UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ___ to ___

Commission file number 001-40643

Teads Holding Co.
(Exact name of registrant as specified in its charter)

Delaware	**20-5391629**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

111 West 19th Street, New York, NY 10011
(Address of Principal Executive Offices) (Zip Code)

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

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

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

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☒
		Emerging growth company	☒

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 31, 2025, Teads Holding Co. had 95,470,825 shares of common stock outstanding.

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Note About Forward-Looking Statements

This Quarterly Report on Form 10-Q (this "Report") 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, and statements relating to the acquisition (the "Acquisition") by Outbrain Inc. of TEADS, a private limited liability company (*société à responsabilité limitée*) incorporated and existing under the laws of the Grand Duchy of Luxembourg ("Legacy Teads"), following which we changed our corporate name to Teads Holding Co. (hereinafter, together with its subsidiaries, the "Company" or "Teads"). You can generally identify forward-looking statements because they contain words such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "guidance," "outlook," "target," "projects," "contemplates," "believes," "estimates," "predicts," "foresee," "potential" or "continue" or the negative of these terms or other similar expressions that concern our expectations, strategy, plans or intentions or are not statements of historical fact. 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:

- our ability to successfully integrate Legacy Teads or manage the combined business effectively;
- our ability to realize anticipated benefits and synergies of the Acquisition, including, among other things, operating efficiencies, revenue synergies and other cost savings;
- our due diligence investigation of Legacy Teads may have been inadequate and risks related to Legacy Teads' business may materialize;
- unexpected costs, charges or expenses resulting from the Acquisition;
- our ability to raise additional financing in the future to fund our operations, which may not be available to us on favorable terms or at all;
- our ability to attract and retain customers, management and other key personnel;
- the volatility of the market price of the Company's common stock, $.001 par value per share ("Common Stock") and our ability to meet the continued listing requirements of The Nasdaq Stock Market LLC;
- overall advertising demand and traffic generated by our media partners;
- factors that affect advertising demand and spending, such as the continuation or worsening of unfavorable economic or business conditions or downturns, instability or volatility in financial markets, tariffs and trade wars and other events or factors outside of our control, such as U.S. and global recession concerns, geopolitical concerns, including the ongoing war between Ukraine-Russia and conditions in Israel, Iran and the Middle East generally, supply chain issues, inflationary pressures, labor market volatility, bank closures or disruptions, the impact of challenging economic conditions, new or proposed legislation or other political and policy changes or uncertainties in the U.S., the impact of the U.S. government shutdown, and other factors that have and may further impact advertisers' ability to pay;
- our ability to continue to innovate, and adoption by our advertisers and media partners of our expanding solutions;
- the potential impact of artificial intelligence ("AI") on our industry, our ability to adapt to advancements in AI within the context of the Open Internet and display advertising, and our need to invest in AI-based solutions;
- the success of our sales and marketing investments, which may require significant investments and may involve long sales cycles;
- our ability to grow our business and manage growth effectively;
- our ability to compete effectively against current and future competitors;
- the loss or decline of one or more of our large media partners, and our ability to expand our advertiser and media partner relationships;

- conditions in Israel, including the conflict between Israel and Hamas and the sustainability of the related cease-fire, as well as any conflicts with other terrorist organizations or the conflict between Israel and Iran and any conflicts with other countries;
- our ability to maintain our revenues or profitability despite quarterly fluctuations in our results, whether due to seasonality, large cyclical events, or other causes;
- the risk that our research and development efforts may not meet the demands of a rapidly evolving technology market;
- any failure of our recommendation engine to accurately predict attention or engagement, any deterioration in the quality of our recommendations or failure to present interesting content to users or other factors which may cause us to experience a decline in user engagement or loss of media partners;
- limits on our ability to collect, use and disclose data to deliver advertisements;
- our ability to extend our reach into evolving digital media platforms;
- our ability to maintain and scale our technology platform;
- our ability to meet demands on our infrastructure and resources due to future growth or otherwise;
- 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;
- significant fluctuations in currency exchange rates;
- political and regulatory risks in the various markets in which we operate;
- the challenges of compliance with differing and changing regulatory requirements, including with respect to privacy;
- the timing and execution of any cost-saving measures and the impact on our business or strategy; and
- the risks described in the section entitled “Risk Factors” and elsewhere in the Annual Report on Form 10-K filed with the Securities and Exchange Commission (the “SEC”) for the year ended December 31, 2024 (the “2024 Form 10-K”).

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 Report 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.

Part I Financial Information

Item 1. Financial Statements

TEADS HOLDING CO.
Condensed Consolidated Balance Sheets
(In thousands, except for number of shares and par value)

	September 30, 2025 (Unaudited)	December 31, 2024
ASSETS:		
Current assets:		
Cash and cash equivalents	$ 130,751	$ 89,094
Short-term investments in marketable securities	7,501	77,035
Accounts receivable, net of allowances	312,282	149,167
Prepaid expenses and other current assets	43,175	27,835
Total current assets	493,709	343,131
Non-current assets:		
Property, equipment and capitalized software, net	49,698	45,250
Operating lease right-of-use assets, net	24,601	15,047
Intangible assets, net	389,861	16,928
Goodwill	632,960	63,063
Deferred tax assets	71,312	40,825
Indemnification asset	27,176	—
Other assets	22,785	24,969
TOTAL ASSETS	$ 1,712,102	$ 549,213
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable	$ 265,746	$ 206,920
Accrued compensation and benefits	35,910	19,430
Deferred revenue	10,343	6,932
Short-term debt	17,606	—
Accrued and other current liabilities	125,867	56,189
Total current liabilities	455,472	289,471
Non-current liabilities:		
Long-term debt	604,023	—
Operating lease liabilities, non-current	18,287	11,783
Deferred tax liabilities	62,868	1,554
Contingent tax liabilities	39,452	9,343
Other liabilities	12,665	5,719
TOTAL LIABILITIES	$ 1,192,767	$ 317,870
Commitments and Contingencies (Note 11)		
STOCKHOLDERS' EQUITY:		
Common stock, par value of $0.001 per share − one billion shares authorized; 95,647,756 shares issued and 95,469,264 shares outstanding as of September 30, 2025; 63,503,274 shares issued and 50,090,114 shares outstanding as of December 31, 2024	96	64
Preferred stock, par value of $0.001 per share − 100,000,000 shares authorized, none issued and outstanding as of September 30, 2025 and December 31, 2024	—	—
Additional paid-in capital	682,282	484,541
Treasury stock, at cost − 178,492 shares as of September 30, 2025 and 13,413,160 shares as of December 31, 2024	(526)	(74,289)
Accumulated other comprehensive income (loss)	95,822	(9,480)
Accumulated deficit	(258,339)	(169,493)
TOTAL STOCKHOLDERS' EQUITY	519,335	231,343
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 1,712,102	$ 549,213

See Accompanying Notes to Condensed Consolidated Financial Statements.

TEADS HOLDING CO.
Condensed Consolidated Statements of Operations
(In thousands, except for share and per share data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue	$ 318,772	$ 224,177	$ 948,225	$ 655,289
Cost of revenue:				
Traffic acquisition costs	188,230	164,483	570,392	487,484
Other cost of revenue	24,794	10,825	69,171	31,765
Total cost of revenue	213,024	175,308	639,563	519,249
Gross profit	105,748	48,869	308,662	136,040
Operating expenses:				
Research and development	10,743	9,053	38,007	27,576
Sales and marketing	68,658	23,201	202,071	71,195
General and administrative	31,970	19,564	96,335	51,700
Impairment charges	—	—	15,614	—
Restructuring charges	657	—	9,610	742
Total operating expenses	112,028	51,818	361,637	151,213
Loss from operations	(6,280)	(2,949)	(52,975)	(15,173)
Other (expense) income:				
Gain on repurchase of long-term debt	—	8,782	1,225	8,782
Interest expense	(17,084)	(1,444)	(57,732)	(2,950)
Other (expense) income and interest income, net	(994)	3,536	(2,984)	7,687
Total other (expense) income, net	(18,078)	10,874	(59,491)	13,519
(Loss) income before income taxes	(24,358)	7,925	(112,466)	(1,654)
(Benefit) provision for income taxes	(4,668)	1,229	(23,620)	(1,110)
Net (loss) income	$ (19,690)	$ 6,696	$ (88,846)	$ (544)
Weighted average shares outstanding:				
Basic	95,113,669	49,325,518	89,249,913	49,171,414
Diluted	95,113,669	53,908,058	89,249,913	53,701,925
Net (loss) income per common share:				
Basic	$ (0.21)	$ 0.14	$ (1.00)	$ (0.01)
Diluted	$ (0.21)	$ 0.01	$ (1.00)	$ (0.10)

See Accompanying Notes to Condensed Consolidated Financial Statements.

TEADS HOLDING CO.
Condensed Consolidated Statements of Comprehensive Income (Loss)
(In thousands)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
Net (loss) income	$ (19,690)	$ 6,696	$ (88,846)	$ (544)
Other comprehensive income (loss):				
Foreign currency translation adjustments	3,322	21	105,365	(1,024)
Unrealized gain (loss) on available-for-sale investments in debt securities (net of taxes of $(1) and $(132) for the three months ended September 30, 2025 and 2024, respectively and $20 and $(39) for the nine months ended September 30, 2025 and 2024, respectively)	7	444	(63)	134
Total other comprehensive income (loss)	3,329	465	105,302	(890)
Comprehensive (loss) income	$ (16,361)	$ 7,161	$ 16,456	$ (1,434)

See Accompanying Notes to Condensed Consolidated Financial Statements.

