaq Stock Market or a domestic or foreign national securities exchange (including London’s Alternative Investment Market) on which the Common Stock may be listed, as reported in The Wall Street Journal or The Financial Times. If the Common Stock is not listed on the Nasdaq Stock Market or on a national securities exchange, but is quoted on the OTC Bulletin Board or by the National Quotation Bureau, the Fair Market Value of the Common Stock shall be the mean of the bid and asked prices per share of the Common Stock for such date. If the Common Stock is not quoted or listed as set forth above, Fair Market Value shall be determined by the Board in good faith by any fair and reasonable means (which means, with respect to a particular Award grant, may be set forth with greater specificity in the applicable Award Agreement). The Fair Market Value of property other than Common Stock shall be determined by the Board in good faith by any fair and reasonable means, and consistent with the applicable requirements of Sections 409A and 422 of the Code.

“Family Member” shall mean any child, stepchild, grandchild, parent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, including adoptive relationships, any person sharing the Holder’s household (other than a tenant of the Holder), a trust in which such persons have more than fifty percent (50%) of the beneficial interest, a foundation in which such persons (or the Holder) control the management of assets, and any other entity in which such persons (or the Holder) own more than fifty percent (50%) of the voting interests.

“Holder” shall mean an Employee, Director or Consultant who has been granted an Award or any such individual’s beneficiary, estate or representative, to the extent applicable.

“Incentive Stock Option” shall mean an Option which is intended by the Committee to constitute an “incentive stock option” under Section 422 of the Code.

“Non-Qualified Stock Option” shall mean an Option which is not an Incentive Stock Option.

“Option” shall mean an Award granted under Article VII of the Plan of an option to purchase shares of Common Stock and includes both Incentive Stock Options and Non-Qualified Stock Options.

“Option Agreement” shall mean a written agreement between the Company and a Holder with respect to an Option.

“Performance Share Award” shall mean an Award granted under Article XI of the Plan under which, upon the satisfaction of predetermined individual and/or Company (and/or Affiliate) performance goals and/or objectives, shares of Common Stock are paid to the Holder.

“Performance Share Award Agreement” shall mean a written agreement between the Company and a Holder with respect to a Performance Share Award.

“Performance Unit” shall mean a Unit awarded to a Holder pursuant to a Performance Unit Award.

“Performance Unit Award” shall mean an Award granted under Article X of the Plan under which, upon the satisfaction of predetermined individual and/or Company (and/or Affiliate) performance goals and/or objectives, a cash payment shall be made to the Holder, based on the number of Units awarded to the Holder.

“Performance Unit Award Agreement” shall mean a written agreement between the Company and a Holder with respect to a Performance Unit Award.

“Plan” shall mean this Outbrain Inc. 2007 Omnibus Securities and Incentive Plan, as amended from time to time, together with each of the Award Agreements utilized hereunder.

“Restricted Stock Award” shall mean an Award granted under Article VIII of the Plan of shares of Common Stock, the transferability of which by the Holder shall be subject to Restrictions.

“Restricted Stock Award Agreement” shall mean a written agreement between the Company and a Holder with respect to a Restricted Stock Award.

“Restriction Period” shall mean the period of time for which shares of Common Stock subject to a Restricted Stock Award shall be subject to Restrictions, as set forth in the applicable Restricted Stock Award Agreement.

“Restrictions” shall mean forfeiture, transfer and/or other restrictions applicable to shares of Common Stock awarded to an Employee, Director or Consultant under the Plan pursuant to a Restricted Stock Award and set forth in a Restricted Stock Award Agreement.

“Rule 16b-3” shall mean Rule 16b-3 promulgated by the Securities and Exchange Commission under the Exchange Act, as such may be amended from time to time, and any successor rule, regulation or statute fulfilling the same or a substantially similar function.

“Stock Appreciation Right” shall mean an Award granted under Article XIII of the Plan of a right, granted alone or in connection with a related Option, to receive a payment on the date of exercise.

“Stock Appreciation Right Award Agreement” shall mean a written agreement between the Company and a Holder with respect to a Stock Appreciation Right.

“Tandem Stock Appreciation Right” shall mean a Stock Appreciation Right granted in connection with a related Option, the exercise of which shall result in termination of the otherwise entitlement to purchase some or all of the shares of Common Stock under the related Option, all as set forth in Section 13.2.

“Ten Percent Stockholder” shall mean an Employee who, at the time an Option is granted to him or her, owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any parent corporation or subsidiary corporation thereof (both as defined in Section 424 of the Code), within the meaning of Section 422(b)(6) of the Code.

“Total and Permanent Disability” shall mean the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months, all as described in Section 22(e)(3) of the Code.

“Units” shall mean bookkeeping units, each of which represents such monetary amount as shall be designated by the Committee in each Performance Unit Award Agreement.

“Unrestricted Stock Award” shall mean an Award granted under Article IX of the Plan of shares of Common Stock which are not subject to Restrictions.

“Unrestricted Stock Award Agreement” shall mean a written agreement between the Company and a Holder with respect to an Unrestricted Stock Award.

**ARTICLE III
EFFECTIVE DATE OF PLAN**

The Plan shall be effective as of the Effective Date.

**ARTICLE IV
ADMINISTRATION**

Section 4.1 Composition of Committee. The Plan shall be administered by the Committee, which shall be appointed by the Board. Notwithstanding the foregoing, however, at any time that the Common Stock is registered under Section 12 of the Exchange Act, the Committee shall consist solely of two (2) or more Directors who are each (i) “outside directors” within the meaning of Section 162(m) of the Code (“Outside Directors”), and (ii) “non-employee directors” within the meaning of Rule 16b-3 (“Non-Employee Directors”); provided, however, that the Board or the Committee may delegate to a committee of one or more members of the Board who are not (x) Outside Directors, the authority to grant Awards to eligible persons who are not (A) then “covered employees” within the meaning of Section 162(m) of the Code and are not expected to be “covered employees” at the time of recognition of income resulting from such Award, or (B) persons with respect to whom the Company wishes to comply with the requirements of Section 162(m) of the Code, and/or (y) Non-Employee Directors, the authority to grant Awards to eligible persons who are not then subject to the requirements of Section 16 of the Exchange Act. If a member of the Committee shall be eligible to receive an Award under the Plan, such Committee member shall have no authority hereunder with respect to his or her own Award.

Section 4.2 Powers. Subject to the provisions of the Plan, the Committee shall have the sole authority, in its discretion, to make all determinations under the Plan, including but not limited to determining which Employees, Directors or Consultants shall receive an Award, the time or times when an Award shall be made, what type of Award shall be granted, the term of an Award, the date or dates on which an Award vests (including acceleration of vesting), the form of any payment to be made pursuant to an Award, the terms and conditions of an Award, the Restrictions under a Restricted Stock Award and the number of shares of Common Stock which may be issued under an Award, all as applicable. In making such determinations the Committee may take into account the nature of the services rendered by the respective Employees, Directors and Consultants, their present and potential contribution to the Company’s (or the Affiliate’s) success and such other factors as the Committee in its discretion shall deem relevant.

Section 4.3 Additional Powers. The Committee shall have such additional powers as are delegated to it under the other provisions of the Plan. Subject to the express provisions of the Plan, the Committee is authorized to construe the Plan and the respective Award Agreements executed hereunder, to prescribe such rules and regulations relating to the Plan as it may deem advisable to carry out the intent of the Plan, and to determine the terms, restrictions and provisions of each Award, including such terms, restrictions and provisions as shall be requisite in the judgment of the Committee to cause designated Options to qualify as Incentive Stock Options, and to make all other determinations necessary or advisable for administering the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in any Award Agreement in the manner and to the extent it shall deem expedient to carry it into effect. The determinations of the Committee on the matters referred to in this Article IV shall be conclusive and binding on the Company and all Holders.

Section 4.4 Committee Action. In the absence of specific rules to the contrary, action by the Committee shall require the consent of a majority of the members of the Committee, expressed either orally at a meeting of the Committee or in writing in the absence of a meeting. No member of the Committee shall have any liability for any good faith action, inaction or determination in connection with the Plan.

ARTICLE V STOCK SUBJECT TO PLAN AND LIMITATIONS THEREON

Section 5.1 Stock Grant and Award Limits. The Committee may from time to time grant Awards to one or more Employees, Directors and/or Consultants determined by it to be eligible for participation in the Plan in accordance with the provisions of Article VI. Subject to Article XIV, the aggregate number of shares of Common Stock that may be issued under the Plan shall not exceed 4,006,179 shares. Shares shall be deemed to have been issued under the Plan solely to the extent actually issued and delivered pursuant to an Award. To the extent that an Award lapses, expires, is canceled, is terminated unexercised or ceases to be exercisable for any reason, or the rights of its Holder terminate, any shares of Common Stock subject to such Award shall again be available for the grant of a new Award. Notwithstanding any provision in the Plan to the contrary, the maximum number of shares of Common Stock that may be subject to Awards of Options under Article VII and/or Stock Appreciation Rights under Article XIII, in either or both cases granted to any one Employee during any calendar year, shall be 500,000 shares (subject to adjustment in the same manner as provided in Article XIV with respect to shares of Common Stock subject to Awards then outstanding). The limitation set forth in the preceding sentence shall be applied in a manner which shall permit compensation generated in connection with the exercise of Options or Stock Appreciation Rights to constitute "performance-based" compensation for purposes of Section 162(m) of the Code, including, but not limited to, counting against such maximum number of shares, to the extent required under Section 162(m) of the Code, any shares subject to Options or Stock Appreciation Rights that are canceled or repriced.

Section 5.2 Stock Offered. The stock to be offered pursuant to the grant of an Award may be authorized but unissued Common Stock, Common Stock purchased on the open market or Common Stock previously issued and outstanding and reacquired by the Company.

Section 5.3 Lock-Up Agreement. Each Award Agreement which provides for the issuance of Common Stock, including but not limited to the issuance of Common Stock upon the exercise of an Option, shall provide for a lock-up covenant by the Holder, to be effective for a period not to exceed one year, upon the request of the Company or the Company's principal underwriter in connection with an underwritten public offering of the Common Stock.

ARTICLE VI
ELIGIBILITY FOR AWARDS; TERMINATION OF
EMPLOYMENT, DIRECTOR STATUS OR CONSULTANT STATUS

Section 6.1 Eligibility. Awards made under the Plan may be granted solely to persons or entities who, at the time of grant, are Employees, Directors or Consultants. An Award may be granted on more than one occasion to the same Employee, Director or Consultant, and, subject to the limitations set forth in the Plan, such Award may include, a Non-Qualified Stock Option, a Restricted Stock Award, an Unrestricted Stock Award, a Distribution Equivalent Right Award, any combination thereof or, solely for Employees, an Incentive Stock Option.

Section 6.2 Termination of Employment or Director Status. Except to the extent inconsistent with the terms of the applicable Award Agreement and/or the provisions of Section 6.4, the following terms and conditions shall apply with respect to the termination of a Holder's employment with, or status as a Director of, the Company or an Affiliate, as applicable, for any reason, including, without limitation, Total and Permanent Disability or death:

- (a) The Holder's rights, if any, to exercise any then exercisable Non-Qualified Stock Options shall terminate:
 - (1) If such termination is for a reason other than the Holder's Total and Permanent Disability or death, not more than ninety (90) days after the date of such termination of employment or after the date of such termination of Director status;
 - (2) If such termination is on account of the Holder's Total and Permanent Disability, one (1) year after the date of such termination of employment or Director status; or
 - (3) If such termination is on account of the Holder's death, one (1) year after the date of the Holder's death.

Upon such applicable date the Holder (and such Holder's estate, designated beneficiary or other legal representative) shall forfeit any rights or interests in or with respect to any such Non-Qualified Stock Options.

- (b) The Holder's rights, if any, to exercise any then exercisable Incentive Stock Option shall terminate:
 - (1) If such termination is for a reason other than the Holder's Total and Permanent Disability or death, not more than three (3) months after the date of such termination of employment;
 - (2) If such termination is on account of the Holder's Total and Permanent Disability, one (1) year after the date of such termination of employment; or

- (3) If such termination is on account of the Holder's death, one (1) year after the date of the Holder's death.

Upon such applicable date the Holder (and such Holder's estate, designated beneficiary or other legal representative) shall forfeit any rights or interests in or with respect to any such Incentive Stock Options.

(c) If a Holder's employment with, or status as a Director of, the Company or an Affiliate, as applicable, terminates for any reason prior to the actual or deemed satisfaction and/or lapse of the restrictions, terms and conditions applicable to an Award of Restricted Stock and/or Deferred Stock, such Restricted Stock and/or Deferred Stock shall immediately be canceled, and the Holder (and such Holder's estate, designated beneficiary or other legal representative) shall forfeit any rights or interests in and with respect to any such Restricted Stock and/or Deferred Stock. The immediately preceding sentence to the contrary notwithstanding, the Committee, in its sole discretion, may determine, prior to or within thirty (30) days after the date of such termination of employment or Director status, that all or a portion of any such Holder's Restricted Stock and/or Deferred Stock shall not be so canceled and forfeited.

Section 6.3 Termination of Consultant Status. Except to the extent inconsistent with the terms of the applicable Award Agreement and/or the provisions of Section 6.4, the following terms and conditions shall apply with respect to the termination of a Holder's status as a Consultant, for any reason:

- (a) The Holder's rights, if any, to exercise any then exercisable Non-Qualified Stock Options shall terminate:

(1) If such termination is for a reason other than the Holder's death, not more than ninety (90) days after the date of such termination; or

- (2) If such termination is on account of the Holder's death, one (1) year after the date of the Holder's death.

(b) If the status of a Holder as a Consultant terminates for any reason prior to the actual or deemed satisfaction and/or lapse of the restrictions, terms and conditions applicable to an Award of Restricted Stock and/or Deferred Stock, such Restricted Stock and/or Deferred Stock shall immediately be canceled, and the Holder (and such Holder's estate, designated beneficiary or other legal representative) shall forfeit any rights or interests in and with respect to any such Restricted Stock and/or Deferred Stock. The immediately preceding sentence to the contrary notwithstanding, the Committee, in its sole discretion, may determine, prior to or within thirty (30) days after the date of such termination of such a Holder's status as a Consultant, that all or a portion of any such Holder's Restricted Stock and/or Deferred Stock shall not be so canceled and forfeited.

Section 6.4 Special Termination Rule. Except to the extent inconsistent with the terms of the applicable Award Agreement, and notwithstanding anything to the contrary contained in this Article VI, if a Holder's employment with, or status as a Director of, the Company or an Affiliate shall terminate, if, within ninety (90) days of such termination, such Holder shall become a Consultant, such Holder's rights with respect to any Award or portion thereof granted thereto prior to the date of such termination may be preserved, if and to the extent determined by the Committee in its sole discretion, as if such Holder had been a Consultant for the entire period during which such Award or portion thereof had been outstanding. Should the Committee effect such determination with respect to such Holder, for all purposes of the Plan, such Holder shall not be treated as if his or her employment or Director status had terminated until such time as his or her Consultant status shall terminate, in which case his or her Award, as it may have been reduced in connection with the Holder's becoming a Consultant, shall be treated pursuant to the provisions of Section 6.3; provided, however, that any such Award which is intended to be an Incentive Stock Option shall, upon the Holder's no longer being an Employee, automatically convert to a Non-Qualified Stock Option. Should a Holder's status as a Consultant terminate, if, within ninety (90) days of such termination, such Holder shall become an Employee or a Director, such Holder's rights with respect to any Award or portion thereof granted thereto prior to the date of such termination may be preserved, if and to the extent determined by the Committee in its sole discretion, as if such Holder had been an Employee or a Director, as applicable, for the entire period during which such Award or portion thereof had been outstanding, and, should the Committee effect such determination with respect to such Holder, for all purposes of the Plan, such Holder shall not be treated as if his or her Consultant status had terminated until such time as his or her employment with the Company or an Affiliate, or his or her Director status, as applicable, shall terminate, in which case his or her Award shall be treated pursuant to the provisions of Section 6.2.

Section 6.5 Termination for Cause. Notwithstanding anything in this Article VI or elsewhere in the Plan to the contrary, and unless a Holder's Award Agreement specifically provides otherwise, should a Holder's employment, Director status or engagement as a Consultant with or for the Company or an Affiliate be terminated by the Company or Affiliate for Cause, all of such Holder's then outstanding Awards shall expire immediately and be forfeited in their entirety upon such termination.

ARTICLE VII OPTIONS

Section 7.1 Option Period. The term of each Option shall be as specified in the Option Agreement.

Section 7.2 Limitations on Exercise of Option. An Option shall be exercisable in whole or in such installments and at such times as specified in the Option Agreement.

Section 7.3 Special Limitations on Incentive Stock Options. To the extent that the aggregate Fair Market Value (determined at the time the respective Incentive Stock Option is granted) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by an individual during any calendar year under all plans of the Company and any parent corporation or subsidiary corporation thereof (both as defined in Section 424 of the Code) which provide for the grant of Incentive Stock Options exceeds One Hundred Thousand Dollars (\$100,000) (or such other individual limit as may be in effect under the Code on the date of grant), such Incentive Stock Options shall be treated as Non-Qualified Stock Options. The Committee shall determine, in accordance with applicable provisions of the Code, Treasury Regulations and other administrative pronouncements, which of a Holder's Options, which were intended by the Committee to be Incentive Stock Options when granted to the Holder, will not constitute Incentive Stock Options because of such limitation, and shall notify the Holder of such determination as soon as practicable after such determination. No Incentive Stock Option shall be granted to an Employee if, at the time the Option is granted, such Employee is a Ten Percent Stockholder, unless (i) at the time such Incentive Stock Option is granted the Option price is at least one hundred ten percent (110 %) of the Fair Market Value of the Common Stock subject to the Option, and (ii) such Incentive Stock Option by its terms is not exercisable after the expiration of five (5) years from the date of grant. No Incentive Stock Option shall be granted more than ten (10) years from the date on which the Plan is approved by the Company's stockholders. The designation by the Committee of an Option as an Incentive Stock Option shall not guarantee the Holder that the Option will satisfy the applicable requirements for "incentive stock option" status under Section 422 of the Code.

Section 7.4 Option Agreement. Each Option shall be evidenced by an Option Agreement in such form and containing such provisions not inconsistent with the provisions of the Plan as the Committee from time to time shall approve, including, but not limited to, provisions intended to qualify an Option as an Incentive Stock Option. An Option Agreement may provide for the payment of the Option price, in whole or in part, by the delivery of a number of shares of Common Stock (plus cash if necessary) having a Fair Market Value equal to such Option price. Each Option Agreement shall, solely to the extent inconsistent with the provisions of Sections 6.2, 6.3 and 6.4, as applicable, specify the effect of termination of employment, Director status or Consultant status on the exercisability of the Option. Moreover, an Option Agreement may provide for a “cashless exercise” of the Option by establishing procedures whereby the Holder, by a properly-executed written notice, directs (i) an immediate market sale or margin loan respecting all or a part of the shares of Common Stock to which he is entitled upon exercise pursuant to an extension of credit by the Company to the Holder of the Option price, (ii) the delivery of the shares of Common Stock from the Company directly to a brokerage firm and (iii) the delivery of the Option price from sale or margin loan proceeds from the brokerage firm directly to the Company. An Option Agreement may also include provisions relating to (i) subject to the provisions hereof, accelerated vesting of Options, (ii) tax matters (including provisions covering any applicable Employee wage withholding requirements and requiring additional “gross-up” payments to Holders to meet any excise taxes or other additional income tax liability imposed as a result of a payment upon a “change of control” of the Company resulting from the operation of the Plan or of such Option Agreement) and (iii) any other matters not inconsistent with the terms and provisions of the Plan that the Committee shall in its sole discretion determine. The terms and conditions of the respective Option Agreements need not be identical.

Section 7.5 Option Price and Payment. The price at which a share of Common Stock may be purchased upon exercise of an Option shall be determined by the Committee; provided, however, that such Option price (i) shall not be less than the Fair Market Value of a share of Common Stock on the date such Option is granted, and (ii) shall be subject to adjustment as provided in Article XIV. The Option or portion thereof may be exercised by delivery of an irrevocable notice of exercise to the Company. The Option price for the Option or portion thereof shall be paid in full in the manner prescribed by the Committee as set forth in the applicable Option Agreement. Separate stock certificates shall be issued by the Company for those shares of Common Stock acquired pursuant to the exercise of an Incentive Stock Option and for those shares of Common Stock acquired pursuant to the exercise of a Non-Qualified Stock Option.

Section 7.6 Stockholder Rights and Privileges. The Holder of an Option shall be entitled to all the privileges and rights of a stockholder of the Company solely with respect to such shares of Common Stock as have been purchased under the Option and for which certificates of stock have been registered in the Holder's name.

Section 7.7 Options and Rights in Substitution for Stock Options Granted by Other Corporations. Options may be granted under the Plan from time to time in substitution for stock options held by individuals employed by entities who become Employees as a result of a merger or consolidation of the employing entity with the Company or any Affiliate, or the acquisition by the Company or an Affiliate of the assets of the employing entity, or the acquisition by the Company or an Affiliate of stock of the employing entity with the result that such employing entity becomes an Affiliate.

ARTICLE VIII RESTRICTED STOCK AWARDS

Section 8.1 Restriction Period to be Established by Committee. At the time a Restricted Stock Award is made, the Committee shall establish the Restriction Period applicable to such Award. Each Restricted Stock Award may have a different Restriction Period, in the discretion of the Committee. The Restriction Period applicable to a particular Restricted Stock Award shall not be changed except as permitted by Section 8.2.

Section 8.2 Other Terms and Conditions. Common Stock awarded pursuant to a Restricted Stock Award shall be represented by a stock certificate registered in the name of the Holder of such Restricted Stock Award. If provided for under the Restricted Stock Award Agreement, the Holder shall have the right to vote Common Stock subject thereto and to enjoy all other stockholder rights, including the entitlement to receive dividends on the Common Stock during the Restriction Period, except that (i) the Holder shall not be entitled to delivery of the stock certificate until the Restriction Period shall have expired, (ii) the Company shall retain custody of the stock certificate during the Restriction Period (with a stock power endorsed by the Holder in blank), (iii) the Holder may not sell, transfer, pledge, exchange, hypothecate or otherwise dispose of the Common Stock during the Restriction Period and (iv) a breach of the terms and conditions established by the Committee pursuant to the Restricted Stock Award Agreement shall cause a forfeiture of the Restricted Stock Award. At the time of such Award, the Committee may, in its sole discretion, prescribe additional terms and conditions or restrictions relating to Restricted Stock Awards, including, but not limited to, rules pertaining to the effect of termination of employment, Director status or Consultant status prior to expiration of the Restriction Period. Such additional terms, conditions or restrictions shall, to the extent inconsistent with the provisions of Sections 6.2, 6.3 and 6.4, as applicable, be set forth in a Restricted Stock Award Agreement made in conjunction with the Award. Such Restricted Stock Award Agreement may also include provisions relating to (i) subject to the provisions hereof, accelerated vesting of Awards, including but not limited to accelerated vesting upon the occurrence of a "change of control" of the Company, (ii) tax matters (including provisions covering any applicable Employee wage withholding requirements and requiring additional "gross-up" payments to Holders to meet any excise taxes or other additional income tax liability imposed as a result of a payment made in connection with a "change of control" of the Company resulting from the operation of the Plan or of such Restricted Stock Award Agreement) and (iii) any other matters not inconsistent with the terms and provisions of the Plan that the Committee shall in its sole discretion determine. The terms and conditions of the respective Restricted Stock Agreements need not be identical.

Section 8.3 Payment for Restricted Stock. The Committee shall determine the amount and form of any payment from a Holder for Common Stock received pursuant to a Restricted Stock Award, if any, provided that in the absence of such a determination, a Holder shall not be required to make any payment for Common Stock received pursuant to a Restricted Stock Award, except to the extent otherwise required by law.

Section 8.4 Restricted Stock Award Agreements. At the time any Award is made under this Article VIII, the Company and the Holder shall enter into a Restricted Stock Award Agreement setting forth each of the matters contemplated hereby and such other matters as the Committee may determine to be appropriate.

ARTICLE IX UNRESTRICTED STOCK AWARDS

Pursuant to the terms of the applicable Unrestricted Stock Award Agreement, a Holder may be awarded (or sold at a discount) shares of Common Stock which are not subject to Restrictions, in consideration for past services rendered thereby to the Company or an Affiliate or for other valid consideration.

ARTICLE X PERFORMANCE UNIT AWARDS

Section 10.1 Terms and Conditions. The Committee shall set forth in the applicable Performance Unit Award Agreement the performance goals and objectives (and the period of time to which such goals and objectives shall apply) which the Holder and/or the Company would be required to satisfy before the Holder would become entitled to payment pursuant to Section 10.2, the number of Units awarded to the Holder and the dollar value assigned to each such Unit.

Section 10.2 Payments. The Holder of a Performance Unit shall be entitled to receive a cash payment equal to the dollar value assigned to such Unit under the applicable Performance Unit Award Agreement if the Holder and/or the Company satisfy (or partially satisfy, if applicable under the applicable Performance Unit Award Agreement) the performance goals and objectives set forth in such Performance Unit Award Agreement.

ARTICLE XI PERFORMANCE SHARE AWARDS

Section 11.1 Terms and Conditions. The Committee shall set forth in the applicable Performance Share Award Agreement the performance goals and objectives (and the period of time to which such goals and objectives shall apply) which the Holder and/or the Company would be required to satisfy before the Holder would become entitled to the receipt of shares of Common Stock pursuant to such Holder's Performance Share Award and the number of shares of Common Stock subject to such Performance Share Award.

Section 11.2 Stockholder Rights and Privileges. The Holder of a Performance Share Award shall have no rights as a stockholder of the Company until such time, if any, as the Holder actually receives shares of Common Stock pursuant to the Performance Share Award.

ARTICLE XII
DISTRIBUTION EQUIVALENT RIGHTS

Section 12.1 Terms and Conditions. The Committee shall set forth in the applicable Distribution Equivalent Rights Award Agreement the terms and conditions, if any, including whether the Holder is to receive credits currently in cash, is to have such credits reinvested (at Fair Market Value determined as of the date of reinvestment) in additional shares of Common Stock or is to be entitled to choose among such alternatives. Distribution Equivalent Rights Awards may be settled in cash or in shares of Common Stock, as set forth in the applicable Distribution Equivalent Rights Award Agreement. A Distribution Equivalent Rights Award may, but need not be, awarded in tandem with another Award, whereby, if so awarded, such Distribution Equivalent Rights Award shall expire, terminate or be forfeited by the Holder, as applicable, under the same conditions as under such other Award.

Section 12.2 Interest Equivalents. The Distribution Equivalent Rights Award Agreement for a Distribution Equivalent Rights Award may provide for the crediting of interest on a Distribution Rights Award to be settled in cash at a future date, at a rate set forth in the applicable Distribution Equivalent Rights Award Agreement, on the amount of cash payable thereunder.

ARTICLE XIII
STOCK APPRECIATION RIGHTS

Section 13.1 Terms and Conditions. The Committee shall set forth in the applicable Stock Appreciation Right Award Agreement the terms and conditions of the Stock Appreciation Right, including (i) the base value (the "Base Value") for the Stock Appreciation Right, which for purposes of a Stock Appreciation which is not a Tandem Stock Appreciation Right, shall be not less than the Fair Market Value of a share of the Common Stock on the date of grant of the Stock Appreciation Right, (ii) the number of shares of Common Stock subject to the Stock Appreciation Right, (iii) the period during which the Stock Appreciation Right may be exercised, and (iv) any other special rules and/or requirements which the Committee imposes upon the Stock Appreciation Right. Upon the exercise of some or all of the portion of a Stock Appreciation Right, the Holder shall receive a payment from the Company, in cash or in the form of shares of Common Stock having an equivalent Fair Market Value or in a combination of both, as determined in the sole discretion of the Committee, equal to the product of:

(a) The excess of (i) the Fair Market Value of a share of the Common Stock on the date of exercise, over (ii) the Base Value, multiplied by;

- (b) The number of shares of Common Stock with respect to which the Stock Appreciation Right is exercised.

Section 13.2 Tandem Stock Appreciation Rights. If the Committee grants a Stock Appreciation Right which is intended to be a Tandem Stock Appreciation Right, the Tandem Stock Appreciation Right must be granted at the same time as the related Option, and the following special rules shall apply:

- (a) The Base Value shall be equal to or greater than the exercise price under the related Option;

- (b) The Tandem Stock Appreciation Right may be exercised for all or part of the shares of Common Stock which are subject to the related Option, but solely upon the surrender by the Holder of the Holder's right to exercise the equivalent portion of the related Option (and when a share of Common Stock is purchased under the related Option, an equivalent portion of the related Tandem Stock Appreciation Right shall be cancelled);

- (c) The Tandem Stock Appreciation Right shall expire no later than the date of the expiration of the related Option;

- (d) The value of the payment with respect to the Tandem Stock Appreciation Right may be no more than one hundred percent (100%) of the difference between the exercise price under the related Option and the Fair Market Value of the shares of Common Stock subject to the related Option at the time the Tandem Stock Appreciation Right is exercised; and

- (e) The Tandem Stock Appreciation Right may be exercised solely when the Fair Market Value of the shares of Common Stock subject to the related Option exceeds the exercise price under the related Option.

**ARTICLE XIV
RECAPITALIZATION OR REORGANIZATION**

Section 14.1 Adjustments to Common Stock. The shares with respect to which Awards may be granted under the Plan are shares of Common Stock as presently constituted; provided, however, that if, and whenever, prior to the expiration or distribution to the Holder of an Award theretofore granted, the Company shall effect a subdivision or consolidation of shares of Common Stock or the payment of a stock dividend on Common Stock without receipt of consideration by the Company, the number of shares of Common Stock with respect to which such Award may thereafter be exercised or satisfied, as applicable, (i) in the event of an increase in the number of outstanding shares, shall be proportionately increased, and the purchase price per share shall be proportionately reduced, and (ii) in the event of a reduction in the number of outstanding shares, shall be proportionately reduced, and the purchase price per share shall be proportionately increased. Notwithstanding the foregoing, any such adjustment made with respect to an Award which is an Incentive Stock Option shall comply with the requirements of Section 424(a) of the Code, and in no event shall any such adjustment be made which would render any Incentive Stock Option granted under the Plan to be other than an "incentive stock option" for purposes of Section 422 of the Code.

Section 14.2 Recapitalization. If the Company recapitalizes or otherwise changes its capital structure, thereafter upon any exercise or satisfaction, as applicable, of a previously granted Award, the Holder shall be entitled to receive (or entitled to purchase, if applicable) under such Award, in lieu of the number of shares of Common Stock then covered by such Award, the number and class of shares of stock and securities to which the Holder would have been entitled pursuant to the terms of the recapitalization if, immediately prior to such recapitalization, the Holder had been the holder of record of the number of shares of Common Stock then covered by such Award.

Section 14.3 Merger and Sale of Company. In the event of (i) a sale of all or substantially all of the assets of the Company; or (ii) a sale (including an exchange) of all or substantially all of the shares of the Company, or an acquisition by a stockholder of the Company or by an Affiliate of such stockholder, of all the shares of the Company held by other stockholders or by other stockholders who are not Affiliated with such acquiring party; (iii) a merger, consolidation, amalgamation or like transaction of the Company with or into another corporation; (iv) a scheme of arrangement for the purpose of effecting such sale, merger or amalgamation; or (v) such other transaction that is determined by the Committee to be a transaction having a similar effect (all such transactions being herein referred to as a "Merger/Sale"), then, without the Holder's consent and action:

(a) unless otherwise determined by the Committee in its sole and absolute discretion, any Award then outstanding shall be assumed or an equivalent Award shall be substituted by such successor corporation of the Merger/Sale or any parent or Affiliate thereof as determined by the Board in its discretion (the "Successor Corporation"), under substantially the same terms as the Award;

For the purposes of this Section 14.3(a), the Award shall be considered assumed if, following a Merger/Sale, the Award confers on the holder thereof the right to purchase or receive, for each share underlying an Award immediately prior to the Merger/Sale, either (i) the consideration (whether stock, cash, or other securities or property) distributed to or received by holders of shares in the Merger/Sale for each share held on the effective date of the Merger/Sale (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Common Stock), which may be subject to vesting and other terms as determined by the Committee in its discretion, or (ii) regardless of the consideration received by the holders of shares of Common Stock in the Merger/Sale, solely shares (or their equivalent) of the Successor Corporation at a value to be determined by the Committee in its discretion, which may be subject to vesting and other terms as determined by the Committee in its discretion. The foregoing shall not limit the Committee authority to determine, in its sole and absolute discretion, that in lieu of such assumption or substitution of Awards for Awards of the Successor Corporation, such Award will be substituted for any other type of asset or property, including under Section 14.3(b) hereunder.

(b) In the event that the Awards are not assumed or substituted by an equivalent Award, then the Committee may (but shall not be obligated to), in lieu of such assumption or substitution of the Award and in its sole and absolute discretion, (i) provide for the Holder to have the right to exercise the then-outstanding and vested Award, including the cancellation of all unexercised Awards upon closing of the Merger/Sale, or provide for another arrangement as the Committee shall decide; and/or (ii) provide for the cancellation of each outstanding Award at the closing of such Merger/Sale, and payment to the Holder of an amount in cash as determined by the Committee to be fair in the circumstances (with full authority to determine the method for making such determination, which may be Black-Scholes model or any other method, and which determination shall be conclusive and binding on all parties), and subject to such terms and conditions as determined by the Committee in its sole and absolute discretion.

(c) Notwithstanding the foregoing, in the event of a Merger/Sale, the Committee may determine, in its sole and absolute discretion, that upon completion of such Merger/Sale, the terms of any Award be otherwise amended, modified or terminated, as the Committee shall deem in its sole and absolute discretion to be appropriate, and if an Option Award, that the Option Award shall confer the right to purchase or receive any other security or asset, or any combination thereof, or that its terms be otherwise amended, modified or terminated, as the Committee shall deem in its sole and absolute discretion to be appropriate. Neither the authorities and powers of the Committee under this Section 14.3, nor the exercise or implementation thereof, shall (i) be restricted or limited in any way by any adverse consequences (tax or otherwise) that may result to any holder of an Award, and (ii) as, *inter alia*, being a feature of the Award upon its grant, be deemed to constitute a change or an amendment of the rights of such holder under this Plan, nor shall any such adverse consequences (as well as any adverse tax consequences that may result from any tax ruling or other approval or determination of any relevant tax authority) be deemed to constitute a change or an amendment of the rights of such holder under this Plan.

Section 14.4 Other Events. In the event of changes to the outstanding Common Stock by reason of recapitalization, reorganization, mergers, consolidations, combinations, exchanges or other relevant changes in capitalization occurring after the date of the grant of any Award and not otherwise provided for under this Article XIV, any outstanding Awards and any Award Agreements evidencing such Awards shall be adjusted by the Board in its discretion as to the number and price of shares of Common Stock or other consideration subject to such Awards. In the event of any such change to the outstanding Common Stock, the aggregate number of shares available under the Plan may be appropriately adjusted by the Board, the determination of which shall be conclusive.

Section 14.5 Powers Not Affected. The existence of the Plan and the Awards granted hereunder shall not affect in any way the right or power of the Board or of the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change of the Company's capital structure or business, any merger or consolidation of the Company, any issue of debt or equity securities ahead of or affecting Common Stock or the rights thereof, the dissolution or liquidation of the Company or any sale, lease, exchange or other disposition of all or any part of its assets or business or any other corporate act or proceeding.

Section 14.6 No Adjustment for Certain Awards. Except as hereinabove expressly provided, the issuance by the Company of shares of stock of any class or securities convertible into shares of stock of any class, for cash, property, labor or services, upon direct sale, upon the exercise of rights or warrants to subscribe therefor or upon conversion of shares or obligations of the Company convertible into such shares or other securities, and in any case whether or not for fair value, shall not affect previously granted Awards, and no adjustment by reason thereof shall be made with respect to the number of shares of Common Stock subject to Awards theretofore granted or the purchase price per share, if applicable.

**ARTICLE XV
AMENDMENT AND TERMINATION OF PLAN**

The Board in its discretion may terminate the Plan at any time with respect to any shares for which Awards have not theretofore been granted; provided, however, that the Plan's termination shall not materially and adversely impair the rights of a Holder with respect to any Award theretofore granted without the consent of the Holder. The Board shall have the right to alter or amend the Plan or any part hereof from time to time; provided, however, that no change in any Award theretofore granted may be made which would materially and adversely impair the rights of a Holder with respect to such Award without the consent of the Holder (unless such change is required in order to cause the benefits under the Plan to qualify as "performance-based" compensation within the meaning of Section 162(m) of the Code).

**ARTICLE XVI
RIGHT OF FIRST REFUSAL**

Solely during such time that the Common Stock is not publicly traded, no Holder (or beneficiary of a Holder including but not limited to the Holder's estate) may sell or otherwise transfer (except for inter vivos transfers to Family Members) any Common Stock obtained thereby pursuant to an Award without first (a) providing the Company with a written offer to sell the Common Stock to the Company on the same terms as were offered to the Holder (or the Holder's beneficiary) by a bona fide third party (a copy of which third party offer shall be attached to the Holder's or beneficiary's offer to sell such Common Stock to the Company) for a sales price and with other terms and conditions, in each case equal to those stated in the third party's purchase offer, and (b) waiting thirty (30) days from the date of the Company's receipt of such offer. If the Company shall accept the Holder's or beneficiary's offer in writing within said thirty (30) day period, the Holder or beneficiary and the Company shall promptly effect such transaction. If the Company does not provide a written acceptance of the Holder's or beneficiary's offer within said thirty (30) day period, the Holder or beneficiary shall be entitled to accept such third party's offer and effect such transaction.

**ARTICLE XVII
MISCELLANEOUS**

Section 17.1 No Right to Award. Neither the adoption of the Plan by the Company nor any action of the Board or the Committee shall be deemed to give an Employee, Director or Consultant any right to an Award except as may be evidenced by an Award Agreement duly executed on behalf of the Company, and then solely to the extent and on the terms and conditions expressly set forth therein.

Section 17.2 No Rights Conferred. Nothing contained in the Plan shall (i) confer upon any Employee any right with respect to continuation of employment with the Company or any Affiliate, (ii) interfere in any way with any right of the Company or any Affiliate to terminate the employment of an Employee at any time, (iii) confer upon any Director any right with respect to continuation of such Director's membership on the Board, (iv) interfere in any way with any right of the Company or an Affiliate to terminate a Director's membership on the Board at any time, (v) confer upon any Consultant any right with respect to continuation of his or her consulting engagement with the Company or any Affiliate, or (vi) interfere in any way with any right of the Company or an Affiliate to terminate a Consultant's consulting engagement with the Company or an Affiliate at any time.

