

Risk Factors Comparison 2024-03-08 to 2023-03-15 Form: 10-K

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An investment in our shares of common stock involves a high degree of risk. You should consider carefully the risks described below and all other information contained in this Report, including in the “ Note About Forward- Looking Statements, ” the section titled “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations ” (“ MD & A ”), and our audited consolidated financial statements and the accompanying notes included elsewhere in this Report. If any of the following risks actually occur, 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. Risk Factor Summary 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 spending and traffic generated by our media partners; • The impact on advertising demand and spend of factors such as the continuation or worsening of unfavorable economic or business conditions or downturns and instability in the financial markets; • 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~~; • Our sales and marketing efforts may require significant investments and, in certain cases, involve long sales cycles; • Our research and development efforts may not meet the demands of a rapidly evolving technology market; • The digital advertising industry is intensely competitive ~~, and if we~~ **must do not** effectively compete against current and future competitors ~~, our business, results of operations, and financial condition could be adversely affected~~; • Loss of media partners could have a significant impact on our revenue and results of operations; • Growth in our business may place demands on our infrastructure and resources; • 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; • Limitations on our ability to collect, use, and disclose data to deliver advertisements; • **Our failure or the failure of third parties to protect our sites, networks and systems against security breaches, or otherwise to protect the confidential information of us or our partners**; • Outages or disruptions that impact us or our service providers, resulting from cyber incidents, or failures or loss of our infrastructure ~~, could adversely affect our business~~; and • Political and regulatory risks in the various markets in which we operate and the challenges of compliance with differing and changing regulatory requirements. Risks Related to Outbrain and Outbrain’ s Industry Our revenue and results of operations are highly dependent on overall advertising demand and spending in the markets in which we operate. Factors that affect the amount of advertising spending, such as economic downturns ~~and~~ , unexpected events **or events outside of our control** , 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 advertising demand and spending in the markets in which we operate and on the business trends of our current and prospective media partners and advertisers. Macroeconomic factors in the U. S. and foreign markets, including instability in political or market conditions, as well as 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, could result in, and have resulted in, conservative approaches by advertisers and media owners when allocating budgets and ad inventory, respectively, and reductions in advertising demand and spend. The ~~current~~ **continued** volatile ~~macro~~ **macroeconomic** environment, with variables such as the ~~impact of the closure of SVB and other banks, global supply chain disruptions, labor shortages and stoppages, inflation and rising U. S. interest rates resulting from the pandemic and now events such as the~~ **Russia- Ukraine conflict and Israel- Hamas wars, general unrest in Europe and the Middle East, bank failures, inflation, and U. S. interest rates** , has impacted certain categories of our advertisers. These conditions have **in turn** adversely impacted us and could, if they continue or worsen, adversely impact us in the future, including if our advertisers were to reduce or further reduce their advertising spending as a result of any of these factors. We continue to monitor our operations, and the operations of those in our ecosystem (including media partners, advertisers and agencies). However, these conditions, whether resulting from the factors described above or due to the occurrence of other unanticipated events, make it difficult for us, our media partners, advertisers and agencies to accurately forecast and plan future business activities and could cause a reduction or delay, or further reduction or delay, in overall advertising demand and spending. The occurrence of unforeseen events, like the COVID- 19 pandemic, ~~the Russia- Ukraine conflict~~ **conflicts and wars**, and other macroeconomic factors 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 maintain operating cash accounts at SVB, and as a result of SVB’ s closure, our ability to collect payments from our customers has been impacted and will continue to be impacted in the near- term if we are unable to establish alternate operating accounts in a timely manner. We have a revolving credit facility with SVB, and SVB is also the counterparty to our forward foreign currency hedge contracts, both of which have been impacted by SVB’ s closure and may need to be replaced. We maintain operating cash accounts at SVB, and as a result of SVB’ s closure, our ability to collect payments from our customers has been impacted and will continue to be impacted in the near- term. We are in the process of establishing an alternate operating account to which our customers can remit payments; however, if we are unable to establish an alternate account in the near- term, our cash flow may be negatively impacted, including with respect to the impact of timing of collections and disbursements on our first quarter 2023 results, as well as any difficulty we may encounter in collecting unremitted past payments or any impact of the delay on our customers’ ability to make such payments. We also have a revolving credit facility with SVB, which has not been drawn and under which no~~