TEADS HOLDING CO.
Condensed Consolidated Statements of Stockholders' Equity
(In thousands, except for number of shares)
(Unaudited)

	Common Stock		Additional Paid-In Capital	Treasury Stock		Accumulated Other Comprehensive (Loss) Income	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount		Shares	Amount			
Balance – January 1, 2025	63,503,274	$ 64	$ 484,541	(13,413,160)	$ (74,289)	$ (9,480)	$ (169,493)	$ 231,343
Acquisition of Teads	30,320,161	30	186,864	13,429,839	74,402	—	—	261,296
Vesting of restricted stock units, net of shares withheld for taxes	526,076	—	—	(73,000)	(355)	—	—	(355)
Stock-based compensation	—	—	3,037	—	—	—	—	3,037
Other comprehensive income	—	—	—	—	—	34,187	—	34,187
Net loss	—	—	—	—	—	—	(54,843)	(54,843)
Balance – March 31, 2025	94,349,511	$ 94	$ 674,442	(56,321)	$ (242)	$ 24,707	$ (224,336)	$ 474,665
Vesting of restricted stock units, net of shares withheld for taxes	745,944	1	(1)	(70,108)	(198)	—	—	(198)
Stock-based compensation	—	—	4,022	—	—	—	—	4,022
Other comprehensive income	—	—	—	—	—	67,786	—	67,786
Net loss	—	—	—	—	—	—	(14,313)	(14,313)
Balance – June 30, 2025	95,095,455	$ 95	$ 678,463	(126,429)	$ (440)	$ 92,493	$ (238,649)	$ 531,962
Vesting of restricted stock units, net of shares withheld for taxes	552,301	1	(1)	(52,063)	(86)	—	—	(86)
Stock-based compensation	—	—	3,820	—	—	—	—	3,820
Other comprehensive income	—	—	—	—	—	3,329	—	3,329
Net loss	—	—	—	—	—	—	(19,690)	(19,690)
Balance – September 30, 2025	95,647,756	$ 96	$ 682,282	(178,492)	$ (526)	$ 95,822	$ (258,339)	$ 519,335

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Treasury Stock Shares	Treasury Stock Amount	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
Balance – January 1, 2024	61,567,520	$ 62	$ 468,525	(11,841,002)	$ (67,689)	$ (9,052)	$ (168,782)	$ 223,064
Vesting of restricted stock units, net of shares withheld for taxes	348,151	—	—	(37,492)	(153)	—	—	(153)
Shares repurchased under the share repurchase program	—	—		(945,947)	(3,862)	—	—	(3,862)
Stock-based compensation	—	—	3,068	—	—	—	—	3,068
Other comprehensive loss	—	—	—	—	—	(148)	—	(148)
Net loss	—	—	—	—	—	—	(5,041)	(5,041)
Balance – March 31, 2024	61,915,671	$ 62	$ 471,593	(12,824,441)	$ (71,704)	$ (9,200)	$ (173,823)	$ 216,928
Vesting of restricted stock units, net of shares withheld for taxes	635,263	1	(1)	(47,088)	(207)	—	—	(207)
Shares repurchased under the share repurchase program	—	—	—	(464,054)	(2,000)	—	—	(2,000)
Stock-based compensation	—	—	4,661	—	—	—	—	4,661
Other comprehensive loss	—	—	—	—	—	(1,207)	—	(1,207)
Net loss	—	—	—	—	—	—	(2,199)	(2,199)
Balance – June 30, 2024	62,550,934	$ 63	$ 476,253	(13,335,583)	$ (73,911)	$ (10,407)	$ (176,022)	$ 215,976
Vesting of restricted stock units, net of shares withheld for taxes	478,164	—	—	(39,323)	(187)	—	—	(187)
Shares repurchased under the share repurchase program	—	—	—	—	19	—	—	19
Stock-based compensation	—	—	4,187	—	—	—	—	4,187
Other comprehensive income	—	—	—	—	—	465	—	465
Net income	—	—	—	—	—	—	6,696	6,696
Balance – September 30, 2024	63,029,098	$ 63	$ 480,440	(13,374,906)	$ (74,079)	$ (9,942)	$ (169,326)	$ 227,156

See Accompanying Notes to Condensed Consolidated Financial Statements.

TEADS HOLDING CO
Condensed Consolidated Statements of Cash Flows
(In thousands, Unaudited)

	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (88,846)	$ (544)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Gain on repurchase of long-term debt	(1,225)	(8,782)
Depreciation and amortization of property and equipment	6,763	4,654
Amortization of capitalized software development costs	7,041	7,281
Amortization of intangible assets	34,903	2,559
Amortization of discount on marketable securities	(784)	(1,839)
Stock-based compensation	10,372	11,487
Non-cash operating lease expense	8,175	3,825
Provision for credit losses	5,614	2,951
Amortization of debt issuance costs	15,337	—
Deferred income taxes	(42,709)	(4,431)
Impairment of assets	15,614	—
Unrealized foreign currency transaction losses (gains)	6,677	(1,054)
Other	25	436
Changes in operating assets and liabilities:		
Accounts receivable	57,827	31,434
Prepaid expenses and other current assets	16,863	9,121
Accounts payable and other current liabilities	(45,007)	(30,563)
Operating lease liabilities	(8,445)	(3,869)
Deferred revenue	(3,942)	(2,051)
Other non-current assets and liabilities	6,091	5,283
Net cash provided by operating activities	344	25,898
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of a business, net of cash acquired	(598,319)	(181)
Purchases of property and equipment	(4,853)	(4,668)
Capitalized software development costs	(12,020)	(7,592)
Purchases of marketable securities	(16,603)	(56,166)
Proceeds from sales and maturities of marketable securities	86,471	144,257
Other	(56)	(81)
Net cash (used in) provided by investing activities	(545,380)	75,569
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the Bridge Facility	625,000	—
Repayments of borrowings under the Bridge Facility	(625,000)	—
Proceeds from senior secured notes	625,305	—
Partial repayment of long-term debt	(7,674)	(109,740)
Payment of deferred financing costs	(30,969)	(501)
Payment of stock issuance costs	(775)	—
Treasury stock repurchases and share withholdings on vested awards	(639)	(6,390)
Principal payments on finance lease obligations	—	(263)
Proceeds from bank overdrafts, net	110	—
Net cash provided by (used in) financing activities	585,358	(116,894)
Effect of exchange rate changes	1,834	2,034
Net increase in cash, cash equivalents and restricted cash	42,156	(13,393)
Cash, cash equivalents and restricted cash — Beginning	89,725	71,079
Cash, cash equivalents and restricted cash — Ending	$ 131,881	$ 57,686
RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH		
Cash and cash equivalents	$ 130,751	$ 57,061
Restricted cash, included in other assets	$ 1,130	$ 625
Total cash, cash equivalents, and restricted cash	$ 131,881	$ 57,686

OUTBRAIN INC.
Condensed Consolidated Statements of Cash Flows (Continued)
(In thousands)

	Nine Months Ended September 30,	
	2025	2024
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid for income taxes, net of refunds	$ 16,848	$ 11,112
Cash paid for interest	$ 34,661	$ 4,263
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:		
Stock consideration issued for acquisition of a business	$ 262,938	$ —
Purchases of property and equipment included in accounts payable	$ 2,673	$ 2,219
Operating lease right-of-use assets obtained in exchange for lease obligations	$ 13,656	$ 6,445
Stock-based compensation capitalized for software development costs	$ 507	$ 423
Unpaid deferred financing costs in accounts payable and accrued expenses	$ —	$ 2,855

See Accompanying Notes to Condensed Consolidated Financial Statements.

TEADS HOLDING CO.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Organization, Description of Business and Summary of Significant Accounting Policies

Organization and Description of Business

On June 6, 2025, Outbrain Inc. (“Outbrain”), operating under the new Teads brand following Outbrain’s acquisition (the “Acquisition”) of TEADS, a private limited liability company (*société à responsabilité limitée*) incorporated and existing under the laws of the Grand Duchy of Luxembourg (“Legacy Teads”) in February 2025, completed its corporate name change from Outbrain Inc. to Teads Holding Co. (together with its subsidiaries, “Teads,” the “Company,” “we,” “our,” or “us”). Combining the offerings of Outbrain and Legacy Teads, the Company is a leading omnichannel advertising platform focused on driving outcomes across the Open Internet. The Company is headquartered in New York, New York with various wholly-owned subsidiaries, including in Europe, the Middle East and Asia. The Company’s Common Stock, par value $0.001 per share (“Common Stock”), began trading on The Nasdaq Stock Market LLC under the new “TEAD” ticker symbol effective June 10, 2025.