Section 17.3 Other Laws; Withholding. The Company shall not be obligated to issue any Common Stock pursuant to any Award granted under the Plan at any time when the shares covered by such Award have not been registered under the Securities Act of 1933 and under such other state and federal laws, rules or regulations as the Company or the Committee deems applicable and, in the opinion of legal counsel of the Company, if there is no exemption from the registration requirements of such laws, rules or regulations available for the issuance and sale of such shares. No fractional shares of Common Stock shall be delivered, nor shall any cash in lieu of fractional shares be paid. The Company shall have the right to deduct in cash (whether under this Plan or otherwise) in connection with all Awards any taxes required by law to be withheld and to require any payments required to enable it to satisfy its withholding obligations. In the case of any Award satisfied in the form of shares of Common Stock, no shares shall be issued unless and until arrangements satisfactory to the Company shall have been made to satisfy any tax withholding obligations applicable with respect to such Award. Subject to such terms and conditions as the Committee may impose, the Company shall have the right to retain, or the Committee may, subject to such terms and conditions as it may establish from time to time, permit Holders to elect to tender, Common Stock (including Common Stock issuable in respect of an Award) to satisfy, in whole or in part, the amount required to be withheld.

Section 17.4 No Restriction on Corporate Action. Nothing contained in the Plan shall be construed to prevent the Company or any Affiliate from taking any corporate action which is deemed by the Company or such Affiliate to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Plan or any Award made under the Plan. No Employee, Director, Consultant, beneficiary or other person shall have any claim against the Company or any Affiliate as a result of any such action.

Section 17.5 Restrictions on Transfer. No Award under the Plan or any Award Agreement and no rights or interests herein or therein, shall or may be assigned, transferred, sold, exchanged, encumbered, pledged or otherwise hypothecated or disposed of by a Holder except (i) by will or by the laws of descent and distribution, or (ii) except for an Incentive Stock Option, by gift to any Family Member of the Holder. An Award may be exercisable during the lifetime of the Holder only by such Holder or by the Holder's guardian or legal representative unless it has been transferred by gift to a Family Member of the Holder, in which case it shall be exercisable solely by such transferee. Notwithstanding any such transfer, the Holder shall continue to be subject to the withholding requirements provided for under Section 16.3 hereof.

Section 17.6 Beneficiary Designations. Each Holder may, from time to time, name a beneficiary or beneficiaries (who may be contingent or successive beneficiaries) for purposes of receiving any amount which is payable in connection with an Award under the Plan upon or subsequent to the Holder's death. Each such beneficiary designation shall serve to revoke all prior beneficiary designations, be in a form prescribed by the Company and be effective solely when filed by the Holder in writing with the Company during the Holder's lifetime. In the absence of any such written beneficiary designation, for purposes of the Plan, a Holder's beneficiary shall be the Holder's estate.

Section 17.7 Rule 16b-3. It is intended that, at any time when the Common Stock is registered under Section 12 of the Exchange Act, the Plan and any Award made to a person subject to Section 16 of the Exchange Act shall meet all of the requirements of Rule 16b-3. If any provision of the Plan or of any such Award would disqualify the Plan or such Award under, or would otherwise not comply with the requirements of, Rule 16b-3, such provision or Award shall be construed or deemed to have been amended as necessary to conform to the requirements of Rule 16b-3.

Section 17.8 Section 162(m). It is intended that, at any time when the Common Stock is registered under Section 12 of the Exchange Act, the Plan shall comply fully with and meet all the requirements of Section 162(m) of the Code so that Awards hereunder which are made to Holders who are “covered employees” (as defined in Section 162(m) of the Code) shall constitute “performance-based” compensation within the meaning of Section 162(m) of the Code. The performance criteria to be utilized under the Plan for such purposes shall consist of objective tests based on one or more of the following: earnings or earnings per share, cash flow, customer satisfaction, revenues, financial return ratios (such as return on equity and/or return on assets), market performance, stockholder return and/or value, operating profits, EBITDA, net profits, profit returns and margins, stock price, credit quality, sales growth, market share, comparisons to peer companies (on a company-wide or divisional basis), working capital and/or individual or aggregate employee performance. If any provision of the Plan would disqualify the Plan or would not otherwise permit the Plan to comply with Section 162(m) as so intended, such provision shall be construed or deemed amended to conform to the requirements or provisions of Section 162(m).

Section 17.9 Section 409A. Notwithstanding any other provision of the Plan, the Committee shall have no authority to issue an Award under the Plan with terms and/or conditions which would cause such Award to constitute non-qualified “deferred compensation” under Section 409A of the Code. Accordingly, by way of example but not limitation, no Option shall be granted under the Plan with a per share Option exercise price which is less than the Fair Market Value of a share of Common Stock on the date of grant of the Option. Notwithstanding anything herein to the contrary, no Award Agreement shall provide for any deferral feature with respect to an Award which constitutes a deferral of compensation under Section 409A of the Code.

Section 17.10 Other Plans. No Award, payment or amount received hereunder shall be taken into account in computing an Employee’s salary or compensation for the purposes of determining any benefits under any pension, retirement, life insurance or other benefit plan of the Company or any Affiliate, unless such other plan specifically provides for the inclusion of such Award, payment or amount received.

Section 17.11 Limits of Liability. Any liability of the Company with respect to an Award shall be based solely upon the contractual obligations created under the Plan and the Award Agreement. None of the Company, any member of the Board nor any member of the Committee shall have any liability to any party for any action taken or not taken, in good faith, in connection with or under the Plan.

Section 17.12 Governing Law. Except as otherwise provided herein, the Plan shall be construed in accordance with the laws of the State of Delaware, without regard to principles of conflicts of law.

Section 17.13 Severability of Provisions. If any provision of the Plan is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision of the Plan, and the Plan shall be construed and enforced as if such invalid or unenforceable provision had not been included in the Plan.

Section 17.14 No Funding. The Plan shall be unfunded. The Company shall not be required to establish any special or separate fund or to make any other segregation of funds or assets to ensure the payment of any Award.

Section 17.15 Headings. Headings used throughout the Plan are for convenience only and shall not be given legal significance.

Section 17.16 Terms of Award Agreements. Each Award shall be evidenced by an Award Agreement, which Award Agreement, if it provides for the issuance of Common Stock, shall require the Holder to enter into and be bound by the terms of the Company's Stockholders' Agreement, if any. The terms of the Award Agreements utilized under the Plan need not be the same.

OUTBRAIN, INC.

APPENDIX A – ISRAEL 2007

TO THE 2007 OMNIBUS SECURITIES AND INCENTIVE PLAN AS WAS AMENDED
AND RESTATED ON JANUARY 21, 2009

Notwithstanding any other provision of the Outbrain Inc. 2007 Omnibus Securities and Incentive Plan as was amended and restated on January 21, 2009 (“**the Plan**”) to the contrary, the provisions of this Annex A to the Plan, which Annex A shall constitute a part of the Plan, shall be applicable to Awards made under the Plan to Optionees who are residents of the state of Israel or those who are deemed to be residents of the state of Israel for the payment of tax. For purposes of Awards made under the Plan to Optionees described in the preceding sentence, in the case of any conflict between the terms of this Annex A and those of the remainder of the Plan, the terms of this Annex A shall control.

ARTICLE A - DEFINITIONS

In this Annex A, the following capitalized terms shall have the meaning indicated below. Capitalized words and terms defined in the Plan and not otherwise defined in this Annex A, shall have the same meaning ascribed to them in the Plan.

“**Approved 102 Award**” means an Award granted pursuant to Section 102(b) of the Ordinance and held in trust by a Trustee for the benefit of the Optionee.

“**CGA**” as defined in Paragraph 4 of Article B below.

“**ITA**” means the Israeli Tax Authorities.

“**OIA**” as defined in Paragraph 5 of Article B below.

“**102 Award**” means any Award granted to an Optionee pursuant to Section 102 of the Ordinance.

“**Ordinance**” means the Israeli Income Tax Ordinance [New Version] 1961 as now in effect or as hereafter amended.

“**Section 102**” means Section 102 of the Ordinance and any regulations, rules, orders or procedures promulgated thereunder, as now in effect or as hereafter amended.

“**Trustee**” means any Person appointed by the Company to serve as a trustee and approved by the ITA, all in accordance with the provisions of Section 102(a) of the Ordinance.

“**Unapproved 102 Award**” means an Award granted pursuant to Section 102(c) of the Ordinance and not held in trust by a Trustee.

ARTICLE B - DESIGNATION OF AWARDS PURSUANT TO SECTION 102

1. The Company may designate Awards granted to Employees pursuant to Section 102 as Unapproved 102 Awards or Approved 102 Awards.
2. The grant of Approved 102 Awards shall be made under this Plan adopted by the Board and shall be conditioned upon the approval of this Plan by the ITA.
3. Approved 102 Award may either be classified as CGA or OIA (defined below).
4. Approved 102 Award elected and designated by the Company to qualify under the capital gain tax treatment in accordance with the provisions of Section 102(b)(2) shall be referred to herein as Capital Gain Award (“CGA”).
5. Approved 102 Award elected and designated by the Company to qualify under the ordinary income tax treatment in accordance with the provisions of Section 102(b)(1) shall be referred to herein as Ordinary Income Award (“OIA”).
6. The Company’s election of the type of Approved 102 Awards as CGA or OIA granted to Employees (the “Election”), shall be appropriately filed with the ITA before the date of grant of an Approved 102 Award. Such Election shall become effective beginning the first date of grant of an Approved 102 Award under the Plan and shall remain in effect at least until the end of the year following the year during which the Company first granted Approved 102 Awards. The Election shall obligate the Company to grant *only* the type of Approved 102 Award it has elected, and shall apply to all Optionees who were granted Approved 102 Awards during the period indicated herein, all in accordance with the provisions of Section 102(g) of the Ordinance. For the avoidance of doubt, such Election shall not prevent the Company from granting Unapproved 102 Awards simultaneously. In addition, it is hereby clarified that the Company may change the Election in accordance with the provisions of Section 102, and the Optionees, or any of them, shall not be deemed to have acquired or otherwise be vested with any rights in respect of any Election made by the Company and/or the change thereof.
7. All Approved 102 Awards must be held in trust by a Trustee, as described below.
8. For the avoidance of doubt, the designation of Unapproved 102 Awards and Approved 102 Awards shall be subject to the terms and conditions set forth in Section 102.
9. With regards to Approved 102 Awards, the provisions of the Plan and/or the Award Agreement shall be subject to the provisions of Section 102 and the Tax Assessing Officer’s permit, and the said provisions and permit shall be deemed an integral part of the Plan and of the Award Agreement. Any provision of Section 102 and/or the said permit which is necessary in order to receive and/or to keep any tax benefit pursuant to Section 102, which is not expressly specified in the Plan or the Award Agreement, shall be considered binding upon the Company and the Optionees. In this respect, and without derogating from any other authority conferred upon the Committee, the Committee may amend any provision of the Plan such that it will comply with Section 102 and/or the said permit, to the extent the Committee deems necessary in order to receive and/or to keep in effect any tax benefit pursuant to Section 102. The Committee shall be entitled, but not obligated, to determine, in its absolute discretion, that such an amendment shall be considered binding upon the Company and the Optionees retroactively, from the date in which it is required in order to receive and/or to keep in effect any tax benefit pursuant to Section 102.

ARTICLE C - TRUSTEE

1. Approved 102 Awards which shall be granted under the Plan and/or any shares allocated or issued upon exercise of such Approved 102 Awards and/or other shares received subsequently following any realization of rights, including without limitation bonus shares, shall be allocated or issued to the Trustee and held for the benefit of the Optionees for such period of time as required by Section 102 (the "**Holding Period**"). In case the requirements for Approved 102 Awards are not met, then the Approved 102 Awards may be treated as Unapproved 102 Awards, all in accordance with the provisions of Section 102.
2. Notwithstanding anything to the contrary, the Trustee shall not release any shares allocated or issued upon exercise of Approved 102 Awards prior to the full payment of the Optionee's tax liabilities arising from Approved 102 Awards which were granted to him and/or any shares allocated or issued upon exercise of such Awards.
3. With respect to any Approved 102 Award, subject to the provisions of Section 102, an Optionee shall not sell or release from trust any share received upon the exercise of an Approved 102 Award and/or any share received subsequently following any realization of rights, including without limitation, bonus shares, until the lapse of the Holding Period required under Section 102 of the Ordinance. Notwithstanding the above, if any such sale or release occurs during the Holding Period, the sanctions under Section 102 of the Ordinance shall apply to and shall be borne by such Optionee.
4. By receiving of an Approved 102 Award, the Optionee will be deemed to have undertaken to release the Trustee from any liability in respect of any action or decision duly taken and bona fide executed in relation with the Plan, or any Approved 102 Award or share granted to him thereunder.

ARTICLE D - GENERAL PROVISIONS

1. Solely for the purpose of determining the tax liability pursuant to Section 102(b)(3) of the Ordinance, if at the date of grant the shares of Outbrain Inc. are listed on any established stock exchange or a national market system or if such shares will be registered for trading within ninety (90) days following the date of grant, the Fair Market Value of a share at the date of grant shall be determined in accordance with the average value of the shares of Outbrain Inc. on the thirty (30) trading days preceding the date of grant or on the thirty (30) trading days following the date of registration for trading, as the case may be.
2. Each Optionee, by receiving an Award, shall be deemed to have been representing that he is familiar with the provisions of Section 102 and that he is aware of the Election that applies to him, and that he is agreeing to the terms and conditions of the trust agreement between the Company and the Trustee and undertakes not to sell the shares prior to the end of the term, as defined in Section 102.

3. The provisions of Section 17.6 of the Plan shall not apply to Awards made under the Plan which are subject to this Annex A.
4. For purposes of Section 17.10 of the Plan, managers insurance, vocational studies fund, provident funds, severance pay, holiday pay and the like shall be included as Israeli social benefits the amounts of which shall not be determined by taking into account any Award made under the Plan which is subject to this Annex A.
5. For purposes of Section 17.12 of the Plan, Israeli law shall govern all Awards made under the Plan which are subject to this Annex A.

OUTBRAIN INC.

2007 OMNIBUS SECURITIES AND INCENTIVE PLAN

ADDENDUM

Terms and Conditions for UK Company Share Option Plan Grants

1. Definitions. Except to the extent otherwise defined in this Section 1, in which case the definition in this Section 1 shall control over the definition otherwise contained in the Plan, all capitalized terms and expressions contained in this Addendum shall have the meanings ascribed to them in the Outbrain, Inc. 2007 Omnibus Securities and Incentive Plan and to the extent that any term is defined in both the Plan and the Addendum the definitions in the Addendum shall prevail and in the event of any inconsistency between the terms of the Plan, and the Addendum, the terms of the Addendum shall prevail :

(a) “the Act” the Income Tax (Earnings and Pensions) Act 2003.

(b) “the Approval Date” the date on which the Company receives notice that this Plan has been approved by HMRC in accordance with the CSOP Code.

(c) “Applicable Laws” means the legal requirements relating to the administration of stock option plans under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and UK corporate, securities, labor and tax laws, all as applicable to Options which are subject to this Addendum and to the Optionees.

(d) “Associated Company” has the meaning given the purposes of CSOP Code.

(e) “Close Company” has the same meaning as in s.989 of the Income Tax Act 2007 but includes also a company which would be such a close company but for s.442(a), 446 and 447 of the Corporation Tax Act 2010.

(f) “control” has the meaning given in section 995 of the Income Tax Act 2007.

(g) “the CSOP Code” Chapter 8 of Part 7 and Schedule 4 of the Act and Part 3 of Schedule 7D to the Taxation of Chargeable Gains Act 1992.

(h) “Employee” means (i) an employee who is a director of the Company or a Subsidiary and required under his contract of employment to work for not less than 25 hours per week (excluding meal breaks) disregarding holiday entitlement; or (ii) any other employee of the Company or a Subsidiary other than one who is a director of the Company or a Subsidiary.

(i) “Exit Event” means (i) an IPO as defined in the Section 2 of the Amended and Restated Stockholders Agreement dated December 2, 2011; or (ii) a Deemed Liquidation as defined in the Amended and Restated Certificate of Incorporation filed with the Delaware Secretary of State on 2 December 2011.

(j) “Fair Market Value” in relation to a share on a given day, the market value of a share determined in accordance with the provisions of Part 8 of the Taxation of Chargeable Act 1992 and agreed for the purposes of this Plan with HMRC Shares and Assets Valuation.

(k) “Group” the Company and each and every company which is for the time being a Subsidiary

(l) “HMRC” Her Majesty’s Revenue and Customs.

(m) “Key Feature” in relation to this Plan, means a provision which is necessary in order to meet the requirements of Schedule 4 to the Act.

(n) “Material Interest” has the meaning given in paragraph 10 of Schedule 4 to the Act.

(o) “NICs” National Insurance Contributions.

(p) “NIC Option Gain” a gain realised upon the exercise of, or acquisition of Shares in pursuance of, an Option, being a gain that is treated as remuneration derived from the Optionee’s employment by virtue of section 4(4)(a) of the Social Security Contributions and Benefits Act 1992.

(q) “NI Regulations” the laws, regulations and practices currently in force relating to liability for, and the collection of, NICs.

(r) “Optionee’s Employer” in relation to an Optionee, such member of the Group as is the Optionee’s employer or, if he has ceased to hold employment within the Group, was his employer.

(s) “Subsidiary” means any company which is for the time being both a subsidiary (as defined in section 1159 and Schedule 6 of the Companies Act 2006) of the Company and under the control of the Company.

(t) “Termination” means, if the Optionee is an Employee, the last day on which the Optionee worked as an Employee irrespective of whether the termination of the Optionee’s employment is due to resignation or dismissal of the Optionee for any reason whatsoever; if the Optionee is a corporate officer as defined in Section 2 of this Addendum, “Termination” means the date on which he or she effectively leaves his or her position as a corporate officer of the Company or a Subsidiary for any reason whatsoever.

(u) “Optioned Stock” means the Shares issued upon the exercise of an Option which satisfy the requirements of paragraphs 16 to 20 of Schedule 4 to the Act.

2. Eligibility. Options granted pursuant to this Addendum may be granted solely to Employees who do not have, or have not had in the previous 12 months, a Material Interest in a Close Company, being the Company or a company that has control of the Company or is a member of a consortium which owns such a company.

3. Individual Limits on the Granting of Options. The number of Shares in respect of which an Option is granted to an Employee shall be limited, and the Option shall take effect, so that the Fair Market Value of shares which may be acquired upon the exercise the Option, when added to:

(a) The aggregate Fair Market Value of Shares in respect of which Options have previously been granted (and have not then been exercised nor ceased to be exercisable); and

(b) The aggregate Fair Market Value of shares in respect of which rights to acquire such shares have been obtained by that Employee under any other share option plan approved in accordance with the CSOP Code which has been established by the company or by any Associated Company (and have not been being exercised nor ceased to be exercisable) shall not exceed or further extended £30,000.

4. No Right to Employment. Neither the Plan nor any Option which is subject to this Addendum shall confer upon any Optionee any right with respect to continuing the Optionee's employment relationship with the Company or any Subsidiary.

5. Exercise Price. The per Share exercise price stated in the Award Agreement for the Shares to be issued pursuant to exercise of an Option will be determined by the Committee and will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant of the Option.

6. Term of Option. The term of each Option which is subject to this Addendum shall be as stated in the Award Agreement; provided, however, that the maximum term of an Option which is subject to this Addendum shall not exceed ten (10) years from the date of grant of the Option.

7. Exercise of Option;

(a) Termination of Employment Relationship. Upon Termination of an Optionee's status as an Employee (other than as a result of the Optionee's death or Total and Permanent Disability), including retirement on or after reaching age 55, the Optionee may exercise his or her Option which is subject to this Addendum within three (3) months of Termination, or such longer period of time as specified in the Award Agreement, and only to the extent that the Optionee was entitled to exercise it at the date of Termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement).

(b) Total and Permanent Disability of Optionee. Upon Termination of an Optionee's status as an Employee as a result of the Optionee's Total and Permanent Disability, the Optionee may exercise his or her Option which is subject to this Addendum at any time within six (6) months from the date of such Termination or such longer period of time as specified in the Award Agreement, but only to the extent that the Optionee was entitled to exercise it at the date of such Termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement).

(c) Death of Optionee. In the event of the death of an Optionee while an Employee, his or her Option which is subject to this Addendum may be exercised at any time within six (6) months following the date of death by the Optionee's estate or by a person who acquired the right to exercise the Option by bequest or inheritance, but only to the extent that the Optionee was entitled to exercise the Option at the date of the Optionee's death.

(d) Material Interest. An Option may not in any event be exercised at any time if the Optionee then has, or has within the preceding 12 months had, a Material Interest in a Close Company being the Company or a company which has control of the Company or is a member of a consortium which owns such a company.

8. Restrictions on Transferability of Options and Shares Issued in Connection with Option Exercise. An Option subject to this Addendum may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Optionee, only by the Optionee.

9. Changes in Capitalization. If any adjustment or substitution provided for in Section 14 of the Plan to the exercise price and the number of shares of Common Stock covered by outstanding Options would violate Applicable Laws in such a way to jeopardize the favourable tax and NIC treatment of the Plan (together with this Addendum) and the Options granted thereunder, then no such adjustment nor substitution will be made prior to the exercise of any outstanding Option and no such adjustment or substitution shall take effect unless HMRC has confirmed in writing that such adjustment or substitution shall not affect the approved status of the Agreement and/or Plan. As soon as reasonably practicable after making any alteration under this Section 9, the Committee shall give notice in writing thereof to any Optionee affected.

Sections 14.3 shall be substituted as follows :

Section 14.3 Merger and Sale of Company. If any company (in this rule referred to as 'the acquiring company'):

- (1) obtains control of the Company as a result of either:
 - (b) a general offer to acquire the whole of the Common Stock which is made on a condition such that if it is satisfied the person making the offer will have control of the Company ; or
 - (c) a general offer to acquire all of the shares in the Company of the same class as the Shares ;
- (2) obtains control of the Company in pursuance of a compromise or arrangement sanctioned by the court under section 899 of the Companies Act 2006;
or

- (3) becomes bound or entitled to acquire Shares under sections 979 to 982 of the Companies Act 2006

an Optionee may, at any time within the appropriate period as defined in Section 14.3(a), by agreement with the acquiring company and notwithstanding that any performance-related condition is not then satisfied, release his rights under his Option in consideration of the grant to him of rights to acquire shares in the acquiring company or some other company falling within sub-paragraphs (b) or (c) of paragraph 16 of Schedule 4 to the Act (“a New Option”) PROVIDED THAT:

- (i) such New Option will be exercisable only in accordance with the provisions of this Addendum as it had effect immediately before the release of his rights under his Option (read and construed as mentioned in Section 14.3(b)); and
 - (ii) the shares to which the new rights relate satisfy the provisions of paragraphs 16 to 20 of Schedule 4 to the Act; and
 - (iii) the total market value, immediately before such release, of the Shares in respect of which the Option then subsists is equal to the total market value, immediately after such grant, of the shares in respect of which the New Option is granted to the Optionholder; and
 - (iv) the total amount payable by the Optionee for the acquisition of shares upon exercise of the New Option is equal to the amount that would have been payable for the acquisition of Shares upon exercise of the Option.
- (a) In Section 14.3 ‘the appropriate period’ means:
- (i) in a case falling within Section 14.3(1), the period of 6 months beginning with the time when the acquiring company obtains control of the Company and any condition or conditions subject to which the offer is made has or have all been satisfied or waived;
 - (ii) in a case falling within rule Section 14.3(2), the period of 6 months beginning with the time when the court sanctions the compromise or arrangement; and
 - (iii) in a case falling within rule Section 14.3(3), the period during which the acquiring company remains bound or entitled as mentioned in that paragraph.
- (b) For the purposes mentioned in Section 14.3 the provisions of this Plan shall be read and construed as if:
- (i) references to “the Company” where applicable were references to the company in respect of whose shares the New Options is granted;
 - (ii) references to “Shares” where applicable were references to such shares;
 - (iii) references to “Option” where applicable were references to such New Option;
 - (iv) references to “Optionee” where applicable were references to the persons to whom such New Option is granted;
 - (v) references to “Ordinary Share Capital” where applicable were references to the ordinary share capital (other than fixed rate preference shares) of such company;
 - (vi) references to “the Exercise Price” where applicable were references to the price per share payable upon the exercise of such new rights;
 - (vii) references to “the Directors” where applicable were references to the board of directors of the acquiring company.

(c) New Options granted pursuant to Section 14.3(a) shall be regarded for the purposes of the CSOP Code and for the purposes of the subsequent application of the provisions of this Plan as having been granted on the Date of Grant of the corresponding rights as mentioned in Section 14.3(a).

10. Information Statements to Optionees. The Company or a Subsidiary, as required under Applicable Laws, will provide each Optionee with copies to the appropriate governmental entities, such statements of information as required by the Applicable Laws.

11. Reporting to the Shareholders' Meeting. A Subsidiary, if required under Applicable Laws, will provide its shareholders with an annual report with respect to Options granted and/or exercised by its Employees in the applicable financial year.

12. Right of First Refusal. The Optionee will not be subject to the provisions of Section 2 of the Amended and Restated Stockholders Agreement dated December 2, 2011 in respect of Shares purchased pursuant to the exercise of the Option and Article XVI of the Plan shall not apply.

13. Other Laws ; Withholding. The optionee will not be subject to the parts of Section 17.3 of the Plan that provide the ability of the Company to withhold the issue of shares on the exercise of any Option to meet tax withholding obligations applicable with respect to such Award and the Company having the right to retain Common Stock to satisfy, in whole or in part, the amount required to be withheld.

14. Amendment. The Committee may at any time make any alteration to the Agreement (or the rules of the Plan as they apply to the Agreement) in any respect PROVIDED THAT:

- a) no such alteration in any Key Feature of the Agreement or the Plan shall take effect unless HMRC has confirmed in writing that such alteration or addition shall not affect the approved status of the Agreement and/or Plan; and
- b) no such alteration shall take effect so as to affect the liabilities of any person other than the Company in relation to any Option granted by such person without the prior consent in writing of such person.

As soon as reasonably practicable after making any alteration under this Section 13, the Committee shall give notice in writing thereof to any Optionee affected.

**SIXTH AMENDMENT
TO
AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT**

This Sixth Amendment to Amended and Restated Loan and Security Agreement (this "**Amendment**") is entered into this 27th day of March, 2020, by and between **SILICON VALLEY BANK** ("**Bank**") and **OUTBRAIN INC.**, a Delaware corporation ("**Borrower**") whose address is 39 West 13th Street, 3rd Floor, New York, New York 10011.

RECITALS

A. Bank and Borrower have entered into that certain Amended and Restated Loan and Security Agreement dated as of September 15, 2014, as amended by that certain First Amendment to Amended and Restated Loan and Security Agreement by and between Borrower and Bank dated as of November 20, 2014, as further amended by that certain Second Amendment to Amended and Restated Loan and Security Agreement by and between Borrower and Bank dated as of January 27, 2016, as further amended by that certain Third Amendment to Amended and Restated Loan and Security Agreement by and between Borrower and Bank dated as of August 25, 2016, as further amended by that certain Fourth Amendment to Amended and Restated Loan and Security Agreement dated as of October 6, 2016 and as further amended by that certain Fifth Amendment to Amended and Restated Loan and Security Agreement, dated as of November 2, 2018 (as amended, and as the same may from time to time be further amended, modified, supplemented or restated, the "**Loan Agreement**").

B. Bank has extended credit to Borrower for the purposes permitted in the Loan Agreement.

C. Borrower has requested that Bank amend the Loan Agreement to make certain revisions to the Loan Agreement as more fully set forth herein.

D. Bank has agreed to so amend certain provisions of the Loan Agreement, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Definitions. Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Loan Agreement.

2. **Amendments to Loan Agreement.**

2.1 **Section 6.9 (Financial Covenants).** Section 6.9(b) is amended in its entirety and replaced with the following:

“(b) EBITDA. Achieve, measured as of the last day of each period set forth below on a trailing six (6) month basis, EBITDA of at least the following amounts:

Period	Minimum EBITDA
March 31, 2020	\$4,500,000
June 30, 2020	\$3,500,000
September 30, 2020	\$3,500,000
December 31, 2020	\$11,500,000
March 31, 2021 and thereafter	To be mutually agreed upon by Bank and Borrower on or prior to March 20, 2021 and demonstrate not less than \$15,000,000 in EBITDA for fiscal year 2021”

2.2 **Section 6.12 (Formation or Acquisition of Subsidiaries).** Section 6.12 is amended in its entirety and replaced with the following:

“**6.12 Formation or Acquisition of Subsidiaries.** Notwithstanding and without limiting the negative covenants contained in Sections 7.3 and 7.7 hereof, at the time that Borrower forms any direct or indirect Subsidiary or acquires any direct or indirect Subsidiary after the Effective Date (including, without limitation, pursuant to a Division), Borrower shall (a) cause such new Subsidiary to provide to Bank a joinder to the Loan Agreement to cause such Subsidiary to become a co-borrower hereunder, together with such appropriate financing statements and/or Control Agreements, all in form and substance satisfactory to Bank (including being sufficient to grant Bank a first priority Lien (subject to Permitted Liens) in and to the assets of such newly formed or acquired Subsidiary), (b) provide to Bank appropriate certificates and powers and financing statements, pledging all of the direct or beneficial ownership interest in such new Subsidiary, in form and substance satisfactory to Bank; provided, that with respect to any Foreign Subsidiary, in the event that Borrower and Bank mutually agree that (i) the grant of a continuing pledge and security interest in and to the assets of any such Foreign Subsidiary, (ii) the guaranty of the Obligations of the Borrower by any such Foreign Subsidiary and/or (iii) the pledge by Borrower of a perfected security interest in one hundred percent (100%) of the stock, units or other evidence of ownership of each Foreign Subsidiary, would reasonably be expected to have a material adverse tax effect on the Borrower, then the Borrower shall only be required to grant and pledge to Bank a perfected security interest in up to sixty-five percent (65%) of the stock, units or other evidence of ownership of such Foreign Subsidiary; and (c) provide to Bank all other documentation in form and substance satisfactory to Bank, including one or more opinions of counsel satisfactory to Bank, which in its opinion is appropriate with respect to the execution and delivery of the applicable documentation referred to above. Any document, agreement, or instrument executed or issued pursuant to this Section 6.12 shall be a Loan Document.”

2.3 **Section 7.1 (Dispositions).** Section 7.1 is amended in its entirety and replaced with the following:

“7.1 **Dispositions.** Convey, sell, lease, transfer, assign, or otherwise dispose of (including, without limitation, pursuant to a Division) (collectively, “**Transfer**”), or permit any of its Subsidiaries to Transfer, all or any part of its business or property, except for Transfers (a) of Inventory in the ordinary course of business; (b) of worn-out or obsolete Equipment that is, in the reasonable judgment of Borrower, no longer economically practicable to maintain or useful in the ordinary course of business of Borrower; (c) consisting of Permitted Liens and Permitted Investments; (d) consisting of the sale or issuance of any stock of Borrower permitted under Section 7.2 of this Agreement; (e) consisting of Borrower’s use or transfer of money or Cash Equivalents in the ordinary course of its business for the payment of ordinary course business expenses in a manner that is not prohibited by the terms of this Agreement or the other Loan Documents; and (f) of assets resulting from a casualty or condemnation event; and (g) non-exclusive licenses for the use of the property of Borrower or its Subsidiaries in the ordinary course of business.”

2.4 **Section 7.3 (Mergers or Acquisitions).** Section 7.3 is amended in its entirety and replaced with the following:

“7.3 **Mergers or Acquisitions.** Merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with any other Person, or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock or property of another Person (including, without limitation, by the formation of any Subsidiary or pursuant to a Division), other than Permitted Acquisitions. A Subsidiary may merge or consolidate into another Subsidiary or into Borrower.”

2.5 **Section 7.7 (Distributions; Investments).** Clause (b) of Section 7.7 is amended in its entirety and replaced with the following:

“(b) directly or indirectly make any Investment (including, without limitation, by the formation of any Subsidiary or pursuant to a Division) other than Permitted Investments, or permit any of its Subsidiaries to do so.”

2.6 **Section 10 (Notice).** Section 10 is amended by deleting the notice address for Bank’s counsel and inserting the following in lieu thereof:

“with a copy to: Morrison and Foerster LLP
200 Clarendon, Floor 20
Boston, Massachusetts 20116
Attn: Charles W. Stavros, Esquire
Email: cstavros@mofo.com”

2.7 **Section 13.1 (Definitions).** The Loan Agreement shall be amended by inserting the following new definitions in Section 13.1, each in the appropriate alphabetical order:

“**Division**” means, in reference to any Person which is an entity, the division of such Person into two (2) or more separate Persons, with the dividing Person either continuing or terminating its existence as part of such division, including, without limitation, as contemplated under Section 18-217 of the Delaware Limited Liability Company Act for limited liability companies formed under Delaware law, or any analogous action taken pursuant to any other applicable law with respect to any corporation, limited liability company, partnership or other entity.

2.8 **Exhibit B (Compliance Certificate).** The Compliance Certificate appearing as Exhibit B to the Loan Agreement is amended in its entirety and replaced with the Compliance Certificate in the form of Schedule 1 attached hereto.

3. **Limitation of Amendments.**

3.1 The amendments set forth in Section 2 above are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Bank may now have or may have in the future under or in connection with any Loan Document.

3.2 This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

4. **Representations and Warranties.** To induce Bank to enter into this Amendment, Borrower hereby represents and warrants to Bank as follows:

4.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

4.2 Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

4.3 Except for the amendments to Borrower’s articles of incorporation set forth in Schedule 3, the organizational documents, as amended, of Borrower previously delivered to Bank remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect, or have otherwise been delivered by Borrower to Bank in connection with this Amendment;

4.4 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized;

4.5 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not and will not contravene (a) any law or regulation binding on or affecting Borrower, (b) any contractual restriction with a Person binding on Borrower, (c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Borrower, or (d) the organizational documents of Borrower;

4.6 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on Borrower, except as already has been obtained or made; and

4.7 This Amendment has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

5. **Ratification of Intellectual Property Security Agreement.** Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and conditions of a certain Intellectual Property Security Agreement dated as of November 20, 2014 between Borrower and Bank, as supplemented by that certain First Supplement to Intellectual Property Security Agreement between Borrower and Bank dated as of January 27, 2016, and as further supplemented by that certain Second Supplement to Intellectual Property Security Agreement between Borrower and Bank dated as of August 9, 2016 (as supplemented, the "**Intellectual Property Security Agreement**") and acknowledges, confirms and agrees that said Intellectual Property Security Agreement (a) contains an accurate and complete listing of all Intellectual Property Collateral, as defined in said Intellectual Property Security Agreement, except for such additional Intellectual Property Collateral set forth in the Updated Perfection Certificate and (b) shall remain in full force and effect.

6. **Perfection Certificate.** Attached as Schedule 2 hereto is an updated Perfection Certificate (the "**Updated Perfection Certificate**"). Borrower agrees that all references in the Loan Agreement to "Perfection Certificate" shall hereinafter be deemed to be a reference to the Updated Perfection Certificate.

7. **Integration.** This Amendment and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Amendment and the Loan Documents merge into this Amendment and the Loan Documents.

8. **Counterparts.** This Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

9. Effectiveness. As a condition precedent to the effectiveness of this Amendment (the “**Sixth Amendment Effective Date**”) and the Bank’s obligation to make further Advances under the Revolving Line, the Bank shall have received the following documents prior to or concurrently with this Amendment, each in form and substance acceptable to Bank:

9.1 this Amendment duly executed by each party hereto;

9.2 a good standing certificate of Borrower, certified by the Secretary of State of the state of incorporation of Borrower, dated as of a date no earlier than thirty (30) days prior to the Sixth Amendment Effective Date;

9.3 certified copies, dated as of a recent date, of financing statement searches of Borrower, as Bank may request and which shall be obtained by Bank, accompanied by written evidence (including any UCC termination statements) that the Liens revealed in any such search either (i) will be terminated prior to or in connection with the Agreement, or (ii) in the sole discretion of Bank, will constitute Permitted Liens;

9.4 the Updated Perfection Certificate;

9.5 Borrower’s payment of Bank’s legal fees and expenses incurred in connection with this Amendment; and

9.6 such additional documents as Bank may reasonably request to effectuate the terms of this Amendment.

10. Post-Closing Requirement. Within thirty (30) days after the date hereof, Borrower shall deliver to Bank (a) evidence satisfactory to Bank that the insurance policies required for Borrower are in full force and effect, together with appropriate evidence showing lender loss payable and additional insured clauses or endorsements in favor of Bank and (b) a duly executed Third Supplement to Intellectual Property Security Agreement, in form and substance reasonably satisfactory to Bank, supplementing the Intellectual Property Security Agreement to include all of Borrower’s Intellectual Property not included thereunder as of the date hereof. Failure to comply with the foregoing requirement within the time period noted shall constitute an Event of Default for which no grace or cure period shall apply.

[Signature page follows.]

In WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

BANK

SILICON VALLEY BANK

By: /s/ Mike Bozicas

Name: Mike Bozicas

Title: Vice President

BORROWER

OUTBRAIN INC.

By: /s/ Barry Schofield

Name: Barry Schofield

Title: Vice President, Corporate Finance & Treasurer

EXHIBIT B

COMPLIANCE CERTIFICATE

TO: SILICON VALLEY BANK
 FROM: OUTBRAIN INC.

Date: _____

The undersigned, in his or her capacity as authorized officer of Outbrain Inc. ("**Borrower**") and not in her or her individual capacity certifies that under the terms and conditions of the Loan and Security Agreement between Borrower and Bank (as amended, the "**Agreement**"): (1) Borrower is in complete compliance for the period ending _____ with all required covenants except as noted below; (2) there are no Events of Default; (3) all representations and warranties in the Agreement are true and correct in all material respects on this date except as noted below; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date; (4) Borrower, and each of its Subsidiaries, has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower except as otherwise permitted pursuant to the terms of Section 5.9 of the Agreement; and (5) no Liens have been levied or claims made against Borrower or any of its Subsidiaries relating to unpaid employee payroll or benefits of which Borrower has not previously provided written notification to Bank. Attached are the required documents supporting the certification. The undersigned certifies that these are prepared in accordance with GAAP consistently applied from one period to the next except as explained in an accompanying letter or footnotes. The undersigned acknowledges that no borrowings may be requested at any time or date of determination that Borrower is not in compliance with any of the terms of the Agreement, and that compliance is determined not just at the date this certificate is delivered. Capitalized terms used but not otherwise defined herein shall have the meanings given them in the Agreement.

Please indicate compliance status by circling Yes/No under "Complies" column.

<u>Reporting Covenants</u>	<u>Required</u>	<u>Complies</u>
Monthly financial statements with Compliance Certificate	Monthly within 30 days	Yes No
Annual financial statement (CPA Audited) + CC	FYE within 180 days	Yes No
10-Q, 10-K and 8-K	Within 5 days after filing with SEC	Yes No
A/R & A/P Agings	Monthly within 30 days	Yes No
Borrowing Base Reports	Monthly within 7 Business Days and with each request for an Advance	Yes No
Projections	FYE within 30 days	Yes No
409A Report	As completed, but at least annually	Yes No
Capitalization Table	As updated, but at least annually	Yes No

The following Intellectual Property was registered (or a registration application submitted) after the Effective Date (if no registrations, state "None").