amounts are outstanding. While we are currently unable to make borrowings under the credit facility, we do not foresee any near-term needs to draw upon this facility. See our risk factor below in this Item 1A under “Our credit facility with SVB is currently not available for funding and may not be available for funding in the future. If our credit facility remains in effect, which remains uncertain, and we are able at any point to draw down on it, the terms of our facility subject us to operating restrictions and financial covenants that impose risk of default and may restrict our business and financing activities” and our liquidity discussion below in the MD & A. SVB is also the counterparty to our forward foreign currency hedge contracts, and we do not anticipate that SVB will perform on these obligations. We expect minimal exposure as a result of non-performance and plan to seek a new hedging program with one or more financial institutions in the near-term. 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 digital media owners 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, such as evolving regulatory restrictions, 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, our business, results of operations, financial condition and the value of our company may be adversely affected. 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 **experienced** personnel. If we do not manage 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 growth effectively may have an adverse effect 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. Even if our sales and marketing efforts are successful, there can be no assurance that our media partners will be able to generate sufficient traffic. 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 and 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~~ **long** sales cycle with distinct technical and integration requirements, as well as a separate ongoing partner management process. If we are unsuccessful in our sales and marketing efforts, our results of operations and prospects will be adversely affected. Even if our sales and marketing efforts are successful, there can be no assurance that the properties of our media partners will be able to generate sufficient user interest, traffic or engagement. The ability of our media partners to maintain or grow their digital properties is often outside of our control, **may be significantly impacted by broader media consumption trends**, and may result in stagnant or declining ad inventory availability, which could negatively impact our results of operations and prospects. 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~~ **considerable** 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 are unable to generate an adequate return on our investment with respect to our research and development efforts, our business, results of operations, and financial condition may be adversely affected. 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-owners** are investing in capabilities that enable them to connect more effectively and directly with advertisers, **or to partner with fewer vendors**. Our business may suffer to the extent that **our** 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-owners**' 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 digital media owners 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 **Meta Platforms, Inc. (formerly Facebook)**, **Google Inc.**, **LinkedIn Corp.** and, **X (formerly Twitter Inc) and TikTok**. We also broadly compete for advertiser budgets with other forms of traditional and online marketing, including keyword advertising, social media marketing and display advertising. **In addition, large and established internet and technology companies may have the power to significantly change the very nature of digital advertising marketplaces in ways that could materially disadvantage us. Some of these companies could leverage their positions to make changes to their web browsers, mobile operating systems, platforms, exchanges, networks or other solutions or services that could be significantly harmful to our business and results of operations. Some of these companies also have significantly larger resources than we do, and in many cases have advantageous competitive positions in popular products and services such as Amazon Advertising, Google Search, YouTube, Chrome, Meta Platforms, and Apple Search Ads, which they can use to their advantage. Furthermore, our competitors have invested substantial resources in innovation, which could lead to technological advancements that change the competitive dynamics of our business in ways that we may not be able to predict.** 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. 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. Our largest media partner accounted for approximately 10% **of our revenues in 2023 and 2022** and 11% of our revenues in ~~2022 and 2021~~, respectively, and two of our largest media partners each accounted for approximately 10% of our revenues in 2020. 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 **or reduce the amount of inventory we receive from them, whether based on their decisions or changes in the ecosystem**, 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 above, 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 revenue growth and future prospects will be adversely affected if we fail to expand our advertiser **and agency** 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 ROAS, among other things. We do not have long- term commitments from our advertisers. We **also** seek to increase the number of advertisers and to reach new advertisers **, both directly and through their media agencies**. 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. As ~~new advertisers spend in our network or as advertisers allocate greater budgets to our platform, our credit loss exposure may increase over time and may exceed reserves for such contingencies.~~ As we expand the application of our solutions, we increasingly depend on media agencies ~~to who~~ assist advertisers in planning and purchasing advertising for brand marketing objectives, such as preference shift and brand awareness. **Media agencies may require platforms like ours to be added to preferred partners programs, connect to designated intermediaries or make various commitments. It may be difficult, costly or time-consuming to meet media agency requirements and may not result in revenue growth. 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. We typically are subject to payment- related risks that may adversely affect our business, working capital, financial condition and results of operations. Our business has been and**

may be further impacted by the ability or willingness of our advertisers to pay for their use of our platform. New advertisers spending on our platform, or existing advertisers allocating greater budgets to our platform, has resulted in an increase in our credit loss exposure. We may be involved in disputes with our advertisers, and in the case of agencies, their advertisers, over the operation of our platform, the terms of our agreements or our billings for purchases made by them through our platform. If we are unable to resolve disputes with our clients or our advertisers are experiencing financial hardship, it is less likely that we will be able to collect payment, and we may lose clients or clients may decrease their use of our platform and our financial performance and growth may be adversely affected. Even if we are not paid by advertisers on time or at all, we may still be obligated to pay our media partners, and as a consequence, our business, financial condition and results of operations could be adversely impacted. We have had clients who have declared bankruptcy or gone out of business without remitting full payment to us, and we have incurred write-offs for credit losses as a result of the failure of our advertisers to make payments to us in a timely manner or at all. If we are unable to collect payment from advertisers or media agencies due to their inability to pay, refusal to pay or bankruptcy, we will incur further write-offs for credit losses, which could harm our results of operations. In the future, credit loss may exceed reserves for such contingencies and our credit loss exposure may increase over time. Any increase in write-offs for credit loss could harm our business, financial condition and results of operations. We also regularly experience slow payment cycles by advertising media agencies, as is common in our industry. In terms of our payment obligations, typically and in some instances, we are contractually required to pay our media partners within a negotiated period of time, regardless of whether our advertisers or agency clients pay us on time, or at all. While we attempt to negotiate long payment periods with our media partners and shorter periods from our advertisers and seek to enforce the payment terms currently in place with our clients, we are not always successful. As a result, we must manage timing issues between our accounts payable and our accounts receivables. Our collections and payments cycle may increasingly consume working capital if we continue to be successful in growing our business. If we are unable to generate sufficient funds from operations or borrow on commercially acceptable terms or at all, our working capital availability could be reduced, and as a consequence, our financial condition and results of operations would be adversely impacted. Many of our contracts with media agencies provide that if the advertiser does not pay the agency, the agency is not liable to us, and we must seek payment solely from the advertiser, a type of arrangement called sequential liability. If we are unsuccessful Contracting with these agencies, which in some cases have or may develop -- develop new higher-risk credit profiles, may subject us to greater credit risk than if we were to contract directly with advertisers. This credit risk may vary depending on the nature of an advertising agency's aggregated advertiser base 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 consumer 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 advertisements deteriorates, or if we fail to present interesting content to consumers 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 what are is displayed to users consumers on the online properties of our media partners. Our success depends on our ability to make valuable recommendations to organic experiences and ads, which, in turn, depends on the quality of recommendations in our index and our ability to predict engagement by an individual user consumer within a specific context. We believe that one of our key competitive advantages is our recommendation technology AI prediction engine. 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, the types of advertisers interested in utilizing our platform, 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 consumers or user their engagement, for example, because users consumers begin to ignore our platform or direct their attention to other elements on the online properties of our media partners, 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 consumers, 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 consumers 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. Conditions in Israel could materially, including the ongoing conflict between Israel and Hamas and other terrorist organizations, may adversely affect our operations and limit business. Many of our employees ability to market, including support and innovate on our products,