The Company generates revenue from advertisers purchasing media owner inventory through its platforms. Teads is an omnichannel outcomes platform for the Open Internet, driving full-funnel results for marketers across premium media. With a focus on meaningful business outcomes, the Company ensures value is driven with every media dollar by leveraging predictive AI technology to connect quality media, beautiful brand creative, and context-driven addressability and measurement. The Company’s platform provides advertisements on media owners’ online properties. The Company generates revenue from advertisers through consumer engagements with advertisements that it delivers across a variety of third-party media owners’ online properties, including through connected TV (“CTV”). Advertising campaigns are priced using various models, including cost per click (“CPC”), cost per thousand impressions (“CPM”) or other actions, such as a cost per view (“CPV”) based on a number of completed video views. Accordingly, revenues are recognized when an action associated with an advertisement occurs, whether that be an ad is clicked on, displayed or viewed by the end user. The Company pays traffic acquisition costs to its media owner partners on whose digital properties the advertisements are shown.

Basis of Presentation

The accompanying condensed consolidated financial statements were prepared in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”) for interim financial information and are unaudited. Certain information and disclosures normally included in consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. Accordingly, these condensed consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements and related notes included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024, filed with the Securities and Exchange Commission on March 7, 2025 ("2024 Form 10-K").

On February 3, 2025, Outbrain completed the previously announced Acquisition. As such, the accompanying condensed consolidated financial statements of the Company include the results of operations for Legacy Teads from February 3, 2025 through September 30, 2025. As a result of the Acquisition, the financial information presented as of and for the three and nine months ended September 30, 2025 is not directly comparable to our financial information presented for the corresponding prior year periods.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and related disclosures as of the date of the condensed consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments are based on historical information and on various other assumptions that the Company believes are reasonable under the circumstances. Estimates and assumptions made in the accompanying condensed consolidated financial statements include, but are not limited to, the allowance for credit losses, sales allowance, software development costs eligible for capitalization, valuation of deferred tax assets, the useful lives of property and equipment, the useful lives and fair value of intangible assets, valuation of goodwill, the fair value of stock-based awards, and the recognition and measurement of income tax uncertainties and other contingencies. Actual results could differ materially from these estimates.

Reclassifications

Certain reclassifications have been made to the prior periods' financial information in order to conform to the current period's presentation. These reclassifications primarily included the reclassification of publisher obligations of $57.4 million to accounts payable, as part of accounting policy alignment between legacy Outbrain and Teads. This obligation was previously recorded within accrued and other current liabilities in the Company's consolidated balance sheet as of December 31, 2024. This reclassification had no impact on the Company's current or total liabilities, or any other financial statement line items.

Revenue Recognition

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

The Company generates revenue primarily from advertisers (and/or through the media agencies that represent such advertisers) through user engagement with the ads placed on media partners' web pages and mobile applications. The Company's platform delivers ads to end-users that appear as links to articles and videos on media owners' and CTV partners' sites.

The Company's customers include brands, performance marketers and other advertisers, which are collectively referred to as its advertisers, each of which contract for use of its services primarily through insertion orders or through self-service tools, allowing advertisers to establish budgets for their advertising campaigns. Advertising campaigns are primarily billed on a monthly basis. The Company's payment terms generally range from 30 to 60 days.

Advertising campaigns are priced using various models, including CPC, CPM or other actions, such as a CPV based on a number of completed video views. Accordingly, revenues are recognized when an action associated with an advertisement occurs, whether that be an ad is clicked on, displayed or viewed by the end user.

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

The determination of whether revenue should be reported on a gross or a net basis involves judgment. In general, the Company acts as a principal on behalf of its advertisers and revenue is recognized gross of any costs that it remits to the media partners. In these cases, the Company determined that it controls the advertising inventory before it is transferred to its advertisers. The Company's control is evidenced by its ability to monetize the advertising inventory before it is transferred to its advertisers. For those revenue arrangements where the customer controls the advertising inventory and retains the inventory risk, the Company is the agent and recognizes revenue on a net basis. The Company recognizes revenue net of applicable sales taxes.

Contract Balances. There were no contract assets as of September 30, 2025 or December 31, 2024. Contract liabilities primarily relate to advance payments and consideration received from customers. As of September 30, 2025 and December 31, 2024, the Company's contract liabilities were recorded as deferred revenue in its consolidated balance sheets. See Note 16 for disaggregation of the Company's revenue based on geography of where the Company's marketers are physically located.

Cost of Revenue

Traffic Acquisition Costs. Traffic acquisition costs consist of amounts the Company owes to media partners for the purchase of or use of inventory. The Company incurs costs with its media partners, which may be publishers or third-party intermediaries, in the period in which certain actions, such as click-throughs, impressions or views, occur. Such costs due to media partners are based on the media partners' contractual revenue share, a CPM model or guaranteed rates of payment based on certain media partner conditions. In some circumstances, the Company incurs costs based on a guaranteed minimum payment, which may be based on either impressions, page views or a fixed amount if the partner reaches certain performance targets, in exchange for guaranteed placement on specified portions of the media owners' online properties. Traffic acquisition costs also include amounts payable to media partners whose supply is purchased programmatically.

In some instances, the Company may make upfront payments to media owners in connection with long-term contracts. The Company capitalizes these advance payments under these agreements if specific capitalization criteria have been met. The capitalization criteria includes the existence of future economic benefits to the Company, the existence of legally enforceable recoverability language (e.g., early termination clauses), management's ability and intent to enforce the recoverability language and the ability to generate future earnings from the agreement in excess of amounts deferred. Capitalized amounts are amortized as traffic acquisition costs over the shorter of the period of contractual recoverability or the corresponding period of economic benefit. Amounts not yet paid are accrued systematically based on the Company's estimate of user engagement.

Other Cost of Revenue. Other cost of revenue includes costs related to the management of data centers, hosting fees, data connectivity costs, research and insight costs, and depreciation and amortization. Cost of revenue also includes the amortization of capitalized software that is developed or obtained for internal use associated with the Company's revenue-generating technologies. Additionally, other cost of revenue includes amortization of intangible assets related to developed technology acquired by the Company and used in its revenue-generating efforts.

Certain Risks and Concentrations

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, restricted cash, investments in marketable securities, and accounts receivable. The Company's cash and cash equivalents, restricted cash and investments in marketable securities are generally invested in high-credit quality financial instruments with both banks and financial institutions to reduce the amount of exposure to any single financial institution.

The Company generally does not require collateral to secure accounts receivable, with the exception of certain customers with higher potential credit risk who are required to prepay for their campaigns. No single advertiser accounted for 10% or more of the Company's total revenue for the three and nine months ended September 30, 2025 or 2024, or 10% or more of its gross accounts receivable balance as of September 30, 2025 and December 31, 2024. During the three and nine months ended September 30, 2025 and 2024, none of the Company's media owners accounted for 10% of its total traffic acquisition costs.

Segment Information

The Company has one operating and reporting segment. The Company's chief operating decision maker is its Chief Executive Officer who makes resource allocation decisions and assesses performance based on financial information presented on a consolidated basis.

New Accounting Pronouncements

Under the JOBS Act, the Company meets the definition of an emerging growth company ("EGC") and can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards would otherwise apply to private companies. The Company has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the Company is no longer an EGC or until the Company affirmatively and irrevocably opts out of the extended transition period. Based on the anticipated total gross revenue of the Company, the Company expects that it will cease to be an EGC as of December 31, 2025.

Recently Issued Accounting Pronouncements

In September 2025, the FASB issued ASU 2025-06, "Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software" ("ASU 2025-06"). ASU 2025-06 removes all references to software project development stages, and requires capitalization to begin when management has authorized and committed to funding the project, and it is probable that the project will be completed and the software will be used to perform the function intended. ASU 2025-06 is effective for our annual reporting periods beginning after December 15, 2027, and for interim periods within those annual reporting periods, with early adoption permitted. The Company is in the process of evaluating the impact of ASU 2025-06 on its consolidated financial statements and related disclosures.

In July 2025, the FASB issued ASU 2025-05, "Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets" ("ASU 2025-05"). ASU 2025-05 provides a practical expedient, which simplifies the calculation for estimating credit losses on current accounts receivable and contract assets by assuming that current conditions as of the balance sheet date do not change for the remaining life of the asset. ASU 2025-05 is effective for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods, with early adoption is permitted. The Company is currently in the process of evaluating the impact of ASU 2025-05 on its consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures” (“ASU 2023-09”). ASU 2023-09 is focused on increased visibility into specific income tax components, requiring disclosures of specific categories and a greater disaggregation of information by jurisdiction within the effective tax rate reconciliation and income taxes paid disclosures. ASU 2023-09 is effective beginning with the Company’s annual reporting period for the year ended December 31, 2025. The Company is in the process of evaluating the impact of ASU 2023-09 on its tax-related disclosures.

In November 2024, the FASB issued ASU 2024-03, “Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures” (“ASU 2024-03”). ASU 2024-03 requires disclosures about certain costs and expenses, including but not limited to, purchases of inventory; employee compensation; depreciation; intangible asset amortization; and selling expenses. The ASU is required to be applied prospectively and is effective for annual reporting periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027. The Company is in the process of evaluating the impact of ASU 2024-03 on its audited consolidated financial statements.

See Note 1 to the Company’s audited consolidated financial statements for the year ended December 31, 2024 in the Company’s 2024 Form 10-K for a complete disclosure of the Company’s significant accounting policies.