<u>Financial Covenants</u>	<u>Required</u>	<u>Actual</u>	<u>Complies</u>
Maintain as indicated:			
Liquidity Ratio	1.15:1.00	_____:1.00	Yes No
EBITDA	*	\$ _____	Yes No

*See Section 6.9(b)

<u>Streamline Period</u>	<u>Applies</u>
Liquidity Ratio > 1.75:1.00 or Uncapped Availability Ratio > 1.50:1.00	Prime + 0.25% Yes No
Liquidity Ratio ≤ 1.75:1.00 and Uncapped Availability Ratio ≤ 1.50:1.00	Prime + 0.75% Yes No

The following financial covenant analysis and information set forth in Schedule 1 attached hereto are true and accurate as of the date of this Certificate.

The following are the exceptions with respect to the certification above: (If no exceptions exist, state "No exceptions to note.")

OUTBRAIN INC.

By: _____
 Name: _____
 Title: _____

BANK USE ONLY

Received by: _____
 AUTHORIZED SIGNER
 Date: _____

Verified: _____
 AUTHORIZED SIGNER
 Date: _____

Compliance Status: Yes No

Schedule 1 to Compliance Certificate

Financial Covenants of Borrower

In the event of a conflict between this Schedule and the Loan Agreement, the terms of the Loan Agreement shall govern.

I. Liquidity Ratio (Section 6.9(a))

Required: Maintain at all times, to be certified to Bank as of the last day of each month, a Liquidity Ratio of greater than 1.15 to 1.00. In connection therewith, Borrower shall also comply with the requirement set forth in the definition of Quick Assets.

Actual:

- | | |
|---|---------|
| A. Aggregate value of Borrower's unrestricted and unencumbered cash | \$ ____ |
| B. Aggregate value of Borrower's net billed accounts receivable, determined according to GAAP | \$ ____ |
| C. Quick Assets (the sum of lines A and B) | \$ ____ |
| D. Aggregate value of accounts payable of Borrower | \$ ____ |
| E. Aggregate value of traffic acquisition cost accruals | \$ ____ |
| F. Line C minus line D minus line E | \$ ____ |
| G. Aggregate value of all Obligations | \$ ____ |
| H. Liquidity Ratio (line E divided by line G) | _____ |

Is line H greater than 1.15:1:00?

_____ No, not in compliance

_____ Yes, in compliance

Is the unrestricted and unencumbered cash of Borrower in Deposit Accounts at Bank equal to or greater than \$12,500,000?

_____ No, not in compliance

_____ Yes, in compliance

II. **EBITDA** (Section 6.9(b))

Required: Achieve, measured as of the last day of each period set forth below on a trailing six (6) month basis, EBITDA of at least the following amounts:

	Period	Minimum EBITDA
	March 31, 2020	\$4,500,000
	June 30, 2020	\$3,500,000
	September 30, 2020	\$3,500,000
	December 31, 2020	\$11,500,000
	March 31, 2021 and thereafter	

To be mutually agreed upon by Bank and Borrower on or prior to March 20, 2021 and demonstrate not less than \$15,000,000 in EBITDA for fiscal year 2021”

Actual: all amounts measured on a trailing six (6) month basis:

A.	Net Income of Borrower	\$ _____
B.	To the extent included in the determination of Net Income:	
	1. Interest Expense	\$ _____
	2. Depreciation expense	\$ _____
	3. Amortization expense	\$ _____
	4. To the extent deducted in the calculation of Net Income, federal, state and local income taxes, whether paid, payable or accrued	\$ _____
	5. Non-cash expenses reflected in Net Income in an amount not to exceed \$2,500,000 in any fiscal year	\$ _____
	6. Non-cash stock compensation expense	\$ _____
	7. Non-recurring add-backs in an amount not to exceed \$2,500,000 in any fiscal year	\$ _____
	8. Other add-backs to EBITDA approved by Bank on a case-by-case basis in its sole discretion (including non-recurring deal related costs, such approval not to be unreasonably withheld)	\$ _____
	9. The sum of lines 1 through 8	\$ _____
C.	EBITDA (line A plus line B.9)	_____

Is line C at least (loss not worse than) \$ _____?

_____ No, not in compliance

_____ Yes, in compliance

III. **Streamline Period** (Liquidity Ratio or Uncapped Availability Ratio)

Was the Liquidity Ratio set forth in line H above greater than 1.75:1:00 for each consecutive day in the immediately preceding calendar month?

_____ No, not in Streamline Period

_____ Yes, in Streamline Period

Uncapped Availability Ratio:

- A. Borrowing Base \$ _____
- B. Aggregate value of all Obligations of Borrower to Bank including the amount of all outstanding Letters of Credit, but excluding all Obligations under the Mezzanine Loan Agreement \$ _____
- C. Uncapped Availability Ratio (line A divided by line B) _____

Was the Uncapped Availability Ratio set forth in line C above greater than 1.50:1:00 for each consecutive day in the immediately preceding calendar month?

_____ No, not in Streamline Period

_____ Yes, in Streamline Period

Updated Perfection Certificate

(Attached.)

Notes:

1. This is a form designed to be completed in Microsoft Word.
2. If there is not enough space for your answer, use the continuation sheet at the end of this form or attach a separate Word document with the additional information.
3. When completed, submit this form by e-mail or fax to Silicon Valley Bank. Please also print this form and submit a hard copy signed by an officer of the Company.
4. This completed and executed certificate is a condition to closing and funding the loan. Information contained herein may have an impact on the drafting of the loan documents. The sooner this completed certificate is received by Silicon Valley Bank, the more likely it is that the transaction can be finalized in a timely manner.

PERFECTION CERTIFICATE

TO: SILICON VALLEY BANK

The undersigned, the **Vice President, Corporate Finance & Treasury** of **Outbrain Inc.** (the "Company"), hereby represents and warrants to you on behalf of the Company as follows:

1. NAMES OF THE COMPANY

a. The name of the Company as it appears in its current Articles or Certificate of Incorporation is:

Outbrain Inc.

b. The federal employer identification number of the Company is:

20 5391629

c. The Company is formed under the laws of the State of

Delaware

d. The organizational identification number issued to the Company under its jurisdiction of formation is:

4203949

e. The Company transacts business in the following states (and/or countries) (list jurisdictions other than jurisdiction of formation):

Throughout the USA and internationally. The Company has offices in: New York, Illinois, California, Brazil, the United Kingdom, Spain, France, Germany, Italy, Israel, Slovenia, Netherlands, Belgium, Singapore, Japan and Australia. The Company's data centers are located in: New Jersey, Illinois and California.

f. The Company is duly qualified to transact business as a foreign entity in the following states (and/or countries) (list jurisdictions other than jurisdiction of formation):

The Company is duly qualified to transact business in the following states: California, Colorado, Delaware, Georgia, Illinois, Michigan, Minnesota, North Carolina, Ohio, Texas, Washington, New York

g. Does the Company have any employee(s) performing work in the State of California?

Yes No

h. The following is a list of all other names (including fictitious names, d/b/a's, trade names or similar names) currently used by the Company or used within the past five years:

<u>Name</u>	<u>Period of Use</u>	<u>Note whether prior legal name, fictitious name, d/b/a, trade name, etc.</u>
N/A		

h. The following are the legal names and jurisdictions of formation of all entities which have been merged into the Company during the past five years:

<u>Legal Name of Merged Entity</u>	<u>Entity Jurisdiction of Formation</u>	<u>Year of Merger</u>
N/A		

i. The following are the legal names and addresses (including jurisdictions of formation) of all entities from whom the Company has acquired any personal property in a transaction not in the ordinary course of business during the past five years, together with the date of such acquisition and the type of personal property acquired (e.g., equipment, inventory, etc.):

<u>Legal Name</u>	<u>Jurisdiction of Formation / Address</u>	<u>Date of Acquisition</u>	<u>Type of Property</u>
Outbrain AMC LLC	Delaware	October 2015	IP, computers, and contracts
Monitization Advanced Advertising Technologies Ltd.	Israel	2018	IP, license to their AdNgin technology
Zemanta Holding USA, Inc.	Delaware	July 13, 2017	
Ligatus GmbH	Germany	April 1, 2019	

2. EQUITY-RELATED MATTERS

a. Is the Company publicly-traded or privately held?

Public Private

b. If public, provide the following information:

Date of Listing	
Exchange (e.g., NASDAQ, NYSE, LSE, etc.)	
Ticker/Trading symbol	
Tax/Accounting Year	
Is the Company current in its SEC and/or other reporting?	
Last report filed	

c. If private, attach a current capitalization table as a schedule.

3. PARENT/SUBSIDIARIES OF THE COMPANY

a. The legal name of each subsidiary and parent of the Company is as follows. (A “parent” is an entity directly owning more than 50% of the outstanding capital stock of the Company. A “subsidiary” is an entity, 50% or more of the outstanding capital stock of which is directly owned by the Company.)

<u>Name</u>	<u>Subsidiary/Parent</u>	<u>Fed. Employer ID No.</u>
Outbrain UK Ltd	Sub <input checked="" type="checkbox"/> Parent <input type="checkbox"/>	
Outbrain Israel Ltd	Sub <input checked="" type="checkbox"/> Parent <input type="checkbox"/>	
Outbrain Singapore Pty. Ltd	Sub <input checked="" type="checkbox"/> Parent <input type="checkbox"/>	
Outbrain Australia PTY Ltd	Sub <input checked="" type="checkbox"/> Parent <input type="checkbox"/>	
Outbrain Monetizacao de Contuedo Ltda	Sub <input checked="" type="checkbox"/> Parent <input type="checkbox"/>	
Outbrain Japan KK	Sub <input checked="" type="checkbox"/> Parent <input type="checkbox"/>	
Outbrain Germany GmbH	Sub <input checked="" type="checkbox"/> Parent <input type="checkbox"/>	
Outbrain New Zealand Limited	Sub <input checked="" type="checkbox"/> Parent <input type="checkbox"/>	
Outbrain India Private Limited	Sub <input checked="" type="checkbox"/> Parent <input type="checkbox"/>	
Outbrain AMC LLC	Sub <input checked="" type="checkbox"/> Parent <input type="checkbox"/>	
Zemanta Holding USA, Inc.	Sub <input checked="" type="checkbox"/> Parent <input type="checkbox"/>	
Ligatus GmbH	Sub <input checked="" type="checkbox"/> Parent <input type="checkbox"/>	
Ligatus, S.L.U. (Spain)	Sub <input checked="" type="checkbox"/> Parent <input type="checkbox"/>	
Ligatus S.r.l. (Italy)	Sub <input checked="" type="checkbox"/> Parent <input type="checkbox"/>	
Outbrain Netherlands B.V. (NL)	Sub <input checked="" type="checkbox"/> Parent <input type="checkbox"/>	
Outbrain Belgium BVBA (BE)	Sub <input checked="" type="checkbox"/> Parent <input type="checkbox"/>	
Outbrain France SAS (France)	Sub <input checked="" type="checkbox"/> Parent <input type="checkbox"/>	
New Ottawa, Inc.	Sub <input checked="" type="checkbox"/> Parent <input type="checkbox"/>	
Ottawa Merger Sub, Inc.	Sub <input checked="" type="checkbox"/> Parent <input type="checkbox"/>	

b. The following is a list of the respective jurisdictions and dates of formation of the parent and each subsidiary of the Company:

<u>Name</u>	<u>Jurisdiction</u>	<u>Date of Formation</u>
Outbrain UK Ltd	United Kingdom	December 29, 2010
Outbrain Israel Ltd	Israel	September 5, 2006
Outbrain Singapore Pty. Ltd	Singapore	July 10, 2012
Outbrain Australia PTY Ltd	Australia	July 4, 2012
Outbrain Monetizacao de Contuedo Ltda	Brazil	April 18, 2013
Outbrain Japan KK	Japan	October 3, 2013
Outbrain India Private Limited	India	August 4, 2015
Outbrain Germany Gmbh	Germany	August 1, 2014
Outbrain New Zealand Limited	New Zealand	August 24, 2016
Outbrain AMC LLC	Delaware	September 10, 2015
Zemanta Holding USA, Inc.	Delaware	July 13, 2017
Ligatus GmbH	Germany	April 1, 2019
New Ottawa, Inc.	Delaware	September 27, 2019
Ottawa Merger Sub, Inc.	Delaware	September 27, 2019

c. The following is a list of all other names (including fictitious names, d/b/a's, trade names or similar names) currently used by each subsidiary of the Company or used during the past five years:

<u>Name</u>	<u>Subsidiary</u>
N/A	

d. The following are the names of all entities which have been merged into a subsidiary of the Company during the five years:

<u>Name</u>	<u>Subsidiary</u>
Visual Revenue Inc.	Visual Revenue LLC
Zemanta Holding USA, Inc.	Zemanta, Inc.
OBL Inc.; OBL Acquisition Inc.	Ligatus GmbH

e. The following are the names and addresses of all entities from whom each subsidiary of the Company has acquired any personal property in a transaction not in the ordinary course of business during the past five years, together with the date of such acquisition and the type of personal property acquired (e.g., equipment, inventory, etc.):

<u>Name</u>	<u>Address</u>	<u>Date of Acquisition</u>	<u>Type of Property</u>	<u>Subsidiary</u>
Access Media Corp.		October 21, 2015	All tangible and intangible property	Outbrain AMC LLC
Zemanta, Inc.	N/A	July 13, 2017	All tangible and intangible property	Zemanta Holding USA,
Ligatus GmbH	N/A	April 1, 2019	All tangible and intangible property	Ligatus, S.L.U. (Spain); Ligatus S.r.l. (Italy); Outbrain Netherlands B.V. (NL); Outbrain Belgium BVBA (BE); Outbrain France SAS (France)

4. LOCATIONS OF COMPANY AND ITS SUBSIDIARIES

a. The Company and each of its subsidiaries maintain books or records at the following addresses:

<u>Complete street and mailing address, including county</u>	<u>Name of Company/Subsidiary</u>
39 W 13 th Street, New York, New York 10011	Outbrain Inc.
	Outbrain AMC LLC
	Zemanta Holding USA, Inc.
100 New Oxford Street, 4 th Floor London W1F 7TY, UK	Outbrain UK Ltd
	Outbrain Germany Gmbh
6 Arye Regev Street, 1st & 2nd Floor, Netanya, Israel 4250213	Outbrain Israel Ltd
	Outbrain Singapore Pty. Ltd
	Outbrain Australia PTY Ltd
	Outbrain New Zealand Ltd
	Outbrain India Private Limited
Rua Leopold Couto de Magalhães Jr. 758, 11o andar, São Paulo – SP – 04542-000 – Brazil	Outbrain Monetizacao de Contuedo Ltda
Ebisu SA building, 1-20-5 Ebisu nishi, Shibuya-ku, Tokyo	Outbrain Japan KK
Zemanta d.o.o. Celovska 32 SI-1000 Ljubljana Slovenia	Zemanta, Inc.
Christophstr. 19, 50670 Koln	Ligatus GmbH

b. The Company and its subsidiaries own, lease, or occupy real property located at the following addresses and maintain equipment, inventory, or other property at such address:

<u>Complete street and mailing address, including county</u>	<u>Name of Company/Subsidiary</u>	<u>Equipment/Inventory/other Collateral</u>
13 W 39 th Street, 3 rd Floor New York, NY 10011	Outbrain Inc.	Office furniture & computer equipment
35-39 W 33 rd Street, Apartments 4A, 6B, 7B, 8A, and 20A		
150 North Wacker Drive, Chicago, IL 60606		
“home” address: 2 Embarcadero Center, San Francisco, CA 94111 (WeWork)		
175 High Holborn, London WC1V 7AA	Outbrain UK Ltd	Office furniture & computer equipment
Gran Vía, 30, Planta 5, Madrid Spain 28013		
Oberanger 28, 80331 München		
Via Nino Bixio 7, Milan, floor 3,		
224 Faubourg Saint Honore, Paris, France		

Joop van Den Endeplein 1, 1217 WJ Hilversum, Netherlands	Ligatus GmbH	Office furniture & computer equipment
10 rue chaptal, 75009 Paris		
Christophstr. 19, 50670 Koln		
Nieuwezijds Voorburgwal 162, Amsterdam		
Louis Schmidlaan 87 Blvd, 1040, Etterbeek (Belgium)		
Via Sant'Antonio 5, 20122 Milano		
6 Arye Regev Street, 1 st 2 nd , and 5 th Fl., Netanya, Israel 4250213	Outbrain Israel Ltd	Office furniture & computer equipment
WeWork 71 Robinson, 71 Robinson Road, Singapore 068895	Outbrain Singapore Pty. Ltd	Office furniture & computer equipment
Unit 9, Corporate Park II, 9th Fl, Chembur, Mumbai 400071	Outbrain India Private Limited	Office furniture & computer equipment
28-111; 161 Castlereagh Street, Sydney, NSW 2000	Outbrain Australia PTY Ltd	Office furniture & computer equipment
Juscelino Kubitschek Avenue, 2041 – 12 floor – ZIP Code 04543-011 – São Paulo – SP - Brazil	Outbrain Monetizacao de Contuedo Ltda	Office furniture & computer equipment
Ebisu SA building, 1-20-5 Ebisu nishi, Shibuya-ku, Tokyo	Outbrain Japan KK	Office furniture & computer equipment
Outbrain Cage IE136 c/o ServerCentral, 2200 Busse Road, Elk Grove Village, IL, 60007	Outbrain Inc.	Data center / serving equipment
Outbrain / Internap, 1 North Enterprise Ave, Secaucus, NJ 07094		
Raging Wire Data Centers 1625 National Dr (CA3) Sacramento, CA 95834		
Zemanta d.o.o. Celovska 32 SI-1000 Ljubljana Slovenia	Zemanta, Inc.	Office furniture & computer equipment
Zemanta – Data centers: Washington WDC-01 Data Center	Zemanta, Inc.	Data center / serving equipment

9651 Hornbaker Road Manassas, VA 20109, United States		
Amsterdam AMS-01 Data Center J.W. Lucasweg 35, 2031 BE Haarlem, The Netherlands		
Hong Kong HKG-10 Data Center 11 Chun Kwong Street, Tseung Kwan O Industrial Estate, New Territories, Hong Kong		

c. The following are the names and addresses of all warehousemen, bailees, or other third parties who have possession of any of the Company's inventory, equipment, or other property or that of its subsidiaries:

<u>Name and complete mailing address of third party.</u>	<u>Description of assets held with third party including estimated FMV</u>	<u>Name of Company/Subsidiary</u>
N/A		

5. SPECIAL TYPES OF COLLATERAL

a. The Company and its subsidiaries own (or have any ownership interest in) the following kinds of assets. Overview explanation

Copyrights or copyright applications registered with the U.S. Copyright Office	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Software registered with the U.S. Copyright Office	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Software not registered with the U.S. Copyright Office	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Patents and patent applications	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Trademarks or trademark applications (including any service marks, collective marks and certification marks)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Licenses to use trademarks, patents and copyrights of others	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Licenses, permits (including environmental), authorizations, or certifications issued by federal, state, or local governments issued to the Company and/or its subsidiaries or with respect to their assets, properties, or businesses	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Stocks, bonds or other securities held by the Company or its subsidiaries in other entities (Company or sub is the stock owner)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Promissory notes, or other instruments or evidence of indebtedness issued in favor of the Company or any of its subsidiaries (Company or sub is the lender)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Leases of equipment, security agreements naming the Company or its subsidiaries as secured party or other chattel paper (Company or sub is the lessor/secured party)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Aircraft	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Vessels, Boats or Ships	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Railroad Rolling Stock	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Motor Vehicles	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

If the answer is "yes" to any of the above questions, attach a Schedule 5(a) listing each asset owned by the Company and/or its subsidiaries (separately identified and scheduled for each entity) and identifying which party owns the asset, the relevant jurisdiction (such as IP registered in non-U.S. jurisdictions or the jurisdiction under which a motor vehicle is registered), each registration, application, or other identification number, and all other relevant information. In the cases of licenses, include the relevant parties and the specific property being licensed, and, if any licenses are material to the Company's and/or any of its subsidiaries' business, provide copies of such licenses.

b. The following are all banks, brokerages, or financial institutions at which the Company and its subsidiaries maintain deposit or securities accounts:

<u>Institution Name and Address</u>	<u>Account Number</u>	<u>Average Monthly Balance in Account</u>	<u>Name of Account Owner</u>
Silicon Valley Bank 3003 Tasman Drive, Santa Clara, CA 95054	3300992448	\$102,875 USD	Outbrain Inc.
	6600000031	\$13,907.077 USD	
	3301163387	ZBA	
	00500009274	\$488,260 AUD	
	00500009240	\$590,245 SGD	
	0050009255	ILS 158,840	
	00500009289	\$41,528.00 CAD	
	0500138806	5,165,347 Euro	
HSBC 133 Regent Street, UK W1B 4HX, UK	84028820	€35,069	Outbrain UK Ltd
	189/8843/005	€20,993	
	84028839	€0	
	74400725	€346,495	
	71478822	€ 7,660,675	
	73930660	€ 100,538	
	73930679	€ 150,184	
	74201124	£ 668,809	
	6414	€ 516,419	
	71481369	\$1,478,205 USD	
Leumi Bank	744-111100/30	ILS 5,251,511	Outbrain Israel Ltd

HSBC 133 Regent Street, UK W1B 4HX, UK	011-472891-001	\$294,791 AUD	Outbrain Australia PTY Ltd
	011-472891-091	\$0 USD	
OCBC 65 Chulia St. Singapore	641795349001	\$134,333 SGD	Outbrain Singapore Pty. Ltd
	503134744301	\$33,201 USD	
Shinsei Bank 4-3, 2 chrome, Muromachi, Nihombashi, Chuo-ku, Tokyo 103-8303	4006398575	426,397,188 JPY	Outbrain Japan KK
	4006491641	\$1,143,070 USD	
Banco Itau Av. Jardim Japao, 1420 Jardim Brasil, Sao Paulo - SP	61895-6	BRL 17,460,551	Outbrain Monetizacao de Contuedo Ltda
HSBC Trinkaus & Burkhardt AG Königsallee 21/23 40212 Düsseldorf Germany	1/4009/019	€ 104,921	Outbrain Germany Gmbh
Axis Bank Block No 3.Ground Floor, 120,Dinshaw Vachha Road Opp K.C.College, Churchgate Mumbai 400020	917020063559067	INR 47,905,452	Outbrain India
UniCredit Banka Slovenija Smartinska 140 SI 1000 Ljubjana	SI56 2900 0005 0148 954	€ 307,077	Zemanta d.o.o
Silicon Valley Bank 3003 Tasman Drive, Santa Clara, CA 95054	3300961446	\$3,317,052 USD	Outbrain Inc (Zemanta)
	3301299706	\$0	
	3301140229	\$232 USD	
Deutsche Bank Alter Wall 53 Street 20457 Hamburg	20070000/03019860000	€ 473,305	Ligatus GmbH
Deutsche Bank Susrsale de Paris 23-25 Avene Franklin Roosevelt Paris 75008	10510092002	€165,153	Outbrain France SAS
Deutsche Bank Via Flippo Turati 25-27 Milan, Italy 20121	460770152	€31,903	Ligatus S.R.L
Deutsche Bank	BE85826000600306	€77,943	Outbrain Belgium BVBA
Deutsche Bank	00190030614010220115	€20,771	Ligatus SL
ING Antwoordnummer 6135 8900VC Leeuwarden, Netherlands	652280420	€35,042	Outbrain Netherlands B.V.

- [1] Euro Limit €6,000,000 (€6.5M)
 [2] GBP Limit: £3,000,000 (£668K)
 [3] USD Limit: \$2,500,000 (\$1.4M)
 [4] Offshore Limit: 15,000,000 (totals USD \$12.3M)

c. The following is a list of all payment transmitters or services (including, but not limited to: PayPal, Stripe, Square, Dwolla, Bitcoin, or similar services) at or through which the Company and/or its subsidiaries hold, deposit, or transmit funds:

<u>Name of Company/Subsidiary</u>	<u>Name of Payment Transmitter/Service</u>	<u>Type of Account</u>	<u>Account ID/Name</u>	<u>Average Monthly Balance in Account</u>
N/A				

d. Does or is it contemplated that the Company will regularly receive letters of credit from customers or other third parties to secure payments of sums owed to the Company? The following is a list of letters of credit naming the Company as “beneficiary” thereunder:

<u>LC Number</u>	<u>Name of LC Issuer</u>	<u>LC Applicant</u>
N/A		

6. DEBT/ENCUMBRANCES

a. The Company and its subsidiaries have the following outstanding debt for money borrowed (whether or not convertible) (please attach copies of all instruments evidencing the debt):

<u>Name and Address of Lender</u>	<u>Original Principal Amount/ Principal Outstanding</u>	<u>Maturity Date</u>	<u>Secured/Unsecured (if secured, complete 6(b)).</u>
Silicon Valley Bank 3003 Tasman Drive; Santa Clara, CA 95054	0.00	November 2, 2021	Secured
Dell Financial Services One Dell Way Round Rock, TX	\$7.5M	Various (3 year lease terms)	Secured

Do not list debt that is to be repaid prior to or concurrently with the SVB loan.

- b. The Company's and its subsidiaries' properties are subject to the following liens or encumbrances:

<u>Name of Holder of Lien/Encumbrance</u>	<u>Description of Property Encumbered</u>	<u>Name of Company/Subsidiary</u>
Spansion Israel Ltd.	Lien on rent deposit	Outbrain Israel LTD
The New School	LOC issued by SVB \$1,150,000 re: year of rent	Outbrain Inc.
SVF North Wacker Chicago	LOC issued by SVB \$19,521 for Chicago office	Outbrain Inc.
HSBC	Bank Guarantee for €346,333 for German and French offices	Outbrain UK Ltd.
Dell Financial Services	Data center equipment	Outbrain Inc.

Do not list liens that are to be terminated prior to or concurrently with the SVB loan.

7. GOVERNMENT REGULATION

The Company and its subsidiaries are subject to regulation by the following federal, state or local government entity or any department, agency, or instrumentality thereof:

<u>Name of Regulatory Entity</u>	<u>Description of Regulation</u>	<u>Company/Subsidiary</u>
N/A		

8. LITIGATION

a. The following is a complete list of pending and threatened litigation or claims involving amounts claimed against the Company in an indefinite amount or in excess of \$50,000 in each case:

1. On April 18, 2019, an Application For The Approval of a Class Action Lawsuit ("Application") was filed against, inter alia, Outbrain Inc. and Outbrain Israel Ltd., with the District Court of Tel Aviv – Jaffa in Israel, alleging violations of Israel's Consumer Protection Law. The claim is on account of advertising on publishers sites, which the plaintiffs allege is not sufficiently labeled to allow the reader to distinguish between articles (editorial) and promotional content. As of the date of this report, the litigation is in preliminary stages and we are therefore unable to reasonably estimate the possible loss or range of loss, if any.

2. In connection with debt collection efforts against Superbalife International, LLC, the Company's debt collection agency (Szabo) filed on October 31, 2019, a formal claim against Superbalife to recover the unpaid debt. On January 31, 2020, Superbalife filed a cross-complaint alleging that Outbrain did not deliver on the services it promised (claims include breach of covenant of good faith and fair dealing, fraud, negligent misrepresentation and unjust enrichment). Outbrain believes the debt is legitimately owed to us and these counter-claims have no merit. The litigation is in preliminary stages and we are therefore unable to reasonably estimate the possible loss or range of loss, if any.

b. The following are the only claims which the Company has against others (other than claims on accounts receivable), which the Company is asserting or intends to assert, and in which the potential recovery exceeds \$50,000:

(see above)

9. TAXES

The following taxes are currently outstanding and unpaid:

<u>Assessing Authority</u>	<u>Amount and Description</u>
None	n/a

10. INSURANCE BROKER

The following broker handles the Company’s property and liability insurance:

<u>Broker</u>	<u>Contact</u>	<u>Telephone</u>	<u>Fax</u>	<u>Email</u>
Rollins Insurance / Brown & Brown of NY, Inc.	John P. Moccia	914-406-8314	914-337-1596	jmoccia@bbinsy.com

11. OFFICERS OF THE COMPANY AND ITS SUBSIDIARIES

The following are the names and titles of the officers of the Company and its subsidiaries.

<u>Office/Title</u>	<u>Name of Officer</u>	<u>Name of Company/Subsidiary</u>
Co-CEO	Yaron Galai	Outbrain Inc.
Co-CEO	David Kostman	Outbrain Inc.
CFO	Elise Garafalo	Outbrain Inc.
CTO	Ori Lahav	Outbrain Inc.

N/A – No officers	Outbrain UK Ltd
	Outbrain Israel Ltd
	Outbrain Singapore Pty. Ltd
	Outbrain Australia PTY Ltd
	Outbrain Monetizacao de Contuedo Ltda
	Outbrain Japan KK
	Outbrain India Private Limited
	Outbrain New Zealand Ltd
	Outbrain Germany Gmbh
	Outbrain AMC LLC
	Zemanta Holding USA, Inc.
	Ligatus GmbH

12. IRS FORM W9

The Company’s completed and executed IRS Form W9 is attached hereto as Exhibit A.

13. LEGAL COUNSEL

The following attorney(s) will represent the Company in connection with the loan documents:

<u>Name of Attorney</u>	<u>Name of law firm / address</u>	<u>Telephone</u>	<u>Fax</u>	<u>Email</u>
Miriam Cohen	Loeb & Loeb LLP	212-407-4103	646.417.7487	mcohen@loeb.com

14. BENEFICIAL OWNERSHIP INFORMATION

a. Is the Company any of the following:

- (i) a public company or an issuer of securities that are registered with the Securities and Exchange Commission under Section 12 of the Securities Exchange Act of 1934 or that is required to file reports under Section 15(d) of that Act;
- (ii) an investment company registered with the Securities and Exchange Commission under the Investment Company Act of 1940;

- (iii) an investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940; or
- (iv) a pooled investment vehicle operated or advised by a regulated financial institution (including an SEC-registered investment adviser)?

Yes No

If yes, no further information is required for Sections 14(b), 14(c) or 14(d) below. If no, continue to Section 14(b).

b. Is the Company a pooled investment vehicle that is **not** operated or advised by a regulated financial institution?

Yes No

If yes, skip to Section 14(d) below. If no, continue to Section 14(c).

c. Does any **individual**, directly or indirectly (for example, if applicable, through such individual's equity interests in the Company's parent entity), through any contract, arrangement, understanding, relationship or otherwise, **own 25% or more** of the equity interests of the Company:

Yes No

If yes, complete the following information. If no, continue to Section 14(d) below.

	Name	Date of birth	Residential address	For US Persons, Social Security Number: (non-US persons should provide SSN if available)	For Non-US Persons: Type of ID, ID number, country of issuance, expiration date	Percentage of ownership (if indirect ownership, explain structure)
1						
2						
3						
4						

d. Identify one individual with significant responsibility for managing the Company, i.e., an executive officer or senior manager (e.g., Chief Executive Officer, President, Vice President, Chief Financial Officer, Treasurer, Chief Operating Officer, Managing Member or General Partner) or any other individual who regularly performs similar functions. If appropriate, an individual listed in Section 14(c) above may also be listed here.

	Name	Date of birth	Residential address	For US Persons, Social Security Number: (non-US persons should provide SSN if available)	For Non-US Persons: Type of ID, ID number, country of issuance, expiration date
1	David Kostman (Co-CEO)	12/31/1964	62 Beach Street, Apt 3D New York NY 10013	###-##-#### US Citizen	

The Company acknowledges that SVB's acceptance of this Perfection Certificate and any continuation pages does not imply any commitment on SVB's part to enter into a loan transaction with the Company, and that any such commitment may only be made by an express written loan commitment, signed by one of SVB's authorized officers

The undersigned hereby certifies, to the best of his or her knowledge, that the information set out in this Perfection Certificate is true, complete and correct.

Date: March 27, 2020

By: /s/ Barry Schofield
 Name: Barry Schofield
 Its: Vice President,
 Corporate Finance & Treasury
 E-mail: bschofield@outbrain.com
 Phone: 646-586-8957
 Fax:

Continuation Page—Additional Information

To: Silicon Valley Bank

Perfection Certificate

Exhibit A

IRS Form W9

See attached.

OUTBRAIN CAP TABLE

Period End	31-Dec-19													
Total Authorized	110,812,435	7,065,907	14,565,760	6,477,447	5,735,026	1,080,197	5,343,425	5,666,172	1,269,223					
	Common Stock	Series A	Series B	Series C	Series D	Series E	Series F	Series G	Series H	Total Preferred Stock	Total	% Outstanding Shares Ownership	% Fully Diluted Ownership	
Stockholders														
Early Common Stockholders	4,034,620	-	-	-	-	-	-	-	-	-	4,034,620	5.37%	4.30%	
Early Preferred Stockholders	7,174,385	742,836	862,645	798,529	35,350	-	119,269	385,300	-	2,943,929	10,118,314	13.45%	10.78%	
Venture Capital Groups and Other Preferred Stockholders														
Marshfield Advisers, LLC								1,699,851		1,699,851	1,699,851	2.26%	1.81%	
MTS Investments Inc.	343,056	-	-	83,645	-	-	100,000	-		183,645	526,701	0.70%	0.56%	
Provident Fund of the Employees of the Hebrew University of Jerusalem Ltd.	343,056	95,285	-	106,879	-	-	-	-		202,164	545,220	0.73%	0.58%	
Startify A.S. (1992) Ltd. (fka Sigma Investments (1992) Ltd.)	74,517	-	-	-	-	-	-	-		-	74,517	0.10%	0.08%	
Viola Ventures, III L.P.	-	-	7,282,880	1,784,105	814,239	-	298,174	566,617		10,746,015	10,746,015	14.29%	11.45%	
Gemini	914,815	2,834,053	2,603,211	1,589,920	-	-	372,717	-		7,399,901	8,314,716	11.06%	8.86%	
Harbourvest	-	-	-	-	-	-	2,415,207	-		2,415,207	2,415,207	3.21%	2.57%	
Index	649,548	279,840	-	-	2,931,262	-	298,174	-		3,509,276	4,158,824	5.53%	4.43%	
Lightspeed Venture Partners VII, L.P.	914,815	3,113,893	2,603,211	1,624,637	1,954,175	-	447,261	-		9,743,177	10,657,992	14.17%	11.35%	
RH Internet II LLC	-	-	1,213,813	489,732	-	-	596,347	-		2,299,892	2,299,892	3.06%	2.45%	
Susquehanna Growth Equity Fund IV, LLLP	-	-	-	-	-	-	-	1,903,821		1,903,821	1,903,821	2.53%	2.03%	
Vintage	100,000	-	-	-	-	-	670,891	566,617		1,237,508	1,337,508	1.78%	1.42%	
Nikkei Inc.	-	-	-	-	-	-	-	113,323		113,323	113,323	0.15%	0.12%	
Dentsu Inc	-	-	-	-	-	-	-	296,684		296,684	296,684	0.39%	0.32%	
Visual Revenue Stockholders (Acquisition)	65,208	-	-	-	-	1,080,197	-	-		1,080,197	1,145,405	1.52%	1.22%	
Reeve Stockholders (Acquisition)	532,713	-	-	-	-	-	-	-		-	532,713	0.71%	0.57%	
Zemanta Stockholders (Acquisition)									1,211,912	1,211,912	1,211,912	1.61%	1.29%	
Gruner + Jahr GmbH (Acquisition)	5,206,593									-	5,206,593	6.92%	5.55%	
Gruner + Jahr GmbH (Loeb Escrow)	918,811									-	918,811	1.22%	0.98%	
Monetization Advanced Technologies LTD (Adngin) (Acquisition)									22,664	22,664	22,664	0.03%	0.02%	
Current and Former Employees	6,921,198	-	-	-	-	-	-	-		-	6,921,198	9.20%	7.37%	
Common Stock and Preferred Stock	<u>28,193,335</u>	<u>7,065,907</u>	<u>14,565,760</u>	<u>6,477,447</u>	<u>5,735,026</u>	<u>1,080,197</u>	<u>5,318,040</u>	<u>5,532,213</u>	<u>1,234,576</u>	<u>47,009,166</u>	<u>75,202,501</u>	<u>100.00%</u>	<u>80.11%</u>	
Stock Options Outstanding											8,171,008		8.70%	
Warrants											1,070,852		1.14%	
Stock Awards, RSAs, RSUs Unvested											4,373,427		4.66%	
SARs											7,371		0.01%	
Shares Available for Issuance Under Option Plan											5,048,216		5.38%	
Grand Total	<u>28,193,335</u>	<u>7,065,907</u>	<u>14,565,760</u>	<u>6,477,447</u>	<u>5,735,026</u>	<u>1,080,197</u>	<u>5,318,040</u>	<u>5,532,213</u>	<u>1,234,576</u>	<u>47,009,166</u>	<u>93,873,375</u>	<u>100.00%</u>	<u>100.00%</u>	