which would lead to a decrease in revenues. Because a material part of our operations are conducted in Israel and certain members of our board of directors and management team, operate from as well as many of our offices-employees and consultants, including employees of our service providers, are located in Israel, our business and operations are directly affected by economic, political, geopolitical and military conditions in Israel. In addition-Since the establishment of the State of Israel in 1948, 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, have occurred between Israel and Islamist its neighboring countries and terrorist organizations active 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 the region. In addition, Iran has threatened to attack Israel and may be developing nuclear weapons. Some of these These conflicts have involved hostilities were accompanied by missiles- missile strikes being fired from the Gaza Strip, Lebanon hostile infiltrations and Syria terrorism against civilian targets in various parts of Israel, including areas in which have our employees are located, which negatively affected business conditions in Israel. Any In October 2023, Hamas terrorists infiltrated Israel's southern border from the Gaza Strip and conducted a series of attacks on civilian and military targets. Hamas also launched extensive rocket attacks on the Israeli population, industrial centers located along Israel's border with the Gaza Strip and in other areas within the State of Israel. These attacks resulted in extensive deaths, injuries and kidnapping of civilians and soldiers. Following the attack, Israel's security cabinet declared war against Hamas and a military campaign against these terrorist organizations commenced in parallel to their continued rocket and terror attacks. In connection with the Israeli security cabinet's declaration of war against Hamas and possible hostilities involving with other organizations, several hundred thousand Israeli military reservists were drafted to perform immediate military service. Certain of our employees in Israel, in addition to employees of our service providers located in the interruption or curtailment of trade between Israel, have been called, and additional employees may be called, for service in the current or future wars or other armed conflicts, and such persons may be absent for and- an its trading partners could extended period of time. As a result, our operations may be disrupted by such absences, which may materially and adversely affect our business and results of operations -results. The intensity and duration of Israel's current war against Hamas and other terror organizations, as well as additional potential crises involving hostile countries, such as Iran, are difficult to predict, as are the economic implications on the Company's business and operations and financial on Israel's economy in general. These events may be intertwined with wider macroeconomic indications of a deterioration of Israel's economic standing, including the downgrading of Israel's credit rating by rating agencies, which may have a material adverse effect on the Company and its ability to effectively conduct its operations. Furthermore, following the Hamas and Hezbollah attacks on Israel, the Houthi movement, which controls parts of Yemen, launched several attacks on marine vessels traversing the Red Sea, which were thought either to be in route toward Israel or to be owned by Israeli persons. The Red Sea is a vital maritime route for international trade traveling to or from Israel, and in response to the Houthi movement's attacks, coalition forces led by the United States and United Kingdom have targeted sites in Yemen. The hostilities with Hamas, Hezbollah and other organizations and countries have included and may include terror, missile and drone attacks. In the event that Israel's communications infrastructure or other public utilities are damaged as a result of hostile actions, or hostilities otherwise disrupt our ongoing operations, our ability to deliver and / or service our products in a timely manner to meet our customer expectations could be materially and adversely affected. We also do business with advertisers and media partners located in Israel. The condition-conditions described above may impact advertising demand and the extent of monetization on media partners in Israel. A portion of our business (less than 5 % of our revenues) is from advertisers in Israel displaying ads on media partner inventory in Israel which has been impacted by the above events. 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 such 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 Further, in the past, the State of Israel and Israeli companies have been subjected to economic boycotts. Campaigns of boycotts, divestment and sanctions undertaken against Israel, could adversely impact our business. In addition, some countries around the world restrict doing business with Israel and Israeli companies, and additional countries may impose restrictions on doing business with Israel and Israeli companies if hostilities in Israel or political instability in the region would likely negatively continue or increase. There have also been increased efforts by countries, activists and organizations to cause companies and consumers to boycott Israeli goods and services. In January 2024, the International Court of Justice (" ICJ "), issued an interim ruling in a case filed by South Africa against Israel in December 2023, making allegations of genocide amid the war in Gaza, and ordered Israel, among other things, to take measures to prevent genocidal acts, prevent and punish incitement to genocide, and take steps to provide basic services and humanitarian aid to civilians in Gaza. There are concerns that companies and businesses will terminate, and may have already terminated, certain commercial relationships with Israeli companies following the ICJ decision. The foregoing efforts by countries, activists and organizations, particularly if they become more widespread, as well as the ICJ rulings and future rulings and orders of other tribunals against Israel (if handed), may materially and adversely impact our ability to sell and provide our products and services outside of Israel. Finally, political conditions within Israel may affect business conditions and could harm our results of operations. The Israel has held five general elections between 2019 and 2022, and prior to October

2023, the Israeli government pursued is currently pursuing extensive changes to Israel's judicial system, which sparked extensive political debate and unrest. In response to such initiative the foregoing developments, many individuals, organizations and institutions, both within and outside of Israel, have voiced concerns that the proposed changes may negatively impact the business environment in Israel including due to reluctance of foreign investors to invest or transact business in Israel, as well as to increased currency fluctuations, downgrades in credit rating ratings, increased interest rates, increased volatility in security markets, and other changes in macroeconomic conditions. To date, these initiatives have been substantially put on hold. If such such proposed changes to may also adversely affect the labor market in Israel's judicial system are again pursued by or lead to political instability or civil unrest. To the extent that any of these negative developments do occur, they the government and approved by the parliament, this may have an adverse effect on our business, our results of operations and financial condition. 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 and adverse impact on the expansion of our business, financial condition and / or our ability to raise our results of operations. In addition additional funds, if deemed necessary a campaign of boycotts, divestment and sanctions has been undertaken against Israel, which could also adversely impact our business. Also, 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 board of operations directors. Our current business model depends on media partners owners 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 continuing being able to consume content freely on media partners owners' digital properties. Media owners face challenges growing and maintaining their audiences a result of the proliferation of new and innovative content distribution methods such as social media platforms. The overall decline in media owner audiences limits available advertising inventory creating financial pressure on media owners who rely on advertising to operate their business. As a result of these evolving trends, we have seen and may continue to see media owners consolidating or ceasing to operate. In addition, Some 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 or generating less user interest because it may decrease our access to users consumers and advertising inventory. If media partners consolidate, cease to operate, or shift their revenue models from advertising to a subscription-based service, this 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. To the extent we have long-term commitments with our media partners, and they are adversely impacted by the evolving media owner landscape, we may not be able to recoup our investment in our media partners. 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 / or loss of ad inventory from a media partner; • costs associated with adding or attempting to retain media partners; • the continuation or worsening of unfavorable economic or business conditions or downturns or instability in financial markets; • 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 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 has been and may continue to 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 our media owner partner 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 consumer 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 Ex-TAC Gross Profit 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. Additionally, 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. 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. A significant percentage of our international revenue is from advertisers who pay us in currencies other than the U. S. dollar. We also incur operating expenses in local currencies, including with respect to employee compensation, at our offices outside of the United States and, most significantly, in Israel, the United Kingdom and Euro- based countries where we operate. Fluctuations in the exchange rates between the U. S. dollar and those other currencies could result in the U. S. dollar equivalent of such foreign- denominated revenue being lower than would be the case if exchange rates were stable and the U. S. dollar equivalent of such expenses being higher. 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, ~~including our forward foreign currency hedge contracts with SVB, under which we do not anticipate that SVB will perform its obligations.~~