2. Acquisition

On February 3, 2025, the Company completed the Acquisition, with consideration paid at the closing of approximately $0.9 billion, comprised of a cash payment of $625 million, subject to certain customary adjustments, and 43.75 million shares of Outbrain’s Common Stock, pursuant to Amendment No. 1 to the definitive share purchase agreement, dated August 1, 2024, by and between the Company, Altice Teads S.A. (“Altice Teads”), a public limited liability company (société anonyme) incorporated and existing under the laws of the Grand Duchy of Luxembourg and the sole shareholder of Legacy Teads, and Legacy Teads, as amended (the “SPA). The Company also appointed two additional new directors designated by Altice Teads to its Board of Directors (“Board”), as required by the SPA. Following the closing, Altice Teads owned approximately 46.6% of the Company’s issued and outstanding shares of Common Stock. The Acquisition combined the offerings of Outbrain and Legacy Teads into one of the largest Open Internet platforms, allowing the Company to better serve enterprise brands and agencies, as well as mid-market and direct response advertisers across different media environments.

The following table summarizes the total purchase consideration as of the Acquisition date:

	February 3, 2025 (In thousands)
Cash consideration paid on Acquisition date[(1)]	$ 621,948
Fair value of stock consideration[(2)]	262,938
Total consideration	$ 884,886

[(1)] The cash portion of consideration was funded by the Bridge Facility pursuant to the Credit Agreement, each as defined below, entered into on February 3, 2025. See Note 9 for additional information.

[(2)] Calculated based on the stock price of $6.01 per share prior to Acquisition close.

This Acquisition was accounted for as a business combination under Accounting Standards Codification 805, “Business Combinations,” using the acquisition method of accounting and Outbrain was determined to be the accounting acquirer. During the three and nine months ended September 30, 2025, the Company recorded transaction costs (direct acquisition costs) of $0.4 million and $12.5 million, respectively, which were included in general and administrative expenses in the Company’s condensed consolidated statement of operations for the three and nine months ended September 30, 2025. The Company allocated the purchase price to identifiable assets acquired based on their estimated fair values at Acquisition date, which required management to use significant judgment and estimates, including valuation methodologies, estimates of future revenue, costs and cash flows, discount rates, and identifying comparable companies. The Company engaged third-party valuation specialists to assist in determining the fair values of the acquired assets and liabilities.

The following table presents the preliminary allocation of the purchase price to the identifiable assets and liabilities based on their estimated fair values as of the Acquisition date:

	Preliminary Purchase Price Allocation	Measurement Period Adjustments	Preliminary Purchase Price Allocation (As Adjusted)
		(in thousands)	
Cash and cash equivalents	$ 23,619	$ —	$ 23,619
Accounts receivable, net	210,317	(1,720)	208,597
Prepaid expenses and other current assets	26,581	—	26,581
Property and equipment	3,581	—	3,581
Operating lease right of use assets	13,218	—	13,218
Other intangible assets	384,400	—	384,400
Indemnification assets	26,305	(922)	25,383
Other assets	2,076	—	2,076
Total assets acquired	$ 690,097	$ (2,642)	$ 687,455
Accounts payable	69,687	—	69,687
Accrued compensation and benefits	34,341	—	34,341
Accrued and other liabilities	79,724	(821)	78,903
Short-term borrowings	15,424	—	15,424
Deferred tax liability	66,513	104	66,617
Contingent tax liabilities	26,305	(922)	25,383
Operating lease liabilities, noncurrent	9,830	—	9,830
Other long-term liabilities	4,966	—	4,966
Total liabilities assumed	$ 306,790	$ (1,639)	$ 305,151
Net assets acquired	383,307	(1,003)	382,304
Goodwill	501,579	1,003	502,582
Total consideration	$ 884,886	$ —	$ 884,886

The above purchase price allocation of the fair values of the assets acquired and liabilities assumed is preliminary and is subject to change, as the Company's estimates of consideration and other balances, such as intangibles, goodwill, and deferred income taxes are finalized during the measurement period, up to a year from the Acquisition date. Measurement period adjustments are based on information about facts and circumstances that existed at the Acquisition date that, if known, would have impacted the amounts recognized on that date.

The difference between the fair value of the consideration paid for the acquired entity and the estimated fair value of the net assets acquired is recorded as goodwill, and is primarily attributable to the future growth and monetization opportunities and expected synergies. Goodwill is not amortized but will be evaluated for impairment at least annually, or more frequently if there are indicators of impairment. The Company has some basis in goodwill for U.S. income tax purposes for certain acquired foreign entities, but no basis for U.S. income tax purposes for acquired U.S. entities and no basis for foreign income tax purposes for any entity.

The Company also recorded an indemnification asset and a corresponding liability of $25.4 million related to certain tax matters that existed prior to the Acquisition, for which Altice Teads has agreed to provide an indemnity (see Note 11 for further details). The indemnification asset and liability are included within indemnification asset and contingent tax liabilities in our condensed consolidated balance sheet as of September 30, 2025. Altice Teads' indemnification obligation may be increased if other indemnified risks materialize and will remain in place until all covered matters are resolved.

The identifiable intangible assets included within other intangible assets in the table above consist of the following:

	February 3, 2025	
	Amount	Weighted-Average Amortization Period
	(In thousands)	(In years)
Customer Relationships	$ 237,100	10.3 years
Publisher relationships	51,200	8.0 years
Technology intangibles	73,400	5.0 years
Tradenames	22,700	11.0 years
Total other intangibles	$ 384,400	

Pro forma financial information

The Company's consolidated statements of operations include Teads' results of operations from February 3, 2025 through September 30, 2025. For the three months ended September 30, 2025, the Legacy Teads business contributed revenue and net loss of $126.8 million and $16.4 million, respectively. For the period from February 3, 2025 to September 30, 2025, the Legacy Teads business contributed revenues and net loss of $346.2 million and $53.3 million, respectively. These amounts include the interest expense on the debt used to finance the Acquisition and the amortization of intangible assets recognized on Acquisition.

The following unaudited pro forma financial information for the periods presented are based on our historical consolidated financial statements, adjusted to reflect the Acquisition as if it occurred on January 1, 2024. The unaudited pro forma financial results are as follows:

	Nine Months Ended		Three Months Ended
	September 30, 2025	September 30, 2024	September 30, 2024
		(In thousands)	
Revenue	$ 978,712	$ 1,083,664	$ 373,521
Net loss	$ (117,259)	$ (22,198)	$ (3,427)

The unaudited pro forma financial information is presented for informational purposes only and is not indicative of actual results that would have been achieved, nor does it intend to project the future financial results of the Company after the Acquisition. The unaudited pro forma information presented above includes adjustments primarily related to U.S. GAAP and policy alignment, amortization of acquired intangible assets, incremental financing costs, certain Acquisition-related charges, and related tax effects. The unaudited pro forma information is based on certain assumptions, which management believes are reasonable, and does not reflect the cost of any integration activities or synergies that may be derived from any integration activities.

3. Restructuring

2025 Restructuring Plan

On February 3, 2025, in connection with the completion of the Acquisition, the Company announced a restructuring plan (the "Plan"), as part of its efforts to streamline operations and reduce duplication of roles. The Plan involves a reduction in workforce of approximately 15%. The Company estimates that it will incur approximately $11 million to $14 million in charges in connection with the Plan, of which approximately $9 million to $11 million is expected to be incurred in 2025. These charges primarily consist of severance and other related payments.

The actions associated with the employee restructuring under the Plan were initiated in February 2025, were implemented in large part in the second quarter of 2025 and are expected to be completed by the first quarter of 2026. The estimates of the charges and expenditures that the Company expects to incur in connection with the Plan, and the timing thereof, are subject to a number of assumptions, and actual amounts may differ materially from estimates. In addition, the Company may incur other charges or cash expenditures not currently contemplated due to unanticipated events that may occur, including in connection with the implementation of the Plan. The Company recorded the following pre-tax charges within restructuring charges in its condensed consolidated statement of operations for the periods presented:

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	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2025
	(In thousands)	
Severance and related costs	$ 607	$ 8,879
Legal costs	50	731
Total restructuring charges	$ 657 [1]	$ 9,610 [2]

[1] Includes \$0.1 million related to research and development, \$0.4 million related to sales and marketing, and \$0.1 million related to general and administrative expenses.

[2] Includes \$0.9 million related to research and development, \$6.3 million related to sales and marketing and \$2.4 million related to general and administrative expenses.

The severance and related costs for the nine months ended September 30, 2025 are related to the termination of approximately 199 employees.

The following table summarizes accrued severance and related liabilities recorded within accrued compensation and benefits and accrued and other current liabilities in the Company's condensed consolidated balance sheets for the nine months ended September 30, 2025.