Outbrain Patent Portfolio Report





















Reference #	Type	Status	Country ID	Title	Serial #	Filed Date	Publication #	Publication Date	Patent #	Issue Date	Inventor Names Combined
26136-0003 L0002	UTL	ISSUED	US	SYSTEM AND METHOD FOR PROVIDING FEED-BASED ADVERTISEMENTS	13/676,471	11/14/2012	US-2013-0132191-A1	5/23/2013	10,354,274	7/16/2019	Galai, Yaron Sasson, David Hochman, Itai Elisha, Amit
26136-0009 L0009	UTL	ISSUED	US	SYSTEM AND METHOD FOR RANKING, ALLOCATION AND PRICING OF CONTENT RECOMMENDATIONS	14/055,291	10/16/2013			10,275,795	4/30/2019	Karidi, Ron Galai, Yaron
26136-0010 L0010	UTL	ISSUED	US	YIELDING CONTENT RECOMMENDATIONS BASED ON SERVING BY PROBABILISTIC GRADE PROPORTIONS	13/956,865	8/1/2013			10,304,081	5/28/2019	Boshy, Shlomy Shlomo, Yatir Ben Galai, Yaron
26136-0011 L0011	UTL	ISSUED	US	COLLABORATIVE FILTERING OF CONTENT RECOMMENDATIONS	14/193,900	2/28/2014			9,324,028	4/26/2016	Boshy, Shlomy Galai, Yaron
26136-0013	UTL	ISSUED	US	RECOMMENDATION SOURCE-RELATED USER ACTIVITY CALCULATOR	14/266,171	4/30/2014			9,432,471	8/30/2016	Boshy, Shlomy Galai, Yaron
26136-0021 L0021	UTL	ISSUED	US	Systems and Methods for Identifying and Measuring Trends in Consumer Content Demand Within Vertically Associated Websites and Related Content	12/367,968	2/9/2009	US 2009-0204478 A1	8/13/2009	10,269,024	4/23/2019	Kaib, Paul Edward Walker, Brent Allen Hofmann, Joshua Michael Freishtat, Gregg
26136-0026 L0023X1	UTL	ISSUED	US	Systems and Methods for Curating Content	12/965,417	12/10/2010	US 2011-0202827 A1	8/18/2011	10,607,235	3/31/2020	Freishtat, Gregg S. Kaib, Paul Edward
26136-0028 L0023X3	UTL	ISSUED	US	Systems and Methods for Presenting Content	12/965,440	12/10/2010	US 2011-0161479 A1	6/30/2011	9,396,485	7/19/2016	Freishtat, Gregg S. Kaib, Paul Edward
26136-0030 L0023X1X	UTL	ALLOWED	US	SYSTEMS AND METHODS FOR CURATING CONTENT	13/665,250	10/31/2012	US 2013-0060858 A1	3/7/2013			Freishtat, Gregg S. Kaib, Paul Edward Sehr, Daniel
26136-0034 L0034 TRK1	UTL	ISSUED	US	CONTENT POSITION RECOMMENDATIONS	14/312,948	6/24/2014			9,552,437	1/24/2017	Mortensen, Dennis R. Poon, Alex Vijayaraghavan, Varun
26136-0038	UTL	ISSUED	US	SYSTEM AND METHOD FOR PERSONALIZED CONTENT RECOMMENDATIONS	14/146,279	1/2/2014			10,521,824	12/31/2019	Boshy, Shlomy Galai, Yaron
26136-0041	UTL	ISSUED	US	METHOD FOR EXTRACTING A COMPACT REPRESENTATION OF THE TOPICAL CONTENT OF AN ELECTRONIC TEXT	10/350,869	1/24/2003			7,587,381	9/8/2009	Remy, Martin Nieker, Steven
26136-0043	UTL	ISSUED	US	CONTENT TITLE USER ENGAGEMENT OPTIMIZATION	14/529,667	10/31/2014			10,607,253	3/31/2020	Shachar, Amir Shlomo, Yatir Ben Bennett, Alexandra Selhi, Kevin S.
26136-0045	UTL	ISSUED	US	PROVISIONING PERSONALIZED CONTENT RECOMMENDATIONS	14/657,457	3/13/2015	US-2015-0269488-A1	9/24/2015	10,165,069	12/25/2018	Sternlicht, Daniel Tamir, Ido Hochman, Itai Porat, Ohad Ben Kuntsman, Romi
26136-0046	DES	ISSUED	US	DISPLAY SCREEN OR PORTION THEREOF WITH GRAPHICAL USER INTERFACE	29/522,494	3/31/2015			D743431	11/17/2015	Pal, Savitha Thankam Bass, Roy Doody, Colin Gilad, Yaniv Sternlicht, Daniel
26136-0047	DES	ISSUED	US	DISPLAY SCREEN OR PORTION THEREOF WITH GRAPHICAL USER INTERFACE	29/522,500	3/31/2015			D743989	11/24/2015	Pal, Savitha Thankam Bass, Roy Doody, Colin Gilad, Yaniv Sternlicht, Daniel
26136-0048	DES	ISSUED	US	DISPLAY SCREEN OR PORTION THEREOF WITH GRAPHICAL USER INTERFACE	29/522,501	3/31/2015			D745032	12/8/2015	Pal, Savitha Thankam Bass, Roy Doody, Colin Gilad, Yaniv Sternlicht, Daniel
26136-0049	DES	ISSUED	US	DISPLAY SCREEN OR PORTION THEREOF WITH GRAPHICAL USER INTERFACE	29/522,506	3/31/2015			D743990	11/24/2015	Pal, Savitha Thankam Bass, Roy Doody, Colin Gilad, Yaniv Sternlicht, Daniel
26136-0050	DES	ISSUED	US	DISPLAY SCREEN OR PORTION THEREOF WITH GRAPHICAL USER INTERFACE	29/522,511	3/31/2015			D745033	12/8/2015	Pal, Savitha Thankam Bass, Roy Doody, Colin Gilad, Yaniv Sternlicht, Daniel
















26136-0051	DES	ISSUED	US	DISPLAY SCREEN OR PORTION THEREOF WITH GRAPHICAL USER INTERFACE	29/522,515	3/31/2015		D745034	12/8/2015	Pal, Savitha Thankam Bass, Roy Doody, Colin Gilad, Yaniv Sternlicht, Daniel
26136-0052	DES	ISSUED	US	DISPLAY SCREEN OR PORTION THEREOF WITH GRAPHICAL USER INTERFACE	29/522,517	3/31/2015		D745035	12/8/2015	Pal, Savitha Thankam Bass, Roy Doody, Colin Gilad, Yaniv Sternlicht, Daniel
26136-0053	DES	ISSUED	US	DISPLAY SCREEN OR PORTION THEREOF WITH GRAPHICAL USER INTERFACE	29/522,519	3/31/2015		D744517	12/1/2015	Pal, Savitha Thankam Bass, Roy Doody, Colin Gilad, Yaniv Sternlicht, Daniel
26136-0054	DES	ISSUED	US	DISPLAY SCREEN OR PORTION THEREOF WITH GRAPHICAL USER INTERFACE	29/522,526	3/31/2015		D743991	11/24/2015	Pal, Savitha Thankam Bass, Roy Doody, Colin Gilad, Yaniv Sternlicht, Daniel
26136-0056	DES	ISSUED	US	DISPLAY SCREEN OR PORTION THEREOF WITH GRAPHICAL USER INTERFACE	29/541,937	10/9/2015		D759,097	6/14/2016	Pal, Savitha Thankam Bass, Roy Doody, Colin Gilad, Yaniv Sternlicht, Daniel
26136-0057	DES	ISSUED	US	DISPLAY SCREEN OR PORTION THEREOF WITH GRAPHICAL USER INTERFACE	29/541,940	10/9/2015		D759,098	6/14/2016	Pal, Savitha Thankam Bass, Roy Doody, Colin Gilad, Yaniv Sternlicht, Daniel
26136-0058	DES	ISSUED	US	DISPLAY SCREEN OR PORTION THEREOF WITH GRAPHICAL USER INTERFACE	29/541,942	10/9/2015		D759,099	6/14/2016	Pal, Savitha Thankam Bass, Roy Doody, Colin Gilad, Yaniv Sternlicht, Daniel
26136-0059	DES	ISSUED	US	DISPLAY SCREEN OR PORTION THEREOF WITH GRAPHICAL USER INTERFACE	29/541,943	10/9/2015		D759,100	6/14/2016	Pal, Savitha Thankam Bass, Roy Doody, Colin Gilad, Yaniv Sternlicht, Daniel
26136-0061	DES	ISSUED	US	DISPLAY SCREEN OR PORTION THEREOF WITH GRAPHICAL USER INTERFACE	29/541,961	10/9/2015		D759,105	6/14/2016	Pal, Savitha Thankam Bass, Roy Doody, Colin Gilad, Yaniv Sternlicht, Daniel
26136-0063	DES	ISSUED	US	DISPLAY SCREEN OR PORTION THEREOF WITH GRAPHICAL USER INTERFACE	29/541,951	10/9/2015		D759101	6/14/2016	Pal, Savitha Thankam Bass, Roy Doody, Colin Gilad, Yaniv Sternlicht, Daniel
26136-0065	DES	ISSUED	US	DISPLAY SCREEN OR PORTION THEREOF WITH GRAPHICAL USER INTERFACE	29/541,956	10/9/2015		D759,102	6/14/2016	Pal, Savitha Thankam Bass, Roy Doody, Colin Gilad, Yaniv Sternlicht, Daniel
26136-0066	DES	ISSUED	US	DISPLAY SCREEN OR PORTION THEREOF WITH GRAPHICAL USER INTERFACE	29/541,957	10/9/2015		D759,103	6/14/2016	Pal, Savitha Thankam Bass, Roy Doody, Colin Gilad, Yaniv Sternlicht, Daniel
26136-0067	DES	ISSUED	US	DISPLAY SCREEN OR PORTION THEREOF WITH GRAPHICAL USER INTERFACE	29/541,960	10/9/2015		D759,104	6/14/2016	Pal, Savitha Thankam Bass, Roy Doody, Colin Gilad, Yaniv Sternlicht, Daniel
26136-0068	DES	ISSUED	US	DISPLAY SCREEN OR PORTION THEREOF WITH GRAPHICAL USER INTERFACE	29/541,967	10/9/2015		D759,106	6/14/2016	Pal, Savitha Thankam Bass, Roy Doody, Colin Gilad, Yaniv Sternlicht, Daniel
26136-0069	DES	ISSUED	US	DISPLAY SCREEN OR PORTION THEREOF WITH GRAPHICAL USER INTERFACE	29/541,968	10/9/2015		D759,107	6/14/2016	Pal, Savitha Thankam Bass, Roy Doody, Colin Gilad, Yaniv Sternlicht, Daniel
26136-0072	DES	ISSUED	US	DISPLAY SCREEN OR PORTION THEREOF WITH GRAPHICAL USER INTERFACE	29/541,984	10/9/2015		D759,108	6/14/2016	Pal, Savitha Thankam Bass, Roy Doody, Colin Gilad, Yaniv Sternlicht, Daniel
26136-0073	DES	ISSUED	US	DISPLAY SCREEN OR PORTION THEREOF WITH GRAPHICAL USER INTERFACE	29/541,991	10/9/2015		D759,109	6/14/2016	Pal, Savitha Thankam Bass, Roy Doody, Colin Gilad, Yaniv Sternlicht, Daniel
26136-0074	DES	ISSUED	US	MOBILE DEVICE DISPLAY SCREEN OR PORTION THEREOF WITH A GRAPHICAL USER INTERFACE	29/548,888	12/17/2015		D775,152	12/27/2016	Perach, Ofer Knablein, Uta Erental, Amit
26136-0075	DES	ISSUED	US	MOBILE DEVICE DISPLAY SCREEN OR PORTION THEREOF WITH A GRAPHICAL USER INTERFACE	29/548,904	12/17/2015		D775,153	12/27/2016	Perach, Ofer Knablein, Uta Erental, Amit
26136-0076	DES	ISSUED	US	MOBILE DEVICE DISPLAY SCREEN OR PORTION THEREOF WITH A GRAPHICAL USER INTERFACE	29/548,907	12/17/2015		D775,154	12/27/2016	Perach, Ofer Knablein, Uta Erental, Amit
26136-0077	DES	ISSUED	US	MOBILE DEVICE DISPLAY SCREEN OR PORTION THEREOF WITH A GRAPHICAL USER INTERFACE	29/548,938	12/17/2015		D775,155	12/27/2016	Perach, Ofer Knablein, Uta Erental, Amit




















26136-0078	DES	ISSUED	US	MOBILE DEVICE DISPLAY SCREEN OR PORTION THEREOF WITH A GRAPHICAL USER INTERFACE	29/548,945	12/17/2015			D775,156	12/27/2016	Perach, Ofer Knablein, Uta Erental, Amit
26136-0079	DES	ISSUED	US	MOBILE DEVICE DISPLAY SCREEN OR PORTION THEREOF WITH A GRAPHICAL USER INTERFACE	29/548,952	12/17/2015			D775,157	12/27/2016	Perach, Ofer Knablein, Uta Erental, Amit
26136-0082	DES	ISSUED	US	DISPLAY SCREEN OR PORTION THEREOF WITH A GRAPHICAL USER INTERFACE	29/554,194	2/9/2016			D800,738	10/24/2017	Xu, Eric Campbell, Anita Katherine
26136-0084	DES	ISSUED	EU	MOBILE DEVICE SCREEN OR PORTION THEREOF WITH A GRAPHICAL USER INTERFACE	001446025	2/19/2016			001446025	2/19/2016	Perach, Ofer Knablein, Uta Erental, Amit
26136-0086	DES	ISSUED	EU	ELECTRONIC DEVICE DISPLAY	001447353	3/31/2016			001447353	3/31/2016	Simchi, Shaked Solomon, Avi
26136-0087	DES	ISSUED	EU	DEVICE DISPLAY OR PORTION THEREOF WITH A GRAPHICAL USER INTERFACE	001447361	3/31/2016			001447361	3/31/2016	
26136-0090	UTL	PUBLISHED	US	SYSTEMS AND METHODS FOR PRESENTING CONTENT	15/170,229	6/1/2016	US 2016-0275127 A1	9/22/2016			Freishtat, Gregg S. Kaib, Paul Edward
26136-0091	UTL	ISSUED	US	USER ACTIVITY MEASUREMENT RELATING TO A RECOMMENDATION SOURCE	15/221,032	7/27/2016			9,787,788	10/10/2017	Boshy, Shlomy Galai, Yaron
26136-0092	DES	ISSUED	US	DEVICE DISPLAY OR PORTION THEREOF WITH A MESSAGING GRAPHICAL USER INTERFACE	29/582,646	10/28/2016			D832,291	10/30/2018	Pal, Savitha Thankam Regev, Oded Ben-Itzhak, Yuval
26136-0094	DES	ISSUED	EU	DEVICE DISPLAY OR PORTION THEREOF WITH A MESSAGING GRAPHICAL USER INTERFACE	001454078	11/3/2016			001454078	11/3/2016	Pal, Savitha Thankam Regev, Oded Ben-Itzhak, Yuval
26136-0099	DES	ISSUED	US	ELECTRONIC DEVICE DISPLAY SCREEN OR PORTION THEREOF WITH A GRAPHICAL USER INTERFACE	29/625,166	11/7/2017			D850,466	6/4/2019	Ari, Aynat Ben Aghion, Oren Elster, Uriel Zluf, Liron
26136-0100	DES	ISSUED	US	ELECTRONIC DEVICE DISPLAY OR PORTION THEREOF WITH ANIMATED GRAPHICAL USER INTERFACE	29/626,621	11/17/2017			D851,674	6/18/2019	Bass, Roy Sellam, Jonathan Raskin, Ela Eldar
26136-0101	UTL	PUBLISHED	US	USER LIFETIME REVENUE ALLOCATION ASSOCIATED WITH PROVISIONED CONTENT RECOMMENDATIONS	16/169,562	10/24/2018	US 2019-0058770 A1	2/21/2019			Tamir, Ido Bass, Roy Doody, Colin Gilad, Yaniv Stemlich, Daniel
26136-0102	DES	ISSUED	EU	ELECTRONIC DEVICE DISPLAY SCREEN OR PORTION THEREOF WITH A GRAPHICAL USER INTERFACE	005254174	5/1/2018			005254174	5/1/2018	Ari, Aynat Ben Aghion, Oren Elster, Uriel Zluf, Liron
26136-0103	DES	ISSUED	EU	ELECTRONIC DEVICE DISPLAY OR PORTION THEREOF WITH ANIMATED GRAPHICAL USER INTERFACE	005269222	5/15/2018			005269222	5/15/2018	Bass, Roy Sellam, Jonathan Raskin, Ela Eldar
26136-0104	UTL	ALLOWED	US	PROVISIONING PERSONALIZED CONTENT RECOMMENDATIONS	16/119,262	8/31/2018		12/27/2018			Bass, Roy Doody, Colin Gilad, Yaniv Stemlich, Daniel Stern Tamir, Ido
26136-0106	DES	ISSUED	US	MOBILE DEVICE DISPLAY OR PORTION THEREOF WITH A GRAPHICAL USER INTERFACE	29/667,883	10/25/2018			D871,436	12/31/2019	Galai, Yaron Ari, Aynat Ben Harari, Asaf
26136-0113	DES	PENDING	US	ELECTRONIC DEVICE DISPLAY OR PORTION THEREOF WITH AN ANIMATED GRAPHICAL USER INTERFACE	29/690,022	5/3/2019					Berkover, Natan Ozer, Hadas
26136-0114	DES	ISSUED	EU	DEVICE DISPLAY OR PORTION THEREOF WITH A GRAPHICAL USER INTERFACE	006396685	4/25/2019			006396685	4/25/2019	Galai, Yaron Ari, Aynat Ben Harari, Asaf
26136-0115	DES	PENDING	US	ELECTRONIC DEVICE DISPLAY OR PORTION THEREOF WITH AN ANIMATED GRAPHICAL USER INTERFACE	29/693,057	5/30/2019					Elisha, Amit Berkover, Natan Gurevitch, Sagiv Ozer, Hadas
26136-0116	DES	ISSUED	EU	ELECTRONIC DEVICE DISPLAY OR PORTION THEREOF WITH AN ANIMATED GRAPHICAL USER INTERFACE	006813838	9/4/2019			006813838	9/4/2019	









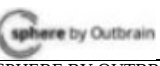
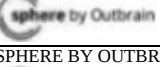
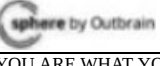
26136-0119	DES	PENDING	US	ELECTRONIC DEVICE DISPLAY OR PORTION THEREOF WITH AN ANIMATED GRAPHICAL USER INTERFACE	29/692,251	5/23/2019					Berkover, Natan Ozer, Hadas
26136-0120	DES	ISSUED	EU	ELECTRONIC DEVICE DISPLAY OR PORTION THEREOF WITH AN ANIMATED GRAPHICAL USER INTERFACE	007082680	10/23/2019			007082680	10/23/2019	Elisha, Amit Berkover, Natan Gurevitch, Sagiv Ozer, Hadas





**OUTBRAIN, INC'S ACTIVE TRADEMARK/SERVICE MARK
APPLICATIONS/REGISTRATIONS WORLDWIDE
(STATUS AS OF 03/26/2020)**





	Mark	Country	Status	App. No.	File Date	Reg. No.	Reg. Date	Class
1.	Amelia Face Logo 	Argentina	Registered	3346871	15-Aug-2014	2750376	09-Jul-2015	9
2.	Amelia Face Logo 	Argentina	Registered	3346872	15-Aug-2014	2750377	09-Jul-2015	35
3.	Amelia Face Logo 	Australia	Registered	1641207	15-Aug-2014	1641207	10-Dec-2014	9, 35
4.	Amelia Face Logo 	Brazil	Registered	908137680	18-Aug-2014	908137680	21-Feb-2017	9
5.	Amelia Face Logo 	Brazil	Registered	908137761	18-Aug-2014	908137761	21-Feb-2017	35
6.	Amelia Face Logo 	Canada	Registered	1689804	15-Aug-2014	TMA951429	05-Oct-2016	9, 35
7.	Amelia Face Logo 	China	Registered	15172024	18-Aug-2014	15172024	07-Oct-2015	35
8.	Amelia Face Logo 	China	Registered	17237263	18-Jun-2015	17237263	28-Aug-2016	42
9.	Amelia Face Logo 	Costa Rica	Registered	2014007074	19-Aug-2014	240557	09-Jan-2015	9, 35
10.	Amelia Face Logo 	European Union	Registered	13175823	15-Aug-2014	13175823	18-Mar-2015	9, 35, 42
11.	Amelia Face Logo 	Hong Kong	Registered	303102948	15-Aug-2014	303102948	24-Apr-2015	9, 35
12.	Amelia Face Logo 	Israel	Registered	271121	30-Dec-2014	271121	02-Jan-2017	9, 35
13.	Amelia Face Logo 	Japan	Registered	691492014	18-Aug-2014	5761919	01-May-2015	9, 35
14.	Amelia Face Logo 	Mexico	Registered	1517096	15-Aug-2014	1496202	14-Nov-2014	9
15.	Amelia Face Logo 	Mexico	Registered	1517095	15 Aug-2014	1496201	14-Nov-2014	35
16.	Amelia Face Logo 	Singapore	Registered	T1413031C	15-Aug-2014	T1413031C	26-Feb-2016	9, 35
17.	Amelia Face Logo 	So. Korea	Registered	4520140006472	18-Aug-2014	4556340	20-May-2015	9, 35
18.	Amelia Face Logo 	South Africa	Registered	201421736	15-Aug-2014	201421736	09-Feb-2017	9
19.	Amelia Face Logo 	South Africa	Registered	201421737	15-Aug-2014	201421737	09-Feb-2017	35
20.	Amelia Face Logo 	U.S.	Registered	86256857	18-Apr-2014	4767037	07-Jul-2015	35
21.	OUTBRAIN	Argentina	Registered	3087666	17-May-2011	3087666	29-Aug-2014	9
22.	OUTBRAIN	Argentina	Registered	3087667	17-May-2011	2521989	29-Aug-2012	35
23.	OUTBRAIN	Australia	Registered	1459321	10-Nov-2011	1459321	4-Dec-2013	9, 35
24.	OUTBRAIN	Brazil	Registered	831116641	13-Jul-2011	831116641	29-Oct-2014	9
25.	OUTBRAIN	Brazil	Registered	831029811	16-May-2011	831029811	19-Aug-2014	35
26.	OUTBRAIN	Brazil	Registered	831116633	13-Jul-2011	831116633	29-Oct-2014	35
27.	OUTBRAIN	Canada	Registered	1528118	17-May-2011	TMA883849	12-Aug-2014	9, 35
28.	OUTBRAIN	China	Registered	10221726	23-Nov-2011	10221726	28-Jan-2013	9
29.	OUTBRAIN	China	Registered	9474161	17-May-2011	9474161	07-Aug-2012	35
30.	OUTBRAIN	China	Registered	9474168	17-May-2011	9474168	14-Aug-2012	35
31.	OUTBRAIN	Costa Rica	Registered	2011012378	15-Dec-2011	218873	28-May-2012	35
32.	OUTBRAIN	Costa Rica	Registered	2011007934	18-Aug-2011	217902	26-Apr-2012	9, 35
33.	OUTBRAIN	European Union	Registered	10197812	16-Aug-2011	10197812	29-Mar-2012	9, 35, 42
34.	OUTBRAIN	Hong Kong	Registered	301919025	17-May-2011	301919025	30-Apr-2012	9, 35
35.	OUTBRAIN	India	Registered	2144776	16-May-2011	2144776	08-Sep-2017	9
36.	OUTBRAIN	India	Registered	2144775	16-May-2011	2144775	14-Apr-2018	35
37.	OUTBRAIN	India	Registered	2144777	16-May-2011	2144777	20-Oct-2017	35
38.	OUTBRAIN	Israel	Registered	271120	30-Dec-2014	271120	05-May-2016	9, 35
39.	OUTBRAIN	Japan	Registered	331602011	16-May-2011	5555557	8-Feb-2013	9, 35
40.	OUTBRAIN	Mexico	Registered	1178692	17-May-2011	1259647	10-Feb-2012	9
41.	OUTBRAIN	Mexico	Registered	1178685	17-May-2011	1178685	10-Jan-2012	35
42.	OUTBRAIN	Mexico	Registered	1178689	17-May-2011	1261913	23-Jan-2012	35





	Mark	Country	Status	App. No.	File Date	Reg. No.	Reg. Date	Class
43.	OUTBRAIN	Singapore	Registered	T1106400Z	16-May-2011	T1106400Z	16-May-2013	9, 35
44.	OUTBRAIN	So. Korea	Registered	4520110002052	16-May-2011	450042963	3-Jan-2013	9, 35
45.	OUTBRAIN	South Africa	Registered	201128578	09-Nov-2011	201125878	2-Apr-2014	9
46.	OUTBRAIN	South Africa	Registered	201128579	09-Nov-2011	201128579	2-Apr-2014	35
47.	OUTBRAIN	U.S.	Registered	85317579	10-May-2011	4070711	13-Dec-2011	9
48.	OUTBRAIN	U.S.	Registered	85179286	17-Nov-2010	4287469	12-Feb-2013	35
49.	OUTBRAIN	U.S.	Registered	85317587	10-May-2011	4287520	12-Feb-2013	35
50.	OUTBRAIN in Hebrew אאוטברייין	Israel	Registered	281193	23-Dec-2015	281193	04-Sep-2018	9, 35
51.	OUTBRAIN with Amelia Face Logo 	Argentina	Registered	3346869	15-Aug-2014	2750374	09-Jul-2015	9
52.	OUTBRAIN with Amelia Face Logo 	Argentina	Registered	3346870	15-Aug-2014	2750375	09-Jul-2015	35
53.	OUTBRAIN with Amelia Face Logo 	Australia	Registered	1641205	15-Aug-2014	1641205	10-Dec-2014	9, 35
54.	OUTBRAIN with Amelia Face Logo 	Brazil	Registered	908137567	18-Aug-2014	908137567	21-Feb-2017	9
55.	OUTBRAIN with Amelia Face Logo 	Brazil	Registered	908137648	18-Aug-2014	908137648	21-Feb-2017	35
56.	OUTBRAIN with Amelia Face Logo 	Canada	Registered	1689803	15-Aug-2014	TMA951426	05-Oct-2016	9, 35
57.	OUTBRAIN with Amelia Face Logo 	China	Registered	15172026	18-Aug-2014	15172026	07-Oct-2015	35
58.	OUTBRAIN with Amelia Face Logo 	China	Registered	17237261	18-Jun-2015	17237261	28-Aug-2016	42
59.	OUTBRAIN with Amelia Face Logo 	Costa Rica	Registered	20140007075	19-Aug-2014	240557	09-Jan-2015	9, 35
60.	OUTBRAIN with Amelia Face Logo 	European Union	Registered	13175773	15-Aug-2014	13175773	19-Mar-2015	9, 35, 42
61.	OUTBRAIN with Amelia Face Logo 	Hong Kong	Registered	303102957	15-Aug-2014	303102957	24-Apr-2015	9, 35
62.	OUTBRAIN with Amelia Face Logo 	India	Registered	2794731	21-Aug-2014	2794731	30-Sep-2017	9, 35
63.	OUTBRAIN with Amelia Face Logo 	Israel	Registered	271119	30-Dec-2014	271119	02-Jan-2017	9, 35
64.	OUTBRAIN with Amelia Face Logo 	Japan	Registered	691482014	18-Aug-2014	5761918	01-May-2015	9, 35
65.	OUTBRAIN with Amelia Face Logo 	Mexico	Registered	1517098	15-Aug-2014	1502114	10-Dec-2014	9


	Mark	Country	Status	App. No.	File Date	Reg. No.	Reg. Date	Class
66.	OUTBRAIN with Amelia Face Logo 	Mexico	Registered	1517097	15-Aug-2014	1502113	10-Dec-2014	35
67.	OUTBRAIN with Amelia Face Logo 	Singapore	Registered	T1413030E	15-Aug-2014	T1413030E	26-Feb-2016	9, 35
68.	OUTBRAIN with Amelia Face Logo 	So. Korea	Registered	4520140006471	18-Aug-2014	4556341	20-May-2015	9, 35
69.	OUTBRAIN with Amelia Face Logo 	South Africa	Registered	201421733	15-Aug-2014	201421733	09-Feb-2017	9
70.	OUTBRAIN with Amelia Face Logo 	South Africa	Registered	201421734	15-Aug-2014	201421734	09-Feb-2017	35
71.	OUTBRAIN with Amelia Face Logo 	U.S.	Registered	86256859	19-Apr-2014	4767038	07-Jul-2015	35
72.	RECOMMENDED BY with Amelia Face Logo Recommended by 	Australia	Registered	1658565	15-Nov-2014	1658565	12-Jun-2015	9, 35
73.	RECOMMENDED BY with Amelia Face Logo Recommended by 	Brazil	Registered	908606354	17-Nov-2014	908606354	16-May-2017	9
74.	RECOMMENDED BY with Amelia Face Logo Recommended by 	Brazil	Registered	908606486	17-Nov-2014	908606486	10-Apr-2018	35
75.	RECOMMENDED BY with Amelia Face Logo Recommended by 	Canada	Registered	1702831	14-Nov-2014	TMA1001431	24-Jul-2018	9, 35
76.	RECOMMENDED BY with Amelia Face Logo Recommended by 	Canada	Registered	1702831	14-Nov-2014	TMA1001431	24-Jul-2018	9, 35
77.	RECOMMENDED BY with Amelia Face Logo Recommended by 	China	Registered	16935305	13-May-2015	16935305	14-Jul-2016	35
78.	RECOMMENDED BY with Amelia Face Logo Recommended by 	China	Registered	16935305	13-May-2015	16935305	14-Jul-2016	35
79.	RECOMMENDED BY with Amelia Face Logo Recommended by 	China	Registered	19454817	29-Mar-2016	19454817	07-May-2017	42
80.	RECOMMENDED BY with Amelia Face Logo Recommended by 	European Union	Registered	13463419	17-Nov-2014	13463419	30-Mar-2015	9, 35, 42
81.	RECOMMENDED BY with Amelia Face Logo Recommended by 	India	Registered	2843636	17-Nov-2014	2843636	23-Oct-2017	9, 35
82.	RECOMMENDED BY with Amelia Face Logo Recommended by 	Israel	Registered	271118	30-Dec-2014	271118	02-Jan-2017	9, 35
83.	RECOMMENDED BY with Amelia Face Logo Recommended by 	Japan	Registered	201496872	17-Nov-2014	5783217	31-Jul-2015	9, 35
84.	RECOMMENDED BY with Amelia Face Logo Recommended by 	Mexico	Registered	1549553	14-Nov-2014	1521704	12-Mar-2015	9

	Mark	Country	Status	App. No.	File Date	Reg. No.	Reg. Date	Class
85.	RECOMMENDED BY with Amelia Face Logo  Recommended by 	Mexico	Registered	1549556	14-Nov-2014	1530070	16-Apr-2015	35
86.	RECOMMENDED BY with Amelia Face Logo  Recommended by 	Singapore	Registered	40201500783U	18-Nov-2014	40201500783U	04-Jun-2015	9, 35
87.	RECOMMENDED BY with Amelia Face Logo  Recommended by 	U.S.	Registered	86454164	13-Nov-2014	5258538	08-Aug-2017	35
88.	SPHERE	U.S.	Pending	87794424	14-Feb-2018			9, 35
89.	SPHERE & Design 	U.S.	Pending	87797955	14-Feb-2018			9, 35
90.	SPHERE BY OUTBRAIN & Design 	U.S.	Pending	87797958	14-Feb-2018			9, 35
91.	SPHERE BY OUTBRAIN & Design 	European Union	Registered	017967770	12-Oct-2018	017967770	26-Feb-2018	9, 35
92.	SPHERE BY OUTBRAIN & Design 	Japan	Pending	2018-128510	15-Oct-2018			9, 35
93.	SPHERE BY OUTBRAIN & Design 	U.S.	Pending	88076720	13-Aug-2018			9, 35
94.	YOU ARE WHAT YOU RECOMMEND	Argentina	Registered	3461867	02-Dec-2015	2853019	25-Nov-2016	9
95.	YOU ARE WHAT YOU RECOMMEND	Argentina	Registered	3461868	02-Dec-2015	2853020	25-Nov-2016	35
96.	YOU ARE WHAT YOU RECOMMEND	Australia	Registered	1706323	09-Jul-2015	1706323	15-Jan-2016	9, 35
97.	YOU ARE WHAT YOU RECOMMEND	Brazil	Registered	910355304	02-Dec-2015	910355304	14-Feb-2018	9
98.	YOU ARE WHAT YOU RECOMMEND	Brazil	Registered	910355363	02-Dec-2015	910355363	14-Feb-2018	35
99.	YOU ARE WHAT YOU RECOMMEND	Costa Rica	Registered	20150011598	02-Dec-2015	251839	29-Apr-2016	9, 35
100.	YOU ARE WHAT YOU RECOMMEND	European Union	Registered	14349005	09-Jul-2015	14349005	03-Nov-2015	9, 35, 42
101.	YOU ARE WHAT YOU RECOMMEND	Hong Kong	Registered	303468204	09-Jul-2015	303468204	18-Feb-2016	9, 35
102.	YOU ARE WHAT YOU RECOMMEND	India	Registered	3112931	02-Dec-2015	3112931	15-Dec-2017	9, 35
103.	YOU ARE WHAT YOU RECOMMEND	Israel	Registered	280438	02-Dec-2015	280438	09-Apr-2018	9, 35
104.	YOU ARE WHAT YOU RECOMMEND	Japan	Registered	1185782015	02-Dec-2015	5863021	01-Jul-2016	9, 35
105.	YOU ARE WHAT YOU RECOMMEND	Mexico	Registered	1635199	20-Jul-2015	1597564	19-Dec-2015	9
106.	YOU ARE WHAT YOU RECOMMEND	Mexico	Registered	1635200	20-Jul-2015	1663871	12-Aug-2016	35
107.	YOU ARE WHAT YOU RECOMMEND	New Zealand	Registered	1023064	10-Jul-2015	1023064	12-Jan-2016	9, 35
108.	YOU ARE WHAT YOU RECOMMEND	Singapore	Registered	40201521159X	02-Dec-2015	40201521159X	01-Jun-2016	9, 35
109.	YOU ARE WHAT YOU RECOMMEND	So. Korea	Registered	4520150011033	02-Dec-2015	4569325	11-Nov-2016	9, 35

	Mark	Country	Status	App. No.	File Date	Reg. No.	Reg. Date	Class
110.	YOU ARE WHAT YOU RECOMMEND	South Africa	Registered	201534740	02-Dec-2015	201534740	31-May-2018	9
111.	YOU ARE WHAT YOU RECOMMEND	South Africa	Registered	201534741	02-Dec-2015	201534741	31-May-2018	35
112.	YOU ARE WHAT YOU RECOMMEND	U.S.	Registered	86649618	02-Jun-2015	5032852	30-Aug-2017	9, 35
	Mark	Country	Status	App. No.	File Date	Reg. No.	Reg. Date	Class
113.	ZEMANTA	Australia	Registered	1988420	08-Feb-2019	1988420	16-Sep-2019	42
114.	ZEMANTA	Brazil	Registered	916707105	08-Feb-2019	916707105	22-Oct-2019	42
115.	ZEMANTA	Canada	Pending	1945223	08-Feb-2019			42
116.	ZEMANTA	China	Registered	36304890	08-Feb-2019	36304890	07-Nov-2019	42
117.	ZEMANTA	European Union	Registered	018020862	08-Feb-2019	018020862	25-Jun-2019	42
118.	ZEMANTA	Hong Kong	Registered	304824955	08-Feb-2019	304824955	10-Jul-2019	42
119.	ZEMANTA	Israel	Registered	313495	08-Feb-2019	313495	02-Dec-2019	42
120.	ZEMANTA	Japan	Allowed	2019-022886	08-Feb-2019			42
121.	ZEMANTA	Mexico	Registered	2163601	08-Feb-2019	1999348	13-May-2019	42
122.	ZEMANTA	Singapore	Registered	40201902866T	08-Feb-2019	40201902866T	01-Aug-2019	42
123.	ZEMANTA	So. Korea	Registered	40-2019-20029	08-Feb-2019	40-1574509	12-Feb-2020	42
124.	ZEMANTA	UK	Registered	3373814	08-Feb-2019	3373814	26-Apr-2019	42
125.	ZEMANTA	U.S.	Registered	88072287	08-Aug-2019	5848811	03-Sep-2019	42
	Mark	Country	Status	App. No.	File Date	Reg. No.	Reg. Date	Class
1.	L Design 	European Union Base of IR No 1318200	Registered	014522031	28-Aug-2015	014522031	04-May-2016	9, 16, 35, 38, 41, 42, 45
2.	L Design 	Switzerland Designation IR No 1318200 Int'l Reg (Madrid) Base: EU Designations: U.S., Switzerland, Turkey	Registered			1318200	24-Feb-2016	9, 16, 35, 38, 41, 42, 45
3.	L Design 	Turkey Designation IR No 1318200 Int'l Reg (Madrid) Base: EU Designations: U.S., Switzerland, Turkey	Registered			1318200	24-Feb-2016	9, 16, 35, 38, 41, 42, 45
4.	L Design 	U.S. Designation IR No 1318200 Int'l Reg (Madrid) Base: EU Designations: U.S., Switzerland, Turkey	Registered	79195803	24-Feb-2016	5488605	12-Jun-2018	9, 16, 35, 38, 41, 42, 45

	Mark	Country	Status	App. No.	File Date	Reg. No.	Reg. Date	Class
5.	L LIGATUS & Design 	European Union Base of IR No 1316654	Registered	014522049	28-Aug-2015	014522049	13-Apr-2017	9, 16, 35, 38, 41, 42, 45
6.	L LIGATUS & Design 	Switzerland Designation IR No 1316654 Int'l Reg (Madrid) Base: EU Designations: U.S., Switzerland, Turkey	Registered			1316654	24-Feb-2016	9, 16, 35, 38, 41, 42, 45
7.	L LIGATUS & Design 	Turkey Designation IR No 1316654 Int'l Reg (Madrid) Base: EU Designations: U.S., Switzerland, Turkey	Registered			1316654	24-Feb-2016	9, 16, 35, 38, 41, 42, 45
8.	L LIGATUS & Design 	U.S. Designation IR No 1316654 Int'l Reg (Madrid) Base: EU Designations: U.S., Switzerland, Turkey	Registered	79195107	24-Feb-2016	5298720	03-Oct-2017	9, 16, 35, 38, 41, 42, 45
9.	LIGATUS	Canada	Allowed	1759391	14-Dec-2015			09 16 35 36 38 42
10.	LIGATUS	Germany	Registered	305084291	15-Feb-2005	30508429	21-Apr-2005	9, 16, 35, 36, 38, 42
11.	LIGATUS	European Union Base of IR No 1225159	Registered	004829396	28-Dec-2005	004829396	05-Apr-2007	9, 16, 35, 36, 38, 42
12.	LIGATUS	Switzerland Designation IR No 1225159 Int'l Reg (Madrid) Base: EU Designations: U.S., Switzerland, Turkey	Registered			1225159	03-Jul-2014	9, 16, 35, 36, 38, 42

	Mark	Country	Status	App. No.	File Date	Reg. No.	Reg. Date	Class
13.	LIGATUS	Turkey Designation IR No 1225159 Int'l Reg (Madrid) Base: EU Designations: U.S., Switzerland, Turkey	Registered			1225159	03-Jul-2014	9, 16, 35, 36, 38, 42
14.	LIGATUS	U.S. Designation IR No 1225159 Int'l Reg (Madrid) Base: EU Designations: U.S., Switzerland, Turkey	Registered	79178257	23-Oct-2015'	5202120	16-May-2017	9, 16, 35, 36, 38, 42
15.	LIGATUS & Design 	Germany Base of IR No 1239745	Registered	305640747	31-Oct-2005	30564074	30-Mar-2006	9, 16, 35, 36, 38, 42
16.	LIGATUS & Design 	European Union Designation IR No 1239745 Int'l Reg (Madrid) Base: Germany Designations: EU, U.S., Switzerland, Turkey	Registered			1239745	03-Jul-2014	9, 16, 35, 36, 38, 42
17.	LIGATUS & Design 	Switzerland Designation IR No 1239745 Int'l Reg (Madrid) Base: Germany Designations: EU, U.S., Switzerland, Turkey	Registered			1239745	03-Jul-2014	9, 16, 35, 36, 38, 42
18.	LIGATUS & Design 	Turkey Designation IR No 1239745 Int'l Reg (Madrid) Base: Germany Designations: EU, U.S., Switzerland, Turkey	Registered			1239745	03-Jul-2014	9, 16, 35, 36, 38, 42

	Mark	Country	Status	App. No.	File Date	Reg. No.	Reg. Date	Class
19.	LIGATUS & Design 	U.S. Designation IR No 1239745 Int'l Reg (Madrid) Base: Germany Designations: EU, U.S., Switzerland, Turkey	Registered	79178993	23-Oct-2015'	5202125	16-May-2017	9, 16, 35, 36, 38, 42
20.	LIGATUS DIRECTADS	Germany Base of IR No 1241574	Registered	307569004	30-Aug-2007	30756900	28-Nov-2007	9, 35, 38, 42, 45
21.	LIGATUS DIRECTADS	European Union Designation IR No 1241574 Int'l Reg (Madrid) Base: Germany Designations: EU, Turkey	Registered			1241574	03-Jul-2014	9, 35, 35, 38, 42, 45
22.	LIGATUS DIRECTADS	Turkey Designation IR No 1241574 Int'l Reg (Madrid) Base: Germany Designations: EU, Turkey	Registered			1241574	03-Jul-2014	9, 35, 35, 38, 42, 45
23.	REVENEE	Germany Base of IR No 1419867	Registered	3020170254490	09-Oct-2017	302017025449	19-Oct-2017	9, 16, 35, 38, 41, 42, 45
24.	REVENEE	European Union Designation IR No 1419867 Int'l Reg (Madrid) Base: Germany Designations: EU, UK, U.S., Switzerland	Registered			1419867	05-Apr-2018	9, 16, 35, 38, 41, 42, 45
25.	REVENEE	Switzerland Designation IR No 1419867 Int'l Reg (Madrid) Base: Germany Designations: EU, UK, U.S., Switzerland	Registered			1419867	05-Apr-2018	9, 16, 35, 38, 41, 42, 45

	Mark	Country	Status	App. No.	File Date	Reg. No.	Reg. Date	Class
26.	REVENEE	UK Designation IR No 1419867 Int'l Reg (Madrid) Base: Germany Designations: EU, UK, Switzerland	Registered			1419867	05-Apr-2018	9, 16, 35, 38, 41, 42, 45
27.	VEESEO	European Union Base of IR No 1231702	Registered	009192428	07-Jun-2010	009192428	02-Nov-2010	9, 35, 42, 45
28.	VEESEO	Switzerland Designation IR No. 1231702 Int'l Reg (Madrid) Base: EU Designations: Switzerland	Registered			1231702	22-Oct-2014	9, 35, 42, 45
29.	VEESEO	U.S. Designation IR No. 1231702 Int'l Reg (Madrid) Base: EU Designations: Switzerland	Registered	79158675	22-Oct-2014	4961942	24-May-2016	9, 35, 42, 45
30.	VSEO	European Union	Registered	00992436	07-Jun-2010	009192436	02-Nov-2010	9, 35, 42, 45

**Request for Taxpayer
Identification Number and Certification**

**Give Form to the
requester. Do not
send to the IRS.**

► **Go to www.irs.gov/FormW9 for instructions and the latest information.**

Print or type.
See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. Outbrain Inc.	
2 Business name/disregarded entity name, if different from above	
3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor or Single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see instructions) ►	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>
5 Address (number, street, and apt. or suite no.) See instructions. 39 West 13th St 3rd Fl	Requester's name and address (optional)
6 City, state, and ZIP code New York NY 10011	
7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN) Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> , later.		Social security number <table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td style="width: 20px;"> </td> <td style="width: 20px;"> </td> <td style="width: 20px;"> </td> <td style="width: 20px;">-</td> <td style="width: 20px;"> </td> <td style="width: 20px;"> </td> <td style="width: 20px;">-</td> <td style="width: 20px;"> </td> <td style="width: 20px;"> </td> <td style="width: 20px;"> </td> <td style="width: 20px;"> </td> </tr> </table>				-			-				
			-			-							
Note: If the account is in more than one name, see the instructions for line 1. Also see <i>What Name and Number To Give the Requester</i> for guidelines on whose number to enter.		or Employer identification number <table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td style="width: 20px;">2</td> <td style="width: 20px;">0</td> <td style="width: 20px;">-</td> <td style="width: 20px;">5</td> <td style="width: 20px;">3</td> <td style="width: 20px;">9</td> <td style="width: 20px;">1</td> <td style="width: 20px;">6</td> <td style="width: 20px;">2</td> <td style="width: 20px;">9</td> </tr> </table>	2	0	-	5	3	9	1	6	2	9	
2	0	-	5	3	9	1	6	2	9				

Part II Certification
Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person ► /s/ Barry Schofield	Date ► 3/27/2020
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General Instructions
Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form
An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting*, later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701 -7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. own of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the instructions for Part II for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding use you did not report all your interest and dividends on your tax urn (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships*, earlier.