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. The data we collect improves our algorithms and helps us deliver relevant recommendations with greater ~~user- consumer~~ 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. As described in more detail below in this Item 1A under "User growth and engagement depends upon effective interoperation with devices, platforms and standards set by third parties that we do not control," prominent technology companies also have discontinued, or announced intentions to discontinue, the use of certain cookies, and to develop alternative methods and mechanisms for tracking users. Additionally, we are subject to laws and regulations related to data privacy, data protection, information security, and consumer protection across different markets where we conduct our business, which could potentially impact our ability to collect, use, and disclose data as described in this Item 1A under "We are subject to laws and regulations related to online 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." 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. User growth and engagement depends upon effective interoperation with devices, platforms and standards set by third parties that we do not control. Our ~~recommendations- advertisements~~ 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- advertisements~~ 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, **limit what our media partners may or may not display, how they acquire audiences,** 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 **negatively impact** could have an adverse effect on our business **by reducing** results of

operations, and financial condition if they reduce the volume or effectiveness and value of advertising. Prominent technology companies also have discontinued, or announced intentions to discontinue, the use of certain 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 moved to “ opt- in ” privacy models with iOS 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 **has** announced its **it will deprecate** intention to limit the use of third- party cookies in its Chrome web browser by the end of **2023** **2024**. In February 2022, Google announced that its Android operating system will include privacy restrictions, similar to Apple's, that will prevent tracking across applications. As a consequence of these **upcoming** changes, 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. **Any** 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 **failure or the failure of third parties to protect our sites, networks and systems against security breaches, or otherwise to protect our confidential information or the confidential information of our partners, could damage our reputation and brand and substantially harm our business and operating results. We collect, maintain, transmit and store data about consumers, clients, employees, business partners and others, including personally identifiable information, as well as other confidential information. We also engage third parties that store, process and transmit these types of information on our behalf. We have experienced and expect to continue to experience actual and attempted cyberattacks. Our security measures, and those of our third- party service providers, might not detect or prevent all attempts to breach our systems including, denial- of- service attacks, viruses, malicious software, break- ins, phishing attacks, social engineering, security breaches, ransomware, credential stuffing attacks or other attacks and similar disruptions that may jeopardize the security of information stored in or transmitted by our websites, networks and systems or that we or such third parties otherwise maintain. We and such third parties might not anticipate or prevent all types of attacks, and because techniques used to obtain unauthorized access to or sabotage systems change frequently, attacks might not be known to us or our third- party service providers until after they are launched. In addition, security breaches can occur as a result of non- technical issues, including intentional or inadvertent breaches by our employees or by third parties. These risks may increase over time as the complexity and number of technical systems and applications we use also increases. Breaches of our security measures or those of our third- party service providers or cyber security incidents could result in: unauthorized access to our applications, sites, networks and systems; unauthorized access to and misappropriation of data and customer information, including customers' personally identifiable information, or other confidential or proprietary information of ourselves or third parties; phishing scams and malware, ransomware and other malicious Internet- based activity; deletion or modification of content or the display of unauthorized content on our sites; interruption, disruption or malfunction of operations; costs relating to breach remediation, deployment of additional personnel and protection technologies, response to governmental investigations and media inquiries and coverage; engagement of third- party experts and consultants; litigation; regulatory action; and other potential liabilities. Any security breach or cyber incident, whether actual or perceived, which impacts us or one of our third- party service providers could significantly damage our reputation and brand, cause our business to suffer through, among other things, loss of, or failure to attract, media partners or advertisers and we could be required to expend significant capital and other resources to alleviate problems caused by such breaches. 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 may require us to notify them in the event of a security incident. These mandatory disclosures may 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 and United Kingdom a data breach involving personal data will generally require notification of the relevant Supervisory Authority (ies) and, where the risk to individuals is high, notification of the affected individuals themselves. In the European Union and United Kingdom there is a possibility of significant fines being imposed in the event of a security breach. Any security breach or cyber incident, which impacts us or one of our third- party service providers, or any**

