

Dear Shareholder:

2021 was a pivotal year for us at Outbrain in several ways:

- In July we IPO'd the company and began trading on NASDAQ.
- Our team is now over 1,000+ Outbrainers strong globally.
- 2021 was our first year of revenues exceeding \$1B.
- Our thousands of media partners have received from Outbrain nearly \$4B in direct revenue since inception.

I want to talk in more detail about this last point, which we are particularly proud of at Outbrain. As publishers globally are under financial pressure as they struggle to compete with the tech giants, this nearly \$4B of revenue from Outbrain has helped them sustain journalism that otherwise might not have been possible. There are many things working against publishers and news rooms these days, but Outbrain is one of the rare positive forces, which is completely dedicated to making publishers' technology stacks stronger, and their business fundamentals more sustainable.

2021 has also been a tremendous year for Outbrain and our partners on the technology and product innovation front. I'd like to mention just a few of our many innovations last year:

- **Smartlogic**, a new technology feed optimization, has created tremendous value for those media owners who have adopted it. Historically, recommendation engines have optimized for each recommendation that they served ("is this link the best one for this user?"). Smartlogic pushes the algorithmic capabilities one level higher, looking at the entire feed of recommendations for each user ("should this user get more videos and less ads?"). Smartlogic is an innovative technology, unique to Outbrain.
- **CBS** (Conversion Bid Strategy) is Outbrain's technology for optimizing advertisers' ROAS (Return on Ad Spend) automatically. As our many recent case studies on our website show, advertisers are consistently seeing great returns when using CBS, with some of them turning to unlimited budgets.
- More recently, we introduced a new technology called **EBS** (Engagement Bid Strategy) which optimizes advertisers' ROAS by connecting to their analytics systems, such as Google Analytics or Adobe, without using any cookie data at all. We view EBS as our first step into leveraging the cookie-less future into a competitive technological advantage in the long-term.
- **video intelligence** – earlier this year we announced the acquisition of video intelligence AG ("vi") which expands our brand and video offering, provides us with advanced contextual targeting technologies for video, and gives us an early foothold in the world of CTV.

When we pioneered the space of recommendations for Open Web media owners, we could not have hoped for better proof for our vision and foresight than those 2021 achievements I've listed. As a founders-led company,

Outbrain will strive to continue to be the leader when it comes to innovation and setting a vision for our industry.

In our inaugural Founders' Letter for our 2021 IPO, we wrote how we founded Outbrain on the principles of the compounding effect of user experience. The essence of it is this: The price of ads can fluctuate with seasonality, supply-vs-demand, and other factors outside of our control. **But user experience compounds over time.** When a person gets a good user experience, they are a bit more likely to come back tomorrow for another serving.

And so, publishers who are smart in leveraging this compounding effect are expected to benefit significantly over time. We founded Outbrain to empower publishers, through deep technology, to capture this value.

Over the past 20 years or so, it has been objectively difficult for digital publishers to focus on capturing this compounding effect by focusing on their users first, for a few reasons:

- Users have been largely anonymous, tagged by fleeting and messy cookies. It's difficult to focus on user experience when you don't even know the user or understand their real preferences and interests.
- Publishers have relied primarily on advertising as a source of revenue, which most of the industry prioritizes by price rather than by its contribution to user experience. And users care about many different things, but one thing we know they are not interested in at all is the price an advertiser paid to serve an ad. One simply cannot create user habits by optimizing for ad prices.

With those two characteristics – users being largely anonymous and fleeting, and revenue coming almost exclusively from advertisers, not users – the user experience took a distant back seat over the past 2+ decades.

As we look ahead, we expect the 2020s to provide the opportunity for one of the most promising turnarounds for the online publishing industry. These are a few of the trends we expect are going to be most exciting for publishers and online media owners in 2022 and beyond:

The demise of the third-party cookie will make premium publishers more valuable for advertisers:

Cookies have always been a messy hack that might have been sufficient for our 1998 browsing needs, but are long overdue for the trash bin of history. While they had some very good intended uses, the biggest unintended consequence of third-party cookies was that they allowed advertisers to track and target users across the web, regardless of the sites they visited. So as an advertiser, if you wished to target the users of say WSJ, using third-party cookies you could target those same users for deeply discounted rates, on thousands of sites other than the WSJ.

With peoples', companies', and governments' concerns over user data and privacy aspects on the rise, we can see the demise of third-party cookies on the horizon.

This demise means that media owners, and their closest partners, stand to regain the premium demand they commanded from advertisers in the offline world. Without third-party cookies, if an advertiser wishes to reach

the premium WSJ audience, they must pay a premium to WSJ to serve those ads.

While the cookie-less world may present its challenges, we see great opportunity. We expect that in the long term, the demise of third-party cookies will create the potential for tremendous value for publishers, and for their most deeply embedded partners, such as Outbrain.

The rise of registrations on premium publishers:

Another trend that is resulting from the pending demise of third-party cookies is that an increasing number of publishers are placing registration walls and requiring users to register and log-in in order to consume their content (“You have read 3 stories this month. If you want to read the 4th, you must register”).