What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note: ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or “doing business as” (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity’s name as shown on the entity’s tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a “disregarded entity.” See Regulations section 301.7701-2(c)(2)(iii). Enter the owner’s name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner’s name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity’s name on line 2, “Business name/disregarded entity name.” If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n)...	THEN check the box for...
• Corporation	Corporation
• Individual • Sole proprietorship, or • Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	Individual/sole proprietor or singlemember LLC
• LLC treated as a partnership for U.S. federal tax purposes, • LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or • LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	Limited liability company and enter the appropriate tax classification. (P=Partnership; C=C corporation; or S=S corporation)
• Partnership	Partnership
• Trust/estate	Trust/estate

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys’ fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1 — An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401 (f)(2)
- 2 — The United States or any of its agencies or instrumentalities
- 3 — A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4 — A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5 — A corporation
- 6 — A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7 — A futures commission merchant registered with the Commodity Futures Trading Commission
- 8 — A real estate investment trust
- 9 — An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10 — A common trust fund operated by a bank under section 584(a)
- 11 — A financial institution
- 12 — A middleman known in the investment community as a nominee or custodian
- 13 — A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for...	THEN the payment is exempt for...
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained of the United States by certain foreign financial institutions. If you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution not required by providing you with a Form W-9 with "Not Applicable" or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number).

This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.SSA.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/Businesses and clicking on Employer Identification Number (EIN) under Starting a Business. Go to www.irs.gov/Forms to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to www.irs.gov/OrderForms to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below

1. **Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

2. **Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. **Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

4. **Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. **Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual or the account ¹
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor ²
5. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee ¹ The actual owner ¹
6. Sole proprietorship or disregarded entity owned by an individual	The owner ³
7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671 -4(b)(2)(i) (A))	The grantor*

For this type of account:	Give name and SSN of:
8. Disregarded entity not owned by an individual	The owner ³
9. A valid trust, estate, or pension trust	Legal entity ⁴
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax- exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee

For this type of account:	Give name and EIN of:
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671 -4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships*, earlier.

***Note:** The grantor also must provide a Form W-9 to trustee of trust.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information - such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1 -800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or report them at www.ftc.gov/complaint. You can contact the FTC at www.ftc.gov/idtheft or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see www.IdentityTheft.gov and Pub. 5027.

Visit www.irs.gov/identitytheft to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

Amendments to Articles of Incorporation

(Attached.)

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED ARE TRUE AND CORRECT COPIES OF ALL DOCUMENTS FILED FROM AND INCLUDING THE RESTATED CERTIFICATE OR A MERGER WITH A RESTATED CERTIFICATE ATTACHED OF "OUTBRAIN INC." AS RECEIVED AND FILED IN THIS OFFICE.

THE FOLLOWING DOCUMENTS HAVE BEEN CERTIFIED:

RESTATED CERTIFICATE, FILED THE FIRST DAY OF APRIL, A.D. 2019, AT 1:20 O'CLOCK P.M.

/s/ Jeffrey W. Bullock
Jeffrey W. Bullock, Secretary of State



4203949 8100X
SR# 20202135803

Authentication: 202584370
Date: 03-13-20

You may verify this certificate online at corp.delaware.gov/authver.shtml

State of Delaware
Secretary of State
Division of Corporations
Delivered 01:20 PM 04/01/2019
FILED 01:20 PM 04/01/2019
SR 20192443449 - File Number 4203949

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION

OF

OUTBRAIN INC.

a Delaware corporation

The following Amended and Restated Certificate of Incorporation of Outbrain Inc. (the "**Corporation**") (i) amends and restates the provisions of the Certificate of Incorporation of the Corporation originally filed with the Secretary of State of the State of Delaware on August 11, 2006, (ii) supersedes the original Certificate of Incorporation and all subsequent amendments and restatements thereto through the date hereof in their entirety, and (iii) was approved pursuant to Sections 242 and 245 of the General Corporation Law of the State of Delaware.

ARTICLE I

The name of the Corporation is Outbrain Inc.

ARTICLE II

The address of the Corporation's registered office in the State of Delaware is located at 251 Little Falls Drive, in the City of Wilmington, in the County of New Castle, in the State of Delaware 19808. The name of its registered agent at such address is Corporation Service Company.

ARTICLE III

The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

ARTICLE IV

A. Classes of Stock. The Corporation is authorized to issue two classes of stock to be designated, respectively, “**Common Stock**” and “**Preferred Stock**”. The total number of shares of all classes of stock which the Corporation is authorized to issue is ONE HUNDRED FIFTY EIGHT MILLION FIFTEEN THOUSAND FIVE HUNDRED NINETY TWO (158,015,592) shares, of which (i) ONE HUNDRED TEN MILLION EIGHT HUNDRED TWELVE THOUSAND FOUR HUNDRED THIRTY FIVE (110,812,435) shares shall be Common Stock, par value \$0.001 per share (“**Common Stock**”) and (ii) FORTY SEVEN MILLION TWO HUNDRED THREE THOUSAND ONE HUNDRED FIFTY SEVEN (47,203,157) shares shall be Preferred Stock, par value \$0.001 per share, of which SEVEN MILLION SIXTY-FIVE THOUSAND NINE HUNDRED AND SEVEN (7,065,907) shares are designated as Series A Preferred Stock (the “**Series A Preferred**”), FOURTEEN MILLION FIVE HUNDRED SIXTY-FIVE THOUSAND SEVEN HUNDRED SIXTY (14,565,760) shares are designated as Series B Preferred Stock (the “**Series B Preferred**”), SIX MILLION FOUR HUNDRED SEVENTY-SEVEN THOUSAND FOUR HUNDRED FORTY-SEVEN (6,477,447) shares are designated as Series C Preferred Stock (the “**Series C Preferred**”), FIVE MILLION SEVEN HUNDRED THIRTY-FIVE THOUSAND AND TWENTY-SIX (5,735,026) shares are designated as Series D Preferred Stock (the “**Series D Preferred**”), ONE MILLION EIGHTY THOUSAND ONE HUNDRED NINETY-SEVEN (1,080,197) shares are designated as Series E Preferred Stock (the “**Series E Preferred**”), FIVE MILLION THREE HUNDRED FORTY-THREE THOUSAND FOUR HUNDRED TWENTY-FIVE (5,343,425) shares are designated as Series F Preferred Stock (the “**Series F Preferred**”), FIVE MILLION SIX HUNDRED SIXTY-SIX THOUSAND ONE HUNDRED SEVENTY-TWO (5,666,172) shares are designated as Series G Preferred Stock (the “**Series G Preferred**”), and ONE MILLION TWO SIXTY NINE THOUSAND TWO HUNDRED TWENTY THREE (1,269,223) shares are designated as Series H Preferred Stock (the “**Series H Preferred**”). The Series A Preferred, Series B Preferred, Series C Preferred, Series D Preferred, Series F Preferred and Series G Preferred are referred to herein collectively as the “**Senior Preferred Stock.**” The Series E Preferred, Series H Preferred and the Common Stock are referred to herein collectively as the “**Junior Stock.**”

B. Rights, Preferences and Restrictions of Preferred Stock. The rights, preferences, privileges and restrictions granted to and imposed on the Common Stock and the Preferred Stock are as set forth below in this Amended and Restated Certificate of Incorporation.

1. Dividends. The holders of Senior Preferred Stock shall be entitled to receive, pro rata among themselves and on an as converted basis, noncumulative dividends, if and when declared by the Corporation’s Board of Directors (the “**Board**”), out of any funds legally available therefor, prior and in preference to any declaration or payment of any dividend according to the following preferences and rates: (i) first, and in preference and priority to any payment of any dividend on Series F Preferred, Series D Preferred, Series C Preferred, Series B Preferred, Series A Preferred or Junior Stock, the holders of shares of Series G Preferred (by reason of their ownership thereof) shall be entitled to receive, ratably among themselves in proportion to the preferential amounts, a dividend up to an amount with respect to all dividends distributed, equal in the aggregate, to the Series G Original Issue Price (as defined below) (the “**Preferred G Dividend Preference**”); (ii) second, following payment in full of the Preferred G Dividend Preference, and in preference and priority to any payment of any dividend on Series D Preferred, Series C Preferred, Series B Preferred, Series A Preferred or Junior Stock, the holders of shares of Series F Preferred (by reason of their ownership thereof) shall be entitled to receive, ratably among themselves in proportion to the preferential amounts, a dividend up to an amount with respect to all dividends distributed, equal in the aggregate, to the Series F Original Issue Price (as defined below) (the “**Preferred F Dividend Preference**”); (iii) third, following payment in full of the Preferred G Dividend Preference and the Preferred F Dividend Preference and in preference and priority to any payment of any dividend on Series C Preferred, Series B Preferred, Series A Preferred or Junior Stock, the holders of shares of Series D Preferred (by reason of their ownership thereof) shall be entitled to receive, ratably among themselves in proportion to the preferential amounts, a dividend up to an amount with respect to all dividends distributed, equal in the aggregate, to the Series D Original Issue Price (as defined below) (the “**Preferred D Dividend Preference**”); (iv) fourth, following payment in full of the Preferred G Dividend Preference, the Preferred F Dividend Preference and the Preferred D Dividend Preference, and in preference and priority to any payment of any dividend on Series B Preferred, Series A Preferred or Junior Stock, the holders of shares of Series C Preferred (by reason of their ownership thereof) shall be entitled to receive, ratably among themselves in proportion to the preferential amounts, a dividend up to an amount with respect to all dividends distributed, equal in the aggregate, to the Series C Original Issue Price (as defined below) (the “**Preferred C Dividend Preference**”); (v) fifth, following payment in full of the Preferred G Dividend Preference, the Preferred F Dividend Preference, the Preferred D Dividend Preference and the Preferred C Dividend Preference, and in preference and priority to any payment of any dividend on Series A Preferred or Junior Stock, the holders of shares of Series B Preferred (by reason of their ownership thereof) shall be entitled to receive, ratably among themselves in proportion to the preferential amounts, a dividend up to an amount with respect to all dividends distributed, equal in the aggregate, to the Series B Original Issue Price (as defined below) (the “**Preferred B Dividend Preference**”); (vi) sixth, following payment in full of the Preferred G Dividend Preference, the Preferred F Dividend Preference, the Preferred D Dividend Preference, the Preferred C Dividend Preference and the Preferred B Dividend Preference and in preference and priority to any payment of any dividend on Junior Stock, the holders of shares of Series A Preferred (by reason of their ownership thereof) shall be entitled to receive, ratably among themselves in proportion to the preferential amounts, a dividend up to an amount with respect to all dividends distributed, equal in the aggregate, to the Series A Original Issue Price (as defined below) (the “**Preferred A Dividend Preference**”); and (vii) seventh, following payment in full of the Preferred G Dividend Preference, the Preferred F Dividend Preference, the Preferred D Dividend Preference, the Preferred C Dividend Preference, the Preferred B Dividend Preference and the Preferred A Dividend Preference, all stockholders of the Corporation will participate on a pro rata basis in the receipt of any additional dividends on an as-converted basis.

2. Liquidation Preference. In the event of any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary, distributions to the stockholders of the Corporation shall be made in the following order of preference:

(a) First, the holders of shares of Series G Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Series F Preferred, Series D Preferred, Series C Preferred, Series B Preferred, Series A Preferred and Junior Stock by reason of their ownership thereof, an amount per share equal to the Series G Original Issue Price for each such share, less cash dividends actually received in respect of such share of Series G Preferred pursuant to Section 1 hereinabove plus an amount equal to declared but unpaid dividends on each share of Series G Preferred (the “**Series G Preference**”). If upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series G Preferred shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire assets and funds of the Corporation legally available for distribution shall be distributed ratably among the holders of the Series G Preferred in proportion to the preferential amounts such holders are entitled to receive. The Original Issue Price of the Series G Preferred shall mean \$8.8243 per share (as adjusted for any stock splits, recapitalizations, stock dividends or the like) (the “**Series G Original Issue Price**”).

(b) Second, and after the Series G Preference has been paid in full, the holders of shares of Series F Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Series D Preferred, Series C Preferred, Series B Preferred, Series A Preferred and Junior Stock by reason of their ownership thereof, an amount per share equal to two (2.0) times the Series F Original Issue Price for each such share, less cash dividends actually received in respect of such share of Series F Preferred pursuant to Section 1 hereinabove plus an amount equal to declared but unpaid dividends on each share of Series F Preferred (the “**Series F Preference**”). If upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series F Preferred shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire assets and funds of the Corporation legally available for distribution (after distribution of the Series G Preference) shall be distributed ratably among the holders of the Series F Preferred in proportion to the preferential amounts such holders are entitled to receive. The Original Issue Price of the Series F Preferred shall mean \$6.7075 per share (as adjusted for any stock splits, recapitalizations, stock dividends or the like) (the “**Series F Original Issue Price**”).

(c) Third, and after the Series G Preference and the Series F Preference have been paid in full, the holders of shares of Series D Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Series C Preferred, Series B Preferred, Series A Preferred and Junior Stock by reason of their ownership thereof, an amount per share equal to the Series D Original Issue Price for each such share, less cash dividends actually received in respect of such share of Series D Preferred pursuant to Section 1 hereinabove plus an amount equal to declared but unpaid dividends on each share of Series D Preferred (the “**Series D Preference**”). If upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series D Preferred shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire assets and funds of the Corporation legally available for distribution (after distribution of the Series G Preference and the Series F Preference) shall be distributed ratably among the holders of the Series D Preferred in proportion to the preferential amounts such holders are entitled to receive. The Original Issue Price of the Series D Preferred shall mean \$6.1407 per share (as adjusted for any stock splits, recapitalizations, stock dividends or the like) (the “**Series D Original Issue Price**”).

(d) Fourth, and after the Series G Preference, the Series F Preference and the Series D Preference have been paid in full, the holders of shares of Series C Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Series B Preferred Series A Preferred and Junior Stock by reason of their ownership thereof, an amount per share equal to the Series C Original Issue Price for each such share, less cash dividends actually received in respect of such share of Series C Preferred pursuant to Section 1 hereinabove plus an amount equal to declared but unpaid dividends on each share of Series C Preferred (the “**Series C Preference**”). If upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series C Preferred shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire assets and funds of the Corporation legally available for distribution (after distribution of the Series G Preference, the Series F Preference and the Series D Preference) shall be distributed ratably among the holders of the Series C Preferred in proportion to the preferential amounts such holders are entitled to receive. The Original Issue Price of the Series C Preferred shall mean \$1.6982 per share (as adjusted for any stock splits, recapitalizations, stock dividends or the like) (the “**Series C Original Issue Price**”).

(e) Fifth, and after the Series G Preference, the Series F Preference, the Series D Preference and the Series C Preference have been paid in full, the holders of shares of Series B Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Series A Preferred and Junior Stock by reason of their ownership thereof, an amount per share equal to the Series B Original Issue Price for each such share, less cash dividends actually received in respect of such share of Series B Preferred pursuant to Section 1 hereinabove plus an amount equal to declared but unpaid dividends on each share of Series B Preferred (the “**Series B Preference**”). If upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series B Preferred shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire assets and funds of the Corporation legally available for distribution (after distribution of the Series G Preference, the Series F Preference, the Series D Preference and the Series C Preference) shall be distributed ratably among the holders of the Series B Preferred in proportion to the preferential amounts such holders are entitled to receive. The Original Issue Price of the Series B Preferred shall mean \$0.82385 per share (as adjusted for any stock splits, recapitalizations, stock dividends or the like) (the “**Series B Original Issue Price**”).

(f) Sixth, and after the Series G Preference, the Series F Preference, the Series D Preference, the Series C Preference and the Series B Preference have been paid in full, the holders of shares of Series A Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Junior Stock by reason of their ownership thereof, an amount per share equal to the Series A Original Issue Price for each such share, less cash dividends actually received in respect of such share of Series A Preferred pursuant to Section 1 hereinabove, plus an amount equal to declared but unpaid dividends on each share of Series A Preferred (the “**Series A Preference**”). If upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series A Preferred shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire assets and funds of the Corporation legally available for distribution (after the distribution of the Series G Preference, the Series F Preference, the Series D Preference, the Series C Preference and the Series B Preference) shall be distributed ratably among the holders of the Series A Preferred in proportion to the preferential amounts such holders are entitled to receive. The Original Issue Price of the Series A Preferred shall mean \$0.7226 per share (as adjusted for any stock splits, recapitalizations, stock dividends or the like) (the “**Series A Original Issue Price**”).

(g) Seventh, and after the Series G Preference, the Series F Preference, the Series D Preference, the Series C Preference, the Series B Preference and the Series A Preference have been paid in full, the holders of shares of Series E Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Series H Preferred and Common Stock by reason of their ownership thereof, an amount per share equal to the Series E Original Issue Price for each such share (the “**Series E Preference**”). If upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series E Preferred shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire assets and funds of the Corporation legally available for distribution (after the distribution of the Series G Preference, the Series F Preference, the Series D Preference, the Series C Preference, the Series B Preference and the Series A Preference) shall be distributed ratably among the holders of the Series E Preferred in proportion to the preferential amounts such holders are entitled to receive. The Original Issue Price of the Series E Preferred shall mean \$5.5545 per share (as adjusted for any stock splits, recapitalizations, stock dividends or the like) (the “**Series E Original Issue Price**”).

(h) Eighth, and after the Series G Preference, the Series F Preference, the Series D Preference, the Series C Preference, the Series B Preference, the Series A Preference and the Series E Preference have been paid in full, the holders of shares of Series H Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to the Series H Original Issue Price for each such share (the “**Series H Preference**”). If upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series H Preferred shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire assets and funds of the Corporation legally available for distribution (after the distribution of the Series G Preference, the Series F Preference, the Series D Preference, the Series C Preference, the Series B Preference, the Series A Preference and the Series E Preference) shall be distributed ratably among the holders of the Series H Preferred in proportion to the preferential amounts such holders are entitled to receive. The Original Issue Price of the Series H Preferred shall mean \$8.8243 per share (as adjusted for any stock splits, recapitalizations, stock dividends or the like) (the “**Series H Original Issue Price**” and, together with the Series G Original Issue Price, the Series F Original Issue Price, the Series D Original Issue Price, the Series C Original Issue Price, the Series B Original Issue Price, the Series A Original Issue Price and the Series E Original Issue Price, each an “**Original Issue Price**”).

(i) Ninth, upon the completion of the distribution required by subparagraphs (a), (b), (c), (d), (e), (f), (g) and (h) of this Section 2, the remaining assets of the Corporation available for distribution to stockholders shall be distributed among the holders of Common Stock and to the holders of the Senior Preferred Stock other than the Series F Preferred (on an as-if converted basis) pro rata in proportion to the number of shares of Common Stock held by each holder.

(j) Notwithstanding Sections 2(a) through 2(i) above:

(i) Without giving effect to the distribution of the Series G Preference, the Series F Preference, the Series D Preference, the Series C Preference, the Series B Preference, the Series A Preference, the Series E Preference and the Series H Preference pursuant to Sections 2(a) through 2(i) above, if upon a *pari passu* pro rata distribution of all assets of the Corporation to all holders of shares of the Corporation on an as-if converted basis, the amount per share of Series G Preferred actually distributed to the holders of Series G Preferred (including, for the removal of doubt, cash dividends actually received by such holders of Series G Preferred pursuant to Section 1 above, less an amount equal to declared but unpaid dividends on each share of Series G Preferred) is (x) in the case of a liquidation, dissolution or winding up (including a Deemed Liquidation) occurring on or before February 9, 2016 (the “**Series G First Anniversary Date**”), greater than two hundred percent (200%) or (y) occurring after the Series G First Anniversary Date, greater than three hundred percent (300%) of the Series G Original Issue Price (each of (x) and (y) being referred to as the “**Cap G Amount**”), then all Senior Preferred Stock, including the Series F Preferred (which holders thereof, for the avoidance of doubt, shall receive at least two hundred percent (200%) of the Series F Original Issue Price pursuant to this subsection i), the Series E Preferred and the Series H Preferred, shall not be entitled to their respective preferences described in Sections 2(a) through 2(i) above, but rather to their pro rata share (on an as-if converted basis) of all assets, *provided, however*, that in such event, each holder of Series G Preferred actually receives an amount per share of Series G Preferred which (together, for the removal of doubt, with cash dividends actually received by such holders of Series G Preferred pursuant to Section 1 above, less an amount equal to declared but unpaid dividends on each share of Series G Preferred) is not less than the Cap G Amount.

(ii) In addition, in the event that (1) a distribution of the pro rata share (on an as-if converted basis) of all assets is not effected pursuant to subsection i, above; (2) after distribution of the Series G Preference; and (3) without giving effect to the distribution of the Series F Preference, the Series D Preference, the Series C Preference, the Series B Preference, the Series A Preference, the Series E Preference and the Series H Preference pursuant to Sections 2(b) through 2(i) above, if upon a *pari passu* pro rata distribution of all remaining assets of the Corporation to all holders of shares of the Corporation on an as-if converted basis, the amount per share of Series D Preferred actually distributed to the holders of Series D Preferred (including, for the removal of doubt, cash dividends actually received by such holders of Series D Preferred pursuant to Section 1 above, less an amount equal to declared but unpaid dividends on each share of Series D Preferred) is greater than two hundred twenty five percent (225%) of the Series D Original Issue Price (the “**Cap D Amount**”), then all the Series F Preferred (which holders thereof, for the avoidance of doubt, shall receive at least two hundred percent (200%) of the Series F Original Issue Price pursuant to this subsection ii.), the Series C Preferred, the Series B Preferred, the Series A Preferred, the Series E Preferred and the Series H Preferred, shall not be entitled to their respective preferences described in Sections 2(b) through 2(i) above, but rather to their pro rata share (on an as-if converted basis) of all remaining assets, *provided, however*, that this subsection ii. shall apply to the holders of the Series F Preferred, the Series D Preferred, the Series C Preferred, the Series B Preferred, the Series A Preferred, the Series E Preferred and the Series H Preferred only if each holder of Series D Preferred actually receive an amount per share of Series D Preferred which (together, for the removal of doubt, with cash dividends actually received by such holders of Series D Preferred pursuant to Section 1 above, less an amount equal to declared but unpaid dividends on each share of Series D Preferred) is not less than the Cap D Amount.

(iii) In addition, in the event that (1) a distribution is not effected pursuant to subsections i or ii, above; (2) after distribution of the Series G Preference, the Series F Preference and the Series D Preference, and (3) without giving effect to the distribution of the Series C Preference, the Series B Preference, the Series A Preference, the Series E Preference and the Series H Preference pursuant to Sections 2(d) through 2(i) above, if upon a *pari passu* pro rata distribution of all remaining assets of the Corporation to all holders of shares of the Corporation on an as-if converted basis, the amount per share of Series C Preferred actually distributed to the holders of Series C Preferred (including, for the removal of doubt, cash dividends actually received by such holders of Series C Preferred pursuant to Section 1 above, less an amount equal to declared but unpaid dividends on each share of Series C Preferred), is greater than two hundred fifty percent (250%) of the Series C Original Issue Price (the “**Cap C Amount**”), then the Series C Preferred, the Series B Preferred, and the Series A Preferred shall not be entitled to their respective preferences described in Sections 2(d) through 2(i) above but rather to their pro rata share (on an as-if converted basis) of all remaining assets, *provided, however*, that this subsection iii. shall apply to the holders of Series C Preferred, Series B Preferred, and Series A Preferred only if each of the holders of Series C Preferred actually receives an amount per share of Series C Preferred which (together, for the removal of doubt, with cash dividends actually received by such holders of Series C Preferred pursuant to Section 1 above, less an amount equal to declared but unpaid dividends on each share of Series C Preferred) is not less than the Cap C Amount.

(iv) In addition, in the event that (1) a distribution is not effected pursuant to subsections i., ii. or iii. above, (2) after distribution of the Series G Preference, the Series F Preference, the Series D Preference, the Series C Preference and the Series B Preference, and (3) without giving effect to the distribution of the Series A Preference, the Series E Preference and the Series H Preference pursuant to Sections 2(f) through 2(i) above, if upon a *pari passu* pro rata distribution of all remaining assets of the Corporation to all holders of shares of the Corporation on an as-if converted basis, the amount per share of Series A Preferred actually distributed to the holders of Series A Preferred (including, for the removal of doubt, cash dividends actually received by such holders of Series A Preferred pursuant to Section 1 above, less an amount equal to declared but unpaid dividends on each share of Series A Preferred), is greater than three hundred percent (300%) of the Series A Original Issue Price (the “**Cap A Amount**”), then the Series A Preferred shall not be entitled to their preference described in Section 2(f) above but rather to their pro rata share (on an as-if converted basis) of all remaining assets, *provided, however*, that this subsection v., shall apply to the holders of Series A Preferred only if each of the holders of Series A Preferred actually receives an amount per share of Series A Preferred which (together, for the removal of doubt, with cash dividends actually received by such holders of Series A Preferred pursuant to Section 1 above, less an amount equal to declared but unpaid dividends on each Series A Preferred) is not less than the Cap A Amount.

(v) Finally, for purposes of determining the amount each holder of shares of Series E Preferred or Series H Preferred is entitled to receive upon a liquidation, dissolution or winding up of this Corporation, either voluntary or involuntary, including a Deemed Liquidation, each such holder of shares of Series E Preferred or Series H Preferred shall be deemed to have converted (regardless of whether such holder actually converted) such holder’s shares of Series E Preferred or Series H Preferred into shares of Common Stock immediately prior to such liquidation, dissolution or winding up, either voluntary or involuntary, including a Deemed Liquidation, if, as a result of an actual conversion, such holder would receive, in the aggregate, an amount greater than the amount that would be distributed to such holder if such holder did not convert such shares of Series E Preferred or Series H Preferred into shares of Common Stock. If any such holder shall be deemed to have converted shares of Series E Preferred or Series H Preferred into Common Stock pursuant to this subsection v., then such holder shall not be entitled to receive any distribution that would otherwise be made to holders of Series E Preferred or Series H Preferred that have not converted (or have not been deemed to have converted) into shares of Common Stock.

(k) For purposes of this Section 2, a liquidation, dissolution or winding up of the Corporation shall be deemed to be occasioned by, and to include (each of the below events, a “**Deemed Liquidation**”), (x) in the event of a consolidation, merger or reorganization of the Corporation with or into, or a sale, transfer, or other disposition of all or substantially all of the Corporation’s assets or intellectual property, or substantially all of the Corporation’s issued and outstanding capital stock, to, any other corporation, or any other entity or person, other than a wholly-owned subsidiary of the Corporation, excluding a transaction in which stockholders of the Corporation prior to the transaction will maintain voting control of the resulting entity after the transaction (*provided, however*, that shares of the surviving entity held by stockholders of the Corporation acquired by means other than the exchange or conversion of the shares of the Corporation shall not be used in determining if the stockholders of the Corporation own more than fifty percent (50%) of the voting power of the surviving entity (or its parent), but shall be used for determining the total outstanding voting power of the surviving entity); (y) in the event that pursuant to a transaction or series of related transactions, other than a transaction that is a bona fide equity financing with the primary purpose of raising capital for the Corporation, a person or entity acquires fifty percent (50%) or more of the issued and outstanding shares of the Corporation or the right to appoint or elect at least fifty percent (50%) or more of the members of the Board; or (z) in the event the Corporation transfers or grants a perpetual exclusive license of all or substantially all of the Corporation’s intellectual property. An IPO (as defined below) shall not be considered a liquidation, dissolution or winding up of the Corporation pursuant to this Section 2.

(1) In any of such events, if the consideration received by the Corporation is other than cash, its value will be deemed its fair market value as determined in good faith by the Board. Any securities shall be valued as follows:

(A) Securities not subject to an investment letter or other similar restrictions on free marketability shall be valued as follows:

(1) If traded on a securities exchange, the value shall be deemed to be the average of the closing prices of the securities on such exchange over the thirty (30) day period ending three (3) days prior to the closing;

(2) if actively traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the thirty (30) day period ending three (3) days prior to the closing; and

(3) if there is no active public market, the value shall be the fair market value thereof, as determined in good faith by the Board.

(B) in the event the requirements of this Section 2 are not complied with, the Corporation shall forthwith either:

(1) cause such closing to be postponed until such time as the requirements of this Section 2 have been complied with; or

(2) cancel such transaction, in which event the rights, preferences and privileges of the holders of the Preferred Stock shall revert to and be the same as such rights, preferences and privileges existing immediately prior to the date of the first notice referred to in subsection 2(k)(ii) hereof.

(C) Securities subject to an investment letter or other restrictions on free marketability (other than restrictions arising solely by virtue of a stockholder's status as an affiliate or former affiliate) shall be valued in such a manner as to make an appropriate discount from the market value determined in good faith as above in ~~(A)(1)~~, ~~(A)(2)~~ or ~~(A)(3)~~ to reflect the approximate fair market value thereof, as determined by the Board.

(ii) The Corporation shall give each holder of record of Preferred Stock written notice of such impending transaction not later than ten (10) days prior to the stockholder meeting called to approve such transaction, or twenty (20) days prior to the closing of such transaction whichever notice date is earlier, and shall also notify such holders in writing of the final approval of such transaction. The first of such notices shall describe the material terms and conditions of the impending transaction, the provisions of this Section 2, and the amounts anticipated to be distributed to holders of each outstanding series and class of capital stock of the Corporation pursuant to this Section 2, and the Corporation shall thereafter give such holders prompt notice of any material changes. The transaction shall in no event take place sooner than ten (10) days after the Corporation has given the first notice provided for herein or sooner than ten (10) days after the Corporation has given notice of any material changes provided for herein; *provided, however*, that such periods may be shortened upon the written consent of the holders of Preferred Stock that are entitled to such notice rights or similar notice rights and that represent at least a majority of the voting power of all then outstanding shares of such Preferred Stock (voting together as a single class on an as converted basis).

(iii) Notwithstanding anything to the contrary contained herein, in the event of a Deemed Liquidation, if any portion of the consideration payable to the stockholders of the Corporation is placed into escrow and/or is payable to the stockholders of the Corporation subject to contingencies, the Merger Agreement (or other agreement effecting such Deemed Liquidation) shall provide that (a) the portion of such consideration that is not placed in escrow and not subject to any contingencies (the **“Initial Consideration”**) shall be allocated among the holders of capital stock of the Corporation in accordance with subsections 2(a) through 2(i) above as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation and (b) any additional consideration which becomes payable to the stockholders of the Corporation upon release from escrow or satisfaction of contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with subsections 2(a) through 2(i) above after taking into account the previous payment of the Initial Consideration as part of the same transaction.

3. Conversion. The holders of Preferred Stock shall have conversion rights as follows (the **“Conversion Rights”**):

(a) Right to Convert. Each share of Preferred Stock shall be convertible, without payment of additional consideration by the holder thereof at the option of the holder thereof, at any time after the date of issuance of such share at the office of the Corporation or any transfer agent for such stock, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the applicable Original Issue Price by the Conversion Price (as defined below) applicable to such share, determined as hereafter provided, in effect on the date the certificate is surrendered for conversion.

The conversion price per share for each share of Preferred Stock shall initially be equal to the applicable Original Issue Price of such share of Preferred Stock (the **“Conversion Price”**); *provided, however*, that the Conversion Price shall be subject to adjustment as set forth in this Section 3.

(b) Automatic Conversion.

(i) All shares of Preferred Stock shall automatically be converted into shares of Common Stock at the applicable Conversion Price at the time in effect for such Preferred Stock, immediately prior to the earlier of: (i) the closing of the Corporation's initial underwritten public offering of its Common Stock pursuant to an effective registration statement under the United States Securities Act of 1933, as amended (the "**Act**"), or equivalent law of another jurisdiction (an "**IPO**") yielding at least US \$30 million net to the Corporation (a "**Qualified IPO**"); or (ii) the written election of the holders of the majority in interest of the Corporation's issued and outstanding Senior Preferred Stock, provided that with respect to the conversion of Series G Preferred, as long as any originally issued shares of Series G Preferred remains outstanding the written consent of the holders of at least fifty-one percent (51 %) of the outstanding shares of Series G Preferred (the "**Series G Investor Majority**") shall also be required, and *provided further* that with respect to the conversion of the Series F Preferred, as long as any of the originally issued shares of Series F Preferred remain outstanding the written consent of the holders of at least fifty-one percent (51%) of the outstanding shares of Series F Preferred (the "**Series F Investor Majority**") shall also be required, and *provided further* that with respect to the conversion of the Series D Preferred, as long as any of the originally issued shares of Series D Preferred remain outstanding the written consent of the holders of at least sixty percent (60%) of the outstanding shares of Series D Preferred (the "**Series D Investor Majority**") shall also be required.

(ii) Notwithstanding the foregoing and without amending or derogating in any way from the definition of the term "Qualified IPO", with respect to the conversion of the Series G Preferred, Series F Preferred and Series D Preferred upon a Qualified IPO (and with respect to the Series G Preferred, upon any IPO), the following provisions shall apply: (w) the Conversion Price of the Series G Preferred shall be determined as follows: (A) if the price of the shares sold by the underwriters to the public *before* deducting underwriting discounts and related offering costs for such Qualified IPO (the "**IPO Price**") is equal to or greater than \$8.8243 (as adjusted for any stock splits, recapitalizations, stock dividends or the like including without limitation any adjustment pursuant to this subsection (ii)), the Conversion Price then in effect for the Series G Preferred shall not be affected thereby, and (B) if the IPO price is less than \$8.8243 per share (as adjusted for any stock splits, recapitalizations, stock dividends or the like including without limitation any adjustment pursuant to this subsection (ii)), the Conversion Price then in effect for the Series G Preferred shall be reduced to the IPO Price concurrently with the closing of the IPO; (x) the Conversion Price of the Series F Preferred shall be determined as follows: (A) if the IPO Price is at least two (2.0) times the Series F Original Issue Price, the Conversion Price then in effect for the Series F Preferred shall not be affected thereby; and (B) if the IPO Price is less than two (2.0) times the Series F Original Issue Price, the Conversion Price shall be the lower of (i) the Conversion Price then in effect for the Series F Preferred, and (ii) the Series F Original Issue Price multiplied by a fraction, the denominator of which is the Series F Preference and the numerator of which is the IPO Price; and (y) the Conversion Price of the Series D Preferred shall be determined as follows: (A) if the IPO Price is at least one and one-half (1.5) times the Series D Original Issue Price, the Conversion Price then in effect for the Series D Preferred shall not be affected thereby; (B) if the IPO Price is less than one and one-half (1.5) times the Series D Original Issue Price and the original Conversion Price has not otherwise been subject to adjustment, the Conversion Price shall be two-thirds (2/3) of the original Conversion Price; and (C) if the IPO Price is less than one and one-half (1.5) times the Series D Original Issue Price and the original Conversion Price has otherwise been subject to adjustment, the Conversion Price shall be the lower of (i) the Conversion Price then in effect for the Series D Preferred, and (ii) two-thirds (2/3) of the original Conversion Price. For the removal of doubt, to the extent that Conversion Price for any of the Series G Preferred, Series F Preferred or Series D Preferred is adjusted pursuant to sub-sections (w)(B), (x)(B), (y)(B) or (y)(C) above respectively, then any such adjustment to the Conversion Price of the Series G Preferred, Series F Preferred or Series D Preferred shall be iterative (i.e. a circular calculation shall be employed) so that each of the Series G Preferred, Series F Preferred and Series D Preferred shall following all such adjustments receive its full entitlement pursuant to sub-sections (w)(B), (x)(B), (y)(B) or (y)(C) above.