	Severance and related costs	Legal costs	Total
		(In thousands)	
Restructuring charges	$ 8,879	$ 731	$ 9,610
Cash payments	(8,441)	(585)	(9,026)
Foreign currency translation	(47)	—	(47)
Balance as of September 30, 2025	$ 391	$ 146	$ 537

4. Investments in Marketable Securities

All of the Company's debt securities are classified as available-for-sale. The Company's cash equivalents and investments as of September 30, 2025 and December 31, 2024 consisted of the following:

		September 30, 2025					
(In thousands)	Fair Value Level	Amortized cost [1]	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Cash Equivalents	Short-term investments
Money market funds	1	$ 39,880	$ —	$ —	$ 39,880	$ 39,880	$ —
U.S. Treasuries	2	1,998	—	—	1,998	—	1,998
Commercial paper	2	1,995	—	(2)	1,993	—	1,993
U.S. Corporate bonds	2	3,509	1	—	3,510	—	3,510
Total cash equivalents and investments		$ 47,382	$ 1	$ (2)	$ 47,381	$ 39,880	$ 7,501

		December 31, 2024					
(In thousands)	Fair Value Level	Amortized cost [1]	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Cash Equivalents	Short-term investments
Money market funds	1	$ 30,754	$ —	$ —	$ 30,754	$ 30,754	$ —
U.S. Treasuries	2	35,129	16	—	35,145	6,932	28,213
U.S. Government bonds	2	5,475	9	—	5,484	—	5,484
Commercial paper	2	11,949	—	(6)	11,943	9,958	1,985
U.S. Corporate bonds	2	42,526	63	—	42,589	1,236	41,353
Total cash equivalents and investments		$ 125,833	$ 88	$ (6)	$ 125,915	$ 48,880	$ 77,035

[1] The amortized cost of debt securities excludes accrued interest of less than $0.1 million and $0.7 million, respectively, recorded within prepaid expenses and other current assets in the condensed consolidated balance sheets as of September 30, 2025 and December 31, 2024.

During the nine months ended September 30, 2025, proceeds from the sales of securities were $22.5 million, which included gross realized gains of approximately $0.1 million, which were released from other comprehensive loss and recorded within interest income and other income, net in the Company's condensed consolidated statement of operations for the period.

During the three months ended September 30, 2024, the Company redeemed some of its available-for-sale marketable securities prior to their maturities in connection with its repurchase of its remaining outstanding 2.95% Convertible Senior Notes due 2026 ("Convertible Notes"). Proceeds from the sales of securities were $53.0 million, which included gross realized gains of $0.4 million, which were released from other comprehensive loss and recorded within interest income and other income, net in the Company's condensed consolidated statement of operations for the three and nine months ended September 30, 2024. The gross realized gains and losses were determined using the specific identification method.

As of September 30, 2025, all of the Company's available-for-sale securities with a fair value of $47.4 million mature within one year.

As of September 30, 2025 and December 31, 2024, the Company's investments have been in an immaterial gross unrealized loss position for less than 12 months. As such, no allowance for credit losses was recorded for these securities as of September 30, 2025 and December 31, 2024.

5. Goodwill and Intangible Assets

The changes in the carrying value of the Company's goodwill balance were as follows:

	September 30, 2025	December 31, 2024
	(In thousands)	
Goodwill, opening balance	$ 63,063	$ 63,063
Acquisition of Teads	502,582	—
Foreign currency translation	67,315	—
Goodwill, closing balance	$ 632,960	$ 63,063

The Company has not recorded any impairments and has no accumulated impairments of goodwill.

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The gross carrying amount and accumulated amortization of the Company’s intangible assets are as follows:

	September 30, 2025			
	Weighted Average Amortization Period	Gross Value	Accumulated Amortization	Net Carrying Value
			(In thousands)	
Developed technology	5.0 years	$ 91,676	$ (19,385)	$ 72,291
Customer relationships	10.3 years	264,402	(23,214)	241,188
Publisher relationships	8.0 years	64,618	(13,315)	51,303
Trade names	11.0 years	27,472	(2,943)	24,529
Other	15.8 years	906	(356)	550
Total intangible assets, net		$ 449,074	$ (59,213)	$ 389,861

	December 31, 2024			
	Weighted Average Amortization Period	Gross Value	Accumulated Amortization	Net Carrying Value
			(In thousands)	
Developed technology	8.0 years	$ 18,411	$ (12,149)	$ 6,262
Customer relationships	5.0 years	5,743	(5,448)	295
Publisher relationships	8.0 years	18,509	(11,747)	6,762
Trade names	8.8 years	5,235	(2,328)	2,907
Content provider relationships	5.0 years	284	(169)	115
Other	15.8 years	906	(319)	587
Total intangible assets, net		$ 49,088	$ (32,160)	$ 16,928

During the nine months ended September 30, 2025, in connection with the post-merger integration of the newly acquired Teads business, the Company made a decision to discontinue its video product offering associated with its prior acquisition of vi. Accordingly, the Company fully wrote off the associated intangible assets, as detailed below:

	Nine Months Ended September 30, 2025
	(In thousands)
Developed technology	$ 5,950
Customer relationships	259
Publisher relationships	6,426
Trade names	2,373
Content provider relationships	100
Impairment charge	$ 15,108

No impairment charges were recorded for the Company’s intangible assets subject to amortization during the three and nine months ended September 30, 2024.

As of September 30, 2025, estimated amortization related to the Company's identifiable Acquisition-related intangible assets in future periods was as follows:

	Amount
	(In thousands)
Remainder of 2025	$ 13,392
2026	53,133
2027	52,971
2028	52,917
2029	52,917
Thereafter	164,531
Total	$ 389,861

6. Balance Sheet Components

Accounts Receivable and Allowance for Credit Losses

Accounts receivable, net of allowance for credit losses consists of the following:

	September 30, 2025	December 31, 2024
	(In thousands)	
Accounts receivable	$ 325,271	$ 155,089
Allowance for credit losses	(12,989)	(5,922)
Accounts receivable, net of allowance for credit losses	$ 312,282	$ 149,167

The allowance for credit losses consists of the following activity:

	Nine Months Ended September 30, 2025	Year Ended December 31, 2024
	(In thousands)	
Allowance for credit losses, beginning balance	$ 5,922	$ 10,380
Provision for credit losses	10,271	2,445
Write-offs, net of recoveries	(3,204)	(6,903)
Allowance for credit losses, ending balance	$ 12,989	$ 5,922

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consists of the following:

	September 30, 2025	December 31, 2024
	(In thousands)	
Prepaid taxes	$ 20,957	$ 9,247
Prepaid traffic acquisition costs	7,723	11,379
Prepaid software licenses	5,466	2,233
Other prepaid expenses and other current assets	9,029	4,976
Total prepaid expenses and other current assets	$ 43,175	$ 27,835

Property, Equipment and Capitalized Software, Net

Property, equipment and capitalized software, net consists of the following:

	September 30, 2025	December 31, 2024
	(In thousands)	
Capitalized software development costs[(1)]	$ 99,575	$ 88,302
Computer and equipment	69,416	68,303
Leasehold improvements	4,244	3,036
Software	3,480	3,137
Furniture and fixtures	1,627	978
Property, equipment, and capitalized software, gross	178,342	163,756
Less: accumulated depreciation and amortization	(128,644)	(118,506)
Total property, equipment and capitalized software, net	$ 49,698	$ 45,250

(1) During the nine months ended September 30, 2025, in connection with the post-merger integration following the Acquisition, the Company decided to discontinue its vi video product offering and recorded a charge of $0.4 million to fully impair the remaining unamortized capitalized software development costs associated with this technology.

Accrued and Other Current Liabilities

Accrued and other current liabilities consists of the following:

	September 30, 2025	December 31, 2024
	(In thousands)	
Accrued agency commissions	$ 65,044	$ 18,053
Accrued tax liabilities	23,749	9,002
Operating lease obligations, current	8,463	4,033
Accrued professional fees	8,324	18,630
Interest payable	7,955	58
Other	12,332	6,413
Total accrued and other current liabilities	$ 125,867	$ 56,189

The Company's accounts payable includes $224.3 million and $193.4 million of traffic acquisition costs as of September 30, 2025 and December 31, 2024, respectively.

7. Fair Value Measurements

The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company's financial instruments include restricted time deposits, severance pay fund deposits and foreign currency forward contracts. The Company determines the fair value of its financial instruments based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the Company uses the fair value hierarchy described below to distinguish between observable and unobservable inputs:

Level I — Valuations based on quoted prices in active markets for identical assets and liabilities at the measurement date;

Level II — Valuations based on quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be principally corroborated by observable market data for substantially the full term of the related assets or liabilities; and

Level III — Valuations based on unobservable inputs that are significant to the measurement of the fair value of the assets or liabilities that are supported by little or no market data.

The following tables set forth the fair value of the Company's financial assets and liabilities measured on a recurring basis by level within the fair value hierarchy:

	September 30, 2025			
	Level I	Level II	Level III	Total
	(In thousands)			
Financial Assets:				
Cash equivalents and investments [1]	$ 39,880	$ 7,501	$ —	$ 47,381
Restricted time deposit [2]	—	1,144	—	1,144
Severance pay fund deposits [2]	—	4,838	—	4,838
Foreign currency forward contract [3]	—	825	—	825
Total financial assets	$ 39,880	$ 14,308	$ —	$ 54,188
Financial Liabilities:				
Foreign currency forward contract [4]	—	36	—	36
Total financial liabilities	$ —	$ 36	$ —	$ 36

	December 31, 2024			
	Level I	Level II	Level III	Total
	(In thousands)			
Financial Assets:				
Cash equivalents and investments [1]	$ 30,754	$ 95,161	$ —	$ 125,915
Restricted time deposit [2]	—	631	—	631
Severance pay fund deposits [2]	—	5,255	—	5,255
Foreign currency forward contract [3]	—	493	—	493
Total financial assets	$ 30,754	$ 101,540	$ —	$ 132,294
Financial Liabilities:				
Foreign currency forward contract [4]	—	193	—	193
Total financial liabilities	$ —	$ 193	$ —	$ 193

(1) Money market securities are valued using Level I of the fair value hierarchy, while the fair values of U.S. Treasuries, government bonds, commercial paper, and corporate bonds are considered Level II and are obtained from independent pricing services, which may use various methods, including quoted prices for identical or similar securities in active and inactive markets. See Note 4 for additional detail relating to the Company's fixed income securities by balance sheet location.