failure on our part or on the part of such third parties to protect our sites, networks and systems or to protect our confidential information or the confidential information of others could damage our reputation and brand and substantially harm our business and operating results. Our business depends on our ability to maintain and scale our technology platform. Real or perceived errors, disruptions or outages in our platform, including due to **the possible** cyberattacks **discussed above** or our failure to maintain adequate security and supporting infrastructure, 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, including any related to our third- party service providers, 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, such performance failures 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. **As discussed above,** ~~Cyberattack~~ **cyberattack** techniques are constantly evolving and becoming increasingly diverse and sophisticated. ~~We have experienced and expect to continue to experience actual and attempted cyberattacks such as through phishing seams and malware, while ransomware and other malicious Internet-based activity continue to increase generally.~~ Our platform is designed with degradation features that enable us to turn off our ~~recommendations~~ **organic experiences** 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 ~~attacks~~ breaches and attacks, such as DoS (a technique used by hackers to take an Internet service offline by overloading its servers), attacks have occurred and 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. There can be no assurance that any limitation of liability provisions in our contracts would be enforceable or adequate or would otherwise protect us from any such liabilities or damages with respect to any particular claim arising from a cyber incident. We also cannot be sure that our existing insurance coverage will continue to be available on acceptable terms, will be available in sufficient amounts to cover one or more large claims, or that insurers will not deny coverage as to any future claim. Moreover, anticipating cyberattacks or 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. **We use artificial intelligence in our business, and challenges with properly managing its use could result in reputational harm, competitive harm, and legal liability, and adversely affect our results of operations. Our business relies on the incorporation of machine learning and predictive AI solutions into our platform, offerings, services and features. Our competitors or other third parties may incorporate AI into their products more quickly or more successfully than us, which could impair our ability to compete effectively and adversely affect our results of operations. Additionally, if the content, analyses, or recommendations that AI applications assist in producing are or are alleged to be infringing, deficient, inaccurate, or biased, our business, financial condition, and results of operations may be adversely affected and we may be subject to the risk of litigation. We have also announced that we are experimenting with various generative AI capabilities with the goal of automating and significantly enhancing platform functionality, ad variety and overall engagement. Generative AI, however, also presents emerging ethical issues and if our use of AI becomes controversial, we may experience brand or reputational harm, competitive harm, or legal liability. The rapid evolution of AI, including government regulation of AI, may impede our ability to do business and will require significant resources to ensure compliance.** Failures or loss of our infrastructure, including hardware and software, with respect to us and other service providers on which we rely, could adversely affect our business. We rely on owned and leased servers and other third- party hardware and infrastructure to support our operations. To support our business needs, we operate our own proprietary cloud infrastructure using third party data centers co- located in three geographically separate locations managed by three different vendors in the United States. In addition, we also serve recommendations from a public cloud based in Europe. We do not have control over the operations of these facilities or technology of our cloud and service providers, including any third- party vendors that collect, process and store personal data on our behalf. Our systems, servers and platforms and those of our service providers may be vulnerable to computer viruses, physical or electronic break- ins, sabotage, intentional acts of vandalism and other misconduct that our security measures or the security measures of these service providers may not detect. Individuals able to circumvent such security measures may disrupt our operations, damage our hardware and infrastructure, misappropriate confidential or proprietary information or otherwise impair our reputation and business. Additionally, to the extent that our cloud and other service providers ~~experience~~ security breaches that result in the unauthorized or improper use of confidential data, employee data or personal data, we may not be indemnified for losses resulting from such breaches. There can be no assurance that we or our third- party providers will be successful in preventing security breaches, including as a result of cyber attacks, or successfully mitigating their effects. 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. 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 challenging across all our locations, particularly in New York City, where our headquarters are 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 and, therefore, may be impacted by our share performance, to attract and retain 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 could be adversely impacted, and our business could be harmed. Our corporate culture has contributed to our success, and if we cannot maintain it as a result of our hybrid work model or otherwise, 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 and maintain the hybrid work model we established as a result of COVID-19. As we expand and change, in particular across multiple geographies, following acquisitions, ~~or in a more remote environment~~ **environments or in global talent centers**, it may be difficult to preserve our corporate culture, which could reduce our ability to innovate, create, and operate effectively. Over time, factors such as expansion, **dispersal** and remote operations may also decrease the cohesiveness of our teams, which is critical to our corporate culture. 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. **Utilizing labor** Our credit facility with SVB is currently not available for funding and may not be available for funding in **foreign countries may** the future. If our credit facility remains in effect, which remains uncertain, and we are able at any point to draw down on it, the terms of our facility subject us to **additional risks, which could have an adverse effect on our business,** operating restrictions **results** and financial **condition** covenants that impose risk of default and may restrict our business and financing activities. **We have attempted** On November 2, 2021, we entered into the Second Amended and Restated Loan and Security Agreement with SVB that provides a senior secured revolving credit facility in the aggregate principal amount of up to **control our operating expenses** \$ 75 million. On March 10, 2023, SVB was closed by **utilizing lower cost labor in foreign countries, such** the California regulators and the Federal Deposit Insurance Corporation (“FDIC”) was appointed as **India** receiver. As a result, we are currently unable to make borrowings under the credit facility, and **we may** it is uncertain whether SVB or any successor entity will be in a position to fund its commitments to us under the credit facility in the future **expand**. In addition, in the event SVB or **our reliance on** any successor entity is able to fund its commitments under the credit facility, any borrowings thereunder would be secured by substantially all of **off** the assets of our parent entity and certain domestic subsidiary co- **shore labor. Countries outside** borrowers, including all accounts receivable and proceeds from sales of **the United States may** our intellectual property, and would be subject to a negative pledge on **relatively higher degrees of political and social instability and may lack the infrastructure to withstand political unrest, natural disasters, pandemics** our **or other instability** intellectual property in favor of SVB. The credit facility contains representations and warranties, **which could interfere** including, without limitation, with respect **work performed by these labor sources or could result in our having** to collateral; accounts receivable; **replace or reduce these labor sources. Moreover, we may have difficulty in successfully staffing, transitioning knowledge of systems and controls, and managing our foreign operations, which could impact our business,** financials- **financial** litigation, indictment and compliance with **condition or results of operations. Doing business outside of the U. S. also increases our risk exposure to anti-corruption** laws; disclosure and no material adverse effect **regulations such as the Foreign Corrupt Practices Act**, each **any violation** of which is a condition **could expose us** to **significant** funding. The credit facility also includes events of default and is also subject to certain **financial penalties or consent orders** and other covenants, including, without limitation, restrictions on liens, indebtedness, investments, fundamental changes, dispositions, restricted payments and prepayment of the 2.95% Convertible Senior Notes due 2026 and of junior indebtedness. The credit facility contains a financial covenant that requires, in the event that credit extensions under the facility equal or exceed 85% of the available commitments under the facility or upon the occurrence of an event of default, the Company and its subsidiaries to maintain a minimum consolidated monthly fixed charge coverage ratio of 1.00. Any inability on our part to make the required representations and warranties (which would need to be revisited along with other terms and conditions if the facility were to remain in effect), including with respect to collateral, accounts receivable, financials, litigation, indictment and compliance with laws, disclosures and no material adverse effect, may **curtail** limit our ability to borrow and / or the covenants may restrict our ability to finance our operations and to pursue our business activities and strategies under the credit facility, assuming for such purpose that such credit facility were to be available to us. Our ability to make these representations and warranties, and / or comply with these covenants may be affected by events beyond our control. We are currently evaluating our options with respect to potential alternate credit facilities, and we cannot guarantee that we will be able to obtain such alternate financing on favorable terms or in the desired timeframe. Our ability to replace the existing facility may be limited due to various factors, including the status of our business, results of operations, financial position and prospects; 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. 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. Risks Relating to Legal or Regulatory Matters 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, stricter rules relating to content running through our network, 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;
- **organizing or similar activity by workers, local unions, work councils, or other labor organizations;**
- **our ability to respond to competitive developments and other market and technological dynamics, such as the emergence of generative AI;**
- 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 protection and privacy law regimes of various countries, especially as our business relates to consumer online privacy and interested-based advertising;
- 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 online privacy, data protection, information security, content 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 is also subject to contractual obligations and 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 online identifiers, 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 online privacy issues ~~worldwide~~ is continuously evolving and is likely to receive **global** scrutiny 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 has 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 online privacy (and also by device manufacturers, media platforms and industry standards, 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 As~~ we rely upon large volumes of such data collected primarily through cookies and similar technologies, it is possible that these efforts **legislative and technical changes**