(c) Mechanics of Conversion. Before any holder of Preferred Stock shall be entitled to convert the same into shares of Common Stock, such holder shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for the Preferred Stock, and shall give written notice to the Corporation at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for shares of Common Stock are to be issued. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Preferred Stock, or to the nominee or nominees of such holder, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Preferred Stock to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock as of such date. If the conversion is in connection with an underwritten offering of securities registered pursuant to the Act, the conversion, unless otherwise designated by the holder, will be conditioned upon the closing with the underwriters of the sale of securities pursuant to such offering, in which event the person(s) entitled to receive the Common Stock upon conversion of the Preferred Stock shall not be deemed to have converted such Preferred Stock until immediately prior to the closing of such sale of securities. In the event of an automatic conversion pursuant to Section 3(b), the outstanding shares of Preferred Stock shall be converted automatically without any further action by the holder of such shares and whether or not the certificates representing such shares are surrendered to the Corporation or the transfer agent for such Preferred Stock; and the Corporation shall not be obligated to issue certificates evidencing such Common Stock issuable upon such automatic conversion unless the certificates evidencing such shares of Preferred Stock are either delivered to the Corporation or the transfer agent for such Preferred Stock as provided above, or the holder notifies the Corporation or the transfer agent for such Preferred Stock that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates. The Corporation shall, as soon as practicable thereafter, issue and deliver to such address as the holder may direct, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled.

(d) Conversion Price Adjustments of Preferred Stock for Certain Splits and Combinations. The applicable Conversion Price for each series of Preferred Stock shall be subject to adjustment from time to time as follows:

(i) In the event the Corporation should at any time or from time to time after the date upon which any shares of Preferred Stock were first issued (the **“Purchase Date”**) fix a record date for the effectuation of a split or subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock or for the determination of the outstanding shares of Common Stock entitled to receive a dividend or other distribution payable in additional shares of Common Stock without payment of any consideration by such holder for the additional shares of Common Stock and without any comparable payment or distribution to the holders of Preferred Stock, then, as of such record date (or the date of such dividend, distribution, split or subdivision if no record date is fixed), the Conversion Price of each series of Preferred Stock then in effect shall be appropriately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase of the aggregate of shares of Common Stock outstanding.

(ii) If the number of shares of Common Stock outstanding at any time after the Purchase Date is decreased by a combination of the outstanding shares of Common Stock or reverse stock split, then, as of the record date of such combination or reverse stock split, the Conversion Price of each series of Preferred Stock then in effect shall be appropriately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in outstanding shares.

(e) Other Distributions. In the event the Corporation shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by the Corporation or other persons, assets (excluding cash dividends) or options or rights not referred to in subsection 3(g)(iii) and excluding any repurchases of securities by the Corporation not made on a pro rata basis from all holders of any class of the Corporation's securities, then, in each such case for the purpose of this subsection 3(e), the holders of the Preferred Stock shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of shares of Common Stock of the Corporation into which their shares of Preferred Stock are convertible as of the record date fixed for the determination of the holders of Common Stock of the Corporation entitled to receive such distribution.

(f) Recapitalizations, Merger and Consolidations. If at any time or from time to time there shall be a recapitalization of the Common Stock or a merger or consolidation of the Corporation with or into another corporation (other than a subdivision, combination or merger or sale of assets transaction provided for elsewhere in Section 2 or this Section 3), provision shall be made so that the holders of the Preferred Stock shall thereafter be entitled to receive upon conversion of the Preferred Stock the number of shares of stock or other securities or property of the Corporation or otherwise, which a holder of Common Stock deliverable upon conversion immediately prior to such recapitalization, merger or consolidation would have been entitled to receive on such recapitalization, merger or consolidation. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 3(f) with respect to the rights of the holders of the Preferred Stock after the recapitalization, merger or consolidation to the end that the provisions of this Section 3 (including adjustment of the Conversion Price of each series of Preferred Stock then in effect and the number of shares purchasable upon conversion of the Preferred Stock) shall be applicable after that event as nearly equivalently as may be practicable.

(g) Adjustments to Conversion Price of Senior Preferred Stock for Dilutive Issues. The Conversion Price of each series of Senior Preferred Stock shall be subject to further adjustments from time to time as follows:

(i) Special Definitions. For purposes of this Section 3(g), the following definitions shall apply:

(A) “Options” shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire either Common Stock or Convertible Securities (as defined below).

(B) “Convertible Securities” shall mean any Preferred Stock or other securities (including convertible debt) convertible into or exchangeable for Common Stock, but excluding Options.

(C) “Additional Shares of Common” shall mean all shares of Common Stock issued (or, pursuant to Section 3(g)(iii), deemed to be issued) by the Corporation after the filing of this Amended and Restated Certificate of Incorporation (the “**Filing Date**”), *other than* shares of Common Stock issued, issuable or, pursuant to Section 3(g)(iii) herein, deemed to be issued:

(1) upon conversion of shares of Preferred Stock;

(2) to officers, directors or employees of, or consultants or advisors to, the Corporation or any of its subsidiaries pursuant to a stock grant, option plan or purchase plan or other stock incentive program or arrangement approved by the Board for employees, officers, directors or consultants of the Corporation;

(3) upon exercise of options or warrants outstanding as of the date of adoption of this Amended and Restated Certificate of Incorporation;

(4) as a dividend or distribution on the Preferred Stock;

(5) in connection with any transaction for which adjustment is made pursuant to Section 3(d)(i), 3(d)(ii), or 3(f) hereof;

(6) without derogating from the adjustments to the Conversion Price of the Series G Preferred, the Series F Preferred and the Series D Preferred pursuant to Section 3(b)(ii), in connection with a sale to the public in an IPO;

(7) securities issued in connection with a bona fide business acquisition of or by the Corporation, whether by merger, consolidation, sale of assets, sale or exchange of stock or otherwise approved by the Board; or

(8) securities of the Corporation regarding which the Series G Investor Majority determine are not Additional Shares of Common, provided that (i) in the event that such issuance is at a price per share lower than the Conversion Price of the Series F Preferred then in effect, the approval of the Series F Investor Majority (voting as a separate class) shall be required as well, (ii) in the event that such issuance is at a price per share lower than the Conversion Price of the Series D Preferred then in effect, the approval of the Series D Investor Majority (voting as a separate class) shall be required as well, (iii) in the event that such issuance is at a price per share lower than the Conversion Price of the Series C Preferred then in effect, the approval of the holders of the majority of the issued and outstanding shares of Series C Preferred (voting as a separate class) shall be required as well, (iv) in the event that such issuance is at a price per share lower than the Conversion Price of the Series B Preferred then in effect, the approval of the holders of the majority of the issued and outstanding shares of Series B Preferred (voting as a separate class) shall be required as well, and (v) in the event that such issuance is at a price per share lower than the Conversion Price of the Series A Preferred then in effect, the approval of the holders of the majority of the issued and outstanding shares of Series A Preferred (voting as a separate class) shall be required as well.

(ii) No Adjustment of Conversion Price. No adjustment in the Conversion Price of any series of Senior Preferred Stock shall be made in respect of the issuance of Additional Shares of Common unless the consideration per share for an Additional Share of Common issued or deemed to be issued by the Corporation is less than the applicable Conversion Price for such series of Senior Preferred Stock in effect on the date of, and immediately prior to such issue.

(iii) Options and Convertible Securities. Except as provided in Section 3(g)(i)(C)(2) above, in the event that the Corporation at any time or from time to time after the Filing Date shall issue any Options or Convertible Securities or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares of Common Stock issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities (excluding, for the removal of doubt, those described in Sections 3(g)(i)(C)(I) through 3(g)(i)(C)(Z)), shall be deemed to be Additional Shares of Common issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date; *provided, however*, that Additional Shares of Common shall not be deemed to have been issued unless the consideration per share of such Additional Shares of Common would be less than the applicable Conversion Price in effect on the date of and immediately prior to such issue, or such record date, as the case may be, and provided further that in any such case in which Additional Shares of Common are deemed to be issued:

(A) no further adjustment in the Conversion Price shall be made upon the subsequent issue of Convertible Securities or shares of Common Stock upon the exercise of such Options or conversion or exchange of such Convertible Securities, in each case, pursuant to their respective terms;

(B) if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase in the consideration payable to the Corporation, or decrease in the number of shares of Common Stock issuable, upon the exercise, conversion or exchange thereof, the Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon any such increase or decrease becoming effective, be recomputed to reflect such increase or decrease insofar as it affects such Options or the rights of conversion or exchange under such Convertible Securities;

(C) upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities which shall not have been exercised, the Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon such expiration, be recomputed as if:

(1) in the case of Convertible Securities or Options for Common Stock, the only Additional Shares of Common issued were shares of Common Stock, if any, actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefor was the consideration actually received by the Corporation for the issue of all such Options, whether or not exercised, plus the consideration actually received by the Corporation upon such exercise, or for the issue of all such Convertible Securities which were actually converted or exchanged, plus the additional consideration, if any, actually received by the Corporation upon such conversion or exchange;

(2) in the case of Options for Convertible Securities, only the Convertible Securities, if any, actually issued upon the exercise thereof were issued at the time of issue of such Options, and the consideration received by the Corporation for the Additional Shares of Common deemed to have been then issued was the consideration actually received by the Corporation for the issue of all such Options, whether or not exercised, plus the consideration deemed to have been received by the Corporation upon the issue of the Convertible Securities with respect to which such Options were actually exercised; and

(3) no readjustment pursuant to clauses (1) or (2) above shall have the effect of increasing the Conversion Price to an amount which exceeds the lower of (i) the Conversion Price in effect immediately prior to the adjustment for which such readjustment is made (without giving effect to any prior adjustments that are no longer in effect), or (ii) the applicable Conversion Price that would have resulted from other issuances of Additional Shares of Common between the original adjustment date and such readjustment date.

(D) in the case of an Option which expires by its terms not more than thirty (30) days after the date of issue thereof, no adjustment of the Conversion Price shall be made until the expiration or exercise of such Option, whereupon such adjustment shall be made in the same manner provided in clause (C) above.

(iv) Adjustment of Conversion Price of the Senior Preferred Stock Upon Issuance of Additional Shares of Common. In the event that the Corporation shall at any time after the Filing Date issue Additional Shares of Common (including Additional Shares of Common deemed to be issued pursuant to Section 3(g)(iii) (x) without consideration, or (y) for a consideration per share less than the applicable Conversion Price of a series of Senior Preferred Stock (the “**Affected Class**”) in effect on the date of and immediately prior to such issue, then and in such event, the Conversion Price of the Affected Class(es) shall be reduced, concurrently with such issue to a price (calculated to the nearest cent) determined by multiplying the applicable Conversion Price of the Affected Class(es) theretofore in effect by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of shares of Common Stock which the aggregate consideration received by the Corporation for the total number of Additional Shares of Common so issued would purchase at such Conversion Price of the applicable Affected Class(es) in effect immediately prior to such issue, and the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of such Additional Shares of Common so issued; *provided, however*, that, for the purposes of this Section 3(g)(iv), all shares of Common Stock issuable upon exercise, conversion or exchange of outstanding Options or Convertible Securities, as the case may be, shall be deemed to be outstanding (except as set forth in Section 3(g)(v) below), and immediately after any Additional Shares of Common are deemed issued pursuant to Section 3(g)(iii), such Additional Shares of Common shall be deemed to be outstanding, and provided further that the Conversion Price of any Affected Class shall not be so reduced at such time if the amount of such reduction would be an amount less than \$0.01, but any such amount shall be carried forward and reduction thereto with respect thereto made at the time of and together with any subsequent reduction which, together with such amount and any amount or amounts so carried forward, shall aggregate \$0.01 or more.

(v) In calculating the number of shares of Common Stock outstanding immediately prior to the issuance of the Additional Shares of Common, any Common Stock issuable upon conversion of the Senior Preferred Stock resulting from the amendment in the applicable Conversion Price provided for in subsection (iv) above being triggered due to such specific issuance, shall not be taken into consideration. For the avoidance of doubt, any previous adjustments to the Conversion Price prior to such issuance shall be taken into consideration.

(vi) Determination of Consideration. For purposes of this Section 3(g), the consideration received by the Corporation for the issue of any Additional Shares of Common shall be computed as follows:

(A) Cash and Property. Such consideration shall:

(1) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation excluding amounts paid or payable for accrued interest or accrued dividends;

(2) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue if publicly traded or as determined by the Board.

(B) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common deemed to have been issued pursuant to Section 3(g)(iii), relating to Options and Convertible Securities, shall be determined by dividing (x) the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities by (y) the maximum number of shares of Common Stock issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities, as determined in Section 3(g)(iii) hereof.

(h) No Impairment. The Corporation will not, by amendment of its Amended and Restated Certificate of Incorporation or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section 3 and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the holders of the Preferred Stock against impairment.

(i) No Fractional Shares and Certificate as to Adjustment.

(i) No fractional shares shall be issued upon the conversion of any share or shares of the Preferred Stock, and the number of shares of Common Stock to be issued shall be rounded to the nearest whole share. Whether or not fractional shares are issuable upon such conversion shall be determined on the basis of the total number of shares of Preferred Stock the holder is at the time converting into Common Stock and the number of shares of Common Stock issuable upon such aggregate conversion.

(ii) Upon the occurrence of each adjustment or readjustment of the Conversion Price of the Preferred Stock pursuant to Section 3, the Corporation, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Preferred Stock a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the reasonable written request at any time of any holder of Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustment and readjustment, (B) the Conversion Price for the Preferred Stock at the time in effect, and (C) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of a share of Preferred Stock.

(j) Notices of Record Date. In the event of any taking by the Corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right, the Corporation shall notify each holder of Preferred Stock in writing, at least ten (10) days prior to the date specified therein, specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right.

(k) Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock, in addition to such other remedies as shall be available to the holder of such Preferred Stock, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of common stock to such number of shares as shall be sufficient for such purposes.

(I) Special Adjustment of Series G Preferred Stock Conversion Price. Solely with respect to the Series G Preferred and not with respect to any other series of Senior Preferred Stock, the Series E Preferred or the Series H Preferred, if the Conversion Price of the Series D Preferred or Series F Preferred is decreased by amendment (a “**Ratchet Amendment**”) of this Amended and Restated Certificate of Incorporation (in which the Series G Preferred is not entitled to vote pursuant to the last sentence of Section 4(a) hereof), the Conversion Price of the Series G Preferred in effect immediately prior to such Ratchet Amendment shall be reduced, concurrently with such issue, so that the Series G Percentage shall be the same immediately before and immediately after such Ratchet Amendment. For the purpose of this provision: “Series G Percentage” shall mean the percentage of the total number of shares of Common Stock outstanding immediately prior to the Ratchet Amendment into which the Series G Preferred would convert at the Conversion Rate then applicable to the Series G Preferred; *provided, however*, that, for the purposes of such calculation all shares of Common Stock issuable upon exercise, conversion or exchange of outstanding Options or Convertible Securities, as the case may be, shall be deemed to be outstanding (except as set forth in Section 3(g)(v)).

4. Voting Rights.

(a) General Voting Rights. Each holder of shares of the Preferred Stock shall be entitled to the number of votes equal to the number of shares of Common Stock into which such shares of Preferred Stock could be converted and shall have voting rights and powers equal to the voting rights and powers of the Common Stock (except as otherwise expressly provided herein or as required by law, voting together with all other classes of Preferred Stock and with the Common Stock as a single class) and shall be entitled to notice of any stockholder meeting in accordance with the Bylaws of the Corporation. Fractional votes shall not, however, be permitted and any fractional voting rights resulting from the above formula (after aggregating all shares into which shares of Preferred Stock held by each holder could be converted) shall be rounded to the nearest whole number (with one-half being rounded upward). Each holder of Common Stock shall be entitled to one (1) vote for each share of Common Stock held. For avoidance of any doubt and without derogating from the generality of the above, except as otherwise required by law or as set forth herein, holders of Preferred Stock and Common Stock shall vote together as a single class at all times. Notwithstanding the foregoing, the Series G Preferred shall not be entitled to vote on an amendment to this Amended and Restated Certificate of Incorporation for the purpose of effecting a Ratchet Amendment.

(b) Required Class Vote. Until the consummation of an IPO, the consent of the holders of a majority in interest of the Senior Preferred Stock (voting together as a single class on an as converted basis) shall be required for (which matters shall apply, *mutatis mutandis*, to the Corporation’s subsidiaries):

(i) creating or issuing any class or series of shares or other securities having rights or a preference equal or superior to the Series G Preferred, Series F Preferred or Series D Preferred;

(ii) the merger, consolidation, acquisition or other reorganization of the Corporation, or sale, lease, other disposition of, or pledge or grant of any security interest in all or substantially all of the Corporation’s assets or shares or otherwise effecting a Deemed Liquidation;

(iii) an increase in the number of the Corporation’s directors above nine, decrease in the number of the Corporation’s directors below nine or change in the manner by which the composition of the Board is determined, other than as agreed in Section 7 of that certain Amended and Restated Stockholders’ Agreement dated as of April 1, 2019 (the “**Stockholders’ Agreement**”) whereby the director nominated by certain of the Series G Preferred holders shall resign upon the effectiveness of the registration statement for an IPO pursuant to the pre-signed letter of resignation delivered to the Company, which will become effective immediately prior to the effectiveness of the registration statement for the Company’s IPO;

(iv) the increase of the size of the pool (i.e. the number of shares of Common Stock reserved for issuance upon exercise of options) for options to employees, directors, consultants and advisors (the **"Pool"**) or grant options or other equity based awards to any employee, officer, director, consultant or advisor outside the Pool;

(v) any transaction with any stockholder, director or officer or any affiliate thereof (except for employment agreements and stock option agreements with individuals other than the Founders (as such term is defined in the Stockholders' Agreement), approved in compliance with the law and the restrictive provisions otherwise set forth herein); and

(vi) the liquidation, dissolution or winding up of the Corporation or termination of the Corporation's activities.

In addition, until the consummation of an IPO and in addition to any other rights provided by law, the following provisions shall apply:

(x) as long as at least a majority of the originally issued shares of Series G Preferred remain outstanding, the consent of the Series G Investor Majority shall be required for any action which (by merger, reclassification or otherwise) (i) alters, amends or changes the rights, preferences or privileges of the Series G Preferred differently than the other series of Senior Preferred Stock in a manner that is adverse to the Series G Preferred, (ii) increases the number of authorized or issued shares of Series G Preferred, (iii) alters, amends, removes or waives any rights of the Series G Preferred under Section B(2) of ARTICLE IV (B) (Liquidation Preference), (iv) alters, amends, removes or waives any rights of the Series G Preferred under Section B(3) of ARTICLE IV(B) (Conversion), (v) amends or removes the definition of the Series G Investor Majority set forth herein or (vi) amends this subsection (x); and

(y) as long as at least a majority of the originally issued shares of Series F Preferred remain outstanding, the consent of the Series F Investor Majority shall be required for any action which (by merger, reclassification or otherwise) (i) alters, amends or changes the rights, preferences or privileges of the Series F Preferred differently than the other series of Senior Preferred Stock in a manner that is adverse to the Series F Preferred, (ii) increases the number of authorized or issued shares of Series F Preferred, (iii) alters, amends, removes or waives any rights of the Series F Preferred under Section B(2) of ARTICLE IV(B) (Liquidation Preference), (iv) alters, amends, removes or waives any rights of the Series F Preferred under Section B(3) of ARTICLE IV(B) (Conversion), (v) amends the definition of the Series F Investor Majority set forth herein or (vi) amends this subsection (y); and

(z) as long as the originally issued shares of Series D Preferred remain outstanding, the consent of the Series D Investor Majority shall be required for any action which (by merger, reclassification or otherwise) (i) alters, amends or changes the rights, preferences or privileges of the Series D Preferred differently than the other series of Senior Preferred Stock in a manner that is adverse to the Series D Preferred, (ii) increases the number of authorized or issued shares of Series D Preferred, (iii) alters, amends, removes or waives any rights of the Series D Preferred under Section B(2) of ARTICLE IV(B) (Liquidation Preference), (iv) alters, amends, removes or waives any rights of the Series D Preferred under Section B(3) of ARTICLE IV(B) (Conversion), (v) amends the definition of the Series D Investor Majority set forth herein or (vi) amends this subsection (z);

provided, that, notwithstanding the foregoing or anything else contained herein and for the removal of doubt: (i) no provision herein grants the holders of the Series G Preferred, Series F Preferred and/or Series D Preferred (or any part thereof) the ability or right to prevent the Corporation from consummating a Qualified IPO, including the adoption of an amended and restated Certificate of Incorporation to be effective no earlier than the closing of such Qualified IPO, that has been approved by a majority of the members of the Corporation's Board, and (ii) authorizing or issuing by the Corporation of any new class or series of shares (including a class or a series with rights and preferences inferior, equal or superior to the rights of the Series G Preferred, Series F Preferred or Series D Preferred, as applicable) shall not by itself be deemed to alter, change amend or waive the rights, preferences and/or privileges of the Series G Preferred, Series F Preferred or Series D Preferred.

In addition, until the consummation of and IPO and in addition to any other rights provided by law, the Corporation shall not, without first obtaining the affirmative vote or written consent of at least two directors designated by the holders of the Senior Preferred Stock, appoint or remove the Corporation's Chief Executive Officer or determine his employment terms.

Any altering or changing of the rights, preferences and/or privileges of the Series G Preferred, Series F Preferred, Series D Preferred, Series C Preferred, Series B Preferred, Series A Preferred, Series E Preferred or Series H Preferred, shall require the consent of the Series G Investor Majority and/or the Series F Investor Majority and/or the Series D Investor Majority and/or the holders of a majority of the Series C Preferred and/or Series B Preferred and/or Series A Preferred and/or Series E Preferred and/or Series H Preferred, as the case may be, voting separately on an as-converted basis, *provided, however*, that creating, authorizing or issuing by the Corporation of any new class or series of shares (including a class or a series with rights and preferences inferior, equal or superior to the rights of the Series G Preferred, Series F Preferred, Series D Preferred, Series C Preferred, Series B Preferred, Series A Preferred, Series E Preferred and/or Series H Preferred) shall not by itself be deemed as a change in the rights, preferences and/or privileges of the Series G Preferred, Series F Preferred, Series D Preferred, Series C Preferred, Series B Preferred, Series A Preferred, Series E Preferred or Series H Preferred.

(c) Status of Converted Preferred Stock. In the event any shares of Preferred Stock shall be converted pursuant to Section 3, the shares so converted shall be cancelled and shall not thereafter be issuable by the Corporation.

5. Common Stock.

(a) Dividend Rights. Subject to Section 1 of ARTICLE IV(B), dividends may be paid on the Common Stock as and when declared by the Board, subject to the prior dividend rights of the Senior Preferred Stock. Such dividends shall be distributed among the holders of Common Stock pro rata in proportion of the number of shares of Common Stock held by each (assuming conversion of all such Preferred Stock).

(b) Liquidation Rights. Upon the liquidation, dissolution or winding up of the Corporation, the assets of the Corporation shall be distributed as provided in Section 2 of ARTICLE IV (B) hereof.

(c) Redemption. The Common Stock is not redeemable.

(d) Voting Rights. The holder of each share of Common Stock shall have the right to one (1) vote, and shall be entitled to notice of any stockholder meeting in accordance with the Bylaws of the Corporation, and shall be entitled to vote upon such matters and in such manner as is otherwise provided herein or as may be provided by law. Notwithstanding the foregoing, the number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares of Common Stock then outstanding) by an affirmative vote of the holders of a majority of the stock of the Corporation (voting as a single class on an as -converted basis), irrespective of the provisions of Section 242(b)(2) of the General Corporation Law of Delaware.

6. Preemptive Rights. The holders of Senior Preferred Stock shall have such preemptive rights as set forth in that certain Amended and Restated Investors' Rights Agreement dated February 9, 2015, among the Corporation and certain of its stockholders, as amended from time to time.

ARTICLE V

The Corporation is to have perpetual existence.

ARTICLE VI

Except as otherwise provided in this Amended and Restated Certificate of Incorporation, the Board may make, repeal, alter, or rescind any or all of the Bylaws of the Corporation, *provided, however*, that no such repeal, alteration or rescission to the Bylaws of the Corporation shall be made if its effect is to delegate any of the powers vested within the Board to any committee or sub-committee of the Board, unless such repeal, alteration or rescission to the Bylaws of the Corporation, as the case may be, is consented to in writing by at least two of the directors designated by the holders of Senior Preferred Stock.

ARTICLE VII

The Board shall consist of up to nine (9) directors. The directors shall be appointed as follows: (i) the holders of the Junior Stock, voting together as a single class, shall be entitled to elect two (2) directors to the Board, (ii) the holders of Senior Preferred Stock, voting together as a single class, shall be entitled to elect six (6) directors to the Board and (iii) Gruner + Jahr GmbH ("G+J"), so long as G+J continues to hold capital stock of the Company that represents at least 5% of the issued and outstanding shares of stock of the Company on a fully diluted basis, shall be entitled to elect one (1) director to the Board. Each committee of the Board shall include at least two of the directors designated by the holders of Senior Preferred Stock.

In the event of any vacancy in the office of a director elected by an entity or by the holders of a particular class or series of stock, the vacancy may be filled only by such entity or the vote of the holders of such class or series of stock (unless such vacancy resulted from circumstances requiring a resignation pursuant to Section 7 of the Stockholders' Agreement, in which case the vacancy may be filled by a vote of the holders of Senior Preferred Stock, voting together as a single class). Any director who shall have been elected by an entity or by the holders of a particular class or series of stock may be removed without cause by, and only by, such entity or the applicable vote of the holders of shares of such class or series of stock (unless such removal resulted from circumstances requiring a resignation pursuant to Section 7 of the Stockholders' Agreement which resignation has not occurred, in which case such removal may be effected by a vote of the holders of Senior Preferred Stock, voting together as a single class).

At any meeting (or in a written consent in lieu thereof) held for the purpose of electing directors, the presence in person or by proxy (or the written consent) of the holders of at least a majority in interest of the then outstanding shares of the respective class(es) of the Corporation's stock designated for appointment of a director as set forth above, shall constitute a quorum for the election of directors to be elected by such class(es).

A vacancy in any directorship elected by the holders of the Junior Stock shall be filled only by vote or written consent of the holders of the Junior Stock, consenting or voting, as the case may be, separately. The directors to be elected by the holders of the Junior Stock, voting separately as one class, shall serve for terms extending from the date of their election and qualification and until their respective successors have been elected and qualified.

A vacancy in any directorship elected by the holders of a specific class of Senior Preferred Stock shall be filled only by vote or written consent of the holders of such specific class of Senior Preferred Stock, consenting or voting, as the case may be, separately as one class. The directors to be elected by the holders of the Senior Preferred Stock, voting separately as one class, shall serve for terms extending from the date of their election and qualification until the time of the next succeeding annual meeting of stockholders and until their successors have been elected and qualified.

ARTICLE VIII

Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws may provide. The books of the Corporation may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the Board or in the Bylaws of the Corporation.

ARTICLE IX

To the fullest extent permitted by the General Corporation Law of Delaware, as the same may be amended from time to time, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the General Corporation Law of Delaware is hereafter amended to authorize, with or without the approval of a corporation's stockholders, further reductions in the liability of the corporation's directors for breach of fiduciary duty, then a director of the Corporation shall not be liable for any such breach to the fullest extent permitted by the General Corporation Law of Delaware as so amended.

Any repeal or modification of the foregoing provisions of this ARTICLE IX or by operation of law, shall not adversely affect any right or protection of a director of the Corporation with respect to any acts or omissions of such director occurring prior to such repeal or modification.

ARTICLE X

To the fullest extent permitted by applicable law, the Corporation shall provide indemnification of (and advancement of expenses to) directors, officers, employees and other agents of the Corporation (and any other persons to which Delaware law permits the Corporation to provide indemnification), through Bylaw provisions, agreements with any such director, officer, employee or other agent or other person, vote of stockholders or disinterested directors, or otherwise, in excess of the indemnification and advancement otherwise permitted by Section 145 of the Delaware General Corporation Law, subject only to limits created by applicable Delaware law (statutory or non-statutory), with respect to actions for breach of duty to a corporation, its stockholders and others.

Any repeal or modification of any of the foregoing provisions of this ARTICLE X, by amendment of this ARTICLE X or by operation of law, shall not adversely affect any right or protection of a director, officer, employee or other agent or other person existing at the time of, or increase the liability of any director of the Corporation with respect to any acts or omissions of such director, officer or agent occurring prior to such repeal or modification.

ARTICLE XI

Whenever a compromise or arrangement is proposed between the Corporation and its creditors or any class of them and/or between the Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of the Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for the Corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for the Corporation under the provisions of Section 279 of Title 8 of the Delaware Code, order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of the Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of the Corporation, as the case may be, and also on the Corporation.

ARTICLE XII

The Corporation renounces, to the fullest extent permitted by law, any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity. An **“Excluded Opportunity”** is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of, (i) any director of the Corporation who is not an employee of the Corporation or any of its subsidiaries, or (ii) any holder of Preferred Stock or any partner, member, director, stockholder, employee or agent of any such holder, other than someone who is an employee of the Corporation or any of its subsidiaries (collectively, **“Covered Persons”**), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person’s capacity as a director of the Corporation.

IN WITNESS WHEREOF, the undersigned, being the Chief Executive Officer of the Corporation, hereby certifies that the facts hereinabove stated are truly set forth, and accordingly executes this Amended and Restated Certificate of Incorporation this 1st day of April, 2019.

OUTBRAIN INC.

/s/ Yaron Galai

By: Yaron Galai, Chief Executive Officer

Certificate Of Completion

Envelope Id: D601DA716BCC41AE86B13E1E853E9B92
 Subject: Outbrain DocuSign
 Source Envelope:
 Document Pages: 81
 Certificate Pages: 5
 AutoNav: Enabled
 EnvelopeId Stamping: Enabled
 Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Status: Completed

Envelope Originator:
 Stephen Queenan
 3003 Tasman Drive
 Santa Clara, CA 95054
 Squeenan@mofo.com
 IP Address: 204.130.5.8

Record Tracking

Status: Original
 3/27/2020 1:30:53 PM

Holder: Stephen Queenan
 Squeenan@mofo.com

Location: DocuSign

Signer Events

Barry Schofield
 bschofield@outbrain.com
 VP, Corporate Finance & Treasury
 Outbrain Inc
 Security Level: Email, Account Authentication (None),
 Access Code

Signature

/s/ Barry Schofield

 Signature Adoption: Pre-selected Style Using IP
 Address: 174.192.16.208

Timestamp

Sent: 3/27/2020 1:46:49 PM
 Viewed: 3/27/2020 2:28:04 PM
 Signed: 3/27/2020 2:28:49 PM

Electronic Record and Signature Disclosure:

Accepted: 3/27/2020 2:28:04 PM
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Sent: 3/27/2020 2:28:55 PM
 Viewed: 3/27/2020 2:29:31 PM
 Signed: 3/27/2020 2:30:16 PM

Michael Bozicas
 mbozicas@svb.com
 Security Level: Email, Account Authentication
 (None)

/s/ Michael Bozicas

 Signature Adoption: Pre-selected Style
 Using IP Address: 104.129.198.124

Electronic Record and Signature Disclosure:

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In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Status

Timestamp

Witness Events

Signature

Timestamp

Notary Events

Signature

Timestamp

Envelope Summary Events

Envelope Sent

Status

Hashed/Encrypted

Timestamps

3/27/2020 2:28:55 PM

Envelope Summary Events

Certified Delivered
 Signing Complete
 Completed

Status

Security Checked
 Security Checked
 Security Checked

Timestamps

3/27/2020 2:29:32 PM
 3/27/2020 2:30:16 PM
 3/27/2020 2:30:16 PM

Payment Events

Status

Timestamps

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, Global Loans (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through your DocuSign, Inc. (DocuSign) Express user account. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

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Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of your DocuSign account. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use your DocuSign Express user account to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through your DocuSign user account all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact Global Loans:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: destrada@svb.com

To advise Global Loans of your new e-mail address

To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at destrada@svb.com and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address.. In addition, you must notify DocuSign, Inc to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in DocuSign.

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To withdraw your consent with Global Loans

To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your DocuSign account, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an e-mail to destrada@svb.com and in the body of such request you must state your e-mail, full name, IS Postal Address, telephone number, and account number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process.

Required hardware and software

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	<ul style="list-style-type: none"> •Allow per session cookies •Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection

** These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

Acknowledging your access and consent to receive materials electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below. By checking the 'I Agree' box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and
 - I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and
 - Until or unless I notify Global Loans as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by Global Loans during the course of my relationship with you.
-

**FIFTH AMENDMENT
TO
AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT**

This Fifth Amendment to Amended and Restated Loan and Security Agreement (this “**Amendment**”) is entered into this 2nd day of November, 2018, by and between **SILICON VALLEY BANK** (“**Bank**”) and **OUTBRAIN INC.**, a Delaware corporation (“**Borrower**”) whose address is 39 West 13th Street, 3rd Floor, New York, New York 10011.

RECITALS

A. Bank and Borrower have entered into that certain Amended and Restated Loan and Security Agreement dated as of September 15, 2014, as amended by that certain First Amendment to Amended and Restated Loan and Security Agreement by and between Borrower and Bank dated as of November 20, 2014, as further amended by that certain Second Amendment to Amended and Restated Loan and Security Agreement by and between Borrower and Bank dated as of January 27, 2016, as further amended by that certain Third Amendment to Amended and Restated Loan and Security Agreement by and between Borrower and Bank dated as of August 25, 2016, and as further amended by that certain Fourth Amendment to Amended and Restated Loan and Security Agreement dated as of October 6, 2016 (as amended, and as the same may from time to time be further amended, modified, supplemented or restated, the “**Loan Agreement**”).

B. Bank has extended credit to Borrower for the purposes permitted in the Loan Agreement.

C. Borrower has requested that Bank amend the Loan Agreement to make certain revisions to the Loan Agreement as more fully set forth herein.

D. Bank has agreed to so amend certain provisions of the Loan Agreement, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

AGREEMENT

Now, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

- 1. Definitions.** Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Loan Agreement.
- 2. Amendments to Loan Agreement.**

2.1 Section 2.3 (Overadvances). Section 2.3 is amended by deleting the reference to “the Default Rate” therein and inserting in lieu thereof “a per annum rate equal to the rate that is otherwise applicable to Advances plus five percent (5.00%)”.

2.2 Section 2.5 (Fees). The Loan Agreement shall be amended by inserting the following new subsection (e) in Section 2.5 immediately following subsection (d):

“(e) 2018 Commitment Fee. A fully-earned non-refundable commitment fee (the “**2018 Commitment Fee**”) of One Hundred Two Thousand Five Hundred Dollars (\$102,500.00), due and payable as follows:

- (i) Thirty Four Thousand One Hundred Sixty Six and 67/100 Dollars (\$34,166.67) on the Fifth Amendment Effective Date;
- (ii) Thirty Four Thousand One Hundred Sixty Six and 67/100 Dollars (\$34,166.67) on the earliest to occur of (A) the first anniversary of the Fifth Amendment Effective Date, (B) the occurrence of an Event of Default, or (C) the termination of this Agreement; and
- (ii) Thirty Four Thousand One Hundred Sixty Six and 66/100 Dollars (\$34,166.66) on the earliest to occur of (A) the second anniversary of the Fifth Amendment Effective Date, (B) the occurrence of an Event of Default, or (C) the termination of this Agreement.”

2.3 Section 3.2 (Conditions Precedent to all Credit Extensions). Subsections (a) and (b) of Section 3.2 are deleted in their entirety and replaced with the following:

“(a) timely receipt of the Credit Extension request and any materials and documents required by Section 3.4;

(b) the representations and warranties in this Agreement shall be true, accurate, and complete in all material respects on the date of the proposed Credit Extension and on the Funding Date of each Credit Extension; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date, and no Event of Default shall have occurred and be continuing or result from the Credit Extension. Each Credit Extension is Borrower’s representation and warranty on that date that the representations and warranties in this Agreement remain true, accurate, and complete in all material respects; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date; and”

2.4 **Section 3.4 (Procedures for Borrowing).** Section 3.4 is deleted in its entirety and replaced with the following:

“3.4 Procedures for Borrowing. Subject to the prior satisfaction of all other applicable conditions to the making of an Advance set forth in this Agreement, to obtain an Advance, Borrower (via an individual duly authorized by an Administrator) shall notify Bank (which notice shall be irrevocable) by electronic mail by 12:00 p.m. Eastern time on the Funding Date of the Advance. Such notice shall be made by Borrower through Bank’s online banking program, provided, however, if Borrower is not utilizing Bank’s online banking program, then such notice shall be in a written format acceptable to Bank that is executed by an Authorized Signer. Bank shall have received satisfactory evidence that the Board has approved that such Authorized Signer may provide such notices and request Advances. In connection with any such notification, Borrower must promptly deliver to Bank by electronic mail or through Bank’s online banking program such reports and information, including without limitation, sales journals, cash receipts journals, accounts receivable aging reports, as Bank may request in its reasonable discretion. Bank shall credit proceeds of an Advance to the Designated Deposit Account. Bank may make Advances under this Agreement based on instructions from an Authorized Signer or without instructions if the Advances are necessary to meet Obligations which have become due.”

2.5 **Section 6.2(a) (Financial Statements, Reports, Certificates).** Subsection (a) of Section 6.2 is amended in its entirety and replaced with the following:

“(a) a Borrowing Base Report (and any schedules related thereto including any other information requested by Bank with respect to Borrower’s Accounts) (i) with each request for an Advance and (ii) within seven (7) Business Days after the end of each month;” Days after the end of each month;”

2.6 **Section 6.2(m) (Financial Statements, Reports, Certificates).** The following new subsection (m) is inserted in Section 6.2 immediately following subsection (l):

“(m) prompt written notice of any changes to the beneficial ownership information set out in Section 14 of the Perfection Certificate. Borrower understands and acknowledges that Bank relies on such true, accurate and up-to- date beneficial ownership information to meet Bank’s regulatory obligations to obtain, verify and record information about the beneficial owners of its legal entity customers.”

2.7 **Section 6.3 (Accounts Receivable).** Subsection (c) of Section 6.3 is deleted in its entirety and replaced with the following:

“(c) **Collection of Accounts.** Borrower shall direct Account Debtors to deliver or transmit all proceeds of Accounts into a “blocked account” as specified by Bank (either such account, the **“Cash Collateral Account”**). Whether or not an Event of Default has occurred and is continuing, Borrower shall promptly deliver all payments on and proceeds of Accounts to the Cash Collateral Account. Subject to Bank’s right to maintain a reserve pursuant to Section 6.3(g), all amounts received in the Cash Collateral Account shall be (i) when a Streamline Period is not in effect, applied to immediately reduce the Obligations under the Revolving Line (unless Bank, in its sole discretion, at times when an Event of Default exists, elects not to so apply such amounts), or (ii) when a Streamline Period is in effect, transferred on a daily basis to Borrower’s operating account with Bank. Borrower hereby authorizes Bank to transfer to the Cash Collateral Account any amounts that Bank reasonably determines are proceeds of the Accounts (provided that Bank is under no obligation to do so and this allowance shall in no event relieve Borrower of its obligations hereunder).”