(2) Recorded within other assets.

(3) Recorded within prepaid expenses and other current assets.

(4) Recorded within accrued and other current liabilities.

The Company enters into foreign currency forward exchange contracts to manage the effects of fluctuations in foreign currency exchange rates on its net cash flows from non-U.S. dollar denominated operations. Pursuant to the new master netting agreement entered into in February 2025, the Company may set off the amounts payable in the same currency. However, the Company records the fair values of the assets and liabilities relating to its undesignated foreign currency forward contracts on a gross basis in its condensed consolidated balance sheets and no amounts have been offset. The Company was required to post $0.3 million of cash collateral as of September 30, 2025.

By entering into foreign currency forward contracts, the Company is exposed to a potential credit risk that the counterparty to its contracts will fail to meet its contractual obligations. If a counterparty fails to perform, the Company's maximum credit risk exposure would be the positive fair value of the foreign currency forward contracts, or any asset balance, which represents the amount the counterparty owes to the Company. In order to mitigate the counterparty risk, the Company performs an evaluation of its counterparty credit worthiness, and its forward contracts have a term of no more than 18 months. During the three and nine months ended September 30, 2025, the Company recognized net losses of $0.6 million and net gains $0.5 million, respectively, within interest income and other income, net in its condensed consolidated statements of operations, related to mark-to-market adjustments on its undesignated foreign currency forward contacts. The Company recorded corresponding net gains of $0.4 million and net losses of $1.1 million, respectively, for the three and nine months ended September 30, 2024.

Due to their short term nature, the fair value of the Company's borrowings outstanding under its Overdraft Facility (as defined below in Note 9), generally approximates their carrying value. The Notes (as defined below in Note 9) are recorded within long-term debt on the Company's condensed consolidated balance sheets at their carrying value, which may differ from their fair value. The fair value of the Notes is estimated using external pricing data, including any available market prices and based on other debt instruments with similar characteristics. The following table summarizes the carrying value and the estimated fair value of the Notes, based on Level II measurements of the fair value hierarchy:

	September 30, 2025	
	Carrying Value	Estimated Fair Value
	(In thousands)	
10% Senior Secured Notes	$ 604,023	$ 426,974

See Note 9 for additional information relating to the Notes.

Non-Financial Assets

The Company's non-financial assets include goodwill, definite-lived intangibles assets, operating lease right-of-use assets and property and equipment, which are recorded at their carrying value. The Company's goodwill is assessed for impairment at least annually, while other long-lived assets are assessed for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable or that the useful life is shorter than originally estimated. The Company determines the fair values of these assets using Level III measurements, based on the Company's best estimates of the amount and timing of future discounted cash flows, historical experience, market conditions, business plans and performance expectations.

In connection with the post-merger integration following the Acquisition, the Company made a decision to deprecate the video product offering associated with its prior acquisition of vi. Accordingly, during the nine months ended September 30, 2025, the Company recorded impairment charges totaling $15.5 million to fully impair the carrying values of the related definite-lived long lived assets of $15.1 million and capitalized software of $0.4 million, as there are no material remaining future cash flows associated with this technology (see Notes 5 and 6 for additional information). In addition, during the nine months ended September 30, 2025, the Company exited one of its office locations, resulting in a non-cash charge of $0.1 million to fully impair the associated right-of-use asset.

8. Leases

The Company leases certain office facilities, managed data center facilities and vehicles under non-cancelable operating lease arrangements for its U.S. and international locations that expire on various dates through 2034.

Upon completing the Acquisition, the Company classified the acquired leases as operating leases under U.S. GAAP and performed a measurement of the lease liabilities as of the Acquisition date. The right-of-use asset was measured at the same amount, adjusted to reflect any favorable and unfavorable market adjustments. The Company elected to apply the short-term lease measurement and recognition exemption to acquired leases that had a remaining lease term of 12 months or less as of the Acquisition date, as well as its existing election not to separate the lease and nonlease components for its real estate leases.

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The following table summarizes assets and liabilities related to the Company's operating leases:

	Condensed Consolidated Balance Sheets Location	September 30, 2025	December 31, 2024
		(In thousands)	
Operating lease assets	Operating lease right-of-use assets, net	$ 24,601	$ 15,047
Current liabilities	Accrued and other current liabilities	$ 8,463	$ 4,033
Non-current liabilities	Operating lease liabilities, non-current	$ 18,287	$ 11,783

The following table presents the components of the Company's total lease expense:

	Condensed Consolidated Statements of Operations Location	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
		(In thousands)			
Operating lease cost:					
Fixed lease costs	Cost of revenue and operating expenses	$ 2,977	$ 1,339	$ 8,175	$ 3,825
Variable lease costs	Operating expenses	618	74	1,098	270
Short-term lease costs	Operating expenses	282	141	1,102	386
Lease impairment cost [1]	Impairment charges	—	—	99	—
Sublease income	Operating expenses	(197)	—	(361)	—
Finance lease cost:					
Depreciation	Cost of revenue	—	—	—	226
Interest	Interest expense	—	—	—	3
Total lease cost		$ 3,680	$ 1,554	$ 10,113	$ 4,710

(1) During the nine months ended September 30, 2025, the Company exited one of its office locations, resulting in a non-cash charge of $0.1 million to impair the associated right-of-use asset, recorded within impairment charges.

As of September 30, 2025, the maturities of the Company's lease liabilities under operating leases were as follows:

Year	Operating Leases
	(In thousands)
Remainder of 2025	$ 2,959
2026	9,868
2027	8,016
2028	5,722
2029	3,286
Thereafter	1,944
Total minimum payments required	$ 31,795
Less: imputed interest	5,045
Total present value of lease liabilities	$ 26,750

As of September 30, 2025, the Company entered into three new operating lease agreements that have not yet commenced. These lease agreements terminate between 2029-2034 with undiscounted future lease payments of approximately $17.8 million, relating to its office locations in the United States, France, and Germany.

The following table summarizes weighted-average lease terms and discount rates for the Company's operating leases:

	September 30, 2025	December 31, 2024
Weighted-average remaining lease term (in years)	3.54 years	4.40 years
Weighted-average discount rate	9.91%	9.68%

9. Debt Obligations

The Company had no borrowings outstanding as of December 31, 2024. The following table presents the Company's debt obligations as of September 30, 2025:

	September 30, 2025
	(In thousands)
10% Senior Secured Notes	$ 628,226
Debt discount	(10,853)
Unamortized debt issuance costs	(13,350)
Total long-term debt	604,023
Short-term debt (€15 million)	17,606
Total debt	$ 621,629

10% Senior Secured Notes due 2030

On February 11, 2025, the Company's wholly-owned subsidiary, OT Midco ("Midco"), completed a private offering (the "Offering") of $637.5 million in aggregate principal amount of 10.000% senior secured notes due 2030 (the "Notes") at an issue price of 98.087% of the principal amount thereof in a transaction exempt from registration under the Securities Act of 1933, as amended. The Notes bear interest from February 11, 2025 at an annual rate of 10.000%, payable semi-annually on February 15 and August 15 of each year, commencing on August 15, 2025. The Notes will mature on February 15, 2030. The associated discount of $12.2 million and debt issuance costs of $15.0 million were recorded as a reduction in long-term debt and are being amortized using the effective interest method over the five-year term of the Notes. During the three and nine months ended September 30, 2025, approximately $16.8 million and $42.9 million of interest, respectively, including the amortization of the related discount and deferred financing costs, were recognized within interest expense in the Company's condensed consolidated statement of operations.

On June 17, 2025, the Company completed the repurchase of $9.3 million aggregate principal amount of the Notes for $8.0 million in cash, including accrued interest, representing a discount of approximately 17% to the principal amount of the repurchased Notes. As a result, the Company recorded a pre-tax gain of $1.2 million within other income in the Company's consolidated statements of operations for the nine months ended September 30, 2025.

The Notes are guaranteed, jointly and severally on a secured, unsubordinated basis by the Company and each existing and future wholly-owned subsidiary of the Company that becomes a borrower, issuer or guarantor under the 2025 Revolving Facility (as defined below). The Notes are also secured by first-priority lien over (i) all or substantially all assets of Midco, the Company and Teads Australia PTY Ltd., a subsidiary of the Company in Australia, and (ii) certain assets of some of the other direct and indirect subsidiaries of the Company in England and Wales, Canada, Germany, Mexico, Singapore, Switzerland, Luxembourg, Japan, Italy, France and Israel.

The proceeds from the Offering were used, together with cash on hand, to repay in full and cancel the indebtedness incurred under the Bridge Facility, including accrued and unpaid interest thereon, that was used to finance and pay costs related to the Acquisition, as well as pay fees and expenses incurred in connection with the Offering and the Bridge Facility (as defined below) refinancing.