A registered, or “known”, user, with superior personalization, is one that can be served so much better than a cookie-based “unknown” user ever could be. Cookies are fleeting, many times get deleted, are not shared across devices and browsers, and are unreliable.

In contrast, a registration is persistent, it is not deleted (unless the user decides to delete their account), and maintains consistency across browsers, devices and apps. Registered users will receive superior personalization, both in content and ads.

While many websites will attempt to ask for registration, it is those most recognized, premium publishers that are most likely to achieve registrations at scale. Those also happen to be the publishers that tend to choose Outbrain as their recommendation technology partner.

The rise of “reader revenue” alongside advertising revenue:

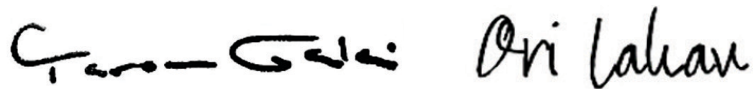
The final exciting trend we’re seeing is the rise of “reader revenue” for publishers, alongside the revenue they generate historically from advertising. Reader revenue, as the name implies, is revenue publishers receive from subscribers. This is incredibly exciting, not only because it provides publishers with another leg in the sustainability of their business, but also because it makes those publishers more accountable to the end user. Creating a great user experience is not just a feel-good thing (that sometimes works against ad revenues), but rather a critical component for publishers’ ability to drive this reader revenue to the financial bottom line.

Reader revenue is not a meaningful part of Outbrain’s business today, which makes sense as it is quite new for most publishers. But for an innovative technology and product driven company like Outbrain, this expansion into reader revenue creates exciting opportunities to expand and deepen the value we deliver to our partners, the media owners.

These 3 major trends – the demise of the third-party cookie that is expected to result in higher ad demand from premium publishers in the long-term, the switch from cookies to registrations, and the rise of reader revenue – are each expected to contribute in its own way to the goal that Outbrain has been focused on from Day 1 – A better user experience on media owners’ properties resulting in compounding effects for those businesses.

Lastly, and most importantly –

We've built Outbrain on the values of integrity, trust and transparency with our various constituencies. This continues to differentiate us in the ecosystem, provides the tailwinds for the strong momentum in premium publisher wins and is a source of pride for all our 1,000+ employees across the world. We bring the same values and approach to our debut in the public market and to our relationship with investors. We appreciate your trust and confidence in the Outbrain team. We do not take this confidence you put in us lightly, and can assure you that we will continue working hard, with unwavering integrity, to create great long term shareholder value.

Handwritten signatures of Yaron Galai and Ori Lahav in black ink.

Yaron Galai & Ori Lahav

Co-Founders of Outbrain Inc.

Note About Forward-Looking Statements

This letter contains forward-looking statements within the meaning of the federal securities laws, which statements involve substantial risks and uncertainties. Forward-looking statements, may include, without limitation, statements generally relating to possible or assumed future results of our business, financial condition, results of operations, liquidity, plans and objectives. You can generally identify forward-looking statements because they contain words such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “target,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of these terms or other similar expressions that concern our expectations, strategy, plans or intentions or are not statements of historical facts. We have based these forward-looking statements largely on our expectations and projections regarding future events and trends that we believe may affect our business, financial condition and results of operations.

The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors, including but not limited to: overall advertising demand and traffic generated by our media partners; factors that affect advertising spending, such as economic downturns and unexpected events; any failure of our recommendation engine to accurately predict user engagement, any deterioration in the quality of our recommendations or failure to present interesting content to users or other factors which may cause us to experience a decline in user engagement or loss of media partners; limits on our ability to collect, use and disclose data to deliver advertisements; our ability to continue to innovate, and adoption by our advertisers and media partners of our expanding solutions; our ability to meet demands on our infrastructure and resources due to future growth or otherwise; our ability to extend our reach into evolving digital media platforms; our ability to maintain and scale our technology platform; our ability to grow our business and manage growth effectively; the success of our sales and marketing investments, which may require significant investments and may involve long sales cycles; the risk that our research and development efforts may not meet the demands of a rapidly evolving technology market; the loss of one or more of our large media partners, and our ability to expand our advertiser and media partner relationships; our ability to compete effectively against current and future competitors; failures or loss of the hardware, software and infrastructure on which we rely, or security breaches; our ability to maintain our revenues or profitability despite quarterly fluctuations in our results, whether due to seasonality, large cyclical events, or other causes; political and regulatory risks in the various markets in which we operate; the challenges of compliance with differing and changing regulatory requirements; the effects of the ongoing and evolving COVID-19 pandemic, including the resulting global economic uncertainty, and measures taken in response to the pandemic; and the risks described in the section entitled “Risk Factors” and elsewhere in the Annual Report on Form 10-K filed for the year ended December 31, 2021.

Accordingly, you should not rely upon forward-looking statements as an indication of future performance. We cannot assure you that the results, events and circumstances reflected in the forward-looking statements will be achieved or will occur, and actual results, events or circumstances could differ materially from those projected in the forward-looking statements. The forward-looking statements made in this letter relate only to events as of the date on which the statements are made. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. We undertake no obligation and do not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or circumstances after the date on which the statements are made or to reflect the occurrence of unanticipated events or otherwise, except as required by law.