2.8 Section 6.3 (Accounts Receivable). Subsection (e) of Section 6.3 is deleted in its entirety and replaced with the following:

“(e) Verifications; Confirmations; Credit Quality; Notifications. Bank may, from time to time upon prior written notice to Borrower, (i) verify and confirm directly with the respective Account Debtors the validity, amount and other matters relating to the Accounts, either in the name of Borrower or Bank or such other name as Bank may choose, and notify any Account Debtor of Bank’s security interest in such Account and/or (ii) in Bank’s good faith business judgment, conduct a credit check of any Account Debtor to approve any such Account Debtor’s credit.”

2.9 Section 6.3 (Accounts Receivable). Section 6.3 is hereby amended by inserting the following new subsection (g) thereto:

“(g) Reserves. Notwithstanding any terms in this Agreement to the contrary, at times when an Event of Default exists, Bank may in its commercially reasonable judgment hold any proceeds of the Accounts and any amounts in the Cash Collateral Account that are not applied to the Obligations pursuant to Section 6.3(e) above (including amounts otherwise required to be transferred to Borrower’s operating account with Bank when a Streamline Period is in effect) as a reserve to be applied to any Obligations regardless of whether such Obligations are then due and payable.”

2.10 Section 6.6 (Access to Collateral; Books and Records). Section 6.6 is amended in its entirety and replaced with the following:

“**6.6 Access to Collateral; Books and Records.** At reasonable times, on five (5) Business Days’ notice (provided no notice is required if an Event of Default has occurred and is continuing), Bank, or its agents, shall have the right to inspect the Collateral and the right to audit and copy Borrower’s Books. The foregoing inspections and audits shall be conducted at Borrower’s expense and no more often than once every twelve (12) months (or more frequently as Bank in its reasonable discretion determines that conditions warrant) unless an Event of Default has occurred and is continuing in which case such inspections and audits shall occur as often as Bank shall determine is necessary. The charge therefor shall be \$1,000 per person per day (or such higher amount as shall represent Bank’s then-current standard charge for the same), plus reasonable out-of-pocket expenses. In the event Borrower and Bank schedule an audit more than five (5) Business Days in advance, and Borrower cancels or seeks to or reschedules the audit with less than five (5) Business Days written notice to Bank, then (without limiting any of Bank’s rights or remedies) Borrower shall pay Bank a fee of \$2,000 plus any out-of-pocket expenses incurred by Bank to compensate Bank for the anticipated costs and expenses of the cancellation or rescheduling.”

2.11 **Section 6.9 (Financial Covenants).** Section 6.9 is amended in its entirety and replaced with the following:

“6.9 Financial Covenants.

(a) Liquidity Ratio. Maintain at all times, to be certified to Bank as of the last day of each month, a Liquidity Ratio of greater than 1.15 to 1.00. In connection therewith, Borrower shall also comply with the requirement set forth in the definition of Quick Assets.

(b) EBITDA. Achieve, measured as of the last day of each period set forth below on a trailing six (6) month basis, EBITDA of at least (loss not worse than) the following amounts:

Period	Minimum EBITDA (maximum loss)
September 30, 2018	(\$1,000,000)
December 31, 2018	\$1,500,000
March 31, 2019	\$4,000,000
June 30, 2019	\$3,500,000
September 30, 2019	\$2,500,000
December 31, 2019	\$7,500,000
March 31, 2020 and thereafter	To be mutually agreed upon by Bank and Borrower prior to February 28, 2020 which amount will be at least \$15,000,000 for each fiscal year and will be based upon projections prepared by Borrower”

2.1 **Section 6.14 (Online Banking).** Section 6.14 is hereby inserted immediately following Section 6.13:

“6.14 Online Banking.

(a) Utilize Bank’s online banking platform for all matters requested by Bank which shall include, without limitation, uploading information pertaining to Accounts and Account Debtors, requesting approval for exceptions, requesting Credit Extensions, and uploading financial statements and other reports required to be delivered by this Agreement (including, without limitation, those described in Section 6.2 of this Agreement).

(b) Comply with the terms of Bank's Online Banking Agreement as in effect from time to time and ensure that all persons utilizing Bank's online banking platform are duly authorized to do so by an Administrator. Bank shall be entitled to assume the authenticity, accuracy and completeness on any information, instruction or request for a Credit Extension submitted via Bank's online banking platform and to further assume that any submissions or requests made via Bank's online banking platform have been duly authorized by an Administrator."

2.2 Section 7.3 (Mergers or Acquisitions). Section 7.3 is amended in its entirety and replaced with the following:

"7.3 Mergers or Acquisitions. Merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with any other Person, or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock or property of another Person (including, without limitation, by the formation of any Subsidiary), other than Permitted Acquisitions. A Subsidiary may merge or consolidate into another Subsidiary or into Borrower."

2.3 Section 8.2(a) (Covenant Default). Subsection (a) of Section 8.2 is amended in its entirety and replaced with the following:

"(a) Borrower fails or neglects to perform any obligation in Sections 6.2, 6.5, 6.7, 6.8, 6.9, 6.10(b), 6.12, 6.13 or violates any covenant in Section 7; or"

2.4 Section 9.2 (Power of Attorney). Section 9.2 is deleted in its entirety and replaced with the following:

"9.2 Power of Attorney. Borrower hereby irrevocably appoints Bank as its lawful attorney-in-fact, exercisable following the occurrence of an Event of Default, to: (a) endorse Borrower's name on any checks, payment instruments, or other forms of payment or security; (b) sign Borrower's name on any invoice or bill of lading for any Account or drafts against Account Debtors; (c) demand, collect, sue, and give releases to any Account Debtor for monies due, settle and adjust disputes and claims about the Accounts directly with Account Debtors, and compromise, prosecute, or defend any action, claim, case, or proceeding about any Collateral (including filing a claim or voting a claim in any bankruptcy case in Bank's or Borrower's name, as Bank chooses); (d) make, settle, and adjust all claims under Borrower's insurance policies; (e) pay, contest or settle any Lien, charge, encumbrance, security interest, or other claim in or to the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; and (f) transfer the Collateral into the name of Bank or a third party as the Code permits. Borrower hereby appoints Bank as its lawful attorney-in-fact to sign Borrower's name on any documents necessary to perfect or continue the perfection of Bank's security interest in the Collateral regardless of whether an Event of Default has occurred until all Obligations have been satisfied in full and the Loan Documents have been terminated. Bank's foregoing appointment as Borrower's attorney in fact, and all of Bank's rights and powers, coupled with an interest, are irrevocable until all Obligations (other than contingent obligations for which no claim has been made) have been fully repaid and performed and the Loan Documents have been terminated."

2.5 **Section 13 (Definitions).** The preamble in the definition of Eligible Accounts set forth in Section 13.1 is deleted in its entirety and replaced with the following:

“Eligible Accounts” means Accounts owing to Borrower which arise in the ordinary course of Borrower’s business that meet all Borrower’s representations and warranties in Section 5.3, that have been, at the option of Bank, confirmed in accordance with Section 6.3(e) of this Agreement, and are due and owing from Account Debtors deemed creditworthy by Bank in its good faith business judgment. Bank reserves the right at any time after the Effective Date, upon advance written notice to Borrower, to adjust any of the criteria set forth below and to establish new criteria in its good faith business judgment. Unless Bank otherwise agrees in writing, Eligible Accounts shall not include:”

2.6 **Section 13.1 (Definitions).** In the definition of “Permitted Investments” the following new subsection (d) is inserted in Section 13.1 immediately following subsection (c) thereof:

“(d) Investments constituting Permitted Acquisitions.”

2.7 **Section 13.1 (Definitions).** The Loan Agreement shall be amended by inserting the following new definitions in Section 13.1, each in the appropriate alphabetical order:

“2018 Commitment Fee” is defined in Section 2.5(e).

“Acquisition” means the purchase or other acquisition (whether by merger, consolidation or otherwise) by Borrower of all or substantially all of the assets, stock or other equity interests of a Person.

“Administrator” is an individual that is named (a) as an “Administrator” in the “SVB Online Services” form completed by Borrower with the authority to determine who will be authorized to use SVB Online Services (as defined in Bank’s Online Banking Agreement as in effect from time to time) on behalf of Borrower; and (b) as an Authorized Signer of Borrower in an approval by the Board.

“Board” is Borrower’s board of directors.

“Borrowing Base Report” is that certain report of the value of certain Collateral in the form specified by Bank to Borrower from time to time.

“**EBITDA**” means, for any measurement period, the sum of (i) Net Income, plus (ii) Interest Expense, plus (iii) to the extent deducted in the calculation of Net Income, depreciation expense and amortization expense, plus (iv) to the extent deducted in the calculation of Net Income, federal, state and local income taxes, whether paid, payable or accrued, plus (v) all non-cash expenses reflected in Net Income in an amount not to exceed \$2,500,000 in any fiscal year, plus (vi) non-cash stock compensation expense, plus (vii) non-recurring add-backs in an amount not to exceed \$2,500,000 in any fiscal year, plus (viii) other add-backs to EBITDA approved by Bank on a case-by-case basis in its sole discretion (including non-recurring deal related costs, such approval not to be unreasonably withheld).

“**Fifth Amendment Effective Date**” is November 2, 2018.

“**Interest Expense**” means, for any measurement period, interest expense (whether cash or non-cash) determined in accordance with GAAP for the relevant period ending on such date, including, in any event, interest expense with respect to any Credit Extension and other Indebtedness of Borrower, including, without limitation or duplication, all commissions, discounts, amortization of debt discounts, or related amortization and other fees and charges with respect to letters of credit and bankers’ acceptance financing and the net costs associated with interest rate swap, cap, and similar arrangements, and the interest portion of any deferred payment obligation (including leases of all types).

“**Liquidity Ratio**” is, on any date of determination, the ratio of (i) the sum of (a) Quick Assets minus (b) Borrower’s accounts payable minus (c) traffic acquisition cost accruals, to (ii) the aggregate amount of all Obligations.

“**Net Income**” means, for any measurement period, the net profit (or loss), after provision for taxes, of Borrower for such period taken as a single accounting period.

“**Permitted Acquisition**” or “**Permitted Acquisitions**” is any Acquisition by Borrower, provided, that each of the following shall be applicable to each such Acquisition:

- (a) no Event of Default shall have occurred and be continuing or would result from the consummation of the proposed Acquisition;
 - (b) the assets acquired in such Acquisition are in the same or similar line of business as Borrower is in as of the Effective Date or reasonably related thereto;
 - (c) the target in such Acquisition, if such Acquisition is a stock acquisition, shall be an entity organized under the laws of any State in the United States and shall have a principal place in the United States;
-

(d) if the Acquisition includes a merger of Borrower, Borrower shall remain a surviving entity after giving effect to such Acquisition;

(e) Borrower shall provide Bank with written notice of the proposed Acquisition at least ten (10) Business Days prior to the anticipated closing date of the proposed Acquisition, and not less than five (5) Business Days prior to the anticipated closing date of the proposed Acquisition, copies of the acquisition agreement and all other material documents relative to the proposed Acquisition (or if such acquisition agreement and other material documents are not in final form, drafts of such acquisition agreement and other material documents; provided, that Borrower shall deliver final forms of such acquisition agreement and other material documents promptly upon completion);

(f) the total consideration, including cash and the value of any noncash consideration, does not exceed Five Million Dollars (\$5,000,000) in the aggregate during any fiscal year for all Acquisitions;

(g) after giving effect to the consummation of the Acquisition, Borrower shall be in *pro forma* compliance with the financial covenants set forth in Section 6.9 for at least twelve (12) months after the date of such Acquisition;

(h) the Acquisition shall not constitute an Unfriendly Acquisition; and

(i) the entity or assets acquired in such Acquisition shall not be subject to any Lien other than (x) the first-priority Liens granted in favor of Bank, if applicable and (y) Permitted Liens.

“**Specified Affiliate**” is any Person (a) more than ten percent (10.0%) of whose aggregate issued and outstanding equity or ownership securities or interests, voting, non-voting or both, are owned or held directly or indirectly, beneficially or of record, by Borrower, and/or (b) whose equity or ownership securities or interests representing more than ten percent (10.0%) of such Person’s total outstanding combined voting power are owned or held directly or indirectly, beneficially or of record, by Borrower.

“**Unfriendly Acquisition**” is any Acquisition that has not, at the time of the first public announcement of an offer relating thereto, been approved by the board of directors (or other legally governing body) of the Person to be acquired.

2.8 Section 13.1 (Definitions). The following terms and their definitions set forth in Section 13.1 are amended in their entirety and replaced with the following:

“**Account**” is, as to any Person, any “**account**” of such Person as “account” is defined in the Code with such additions to such term as may hereafter be made, and includes, without limitation, all accounts receivable and other sums owing to such Person.

“**Affiliate**” is, with respect to any Person, each other Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person’s senior executive officers, directors, partners and, for any Person that is a limited liability company, that Person’s managers and members. For purposes of the definition of Eligible Accounts, Affiliate shall include a Specified Affiliate.

“**Borrowing Base**” is eighty percent (80%) of Eligible Accounts, as determined by Bank from Borrower’s most recent Borrowing Base Report (and as may subsequently be updated by Bank based upon information received by Bank including, without limitation, Accounts that are paid and/or billed following the date of the Borrowing Base Report); provided, however, that Bank has the right, after consultation with Borrower, to decrease the foregoing percentage in its good faith business judgment to mitigate the impact of events, conditions, contingencies, or risks which may adversely affect the Collateral or its value.

“**Eligible Foreign Accounts**” are Accounts which are billed from and/or payable to Borrower in the United States, but which are owing from an Account Debtor which has its principal place of business in Canada, the United Kingdom, Japan, Italy, France, Germany, Australia, Israel or Singapore, and are otherwise Eligible Accounts; provided, in no event shall the aggregate amount of such Eligible Foreign Accounts included in the Borrowing Base constitute more than thirty-five percent (35%) of all Eligible Accounts included in the Borrowing Base.

“**Obligations**” are Borrower’s obligations to pay when due any debts, principal, interest, fees, the 2016 Commitment Fee, the 2018 Commitment Fee, Bank Expenses, and other amounts Borrower owes Bank now or later, under this Agreement or the other Loan Documents, including, without limitation, interest accruing after Insolvency Proceedings begin and debts, liabilities, or obligations of Borrower assigned to Bank, and to perform Borrower’s duties under the Loan Documents.

“**Quick Assets**” is, on any date of determination, the sum of Borrower’s (i) unrestricted and unencumbered cash (of which at least Twelve Million Five Hundred Thousand Dollars (\$12,500,000) must be in Deposit Accounts in the name of Borrower maintained at Bank), plus (ii) net billed accounts receivable determined according to GAAP.

“**Revolving Line Maturity Date**” is November 2, 2021.

“**Streamline Period**” is, on and after the Fifth Amendment Effective Date, provided no Event of Default has occurred and is continuing, the period (a) commencing on the first day of the month following the day that Borrower provides to Bank a written report that Borrower has maintained either (i) a Liquidity Ratio of greater than 1.75 to 1.00, for each consecutive day in the immediately preceding calendar month, or (ii) an Uncapped Availability Ratio greater than 1.50 to 1.00, for each consecutive day in the immediately preceding calendar month, in each case as determined by Bank in its reasonable discretion (the “**Streamline Threshold**”); and (b) terminating on the earlier to occur of (i) the occurrence of an Event of Default, and (ii) the first day thereafter in which Borrower fails to maintain the Streamline Threshold, as determined by Bank in its reasonable discretion. Upon the termination of a Streamline Period, Borrower must maintain the Streamline Threshold (i) with respect to the Liquidity Ratio, as of the last day of the immediately preceding calendar month or (ii) for the Uncapped Availability Ratio, each consecutive day for one (1) calendar month, as determined by Bank in its reasonable discretion, prior to entering into a subsequent Streamline Period. Borrower shall give Bank prior written notice of Borrower’s election to enter into any such Streamline Period, and each such Streamline Period shall commence on the first day of the monthly period following the date the Bank determines, in its reasonable discretion, that the Streamline Threshold has been achieved.

2.9 Section 13.1 (Definitions). The following terms and their definitions set forth in Section 13.1 are deleted in their entirety:

“**Adjusted Quick Ratio**” is the ratio of (a) Quick Assets to (b) Current Liabilities minus the current portion of Deferred Revenue.

“**Current Liabilities**” are all obligations and liabilities of Borrower to Bank, plus, without duplication, the aggregate amount of Borrower’s Total Liabilities that mature within one (1) year but excluding (i) intercompany payables, (ii) statutory severance required in Israel and (iii) the Obligations under the Mezzanine Loan Agreement.

“**Total Liabilities**” is on any day, obligations that should, under GAAP, be classified as liabilities on Borrower’s consolidated balance sheet, including all Indebtedness.

“**Transaction Report**” is that certain report of transactions and schedule of collections on Bank’s standard form.

2.10 Exhibit B (Compliance Certificate). The Compliance Certificate appearing as Exhibit B to the Loan Agreement is amended in its entirety and replaced with the Compliance Certificate in the form of Exhibit B attached hereto.

3. Limitation of Amendments.

3.1 The amendments set forth in Section 2 above are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Bank may now have or may have in the future under or in connection with any Loan Document.

3.2 This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

4. **Representations and Warranties.** To induce Bank to enter into this Amendment, Borrower hereby represents and warrants to Bank as follows:

4.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

4.2 Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

4.3 The organizational documents of Borrower delivered to Bank on the Effective Date remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect, except that the Certificate of Incorporation was amended and restated pursuant to the Amended and Restated Certificate of Incorporation dated February 11, 2015;

4.4 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized;

4.5 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not and will not contravene (a) any law or regulation binding on or affecting Borrower, (b) any contractual restriction with a Person binding on Borrower, (c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Borrower, or (d) the organizational documents of Borrower;

4.6 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on Borrower, except as already has been obtained or made; and

4.7 This Amendment has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

5. **Ratification of Intellectual Property Security Agreement.** Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and conditions of a certain Intellectual Property Security Agreement dated as of November 20, 2014 between Borrower and Bank, as supplemented by that certain First Supplement to Intellectual Property Security Agreement between Borrower and Bank dated as of January 27, 2016, and as further supplemented by that certain Second Supplement to Intellectual Property Security Agreement between Borrower and Bank dated as of August 9, 2016, and acknowledges, confirms and agrees that said Intellectual Property Security Agreement (a) contains an accurate and complete listing of all Intellectual Property Collateral, as defined in said Intellectual Property Security Agreement, and (b) shall remain in full force and effect.

6. **Updated Perfection Certificate.** Borrower has delivered an updated Perfection Certificate in connection with this Amendment dated as of the date hereof (the “**Updated Perfection Certificate**”), which Updated Perfection Certificate shall supersede in all respects that certain Perfection Certificate dated as of October 6, 2016. Borrower agrees that all references in the Loan Agreement to “Perfection Certificate” shall hereinafter be deemed to be a reference to the Updated Perfection Certificate.

7. **Integration.** This Amendment and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Amendment and the Loan Documents merge into this Amendment and the Loan Documents.

8. **Counterparts.** This Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

9. **Effectiveness.** As a condition precedent to the effectiveness of this Amendment and the Bank’s obligation to make further Advances under the Revolving Line, the Bank shall have received the following documents prior to or concurrently with this Amendment, each in form and substance acceptable to Bank:

9.1 this Amendment duly executed by each party hereto;

9.2 copies, certified by a duly authorized officer of Borrower, to be true and complete as of the date hereof, of each of (but only to the extent modified or amended since last delivered to Bank) (i) the governing documents of Borrower as in effect on the date hereof, (ii) the resolutions of Borrower authorizing the execution and delivery of this Amendment, the other documents executed in connection herewith and Borrower’s performance of all of the transactions contemplated hereby, and (iii) an incumbency certificate giving the name and bearing a specimen signature of each individual who shall be so authorized on behalf of Borrower;

9.3 a good standing certificate of Borrower, certified by the Secretary of State of the state of incorporation of Borrower, and each jurisdiction in which Borrower is qualified to do business, dated as of a date no earlier than thirty (30) days prior to the date hereof;

9.4 certified copies, dated as of a recent date, of financing statement and other lien searches of Borrower, as Bank may request and which shall be obtained by Bank, accompanied by written evidence (including any UCC termination statements) that the Liens revealed in any such searched either (i) will be terminated prior to or in connection with the Agreement, or (ii) in the sole discretion of Bank, will constitute Permitted Liens;

9.5 evidence satisfactory to Bank that the insurance policies require for Borrower are in fully force and effect, together with appropriate evidence showing lender loss payable and additional insured clauses or endorsements in favor of Bank;

9.6 the Updated Perfection Certificate;

9.7 Borrower's payment of (i) the portion of the 2018 Commitment Fee due on the Fifth Amendment Effective Date, and (ii) Bank's legal fees and expenses incurred in connection with this Amendment; and

9.8 such additional documents as Bank may reasonably request to effectuate the terms of this Amendment.

[Signature page follows.]

In WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

BANK

SILICON VALLEY BANK

By: /s/ Dylan Wong
Name: Dylan Wong
Title: Vice President

BORROWER

OUTBRAIN INC.

By: /s/ Barry Schofield
Name: Barry Schofield
Title: VP, Corporate Finance & Treasurer

*[Signature page to Fifth Amendment
to Amended and Restated Loan and Security Agreement]*

EXHIBIT B

COMPLIANCE CERTIFICATE

TO: SILICON VALLEY BANK
FROM: OUTBRAIN INC.

Date: _____

The undersigned, in his or her capacity as authorized officer of Outbrain Inc. (“**Borrower**”) and not in her or her individual capacity certifies that under the terms and conditions of the Loan and Security Agreement between Borrower and Bank (the “**Agreement**”): (1) Borrower is in complete compliance for the period ending _____ with all required covenants except as noted below; (2) there are no Events of Default; (3) all representations and warranties in the Agreement are true and correct in all material respects on this date except as noted below; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date; (4) Borrower, and each of its Subsidiaries, has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower except as otherwise permitted pursuant to the terms of Section 5.9 of the Agreement; and (5) no Liens have been levied or claims made against Borrower or any of its Subsidiaries relating to unpaid employee payroll or benefits of which Borrower has not previously provided written notification to Bank. Attached are the required documents supporting the certification. The undersigned certifies that these are prepared in accordance with GAAP consistently applied from one period to the next except as explained in an accompanying letter or footnotes. The undersigned acknowledges that no borrowings may be requested at any time or date of determination that Borrower is not in compliance with any of the terms of the Agreement, and that compliance is determined not just at the date this certificate is delivered. Capitalized terms used but not otherwise defined herein shall have the meanings given them in the Agreement.

Please indicate compliance status by circling Yes/No under “Complies” column.

<u>Reporting Covenants</u>	<u>Required</u>	<u>Complies</u>
Monthly financial statements with Compliance Certificate	Monthly within 30 days	Yes No
Annual financial statement (CPA Audited) + CC	FYE within 180 days	Yes No
10-Q, 10-K and 8-K	Within 5 days after filing with SEC	Yes No
A/R & A/P Agings	Monthly within 30 days	Yes No
Borrowing Base Reports	Monthly within 7 Business Days and each request for an Advance	Yes No
Projections	FYE within 30 days	Yes No
409A Report	As completed, but at least annually	Yes No
Capitalization Table	As updated, but at least annually	Yes No
The following Intellectual Property was registered (or a registration application submitted) after the Effective Date (if no registrations, state “None”).		

<u>Financial Covenants</u>	<u>Required</u>	<u>Actual</u>	<u>Complies</u>
Maintain as indicated:			
Liquidity Ratio	1.15:1.00	:1.00	Yes No
EBITDA	*	\$	Yes No

* See Section 6.9(b)

<u>Streamline Period</u>		<u>Applies</u>
Liquidity Ratio > 1.75:1.00 or Uncapped Availability Ratio > 1.50:1.00	Prime + 0.25%	Yes No
Liquidity Ratio ≤ 1.75:1.00 and Uncapped Availability Ratio ≤ 1.50:1.00	Prime + 0.75%	Yes No

The following financial covenant analysis and information set forth in Schedule 1 attached hereto are true and accurate as of the date of this Certificate.

The following are the exceptions with respect to the certification above: (If no exceptions exist, state "No exceptions to note.")

OUTBRAIN INC.

By: _____
Name
: _____
Title: _____

BANK USE ONLY

Received by: _____
AUTHORIZED SIGNER
Date: _____
Verified: _____
AUTHORIZED SIGNER
Date: _____

Compliance Status: Yes No

Schedule 1 to Compliance Certificate

Financial Covenants of Borrower

In the event of a conflict between this Schedule and the Loan Agreement, the terms of the Loan Agreement shall govern.

I. Liquidity Ratio (Section 6.9(a))

Required: Maintain at all times, to be certified to Bank as of the last day of each month, a Liquidity Ratio of greater than 1.15 to 1.00. In connection therewith, Borrower shall also comply with the requirement set forth in the definition of Quick Assets.

Actual:

A.	Aggregate value of Borrower's unrestricted and unencumbered cash	\$ ____
B.	Aggregate value of Borrower's net billed accounts receivable, determined according to GAAP	\$ ____
C.	Quick Assets (the sum of lines A and B)	\$ ____
D.	Aggregate value of accounts payable of Borrower	\$ ____
E.	Aggregate value of traffic acquisition cost accruals	\$ ____
F.	Line C minus line D minus line E	\$ ____
G.	Aggregate value of all Obligations	\$ ____
H.	Liquidity Ratio (line E divided by line G)	_____

Is line H greater than 1.15:1:00?

_____ No, not in compliance

_____ Yes, in compliance

Is the unrestricted and unencumbered cash of Borrower in Deposit Accounts at Bank equal to or greater than \$12,500,000?

_____ No, not in compliance

_____ Yes, in compliance

II. EBITDA (Section 6.9(b))

Required: Achieve, measured as of the last day of each period set forth below on a trailing six (6) month basis, EBITDA of at least (loss not worse than) the following amounts:

Period	Minimum EBITDA (maximum loss)
September 30, 2018	(\$1,000,000)
December 31, 2018	\$1,500,000
March 31, 2019	\$4,000,000
June 30, 2019	\$3,500,000
September 30, 2019	\$2,500,000
December 31, 2019	\$7,500,000
March 31, 2020 and thereafter	

To be mutually agreed upon by Bank and Borrower prior to February 28, 2020 which amount will be at least \$15,000,000 for each fiscal year and will be based upon projections prepared by Borrower

Actual:

A. Net Income of Borrower	\$ _____
B. To the extent included in the determination of Net Income.	
1. Interest Expense	\$ _____
2. Depreciation expense	\$ _____
3. Amortization expense	\$ _____
4. To the extent deducted in the calculation of Net Income, federal, state and local income taxes, whether paid, payable or accrued, <u>plus</u> (v) all non-cash expenses reflected in Net Income, including non-cash stock compensation expense	\$ _____
5. Non-cash expenses reflected in Net Income in an amount not to exceed \$2,500,000 in any fiscal year	\$ _____
6. Non-cash stock compensation expense	\$ _____
7. Non-recurring add-backs in an amount not to exceed \$2,500,000 in any fiscal year	\$ _____
8. Other add-backs to EBITDA approved by Bank on a case-by-case basis in its sole discretion (including non-recurring deal related costs, such approval not to be unreasonably withheld)	\$ _____
9. The sum of lines 1 through 8	\$ _____

C. EBITDA (line A plus line B.9) _____

Is line C at least (loss not worse than) \$ _____?

_____ No, not in compliance

_____ Yes, in compliance

III. **Streamline Period** (Liquidity Ratio or Uncapped Availability Ratio)

Was the Liquidity Ratio set forth in line H above greater than 1.75:1:00 for each consecutive day in the immediately preceding calendar month?

_____ No, not in Streamline Period

_____ Yes, in Streamline Period

Uncapped Availability Ratio:

A. Borrowing Base \$ _____

B. Aggregate value of all Obligations of Borrower to Bank including the amount of all outstanding Letters of Credit, but excluding all Obligations under the Mezzanine Loan Agreement \$ _____

C. Uncapped Availability Ratio (line A divided by line B) _____

Was the Uncapped Availability Ratio set forth in line C above greater than 1.50:1:00 for each consecutive day in the immediately preceding calendar month?

_____ No, not in Streamline Period

_____ Yes, in Streamline Period

**FOURTH AMENDMENT
TO
AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT**

This Fourth Amendment to Amended and Restated Loan and Security Agreement (this “**Amendment**”) is entered into this 6th day of October, 2016, by and between **SILICON VALLEY BANK (“Bank”)** and **OUTBRAIN INC.**, a Delaware corporation (“**Borrower**”) whose address is 39 West 13th Street, 3rd Floor, New York, New York 10011.

RECITALS

A. Bank and Borrower have entered into that certain Amended and Restated Loan and Security Agreement dated as of September 15, 2014, as amended by that certain First Amendment to Amended and Restated Loan and Security Agreement by and between Borrower and Bank dated as of November 20, 2014, as further amended by that certain Second Amendment to Amended and Restated Loan and Security Agreement by and between Borrower and Bank dated as of January 27, 2016, and as further amended by that certain Third Amendment to Amended and Restated Loan and Security Agreement by and between Borrower and Bank dated as of August 25, 2016 (as the same may from time to time be further amended, modified, supplemented or restated, the “**Loan Agreement**”).

B. Bank has extended credit to Borrower for the purposes permitted in the Loan Agreement.

C. Borrower has requested that Bank amend the Loan Agreement to (i) extend the maturity date and (ii) make certain other revisions to the Loan Agreement as more fully set forth herein.

D. Bank has agreed to so amend certain provisions of the Loan Agreement, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

AGREEMENT

Now, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Definitions. Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Loan Agreement.

2. **Amendments to Loan Agreement.**

thereof:

2.1 **Section 2.5 (Fees).** The Loan Agreement shall be amended by inserting the following new clause (d) to appear at the end of Section 2.5

(d) 2016 Commitment Fee. A fully-earned non-refundable commitment fee (the “**2016 Commitment Fee**”) of Eighty-Seven Thousand Five Hundred Dollars (\$87,500.00), which shall be payable as follows:

(i) Twenty-Nine Thousand One Hundred Sixty-Six and 66/100 Dollars (\$29,166.66) due and payable on the 2016 Effective Date;

(ii) Twenty-Nine Thousand One Hundred Sixty-Six and 66/100 Dollars (\$29,166.66) due and payable on the earliest to occur of (A) October 6, 2017, (B) the occurrence of an Event of Default, or (C) the termination of this Agreement; and

(iii) Twenty-Nine Thousand One Hundred Sixty-Six and 66/100 Dollars (\$29,166.66) due and payable on the earliest to occur of (A) October 6, 2018, (B) the occurrence of an Event of Default, or (C) the termination of this Agreement.

2.2 **Section 6.8(a) (Operating Accounts).** Section 6.8(a) is amended in its entirety and replaced with the following:

(a) Maintain all of its and all of its Subsidiaries’ depository, operating and securities/investments accounts with Bank and/or Bank’s Affiliates with the exception of (i) the Offshore Accounts and (ii) Outbrain UK may maintain up to seven (7) multi-currency accounts at HSBC Bank (the “**HSBC Accounts**”), and the aggregate value in such HSBC Accounts shall not exceed (x) Six Million Euros (€6,000,000.00), (y) Three Million British Pounds Sterling (£3,000,000.00), and (z) Two Million Five Hundred Thousand Dollars (\$2,500,000.00), provided, that if any such HSBC Account contains assets in excess of such thresholds for five (5) or more consecutive Business Days, Borrower shall cause Outbrain UK to transfer any such excess to an account of Outbrain UK maintained at Bank or Bank’s Affiliates.

2.3 **Section 6.9 (Financial Covenants).** Section 6.9 is amended in its entirety and replaced with the following:

6.9 Financial Covenant – Adjusted Quick Ratio. Maintain, tested as of the last day of each month, calculated on a consolidated basis with respect to Borrower and its Subsidiaries, an Adjusted Quick Ratio of at least 1.00 to 1.00.

2.4 **Section 13.1 (Definitions).** Clause (e) of the definition of “Eligible Accounts” appearing in Section 13.1 of the Loan Agreement is hereby amended in its entirety and replaced with the following:

(e) Accounts owing from an Account Debtor which does not have its principal place of business in the United States (except for Eligible Foreign Accounts), unless otherwise approved by Bank in writing on a case-by-case basis in its sole and absolute discretion;

2.5 **Section 13.1 (Definitions).** Clause (c) of the definition entitled “Permitted Investments” appearing in Section 13.1 of the Loan Agreement is hereby amended in its entirety and replaced with the following:

(c) Investments by Borrower (i) in Foreign Subsidiaries not to exceed Thirteen Million Seven Hundred Fifty Thousand Dollars (\$13,750,000.00) in any fiscal quarter of Borrower and (ii) in Subsidiaries not to exceed Fifty-Five Million Dollars (\$55,000,000.00) in the aggregate in any fiscal year (including Investments made pursuant to (i) hereof).

2.6 **Section 13.1 (Definitions).** The following terms and their definitions set forth in Section 13.1 are amended in their entirety and replaced with the following:

“**Obligations**” are Borrower’s obligations to pay when due any debts, principal, interest, fees, the 2016 Commitment Fee, Bank Expenses, and other amounts Borrower owes Bank now or later, under this Agreement or the other Loan Documents, including, without limitation, interest accruing after Insolvency Proceedings begin and debts, liabilities, or obligations of Borrower assigned to Bank, and to perform Borrower’s duties under the Loan Documents.

“**Offshore Accounts**” are accounts maintained by Borrower’s Subsidiaries outside the United States and United Kingdom with financial institutions other than Bank or Bank’s Affiliates, provided that the maximum balance maintained in such accounts does not exceed: (i) on or before December 31, 2016, the aggregate amount of Twenty Million Dollars (\$20,000,000.00) at any time and (ii) on and after January 1, 2017, the aggregate amount of Fifteen Million Dollars (\$15,000,000.00) at any time.

“**Prime Rate**” is the rate of interest per annum from time to time published in the money rates section of The Wall Street Journal or any successor publication thereto as the “prime rate” then in effect; provided that, in the event such rate of interest is less than zero, such rate shall be deemed to be zero for purposes of this Agreement; and provided further that if such rate of interest, as set forth from time to time in the money rates section of The Wall Street Journal, becomes unavailable for any reason as determined by Bank, the “Prime Rate” shall mean the rate of interest per annum announced by Bank as its prime rate in effect at its principal office in the State of California (such Bank announced Prime Rate not being intended to be the lowest rate of interest charged by Bank in connection with extensions of credit to debtors).

“**Quick Assets**” is, on any date, Borrower’s consolidated, unrestricted cash (of which at least Fifteen Million Dollars (\$15,000,000.00) must be in accounts in the name of Borrower at Bank) plus net billed accounts receivable, determined according to GAAP.

“**Revolving Line Maturity Date**” is October 6, 2019.

“Streamline Period” is, on and after the 2016 Effective Date, provided no Event of Default has occurred and is continuing, the period (a) commencing on the first day of the month following the day that Borrower provides to Bank a written report that Borrower has maintained either (i) an Adjusted Quick Ratio of greater than 1.10 to 1.00, as of the last day of the immediately preceding calendar month, or (ii) an Uncapped Availability Ratio greater than 1.50 to 1.00, for each consecutive day in the immediately preceding calendar month, in each case as determined by Bank in its reasonable discretion (the **“Streamline Threshold”**); and (b) terminating on the earlier to occur of (i) the occurrence of an Event of Default, and (ii) the first day thereafter in which Borrower fails to maintain the Streamline Threshold, as determined by Bank in its reasonable discretion. Upon the termination of a Streamline Period, Borrower must maintain the Streamline Threshold (i) with respect to the Adjusted Quick Ratio, as of the last day of the immediately preceding calendar month and (ii) for the Uncapped Availability Ratio, each consecutive day for one (1) calendar month, as determined by Bank in its reasonable discretion, prior to entering into a subsequent Streamline Period. Borrower shall give Bank prior written notice of Borrower’s election to enter into any such Streamline Period, and each such Streamline Period shall commence on the first day of the monthly period following the date the Bank determines, in its reasonable discretion, that the Streamline Threshold has been achieved.

2.7 **Section 13.1 (Definitions).** The Loan Agreement shall be amended by inserting the following new definitions to appear alphabetically in Section 13.1 thereof:

“2016 Commitment Fee” is defined in Section 2.5(d).

“2016 Effective Date” is October 6, 2016.

“Eligible Foreign Accounts” are Accounts which are billed from and/or payable to Borrower in the United States, but which are owing from an Account Debtor which has its principal place of business in Canada, the United Kingdom, Japan, Italy, France, Germany, Australia, Israel or Singapore, and are otherwise Eligible Accounts; provided, in no event shall the aggregate amount of such Eligible Foreign Accounts included in the Borrowing Base constitute more than twenty-five percent (25.0%) of all Eligible Accounts included in the Borrowing Base.

2.8 **Exhibit B (Compliance Certificate).** Schedule 1 to the Compliance Certificate is amended in its entirety and replaced with the Schedule 1 in the form of Schedule A attached hereto.

3. Limitation of Amendments.

3.1 The amendments set forth in Section 2 above are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Bank may now have or may have in the future under or in connection with any Loan Document.

3.2 This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

4. Representations and Warranties. To induce Bank to enter into this Amendment, Borrower hereby represents and warrants to Bank as follows:

4.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

4.2 Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

4.3 The organizational documents of Borrower delivered to Bank on the Effective Date remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect, except that the Certificate of Incorporation was amended and restated pursuant to the Amended and Restated Certificate of Incorporation dated February 11, 2015;

4.4 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized;

4.5 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not and will not contravene (a) any law or regulation binding on or affecting Borrower, (b) any contractual restriction with a Person binding on Borrower, (c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Borrower, or (d) the organizational documents of Borrower;

4.6 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on Borrower, except as already has been obtained or made; and

4.7 This Amendment has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

5. **Ratification of Intellectual Property Security Agreement.** Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and conditions of a certain Intellectual Property Security Agreement dated as of November 20, 2014 between Borrower and Bank, as supplemented by that certain First Supplement to Intellectual Property Security Agreement between Borrower and Bank dated as of January 27, 2016, and as further supplemented by that certain Second Supplement to Intellectual Property Security Agreement between Borrower and Bank dated as of August 9, 2016, and acknowledges, confirms and agrees that said Intellectual Property Security Agreement (a) contains an accurate and complete listing of all Intellectual Property Collateral, as defined in said Intellectual Property Security Agreement, and (b) shall remain in full force and effect.

6. **Updated Perfection Certificate.** Borrower has delivered an updated Perfection Certificate in connection with this Amendment dated as of the date hereof (the **“Updated Perfection Certificate”**), which Updated Perfection Certificate shall supersede in all respects that certain Perfection Certificate dated as of August 9, 2016. Borrower agrees that all references in the Loan Agreement to “Perfection Certificate” shall hereinafter be deemed to be a reference to the Updated Perfection Certificate.

7. **Post-Closing Deliverables.** Within ninety (90) days after the 2016 Effective Date, Bank shall have received in form and substance satisfactory to Bank, a bailee waiver in favor of Bank for Raging Wire Data Centers, 1625 National Drive (CA3), Sacramento, California 95834, together with the duly executed original signatures thereto.