Midco may redeem the Notes in whole or in part at any time prior to February 15, 2027 at a redemption price equal to 100.000% of the principal amount thereof plus a "make-whole" premium set forth in the Indenture dated February 11, 2025 (the "Indenture"), plus accrued and unpaid interest, if any, to, but excluding, the date of redemption. Midco may redeem the

Notes in whole or in part, on or after February 15, 2027, at the redemption prices set forth in the Indenture, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption. In addition, prior to February 15, 2027, Midco may redeem up to 40% of the Notes with the proceeds of certain equity offerings, at a redemption price equal to 110.000% of the principal amount redeemed, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption. During each of the two successive twelve-month periods commencing on the closing date and ending on February 15, 2027, Midco will have the option to redeem up to 10% of the aggregate principal amount of Notes at a redemption price equal to 103.000% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption.

Upon certain change of control events, the holders of the Notes may require Midco to repurchase all or a portion of the Notes at a purchase price of 101.000% of their principal amount plus accrued and unpaid interest, if any, to, but excluding the date of purchase. In addition, subject to certain conditions and limitations, Midco must, within 30 days after the Company's delivery of its annual report, with respect to its fiscal years ending December 31, 2025 and 2026, apply an amount equal to the Excess Cash Flow Amount (as defined in the Indenture) to make an offer to purchase outstanding Notes at a price equal to 100.000% of the principal amount thereof, plus accrued and unpaid interest, if any, to but excluding the date of purchase.

The terms of the Indenture, among other things, limit the ability of the Company and its restricted subsidiaries to (i) incur or guarantee additional indebtedness or issue preferred stock, (ii) pay dividends or make other restricted payments; (iii) make certain investments, (iv) transfer and sell assets, (v) create or incur certain liens, (vi) engage in certain transactions with affiliates and (vii) consolidate or merge or transfer all or substantially all of the Company's assets. These covenants are subject to a number of important exceptions and qualifications. The Indenture provides for customary events of default which include, among other things, (subject in certain cases to customary grace and cure periods) defaults based on (i) the failure to make payments under the Indenture when due, (ii) breach of covenants, (iii) acceleration of other material indebtedness, (iv) bankruptcy events and (v) material judgments. Generally, if an event of default occurs, the trustee or the holders of at least 30% in principal amount of the then outstanding Notes may declare all of the Notes to be due and payable.

Short -Term Debt

Following the close of the Acquisition, the Company's new French subsidiary has an overdraft short-term credit facility with HSBC ("Overdraft Facility"), which provides Teads France with a revolving line of credit of up to €15 million at a 3-month Euro Interbank Offered Rate ("EURIBOR"), plus a margin of 1.8%, payable quarterly in arrears. The Overdraft Facility may be used to fund general working capital needs of Teads France. Borrowings under the Overdraft Facility are subject to a commission fee of $0.035% per annum, and a facility fee of 1.25% per annum. There are no financial covenants relating to the Overdraft Facility. As of September 30, 2025, approximately $17.6 million (€15 million) in borrowings were outstanding under the Overdraft Facility, which were recorded within short-term debt in the Company's condensed consolidated balance sheets.

Convertible Notes

On September 19, 2024, the Company repurchased the remaining $118.0 million aggregate principal amount of its previously outstanding Convertible Notes via a privately negotiated repurchase agreement with Baupost, for approximately $109.7 million in cash, including accrued interest, representing a discount of approximately 7.5% to the principal amount of the repurchased notes. As a result, the Company recorded a pre-tax gain of approximately $8.8 million within gain on repurchase of long-term debt in the Company's consolidated statement of operations for the three and nine months ended September 30, 2024.

Following the closing of the repurchases, the repurchased notes were cancelled by the Trustee, and there were no Convertible Notes outstanding as of December 31, 2024. See Note 9 to the Company's 2024 Annual Report on Form 10-K for additional information relating to the Company's Convertible Notes.

Credit Facilities

Credit Agreement

On February 3, 2025 (the "Credit Facilities Closing Date"), the Company and Midco entered into a credit agreement (the "Credit Agreement"), among the Company, Midco, the additional borrowers party thereto from time to time, Goldman Sachs Bank USA, as sole administrative agent and swingline lender, U.S. Bank Trust Company, National Association, as the collateral agent, and the lenders, issuing banks and arrangers party thereto from time to time. The Credit Agreement established a super senior secured revolving credit facility in an aggregate principal amount of $100.0 million (the "2025 Revolving Facility") and a senior secured bridge term loan credit facility in an aggregate principal amount of $625.0 million (the "Bridge Facility"). The Bridge Facility had a maturity date of February 2, 2026, which could be extended under some circumstances.

On the Credit Facilities Closing Date, Midco borrowed $625 million in aggregate principal amount under the Bridge Facility (the "Bridge Loans") to finance the cash portion of the Acquisition consideration and the related transaction fees, costs and expenses. The Bridge Loans bore interest, at the Company's option, at (a) a secured overnight financing rate ("Term SOFR"), subject to a "zero" floor, plus an interest rate margin of 4.75% per annum or (b) an alternate base rate plus an interest rate margin of 3.75% per annum, in each case subject to an increase by 0.50% on each three-month anniversary of the Credit Facilities Closing Date. In addition, for so long as any Bridge Loans remained outstanding, the Bridge Facility accrued a duration fee equal to 0.25% of the aggregate principal amount of outstanding Bridge Loans.

On February 11, 2025, the Bridge Facility, including accrued and unpaid interest thereon, was fully repaid and cancelled using proceeds from the private offering of the Notes and cash on hand. During the nine months ended September 30, 2025, approximately $13.3 million of the associated costs and fees and interest were recognized within interest expense in the Company's condensed consolidated statement of operations.

Loans under the 2025 Revolving Facility (the "Revolving Loans") bear interest, at the Company's option, at (x) Term SOFR, subject to a "zero" floor, plus an interest rate margin of 4.25% per annum or (y) an alternate base rate plus an interest rate margin of 3.25% per annum. In addition, the 2025 Revolving Facility accrues an unused commitment fee at a rate ranging from 0.375% to 0.50%, depending on the Company's senior secured net leverage ratio, as set forth in the Credit Agreement.

The 2025 Revolving Facility may be used for working capital and other general corporate purposes of the Company and its subsidiaries. Up to $10.0 million of the 2025 Revolving Facility is available in the form of letters of credit and up to $20.0 million of the 2025 Revolving Facility is available in the form of swingline loans. The Company may seek incremental commitments under the 2025 Revolving Facility from lenders or other financial institutions up to an aggregate principal amount equal to the greater of $62.5 million and 25% of the Company's EBITDA (as defined in the Credit Agreement). The 2025 Revolving Facility lenders will not be under any obligation to provide any such incremental commitments, and any such increase in commitments will be subject to certain customary conditions precedent.

Additional wholly-owned subsidiaries of the Company organized in certain jurisdictions may become borrowers under the 2025 Revolving Facility from time to time. The 2025 Revolving Credit Facility is a senior secured obligation of the Company, Midco and the Credit Facilities Guarantors (as defined below), provided, that, with respect to the application of proceeds from enforcement or distressed disposals of collateral, the 2025 Revolving Facility will rank super senior to other senior secured indebtedness of the Company, Midco and the Credit Facilities Guarantors (as defined below).

The Revolving Loans are not subject to scheduled amortization payments. The Company may voluntarily prepay loans under the Credit Facilities and reduce commitments under the 2025 Revolving Facility at any time without premium or penalty (subject to breakage costs).

The Company's obligations as borrower under the 2025 Revolving Facility are initially (a) guaranteed, jointly and severally, fully and unconditionally, on a senior secured basis, by the Company, Midco and each of the Company's wholly-owned material subsidiaries organized in the United States and certain other jurisdictions, as specified in the Credit Agreement (such subsidiaries, the "Credit Facilities Guarantors"), and (b) secured by a lien on substantially all assets of the Company, Midco and the Credit Facilities Guarantors (subject to customary exceptions, and subject to other prior ranking liens permitted by the Credit Agreement). The obligations of the Company, Midco and any additional borrower under the Credit Facilities will continue to be guaranteed by, and secured by a lien on substantially all assets of, subsidiaries of the Company that, together with the borrowers, in the aggregate, directly account for 80% of the consolidated EBITDA and total assets of the Company and its subsidiaries, subject to certain limitations set forth in the Credit Agreement.

The Credit Agreement includes a number of affirmative and negative covenants, that among other things, will restrict, subject to certain exceptions, the Company's ability and the ability of the Company's restricted subsidiaries to: incur or guarantee additional indebtedness; pay dividends on, redeem or repurchase our capital stock; make certain other restricted payments and investments; create or incur certain liens; impose restrictions on the ability of subsidiaries to pay dividends or other payments to the Company; transfer or sell certain assets; merge or consolidate with other entities; and enter into certain transactions with affiliates.

The Credit Agreement includes a customary springing financial covenant with respect to the 2025 Revolving Facility that will require the Company and its restricted subsidiaries to comply with a maximum senior secured net leverage ratio from and after the fiscal quarter ending September 30, 2025, in the event that utilization under the 2025 Revolving Facility exceeds 40%.