may have a substantial impact on our ability to collect and use **the data from of** Internet users. **It**, and it is essential that we monitor **global privacy** 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, **with which third parties that data is shared with, and complying with users' expressed privacy choices**. 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** **For example** 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 **was subsequently became effective in 2020 and updated by the Consumer California Privacy Rights Act effective in 2023 ("CPRA")**. The CCPA creates individual privacy rights for California residents and increases the privacy and security obligations of businesses handling personal data **and the CPRA imposes additional data protection obligations including limitation on the use and processing of sensitive personal data**. The CCPA **is and CPRA are** 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, with behavioral advertising triggering such requirements under the CCPA. The CCPA **and CPRA** or subsequent guidance 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**. Other states across the country have been implementing similar privacy laws, such as Virginia **and**, Colorado, Connecticut and Utah. **Any A Federal bill, the American Data Privacy and Protection Act, was introduced in 2022 and gained more political traction than previous attempts at federal regulation. Additional legislation, including potential** disparity between federal and state laws, **may add additional complexity, including a** variation in requirements, restrictions, and potential legal risk, **and may** require additional investment in resources to compliance programs, **result in disjointed internal approaches to the collection and could use of data as a result of state- based differences or** impact strategies and availability of previously useful data **and could result in increased compliance costs and / or changes in business practices and policies**. 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") residents, 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 from those that were in place in the EEA prior to the GDPR. Failure to comply with GDPR, or its implementation in the United Kingdom through the Data Protection Act 2018 ("UK GDPR"), may result in significant penalties for non- compliance **ranging from € 10, in the United Kingdom, the greater of £ 17. 5 million to or 4 % of the total worldwide turnover in the preceding financial year or, in the case of the GDPR, whichever is greater** € 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. **In addition, There there is increased an increasing focus on the self-regulatory mechanisms created to further** compliance requirements with respect to the **these** digital advertising ecosystem **regulations. For example, including criticism that the Internet Advertising Bureau ("IAB") Transparency & Consent Framework ("TCF") is has been criticized for being** inherently incompatible with GDPR given the high velocity personal data trading. **As a result** The Belgian Autorité de Protection des Données fined the IAB € 250, 000 in February 2022 because of alleged breaches of GDPR. The IAB has appealed the decision, which has been referred to the Court of Justice of the European Union ("CJEU"), however, the Belgian regulator started enforcing the action plan with the IAB to implement changes to the TCF by July 2024. Our publishers will likely need to implement changes to their consent management platforms in order for Outbrain to continue personalizing recommendations. Further, in light of this decision, the industry may lose **loss of** confidence in the TCF **such mechanisms** and **slow adoption rates create** further challenges to the TCF may undermine the viability of the TCF such that there is no industry standard for requesting and obtaining consent, all of which could negatively affect our business, results of operations, and financial condition. In addition, the UK Information Commissioner' s Office ("**ICO**"), the Irish Data Protection Commission and the French Commission Nationale de l' ² Informatique et de Libertés ("**CNIL**") are **continue to investigating investigate** the ad tech industry and the use of cookies. 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, the CJEU Fashion ID, Planet 49 **and**, Wirtschaftsakademie cases are driving increased attention to cookies and tracking technologies and impacting compliance requirements across the ecosystem. As regulators start to enforce a strict approach **regarding the use of**, beginning in Germany, where data protection authorities have initiated a **probe into third-party cookies, there have been, and we expect further**, system changes, limitations on the effectiveness of our advertising activities, and **compliance requirements** attention of our technology personnel, which may adversely affect our margins, increase costs, and subject us to additional liabilities. Though GDPR intended to harmonize the privacy **and data**