8. **Integration.** This Amendment and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Amendment and the Loan Documents merge into this Amendment and the Loan Documents.

9. **Counterparts.** This Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

10. **Effectiveness.** This Amendment shall be deemed effective upon (a) the due execution and delivery to Bank of this Amendment by each party hereto and (b) Borrower’s payment of Bank’s legal fees and expenses incurred in connection with this Amendment.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

BANK

SILICON VALLEY BANK

By: /s/ Claudia Canales

Name: Claudia Canales

Title: Director

BORROWER

OUTBRAIN INC.

By: /s/ Barry Schofield

Name: Barry Schofield

Title: VP, Corporate Finance & Treasurer

[Signature page to Fourth Amendment to Amended and Restated Loan and Security Agreement]

SCHEDULE A

Schedule 1 to Compliance Certificate

Financial Covenants of Borrower

In the event of a conflict between this Schedule and the Loan Agreement, the terms of the Loan Agreement shall govern.

I. **Adjusted Quick Ratio** (Section 6.9)

Required: 1.00:1.00

Actual:

- A. Aggregate value of Borrower's consolidated, unrestricted cash (must include at least \$15,000,000.00 in accounts in the name of Borrower at Bank) \$ _____
- B. Aggregate value of Borrower's consolidated net billed accounts receivable, determined according to GAAP \$ _____
- C. Quick Assets (the sum of lines A and B) \$ _____
- D. Aggregate value of all Obligations of Borrower to Bank \$ _____
- E. Aggregate value of liabilities that should, under GAAP, be classified as liabilities on Borrower's consolidated balance sheet, including all Indebtedness, not otherwise reflected in line D above, that matures within one (1) year but excluding (i) intercompany payables, (ii) statutory severance required in Israel and (iii) Obligations under the Mezzanine Loan Agreement \$ _____
- F. Current Liabilities (the sum of lines D and E) \$ _____
- G. Aggregate value of current portion of all amounts received or invoiced by Borrower in advance of performance under contracts and not yet recognized as revenue \$ _____
- H. Line F minus G \$ _____
- I. Adjusted Quick Ratio (line C divided by line H) _____

Is line I equal to or greater than 1.00:1.00?

_____ No, not in compliance

_____ Yes, in compliance

II. Performance Pricing (Adjusted Quick Ratio or Uncapped Availability Ratio)

Was the Adjusted Quick Ratio set forth in line I above greater than 1.10:1:00 for each consecutive day in the immediately preceding calendar month?

_____ No, not in Streamline Period

_____ Yes, in Streamline Period

Uncapped Availability Ratio:

A. Borrowing Base \$ _____

B. Aggregate value of all Obligations of Borrower to Bank including the amount of all outstanding Letters of Credit, but excluding all Obligations under the Mezzanine Loan Agreement \$ _____

C. Uncapped Availability Ratio (line A divided by line B) _____

Was the Uncapped Availability Ratio set forth in line C above greater than 1.50:1:00 for each consecutive day in the immediately preceding calendar month?

_____ No, not in Streamline Period

_____ Yes, in Streamline Period

**THIRD AMENDMENT
TO
AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT**

This Third Amendment to Amended and Restated Loan and Security Agreement (this “**Amendment**”) is entered into this 25th day of August, 2016, by and between **SILICON VALLEY BANK (“Bank”)** and **OUTBRAIN INC.**, a Delaware corporation (“**Borrower**”) whose address is 39 West 13th Street, 3rd Floor, New York, New York 10011.

RECITALS

A. Bank and Borrower have entered into that certain Amended and Restated Loan and Security Agreement dated as of September 15, 2014, as amended by that certain First Amendment to Amended and Restated Loan and Security Agreement by and between Borrower and Bank dated as of November 20, 2014, and as further amended by that certain Second Amendment to Amended and Restated Loan and Security Agreement by and between Borrower and Bank dated as of January 27, 2016 (as the same may from time to time be further amended, modified, supplemented or restated, the “**Loan Agreement**”).

B. Bank has extended credit to Borrower for the purposes permitted in the Loan Agreement.

C. Borrower has requested that Bank amend the Loan Agreement to (i) extend the maturity date, and (ii) make certain other revisions to the Loan Agreement as more fully set forth.

D. Bank has agreed to so amend certain provisions of the Loan Agreement, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

AGREEMENT

Now, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Definitions. Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Loan Agreement.

2. Amendment to Loan Agreement.

2.1 Section 13.1 (Definitions). The following term and its definition set forth in Section 13.1 is amended in its entirety and replaced with the following:

“Revolving Line Maturity Date” is October 15, 2016.

3. Limitation of Amendments.

3.1 The amendments set forth in Section 2 above are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Bank may now have or may have in the future under or in connection with any Loan Document.

3.2 This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

4. Representations and Warranties. To induce Bank to enter into this Amendment, Borrower hereby represents and warrants to Bank as follows:

4.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

4.2 Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

4.3 The organizational documents of Borrower delivered to Bank on the Effective Date remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect, except that the Certificate of Incorporation was amended and restated pursuant to the Amended and Restated Certificate of Incorporation dated February 11, 2015;

4.4 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized;

4.5 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not and will not contravene (a) any law or regulation binding on or affecting Borrower, (b) any contractual restriction with a Person binding on Borrower, (c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Borrower, or (d) the organizational documents of Borrower;

4.6 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on Borrower, except as already has been obtained or made; and

4.7 This Amendment has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

5. **Integration.** This Amendment and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Amendment and the Loan Documents merge into this Amendment and the Loan Documents.

6. **Counterparts.** This Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

7. **Effectiveness.** This Amendment shall be deemed effective upon (a) the due execution and delivery to Bank of this Amendment by each party hereto and (b) Borrower's payment of Bank's legal fees and expenses incurred in connection with this Amendment.

[Signature page follows.]

In WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

BANK

SILICON VALLEY BANK

By: /s/ Michael Moretti
Name: Michael Moretti
Title: Managing Director

BORROWER

OUTBRAIN INC.

By: /s/ Barry Schofield
Name: Barry Schofield
Title: VP, Corporate Finance & Treasurer

**SECOND AMENDMENT
TO
AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT**

This Second Amendment to Amended and Restated Loan and Security Agreement (this "**Amendment**") is entered into this 27th day of January, 2016, by and between **SILICON VALLEY BANK** ("**Bank**") and **OUTBRAIN INC.**, a Delaware corporation ("**Borrower**") whose address is 39 West 13th Street, 3rd Floor, New York, New York 10011.

RECITALS

A. Bank and Borrower have entered into that certain Amended and Restated Loan and Security Agreement dated as of September 15, 2014, as amended by that certain First Amendment to Amended and Restated Loan and Security Agreement dated as of November 20, 2014 (as amended, and as the same may from time to time be further amended, modified, supplemented or restated, the "**Loan Agreement**"). Bank and Borrower have also entered into that certain Mezzanine Loan and Security Agreement dated as of November 20, 2014 (as amended, and as the same may from time to time be further amended, modified, supplemented or restated, the "**Mezzanine Loan Agreement**").

B. Bank has extended credit to Borrower for the purposes permitted in the Loan Agreement.

C. Borrower has requested that Bank amend the Loan Agreement to (i) amend the definition of Streamline Period, and (ii) make certain other revisions to the Loan Agreement as more fully set forth herein.

D. Bank has agreed to so amend certain provisions of the Loan Agreement, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

AGREEMENT

Now, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Definitions. Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Loan Agreement.

2. Amendments to Loan Agreement.

2.1 Section 6.8(a) (Operating Accounts). Section 6.8(a) is amended in its entirety and replaced with the following:

“(a) Maintain all of its and all of its Subsidiaries’ depository, operating and securities/investments accounts with Bank and/or Bank’s Affiliates with the exception of (i) the Offshore Accounts and (ii) Outbrain UK may maintain up to seven (7) multi-currency accounts at HSBC Bank (the "**HSBC Accounts**"), and the aggregate value in such HSBC Accounts shall not exceed (x) Two Million Seven Hundred Fifty Thousand Euros (€2,750,000), (y) One Million Seven Hundred Fifty Thousand British Pounds Sterling (£1,750,000), and (z) Seven Hundred Fifty Thousand Dollars (\$750,000), provided, that if any such HSBC Account contains assets in excess of such thresholds for five (5) or more consecutive Business Days, Borrower shall cause Outbrain UK to transfer any such excess to an account of Outbrain UK maintained at Bank or Bank’s Affiliates.”

2.2 **Section 13 (Definitions).** The following new terms and their respective definitions are inserted into Section 13.1, each in the appropriate alphabetical order:

“**HSBC Accounts**” is defined in Section 6.8(a).

“**Outbrain UK**” means Outbrain UK Ltd., a company organized under the laws of England and Wales, and a wholly-owned Subsidiary of Borrower.

“**Second Amendment Effective Date**” is January 27, 2016.

“**Uncapped Availability Ratio**” is the result of (a) the Borrowing Base, divided by (b) the aggregate amount of all Obligations, including, without limitation, the aggregate amount of all outstanding Letters of Credit, but excluding all Obligations under the Mezzanine Loan Agreement.

2.3 **Section 13 (Definitions).** The following terms and their respective definitions set forth in Section 13.1 are amended in their entirety and replaced with the following:

“**Current Liabilities**” are all obligations and liabilities of Borrower to Bank, plus, without duplication, the aggregate amount of Borrower’s Total Liabilities that mature within one (1) year but excluding (i) intercompany payables, (ii) statutory severance required in Israel and (iii) the Obligations under the Mezzanine Loan Agreement.

“**Streamline Period**” is, on and after the Second Amendment Effective Date, provided no Event of Default has occurred and is continuing, the period (a) commencing on the first day of the month following the day that Borrower provides to Bank a written report that Borrower has, for each consecutive day in the immediately preceding calendar month, maintained either (i) an Adjusted Quick Ratio of greater than 1.10 to 1.00 or (ii) an Uncapped Availability Ratio greater than 1.50 to 1.00, in each case as determined by Bank in its reasonable discretion (the “**Streamline Threshold**”); and (b) terminating on the earlier to occur of (i) the occurrence of an Event of Default, and (ii) the first day thereafter in which Borrower fails to maintain the Streamline Threshold, as determined by Bank in its reasonable discretion. Upon the termination of a Streamline Period, Borrower must maintain the Streamline Threshold each consecutive day for one (1) calendar month, as determined by Bank in its reasonable discretion, prior to entering into a subsequent Streamline Period. Borrower shall give Bank prior written notice of Borrower’s election to enter into any such Streamline Period, and each such Streamline Period shall commence on the first day of the monthly period following the date the Bank determines, in its reasonable discretion, that the Streamline Threshold has been achieved.

2.4 Exhibit B (Compliance Certificate). The Compliance Certificate is amended in its entirety and replaced with the Compliance Certificate in the form of Exhibit B attached hereto.

3. Limitation of Amendments.

3.1 The amendments set forth in Section 2 above are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Bank may now have or may have in the future under or in connection with any Loan Document.

3.2 This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

4. Representations and Warranties. To induce Bank to enter into this Amendment, Borrower hereby represents and warrants to Bank as follows:

4.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

4.2 Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

4.3 The organizational documents of Borrower delivered to Bank on the Effective Date remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect, except that the Certificate of Incorporation was amended and restated pursuant to the Amended and Restated Certificate of Incorporation dated February 11, 2015;

4.4 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized;

4.5 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not and will not contravene (a) any law or regulation binding on or affecting Borrower, (b) any contractual restriction with a Person binding on Borrower, (c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Borrower, or (d) the organizational documents of Borrower;

4.6 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on Borrower, except as already has been obtained or made; and

4.7 This Amendment has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

5. Ratification of Intellectual Property Security Agreement. Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and conditions of a certain Intellectual Property Security Agreement dated as of November 20, 2014 between Borrower and Bank, and acknowledges, confirms and agrees that said Intellectual Property Security Agreement (a) contains an accurate and complete listing of all Intellectual Property Collateral, as defined in said Intellectual Property Security Agreement, except to the extent amended as set forth on Schedule 1 attached hereto, and (b) shall remain in full force and effect.

6. Updated Perfection Certificate. Borrower has delivered an updated Perfection Certificate with this Amendment dated as of the Second Amendment Effective Date (the "**Updated Perfection Certificate**") which Updated Perfection Certificate shall supersede in all respects that certain Perfection Certificate dated as of November 20, 2014. Borrower agrees that all references in the Loan Agreement to "Perfection Certificate" shall hereinafter be deemed to be a reference to the Updated Perfection Certificate.

7. No Defenses of Borrower. Borrower hereby acknowledges and agrees that Borrower has no offsets, defenses, claims, or counterclaims against Bank with respect to the Obligations, or otherwise, and that if Borrower now has, or ever did have, any offsets, defenses, claims, or counterclaims against Bank, whether known or unknown, at law or in equity, all of them are hereby expressly WAIVED and Borrower hereby RELEASES Bank from any liability thereunder.

8. Integration. This Amendment and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Amendment and the Loan Documents merge into this Amendment and the Loan Documents.

9. Counterparts. This Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

10. Effectiveness. This Amendment shall be deemed effective upon (a) the due execution and delivery to Bank of this Amendment by each party hereto, (b) Bank's receipt of the Updated Perfection Certificate, in form and substance reasonably acceptable to Bank, duly executed by Borrower, (c) Bank's receipt of that certain Consent Agreement, in form and substance reasonably acceptable to Bank, duly executed by Borrower, (d) Bank's receipt of a First Supplement to Intellectual Property Security Agreement, in form and substance reasonably acceptable to Bank, duly executed by Borrower, and (e) Borrower's payment of Bank's legal fees and expenses incurred in connection with this Amendment.

[Signature page follows.]

In WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

BANK

SILICON VALLEY BANK

By: /s/ Claudia Canales
Name: Claudia Canales
Title: Director

BORROWER

OUTBRAIN INC.

By: /s/ Barry Schofield
Name: Barry Schofield
Title: VP, Corporate Finance & Treasurer

Schedule 1

Updates to Intellectual Property Security Agreement

Title	Application Number(s)	Filing Date	Patent Number(s)
Content Title User Engagement Optimization	U.S. Appl. No. 14/529,667 (26136-43)	10/31/2014	N/A
Display Screen or Portion thereof with Graphical User Interface	N/A	3/31/2015	US Design Patents D743,431 D743,989 D743,990 D743,991 D744,517 D745,032 D745,033 D745,034 D745,035.
Display Screen or Portion Thereof with Graphical User Interface	29/541,937 (26136-56) 29/541,940 (26136-57) 29/541,942 (26136-58) 29/541,943 (26136-59) 29/541,946 (26136-60) 29/541,961 (26136-61) 29/541,950 (26136-62) 29/541,951 (26136-63) 29/541,953 (26136-64) 29/541,956 (26136-65) 29/541,957 (26136-66) 29/541,960 (26136-67) 29/541,967 (26136-68) 29/541,968 (26136-69) 29/541,979 (26136-70) 29/541,981 (26136-71) 29/541,984 (26136-72) 29/541,991 (26136-73)	10/9/2015	N/A
Inappropriate Content Filtering	U.S. Appl. No. 14/885,595 (26136-55)	10/16/2015	N/A
Computer-implemented Method and System for Assigning Yield and Revenue Values to Web Page Content in Real Time	U.S. Appl. No. 14/737,280	6/11/2015	N/A
Mobile Device Screen or Portion Thereof with a Graphical User Interface	29/548,888 (26136-74) 29/548,904 (26136-75) 29/548,907 (26136-76) 29/548,938 (26136-77) 29/548,945 (26136-78) 29/548,952 (26136-79)	12/17/2015	N/A
Electronic Device Display or Portion Thereof with a Graphical User Interface	29/550,819 (26136-80)	1/7/2016	N/A
Provisioning Personalized Content Recommendations	14/657,457 (26136-45)	3/13/15	N/A

EXHIBIT B

COMPLIANCE CERTIFICATE

TO: SILICON VALLEY BANK
 FROM: OUTBRAIN INC.

Date: _____

The undersigned, in his or her capacity as authorized officer of Outbrain Inc. (“**Borrower**”) and not in her or her individual capacity certifies that under the terms and conditions of the Loan and Security Agreement between Borrower and Bank (the “**Agreement**”): (1) Borrower is in complete compliance for the period ending _____ with all required covenants except as noted below; (2) there are no Events of Default; (3) all representations and warranties in the Agreement are true and correct in all material respects on this date except as noted below; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date; (4) Borrower, and each of its Subsidiaries, has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower except as otherwise permitted pursuant to the terms of Section 5.9 of the Agreement; and (5) no Liens have been levied or claims made against Borrower or any of its Subsidiaries relating to unpaid employee payroll or benefits of which Borrower has not previously provided written notification to Bank. Attached are the required documents supporting the certification. The undersigned certifies that these are prepared in accordance with GAAP consistently applied from one period to the next except as explained in an accompanying letter or footnotes. The undersigned acknowledges that no borrowings may be requested at any time or date of determination that Borrower is not in compliance with any of the terms of the Agreement, and that compliance is determined not just at the date this certificate is delivered. Capitalized terms used but not otherwise defined herein shall have the meanings given them in the Agreement.

Please indicate compliance status by circling Yes/No under “Complies” column.

Reporting Covenants	Required	Complies
Monthly financial statements with Compliance Certificate	Monthly within 30 days	Yes No
Annual financial statement (CPA Audited) + CC	FYE within 180 days	Yes No
10-Q, 10-K and 8-K	Within 5 days after filing with SEC	Yes No
A/R & A/P Agings	Monthly within 30 days	Yes No
Transaction Reports	Monthly within 30 days and each request for an Advance	Yes No
Projections	FYE within 30 days	Yes No
409A Report	As completed, but at least annually	Yes No
Capitalization Table	As updated, but at least annually	Yes No
The following Intellectual Property was registered (or a registration application submitted) after the Effective Date (if no registrations, state “None”).		

<u>Financial Covenant</u>	<u>Required</u>	<u>Actual</u>	<u>Complies</u>
Maintain as indicated:			
Minimum Adjusted Quick Ratio	1.00:1.00	_____:1.0	Yes No

<u>Performance Pricing</u>		<u>Applies</u>
Adjusted Quick Ratio > 1.10:1.00 or Uncapped Availability Ratio > 1.50:1.00	Prime + 0.25%	Yes No
Adjusted Quick Ratio ≤ 1.10:1.00 and Uncapped Availability Ratio ≤ 1.50:1.00	Prime + 0.75%	Yes No

The following financial covenant analysis and information set forth in Schedule 1 attached hereto are true and accurate as of the date of this Certificate.

The following are the exceptions with respect to the certification above: (If no exceptions exist, state "No exceptions to note.")

OUTBRAIN INC.

By: _____
 Name: _____
 Title: _____

BANK USE ONLY

Received by: _____
 AUTHORIZED SIGNER
 Date: _____
 Verified: _____
 AUTHORIZED SIGNER
 Date: _____
 Compliance Status: Yes No

Schedule 1 to Compliance Certificate

Financial Covenants of Borrower

In the event of a conflict between this Schedule and the Loan Agreement, the terms of the Loan Agreement shall govern.

I. Adjusted Quick Ratio (Section 6.9(a))

Required: 1.00:1.00

Actual:

A.	Aggregate value of Borrower's consolidated, unrestricted cash	\$ _____
B.	Aggregate value of Borrower's consolidated net billed accounts receivable, determined according to GAAP	\$ _____
C.	Quick Assets (the sum of lines A and B)	\$ _____
D.	Aggregate value of all Obligations of Borrower to Bank	\$ _____
E.	Aggregate value of liabilities that should, under GAAP, be classified as liabilities on Borrower's consolidated balance sheet, including all Indebtedness, not otherwise reflected in line D above, that matures within one (1) year but excluding (i) intercompany payables, (ii) statutory severance required in Israel and (iii) Obligations under the Mezzanine Loan Agreement	\$ _____
F.	Current Liabilities (the sum of lines D and E)	\$ _____
G.	Aggregate value of current portion of all amounts received or invoiced by Borrower in advance of performance under contracts and not yet recognized as revenue	\$ _____
H.	Line F minus G	\$ _____
I.	Adjusted Quick Ratio (line C divided by line H)	_____

Is line I equal to or greater than 1.00:1.00?

_____ No, not in compliance

_____ Yes, in compliance

II. Performance Pricing (Adjusted Quick Ratio or Uncapped Availability Ratio)

Was the Adjusted Quick Ratio set forth in line I above greater than 1.10:1:00 for each consecutive day in the immediately preceding calendar month?

_____ No, not in Streamline Period

_____ Yes, in Streamline Period

Uncapped Availability Ratio:

A. Borrowing Base \$ _____

B. Aggregate value of all Obligations of Borrower to Bank including the amount of all outstanding Letters of Credit, but excluding all Obligations under the Mezzanine Loan Agreement \$ _____

C. Uncapped Availability Ratio (line A divided by line B) _____

Was the Uncapped Availability Ratio set forth in line C above greater than 1.50:1:00 for each consecutive day in the immediately preceding calendar month?

_____ No, not in Streamline Period

_____ Yes, in Streamline Period

**FIRST AMENDMENT
TO
AMENDED AND RESTATED
LOAN AND SECURITY AGREEMENT**

This First Amendment to Amended and Restated Loan and Security Agreement (this "**Amendment**") is entered into this 20th day of November, 2014, by and between **SILICON VALLEY BANK ("Bank")** and **OUTBRAIN INC.**, a Delaware corporation ("**Borrower**") whose address is 39 West Thirteenth Street, Third Floor, New York City, New York 10011.

RECITALS

- A.** Bank and Borrower have entered into that certain Amended and Restated Loan and Security Agreement dated as of September 15, 2014 (as the same may from time to time be further amended, modified, supplemented or restated, the "**Loan Agreement**").
- B.** Bank has extended credit to Borrower for the purposes permitted in the Loan Agreement.
- C.** Borrower has requested that Bank amend the Loan Agreement to (i) amend the Collateral, and (ii) make certain other revisions to the Loan Agreement as more fully set forth herein.
- D.** Bank has agreed to so amend certain provisions of the Loan Agreement, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

AGREEMENT

Now, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

- 1. Definitions.** Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Loan Agreement.
- 2. Amendments to Loan Agreement.**

2.1 Section 3.5 (Post-Closing Requirements). Section 3.5 is amended in its entirety and replaced with the following:

"3.5 Post-Closing Requirements. Bank shall have received, in form and substance satisfactory to Bank, within ninety (90) days after the 2014 Effective Date, a landlord's consent in favor of Bank for Borrower's leased locations at (i) 2200 Busse Road, Elk Grove, Illinois 60007, and (ii) 600 West Seventh Street, Los Angeles, California 90017, by the respective landlord thereof, together with the duly executed original signatures thereto."

2.2 Section 6.2(d) (Financial Statements, Reports, Certificates). Section 6.2(d) is amended in its entirety and replaced with the following:

“(d) within thirty (30) days after the last day of each month and together with the Monthly Financial Statements, a duly completed Compliance Certificate signed by a Responsible Officer, certifying that as of the end of such month, Borrower was in full compliance with all of the terms and conditions of this Agreement (except as specifically noted therein), and setting forth calculations showing compliance with the financial covenants set forth in this Agreement and such other information as Bank may reasonably request;”

2.3 Section 6.2(f) (Financial Statements, Reports, Certificates). The following text set forth in Section 6.2(f) is amended in its entirety and replaced with the following:

“Notwithstanding the foregoing, Borrower shall provide Bank, on or before November 12, 2014, with Borrower’s audited consolidated financial statements for the fiscal years ended 2012 and 2013;”

2.4 Section 6.2 (Financial Statements, Reports, Certificates). The Loan Agreement shall be amended by (i) deleting “and” at the end of clause (i), (ii) changing “.” to “; and” at the end of clause (j), and (iii) inserting the following new clauses (k) and (1) to appear at the end of Section 6.2 thereof:

“(k) as long as Borrower is a privately held company, as soon as available after completion, and at least annually, any 409A valuation report prepared by or at the direction of Borrower; and

(1) contemporaneously with any updates or changes thereto, and at least annually, an updated capitalization table.”

2.5 Section 6.8 (Operating Accounts). Section 6.8 is amended in its entirety and replaced with the following:

“6.8 Operating Accounts.

(a) Maintain all of its and all of its Subsidiaries’ depository, operating and securities/investment accounts with Bank and/or Bank’s Affiliates with the exception of the Offshore Accounts.

(b) Provide Bank five (5) days prior written notice before establishing any Collateral Account at or with any bank or financial institution other than Bank or Bank’s Affiliates. For each Collateral Account not located at Bank and/or Bank’s Affiliates (other than (i) Offshore Accounts and (ii) the Permitted Accounts, provided such Permitted Accounts shall be closed and all balances maintained in such Permitted Accounts transferred to accounts in the name of Borrower maintained with Bank and/or Bank’s Affiliates no later than January 31, 2015) that Borrower at any time maintains, Borrower shall cause the applicable bank or financial institution (other than Bank) at or with which any Collateral Account is maintained to execute and deliver a Control Agreement or other appropriate instrument with respect to such Collateral Account to perfect Bank’s Lien in such Collateral Account in accordance with the terms hereunder which Control Agreement may not be terminated without the prior written consent of Bank. The provisions of the previous sentence shall not apply to deposit accounts exclusively used for payroll, payroll taxes, and other employee wage and benefit payments to or for the benefit of Borrower’s employees and identified to Bank by Borrower as such.”

2.6 Section 6.10 (Protection and Registration of Intellectual Property Rights). The Loan Agreement shall be amended by renaming Section 6.10 as “Protection and Registration of Intellectual Property Rights” and inserting the following new subsection (c) to appear at the end of Section 6.10 thereof:

“ (c) To the extent not already disclosed in writing to Bank, if Borrower (i) obtains any Patent, registered Trademark, registered Copyright, registered mask work, or any pending application for any of the foregoing, whether as owner, licensee or otherwise (other than as licensee of software commercially available to the public), or (ii) applies for any Patent or the registration of any Trademark, then Borrower shall promptly provide written notice thereof to Bank and shall execute such intellectual property security agreements and other documents and take such other actions as Bank may request in its good faith business judgment to perfect and maintain a first priority perfected security interest in favor of Bank in such property other than with respect to any “intent-to-use” Trademark application for which a statement of use has not been filed. If Borrower decides to register any Copyrights or mask works in the United States Copyright Office, Borrower shall: (x) provide Bank with at least five (5) days prior written notice of Borrower’s intent to register such Copyrights or mask works together with a copy of the application it intends to file with the United States Copyright Office (excluding exhibits thereto); (y) execute an intellectual property security agreement and such other documents and take such other actions as Bank may request in its good faith business judgment to perfect and maintain a first priority perfected security interest in favor of Bank in the Copyrights or mask works intended to be registered with the United States Copyright Office; and (z) record such intellectual property security agreement with the United States Copyright Office contemporaneously with filing the Copyright or mask work application(s) with the United States Copyright Office. Borrower shall promptly provide to Bank copies of all applications that it files for Patents or for the registration of Trademarks, Copyrights or mask works, together with evidence of the recording of the intellectual property security agreement required for Bank to perfect and maintain a first priority perfected security interest in such property.”

2.7 **Section 8.6 (Other Agreements).** Section 8.6 is amended in its entirety and replaced with the following:

“8.6 Other Agreements. There is, under any agreement to which Borrower is a party with a third party or parties (other than the Mezzanine Loan Agreement), (a) any default resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness in an amount individually or in the aggregate in excess of One Hundred Thousand Dollars (\$100,000.00), or (b) any breach or default by Borrower, the result of which could have a material adverse effect on Borrower’s business;”

2.8 **Section 13 (Definitions).** The following provision appearing as clause (a) in the definition of Permitted Indebtedness set forth in Section 13.1 is amended in its entirety and replaced with the following:

“(a) Borrower’s Indebtedness to Bank under this Agreement, the Mezzanine Loan Agreement, and the other Loan Documents;”

2.9 **Section 13 (Definitions).** The following provision appearing as clause (a) in the definition of Permitted Liens set forth in Section 13.1 is amended in its entirety and replaced with the following:

“(a) Liens existing on the Effective Date and shown on the Perfection Certificate or arising under this Agreement, the Mezzanine Loan Agreement, and the other Loan Documents;”

2.10 **Section 13 (Definitions).** The following terms and their respective definitions set forth in Section 13.1 are amended in their entirety and replaced with the following:

“ **“Loan Documents”** are, collectively, this Agreement and any schedules, exhibits, certificates, notices, and any other documents related to this Agreement, the Perfection Certificate, any Bank Services Agreement, the IP Security Agreement, any subordination agreement, any note, or notes or guaranties executed by Borrower or any guarantor, and any other present or future agreement by Borrower and/or guarantor with or for the benefit of Bank in connection with this Agreement or Bank Services, all as amended, restated, or otherwise modified.”

“ **“Quick Assets”** is, on any date, Borrower’s consolidated, unrestricted cash plus net billed accounts receivable, determined according to GAAP.”

2.11 **Section 13 (Definitions).** The Loan Agreement shall be amended by inserting the following new definitions to appear alphabetically in Section 13.1 thereof:

“ **“2014 Effective Date”** means November 20, 2014.”

“ **“IP Security Agreement”** is that certain Intellectual Property Security Agreement executed and delivered by Borrower to Bank dated as of the 2014 Effective Date, as the same may be amended, modified, supplemented or restated from time to time.”

“ **“Mezzanine Loan Agreement”** means that certain Mezzanine Loan and Security Agreement between Borrower and Bank dated as of the 2014 Effective Date, as may be amended, modified, supplemented or restated from time to time.”

“ **“Permitted Accounts”** means, collectively, (a) Borrower’s account nos. xxxx3005 and xxxx9361 maintained with Comerica Bank, N.A., and (b) Borrower’s account no. xxxx0494 maintained with Citibank, N.A.”

2.12 Exhibit A (Collateral Description). The Loan Agreement shall be amended by substituting the Collateral description appearing on Exhibit A thereto for the Collateral description appearing on Schedule 1 hereto. Borrower hereby grants Bank, to secure the payment and performance in full of all of the Obligations and the performance of each of Borrower’s duties under the Loan Documents, a continuing security interest in, and pledges to Bank, the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof.

2.13 Exhibit B (Compliance Certificate). The Compliance Certificate is amended in its entirety and replaced with the Compliance Certificate in the form of Schedule 2 attached hereto.

3. Limitation of Amendments.

3.1 The amendments set forth in Section 2, above, are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Bank may now have or may have in the future under or in connection with any Loan Document.

3.2 This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

4. Representations and Warranties. To induce Bank to enter into this Amendment, Borrower hereby represents and warrants to Bank as follows:

4.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

4.2 Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

4.3 The organizational documents of Borrower delivered to Bank on the Effective Date remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect;

4.4 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized;

4.5 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not and will not contravene (a) any law or regulation binding on or affecting Borrower, (b) any contractual restriction with a Person binding on Borrower, (c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Borrower, or (d) the organizational documents of Borrower;

4.6 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on either Borrower, except as already has been obtained or made; and

4.7 This Amendment has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

5. **Updated Perfection Certificate.** Borrower has delivered an updated Perfection Certificate in connection with this Amendment dated as of November 20, 2014 (the "**Updated Perfection Certificate**"), which Updated Perfection Certificate shall supersede in all respects that certain Perfection Certificate dated as of September 15, 2014. Borrower agrees that all references in the Loan Agreement to "Perfection Certificate" shall hereinafter be deemed to be a reference to the Updated Perfection Certificate.

6. **Integration.** This Amendment and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Amendment and the Loan Documents merge into this Amendment and the Loan Documents.

7. **Counterparts.** This Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

8. **Effectiveness.** This Amendment shall be deemed effective upon (a) the due execution and delivery to Bank of this Amendment by each party hereto, and (b) Borrower's payment of Bank's legal fees and expenses incurred in connection with this Amendment.

[Signature page follows.]

In WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

BANK

SILICON VALLEY BANK

By: /s/ Claudia Canales

Name: Claudia Canales

Title: Director

BORROWER

OUTBRAIN INC.

By: /s/ Yaron Galai

Name: Yaron Galai

Title: CEO

Schedule 1

EXHIBIT A – COLLATERAL DESCRIPTION

The Collateral consists of all of Borrower's right, title and interest in and to the following personal property:

All goods, Accounts (including health-care receivables), Equipment, Inventory, contract rights or rights to payment of money, leases, license agreements, franchise agreements, General Intangibles, commercial tort claims, documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, Deposit Accounts, certificates of deposit, fixtures, letters of credit rights (whether or not the letter of credit is evidenced by a writing), securities, and all other investment property, supporting obligations, and financial assets, whether now owned or hereafter acquired, wherever located; and

all Borrower's Books relating to the foregoing, and any and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, proceeds and insurance proceeds of any or all of the foregoing.

Notwithstanding the foregoing, the Collateral does not include any of the following: (a) more than 65% of the presently existing and hereafter arising issued and outstanding shares of capital stock owned by Borrower of any Foreign Subsidiary which shares entitle the holder thereof to vote for directors or any other matter; (b) rights held under a license that are not assignable by their terms without the consent of the licensor thereof (but only to the extent such restriction on assignment is enforceable under applicable law); (c) any interest of Borrower as a lessee or sublessee under a real property lease or an Equipment lease if Borrower is prohibited by the terms of such lease from granting a security interest in such lease or under which such an assignment or Lien would cause a default to occur under such lease (other than to the extent that any such term would be rendered ineffective pursuant to Section 9-407(a) of Article/Division 9 of the Code); provided, however, that upon termination of such prohibition, such interest shall immediately become Collateral without any action by Borrower or Bank; or (d) any intent-to-use trademarks at all times prior to the first use thereof, whether by the actual use thereof in commerce, the recording of a statement of use with the United States Patent and Trademark Office or otherwise.

EXHIBIT B

COMPLIANCE CERTIFICATE

TO: SILICON VALLEY BANK
 FROM: OUTBRAIN INC.

Date: _____

The undersigned, in his or her capacity as authorized officer of Outbrain Inc. ("**Borrower**") and not in her or her individual capacity certifies that under the terms and conditions of the Loan and Security Agreement between Borrower and Bank (the "**Agreement**"): (1) Borrower is in complete compliance for the period ending _____ with all required covenants except as noted below; (2) there are no Events of Default; (3) all representations and warranties in the Agreement are true and correct in all material respects on this date except as noted below; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date; (4) Borrower, and each of its Subsidiaries, has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower except as otherwise permitted pursuant to the terms of Section 5.9 of the Agreement; and (5) no Liens have been levied or claims made against Borrower or any of its Subsidiaries relating to unpaid employee payroll or benefits of which Borrower has not previously provided written notification to Bank. Attached are the required documents supporting the certification. The undersigned certifies that these are prepared in accordance with GAAP consistently applied from one period to the next except as explained in an accompanying letter or footnotes. The undersigned acknowledges that no borrowings may be requested at any time or date of determination that Borrower is not in compliance with any of the terms of the Agreement, and that compliance is determined not just at the date this certificate is delivered. Capitalized terms used but not otherwise defined herein shall have the meanings given them in the Agreement.

Please indicate compliance status by circling Yes/No under "Complies" column.

Reporting Covenants	Required	Complies
Monthly financial statements with Compliance Certificate	Monthly within 30 days	Yes No
Annual financial statement (CPA Audited) + CC	FYE within 180 days	Yes No
10-Q, 10-K and 8-K	Within 5 days after filing with SEC	Yes No
A/R & A/P Agings	Monthly within 30 days	Yes No
Transaction Reports	Monthly within 30 days and each request for an Advance	Yes No
Projections	FYE within 30 days	Yes No
409A Report	As completed, but at least annually	Yes No
Capitalization Table	As updated, but at least annually	Yes No
The following Intellectual Property was registered (or a registration application submitted) after the Effective Date (if no registrations, state "None").		

<u>Financial Covenant</u>	<u>Required</u>	<u>Actual</u>	<u>Complies</u>
Maintain as indicated:			
Minimum Adjusted Quick Ratio	1.00:1.00	____:1.0	Yes No
<u>Performance Pricing</u>			<u>Applies</u>
Adjusted Quick Ratio > 1.10:1.00	Prime + 0.25%		Yes No
Adjusted Quick Ratio ≤ 1.10:1.00	Prime + 0.75%		Yes No

The following financial covenant analysis and information set forth in Schedule 1 attached hereto are true and accurate as of the date of this Certificate.

The following are the exceptions with respect to the certification above: (If no exceptions exist, state "No exceptions to note.")

OUTBRAIN INC.

By: _____
Name: _____
Title: _____

BANK USE ONLY

Received by: _____
AUTHORIZED SIGNER

Date: _____

Verified: _____
AUTHORIZED SIGNER

Date: _____

Compliance Status: Yes No

Schedule 1 to Compliance Certificate

Financial Covenants of Borrower

In the event of a conflict between this Schedule and the Loan Agreement, the terms of the Loan Agreement shall govern.

I. Adjusted Quick Ratio (Section 6.9(a))

Required: 1.00:1.00

Actual:

A.	Aggregate value of Borrower's consolidated, unrestricted cash	\$ _____
B.	Aggregate value of Borrower's consolidated net billed accounts receivable, determined according to GAAP	\$ _____
C.	Quick Assets (the sum of lines A and B)	\$ _____
D.	Aggregate value of all Obligations of Borrower to Bank	\$ _____
E.	Aggregate value of liabilities that should, under GAAP, be classified as liabilities on Borrower's consolidated balance sheet, including all Indebtedness, not otherwise reflected in line D above, that matures within one (1) year but excluding intercompany payables and statutory severance required in Israel	\$ _____
F.	Current Liabilities (the sum of lines D and E)	\$ _____
G.	Aggregate value of current portion of all amounts received or invoiced by Borrower in advance of performance under contracts and not yet recognized as revenue	\$ _____
H.	Line F minus G	\$ _____
I.	Adjusted Quick Ratio (line C divided by line H)	_____

Is line I equal to or greater than 1.00:1.00?

_____ No, not in compliance

_____ Yes, in compliance

<i>ENTITY</i>	<i>JURISDICTION OF FORMATION OR ORGANIZATION</i>
Outbrain Israel Ltd.	Israel
Outbrain UK Limited	United Kingdom
Outbrain Italy SRL	Italy
Outbrain Spain S.L.	Spain
Outbrain Germany GmbH	Germany
Outbrain India Private Limited	India
Outbrain Services Monetizacao de Conteudo LTDA (b/b/a Outbrain Brasil)	Brazil
Outbrain Japan KK	Japan
Outbrain Australia PTY Ltd	Australia
Outbrain New Zealand Limited	New Zealand
Outbrain Singapore Pte. Ltd.	Singapore
Zemanta Holding USA LLC	USA
Zemanta Inc.	USA
Zemanta Limited UK	United Kingdom
Zemanta d.o.o (Slovenia)	Slovenia
OBL Inc.	USA
OBL Acquisition Inc.	USA
Ligatus GmbH	Germany
Outbrain Belgium BVBA (Belgium)	Belgium
Outbrain Netherlands B.V. (Netherlands)	Netherlands
Outbrain France SAS	France
Outbrain AMC LLC (Revee)	USA
New Ottawa Inc.	USA
Ottawa Merger Sub Inc.	USA