protection laws across the EEA, member state interpretations of the law continue to vary making compliance with an already detailed regulatory framework increasingly complex. For example, some countries in the EU, such as France and Germany, have adopted a strict approach to the dropping of any cookies without consent, even if cookies are used strictly for technical delivery and not for personalization. **Although** countries in the EU or the UK may adopt similar interpretations regarding strictly technical cookies. Though we developed technical solutions to comply with such cookie limitations, evolving interpretations of required limitations may result in unintended consequences with respect to our operations, such as fraud identification or user experience. **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 (and other U. S. privacy laws), 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 any failure to achieve required data protection laws standards may result in lawsuits, regulatory fines, or other actions or liability, all of which may harm our results of operations.** 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, our media partners or our advertisers, such as the IAB U. S. Global Privacy Platform and Multi-State Privacy Agreement. We are members of self-regulatory bodies that impose additional requirements related to the collection, use, and disclosure of consumer data, such as the right to opt out of the sharing or the sale of their personal information for interest-based advertising purposes. **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, the use of such consumer data for certain purposes, and 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, **our compliance with self-regulatory frameworks**, results of operations, and financial condition. In Europe, the Digital Services Act (EU) 2022 / 2065 (“DSA”) **will be enforceable from February** entered into force on November 16, 2022 **2024** and applies to digital services that connect consumers to goods, services, or content in the EEA. **We may meet the threshold of** **Although we have not been classified as a** “very large online platforms- platform” under the DSA and therefore must provide the EU Commission, **we may still be required to comply** with an annual risk assessment exercise **the provisions of the DSA for- or support** our online activities **partners’ compliance with the provisions of the DSA**. The DSA also imposes stricter obligations on curbing harmful or unlawful content, such as implementing tools to automatically monitor, detect and take down illegal online content; implementing a mechanism for **Users users** to easily flag content and to cooperate with “trusted flaggers” (such as NGOs); reinforcing traceability of our customers; implementing a mechanism for the public and businesses to challenge content moderation decisions and seek redress; providing access to vetted researchers to the key data and provision of access to NGOs to public data; increased transparency on the algorithms used for recommending content to users; implementing risk-based controls to prevent the misuse of our tools and independent audits of our risk management systems; implementing mechanisms to adapt swiftly and efficiently in reaction to crises affecting public security or public health; preventing **the use of targeted advertising with respect to** children targeting and **the use of** sensitive personal data for targeted advertising (e.g. health). Sanctions under the DSA include fines of up to 6 % of global turnover in the event of non-compliance and can lead to a ban on operating in the EU in **case cases** of repeated serious breaches. A similar piece of legislation, the Online Safety Bill, is currently being discussed in the UK. In addition to the foregoing, a breach of the DSA could result in regulatory investigations, reputational damage, orders to cease / change our services, 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. **In addition some instances-** we may be required to indemnify media partners against **such** claims with respect to our **advertisers advertising content**. Our advertisers may not have the ability to satisfy their indemnification obligations to us, in whole, **or** 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. 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 or** losses. **Rulings from Evolving legislation and mechanisms governing** the **Court of Justice of the European Union** **invalidated the EU-U.S. Privacy Shield as a lawful means for transferring** **transfer of** personal data from the EEA or the UK to the United States; **this introduces- introduce** 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. In On July 16, 2020-2023, 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. Data Privacy Framework (DPF) was adopted as the replacement mechanism for transfer of EU data to the US after the 2020 invalidation of the prior E. U.- U. S. Privacy Shield operated mechanism. The DPF is a voluntary certification program administered by the US U. S. Department of Commerce (which requires companies to self- certify compliance with the “DPF principles. Although we are certified under the DPF, this mechanism is already facing legal scrutiny and challenges, similar to the Privacy Shield”), and its invalidation may impact 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 ability compliance to the Privacy Shield, we can 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, the EU- U. S. Privacy Framework that could be approved by the EU Commission in 2023, we cannot predict if it will happen or if it does, what impact it will have on our business and industry. The second mechanism, the UK and EEA Standard Contractual Clauses (“ SCCs ”), were upheld as a valid legal mechanism for transnational data transfer. However, the ruling requires that European organizations seeking to rely on the EU SCCs to export data out of the EEA ensure the data is protected to a standard that is “ essentially equivalent ” to that in the EEA including, where necessary, by taking “ supplementary measures ” to protect the data. Since the July 28, 2021 UK Adequacy Decision, we rely on such decision for the transfer of data from the EEA to the UK, and the UK SCCs transfers from the UK to the US, with supplementary measures as per the June 2021 European Data Protection Guidelines. Despite such decision, rulings in 2022 from the Austrian Datenschutzbehörde bring into question and the French Commission de l' Informatique et des Libertés (CNIL) stated that publishers using Google Analytics are breaching GDPR because the data is sent to the U. S. and Google does not have sufficient protective measures in place for such transfer. It remains unclear whether supplemental measures for the transfer of data outside of the UK and EEA will be deemed sufficient by media partners, regulatory bodies and courts. If such supplementary measures are found to be inadequate, this may adversely affect our business, results of operations and financial condition. In the event that use of the DFP, the SCCs or relying on the UK adequacy decision are invalidated as a solution solutions for data transfers to the United States U. S., 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 U. S. 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 U. S. in order to avoid the above- identified risks and legal issues. Such changes could cause us to incur penalties under GDPR or UK GDPR, could increase the cost and complexity of operating our business, or adversely impact our business, results of operations, and financial condition. 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. Given that 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 significant liability and reputational harm. 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 relevant Supervisory Authority (ies) and, where the risk to individuals is high, notification of the affected individuals themselves. In the European Union / United Kingdom there is a possibility of significant fines being imposed in the event of a security breach. Any security breach or cyber incident, 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 such breach or incident. Users also may be able to bring a class action against us. In addition, security breaches and cyber incidents of our media partners, advertisers, vendors or other third parties working with us could also have a negative impact on our reputation and operations. Any governmental investigations, legal proceedings, or claims against us could result in liability, harm our reputation and could be costly and time- consuming to defend. From time to time, we may be have been subject to litigation claims, whether arising in connection with employment , competition, or commercial matters , 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, are false, deceptive, misleading or offensive, or that our advertisers' products are defective or harmful . In addition, we may be involved in regulatory issues and government investigations, including, but not limited to, actions relating to competition law. For example, on April 29, 2021, we were notified that the Antitrust Division of the U. S. Department of Justice is conducting a criminal investigation into the hiring activities in our industry that includes us. We continue to cooperate with the Antitrust Division. While there can be no assurance regarding the ultimate resolution of this matter, we do not believe that our conduct violated applicable law. 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, content, 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. As a result of any of the above, we ~~could become~~ **have been** involved in litigation or governmental investigations, whether on our own, or involving or concerning our media partners or advertisers, including class action claims, ~~or and,~~ **as third- parties required to comply with requests for information or subpoenas. As a result of such actions, we** may become subject to significant liability, including claims for damages ~~and,~~ **financial penalties, and costs of compliance**. Claims may be expensive to defend, divert management' s attention from our business operations, and affect the cost and availability of insurance, even if we ultimately prevail. If any of this occurs, it may 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. We are required to comply with international advertising regulations in connection with the distribution of advertising, including potential regulation or oversight of native advertising disclosure standards. Failure to comply could negatively impact us, our media partners and / or our advertisers, which could have an adverse effect on our business, results of operations, and financial condition. We are subject to complex and changing advertising regulations in many jurisdictions in which we operate, including regulatory and self-regulatory requirements to comply with native advertising regulations in connection with the advertising we distribute for our advertisers. For example, in the United States, the Federal Trade Commission requires that all online advertising meet certain principles, including the clear and conspicuous disclosure of advertisements. If we, or our advertisers, make mistakes in implementing this varied and evolving guidance, or our commitments with respect to these principles, we could be subject to negative publicity, government investigation, government or private litigation, or investigation by self-regulatory bodies or other accountability groups. Any such action against us could be costly and time-consuming and may require us to change our business practices, cause us to divert management’s attention and our resources and be damaging to our reputation and our business. Moreover, additional or different disclosures may lead to a reduction in user engagement, which could have an adverse effect on our business, results of operations, and financial condition. Environmental, social and governance (“ESG”) risks could adversely affect the Company’s reputation, business and performance and the trading price of its common stock. Companies are facing increasing scrutiny from investors, customers, regulators and other stakeholders related to their ESG practices and disclosure. The nature, scope and complexity of matters that we must assess and report are expanding due to growing mandatory and voluntary reporting relating to the environment, climate change, diversity and inclusion, workplace conduct and human capital management. Significant expenditures and commitment of time by management, employees and consultants are involved in developing, implementing and overseeing policies, practices, additional disclosures and internal controls related to ESG risk and performance. An inability to implement such policies, practices, and internal controls and maintain compliance with laws and regulations, or a perception among stakeholders that our ESG disclosures and sustainability goals are insufficient ~~or~~, our goals are unattainable ~~or are not an appropriate area of focus~~ could harm our reputation and have an adverse impact on our business, financial condition or results of operations. Investors, investor advocacy groups and investment funds ~~may be also increasingly focused~~ **focus** on these practices, especially as they relate to the environment, climate change, diversity and inclusion, workplace conduct and human capital management. Failure to adapt to or comply with regulatory requirements, **at the U. S. federal or state level and internationally**, or investor or stakeholder expectations and standards could negatively impact our reputation, our ability to do business with certain customers, vendors, suppliers or other third parties, and our stock price. Increased ESG-related compliance costs could result in increases to our overall operational costs which could impact our profitability. Any of the foregoing could have an adverse impact on our business, financial condition or results of operations. Risks Related to Taxation 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 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. Digital services or other similar taxes could, among other things, increase our tax expense, create significant administrative burdens for us, discourage potential customers from subscribing to our platform due to the incremental cost of any such sales or other related taxes, or otherwise have a negative effect on our financial condition and results of operations. In addition, the Organization for Economic Cooperation and Development is progressing on a Base Erosion and Profit Shifting Project that, if implemented, would change various aspects of the existing framework under which our tax obligations are determined in many of the countries in which we do business. More than 140 countries tentatively signed on to a framework that imposes a minimum tax rate of 15 %, among other provisions, and the European Union has adopted a Council Directive which requires these provisions to be transposed into member states' national laws. As this framework is subject to further negotiation and implementation by each member country, the timing and ultimate impact of any such changes on our tax obligations are uncertain. 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. The income tax benefit / expense we record may vary significantly in future periods based on factors outside of our control, such as the uncertainty with respect to the current macroeconomic environment on our operations and our stock price. For example, in periods in which our stock price varies from the grant price of the share-based compensation vesting in that period, we will recognize excess tax benefits or shortfalls that will impact our effective tax rate. 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. 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 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 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 Section 382 of the Internal Revenue Code of 1986, as amended, 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.

Risks Related to 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 has fluctuated and may continue to do so. 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 SEC;
- the trading of or conversion of our Convertible Notes;
- 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. In addition, repurchases pursuant to our share repurchase program could affect our stock price and increase its volatility. The existence of a share repurchase program could also cause our stock price to be higher than it would be in the absence of such a program and could potentially reduce the market liquidity for our stock. There can be no assurance that any share repurchases will enhance stockholder value because the market price of our common stock may decline below the levels at which we repurchased shares of common stock. Although our share repurchase program is intended to enhance long-term stockholder value, short-term stock price fluctuations could reduce the program's effectiveness. Furthermore, the program does not obligate the Company to repurchase any dollar amount or number of shares of common stock, and may be commenced, suspended or discontinued at any time and any suspension or discontinuation could cause the market price of our stock to decline. 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 depends, to some extent, 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 have broad discretion in the use of proceeds from our IPO and may invest or spend the proceeds in ways with which investors do not agree and in ways that may not yield a return. We are using the net proceeds from our IPO 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 the net proceeds to make acquisitions or investments in complementary companies or technologies. Consequently, our management has broad discretion over the specific use of these net proceeds and may use such proceeds 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 our IPO in a manner that does not produce income or that loses value. If we do not use the net IPO proceeds effectively, our business, results of operations, and financial condition could be adversely affected.~~ Sales of substantial amounts of our common stock in the public markets, or the perception that they may occur, could cause the market price of our common stock to decline. The market price of our common stock could decline and may make it more difficult for you to sell your stock at a time and price that you deem appropriate, 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. Our directors, executive officers and employees hold options and restricted stock units under our equity incentive plans, and the shares issuable upon the exercise of such options or vesting of such restricted stock units have been registered for public resale under the Securities Act. Accordingly, these shares will be able to be freely sold in the public market upon issuance subject to certain legal and contractual requirements. 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. The Sarbanes-Oxley Act requires, among other things, that we maintain proper and effective internal control over financial reporting. We are required to disclose, on a quarterly basis, material changes made in our internal control over financial reporting. We are now also 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 our IPO. This assessment is required 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. ~~We As a newly public company, we have undertaken and continue to undertake a range of actions to augment our internal control over financial reporting and~~ ~~These include implementing new internal controls and procedures and hiring additional accounting and financial reporting staff and continuing to enhance our internal control over financial reporting.~~ 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 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 \$ 1.235 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 IPO.

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

As a public company, 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. We are subject to newly public company, we are 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 Nasdaq and other applicable securities rules and regulations. Compliance with these rules and regulations will increase our legal and financial compliance costs, has made some activities more difficult, time-consuming or costly and has increased demand on our systems and resources, and this will continue 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 obligations relating to reporting, procedures and internal controls, and our management team oversight may be not successfully or efficiently manage such obligations. These obligations and scrutiny will require required significant. As a result, management's attention may be diverted from our management and could divert their other attention away from the day-to-day management of our business concerns, which could adversely affect our business, results of operations, and financial condition. We expect that 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. We have hired, and will need to hire making some activities more time consuming. These laws, regulations additional accounting, financial, and standards are subject to varying interpretations, in legal staff with appropriate public company experience and technical accounting knowledge and may many need cases due to establish their lack of specificity, an and, internal audit function. We cannot predict or estimate the amount of additional costs we may incur as a result of becoming, 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 have invested, and may need to further invest in, resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a public company diversion of management's time and attention from revenue-generating activities to compliance activities. If or our the timing of efforts to comply with new laws, regulations and standards differ from these-- the costs 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.

As a public company, it is also more expensive for us to maintain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to maintain 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..... 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 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. 41-42