The Credit Agreement also contains customary events of default, including, among other things, payment default, cross default, judgment default and certain provisions related to bankruptcy events, subject to cure and grace periods in certain cases. If an event of default occurs under the Credit Agreement, the lenders may, among other things, terminate their commitments and declare all outstanding borrowings immediately due and payable.

The Company was in compliance with all related financial covenants as of September 30, 2025. As of September 30, 2025, the Company had no borrowings outstanding under the Credit Agreement and its available borrowing capacity was $100.0 million, based on the defined borrowing formula. Other assets in the Company's condensed consolidated balance sheets as of September 30, 2025 include deferred financing costs of $3.4 million, which are being amortized over the term of the 2025 Revolving Facility. During the three and nine months ended September 30, 2025, approximately $0.2 million and $0.5 million of deferred financing costs were recognized within interest expense in the Company's consolidated condensed statement of operations.

Termination of the 2021 Facility

On February 3, 2025, in connection with the Company's entry into the Credit Agreement described above, the Company terminated the Second Amended and Restated Loan and Security Agreement, dated as of November 2, 2021, by and among the Company, Silicon Valley Bank, a division of First-Citizens Bank & Trust Company, Zemanta Holding USA Inc. and Zemanta Inc. Accordingly, the Company recognized the remaining $0.2 million of unamortized deferred financing costs within interest expense in its condensed consolidated statements of operations for the nine months ended September 30, 2025.

10. Income Taxes

Due to the ongoing post-merger integration efforts and inability to reliably estimate the annual effective tax rate, for the three and nine months ended September 30, 2025, the Company's interim benefit from income taxes is computed using the actual year-to-date results rather than an estimated annual effective tax rate. For the three and nine months ended September 30, 2024, the Company's interim benefit from income taxes is determined based on its annual estimated effective tax rate, applied to the actual year-to-date income, and adjusted for the tax effects of any discrete items.

The Company's effective tax rates for the three and nine months ended September 30, 2025 were 19.2% and 21.0%, respectively. The Company's effective tax rate for the three months ended September 30, 2025 was lower than the U.S. federal statutory tax rate of 21%, primarily due to increased concentration of profitability in lower-tax jurisdictions, partially offset by an increase in uncertain tax positions, coupled with the pre-tax loss during the three months ended September 30, 2025.

The Company's effective tax rates for the three and nine months ended September 30, 2024 were 15.5% and 67.1%, respectively. The Company's effective tax rate for the three months ended September 30, 2024 was lower than the U.S. federal statutory tax rate of 21%, primarily due to a deduction related to foreign-derived intangible income and the favorable impact of uncertain tax positions, partially offset by the tax impact related to the profitability of non-U.S. jurisdictions and certain non-deductible stock-based compensation and transaction costs. For the nine months ended September 30, 2024, the Company's effective tax rate was higher than the U.S. federal statutory tax rate of 21%, primarily due to the unfavorable impact of uncertain tax positions (including resolution of a tax audit) and the change in the valuation allowance, partially offset by certain non-deductible stock-based compensation and transaction costs.

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On July 4, 2025, the One Big Beautiful Bill Act (the "OBBBA") was enacted into law in the U.S., with certain provisions of OBBBA effective in 2025 and others becoming effective in 2026 and beyond. The OBBBA amends U.S. tax law including provisions related to bonus depreciation, interest deduction limitations, research and development, and foreign derived intangible income. The OBBBA provisions did not have a material impact on the Company's total tax benefits for the three and nine month periods ended September 30, 2025. For the full 2025 year, the Company expects that the OBBBA provisions will result in lower cash taxes due to a favorable change to the US interest expense limitation regime, which allowed for more interest to be deducted in 2025 rather than carried forward into future years. The Company will continue to evaluate discretionary elections available and other provisions which become effective in 2026.

11. Commitments and Contingencies

Legal Proceedings and Other Matters

From time to time, the Company may become subject to legal proceedings, claims and litigation arising in the ordinary course of business. In addition, the Company may receive letters alleging infringement of patent or other intellectual property rights. The Company is not currently a party to any material legal proceedings, nor is it aware of any pending or threatened litigation that, in its opinion, would have a material adverse effect on its business, operating results, cash flows or financial condition should such litigation be resolved unfavorably.

In connection with the Acquisition, the Company identified and recorded an $18.6 million provision related to certain income tax items under ASC 740, "Income Taxes," and an $8.6 million provision related to certain non-income tax items accounted for under ASC 450, "Contingencies," within contingent tax liabilities in its condensed consolidated balance sheet as of September 30, 2025. The Company has also recorded an indemnification asset in the full amount of the provision of $27.2 million, as the Company is indemnified against certain tax liabilities under the SPA. Altice Teads' indemnification obligation may be increased if other indemnified risks materialize and will remain in place until all covered matters are resolved.

12. Stockholders' Equity

Equity Acquisition Consideration

On February 3, 2025, as part of the equity portion of the Acquisition consideration, the Company issued 30,320,161 shares of new Common Stock and reissued all 13,429,839 shares of its Treasury Stock at $6.01 per share. A $6.3 million gain on issuance of Treasury Stock, representing the excess of the fair value at the time of issuance of $80.7 million over the original cost of $74.4 million, was recorded to additional paid-in capital. In addition, the Company incurred direct stock issuance costs of approximately $1.6 million, which have been recorded as a reduction to additional paid-in capital.

Share Repurchases

On December 14, 2022, the Board approved a share repurchase program, authorizing the Company to repurchase up to $30 million of Common Stock, with no requirement to purchase any minimum number of shares. The manner, timing, and actual number of shares repurchased under the program will depend on a variety of factors, including price, general business and market conditions, and other investment opportunities. Shares may be repurchased through privately negotiated transactions or open market purchases, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended. The repurchase program may be commenced, suspended, or terminated at any time by the Company at its discretion without prior notice. There were no share repurchases under the Company's share repurchase program during the nine months ended September 30, 2025. During the nine months ended September 30, 2024, the Company repurchased 1,410,001 shares with a fair value of $5.8 million under the repurchase program.

As of September 30, 2025, the remaining availability under the Company's $30 million share repurchase program was $6.6 million. Commission costs associated with share repurchases and any excise taxes accrued as a result of the Inflation Reduction Act of 2022 do not reduce the remaining authorized amount under the repurchase programs.

In addition, the Company may periodically withhold shares to satisfy employee tax withholding obligations arising in connection with the vesting of restricted stock units and exercise of options and warrants in accordance with the terms of the Company's equity incentive plans and the underlying award agreements.

During the three and nine months ended September 30, 2025, the Company withheld 52,063 and 195,171 shares, respectively, with a fair value of $0.1 million and $0.6 million, respectively, to satisfy employee tax withholding obligations. During the three and nine months ended September 30, 2024, the Company withheld 39,323 and 123,903 shares, respectively, with a fair value of $0.2 million and $0.5 million, respectively.

Accumulated Other Comprehensive Income (Loss)

The following table details the changes in accumulated other compressive loss, net of tax:

	Foreign Currency Translation Loss	Unrealized Gain (Loss) on Investments in Marketable Securities[1]	Total Accumulated Other Comprehensive Income (Loss)
		(In thousands)	
Balance–December 31, 2024	$ (9,543)	$ 63	$ (9,480)
Other comprehensive income (loss), net of tax:			
Other comprehensive income (loss) before reclassifications	105,365	(23)	105,342
Realized gains from sales of investments in marketable securities reclassified to earnings	—	(40)	(40)
Other comprehensive income (loss), net of tax	105,365	(63)	105,302
Balance–September 30, 2025	$ 95,822	$ —	$ 95,822

[1] The tax effects related to realized and unrealized gains on investments in marketable securities was immaterial for the three and nine months ended September 30, 2025.

During the nine months ended September 30, 2024, $0.3 million of realized gains on investments in marketable securities, net of taxes, were released from accumulated other comprehensive loss to earnings, and recorded within interest income and other income, net in the Company's condensed consolidated statements of operations for the nine months ended September 30, 2024.

13. Stock-based Compensation

Equity Incentive Plans

In July 2021, the Board and the Company's stockholders approved the 2021 Long-Term Incentive Plan (the "2021 Plan"), which may be used to grant, among other award types, stock options, restricted stock units ("RSUs") and performance stock units ("PSUs"). The number of shares of Common Stock reserved for future issuance under the 2021 Plan will be increased pursuant to provisions for annual automatic evergreen increases. The Company's previous awards issued under its 2007 Omnibus Securities and Incentive Plan, as amended and restated on January 21, 2009 and June 4, 2025 (the "2007 Plan"), remain subject to the 2007 Plan. As of September 30, 2025, 715,191 and 145,135 shares were available for grant under the 2021 Plan and the 2007 Plan, respectively. The Company generally issues new shares for stock option exercises and vesting of RSUs and PSUs.

The Company recognizes stock-based compensation expense for stock-based awards based on the estimated fair value of the awards on the date of grant. The Company accounts for forfeitures as they occur. The following table summarizes stock-based compensation expense recognized in the Company's condensed consolidated statements of operations for the periods presented:

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	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(In thousands)			
Research and development	$ 611	$ 823	$ 1,870	$ 2,529
Sales and marketing	1,756	1,324	4,313	4,094
General and administrative	1,274	1,905	4,189	4,864
Total stock-based compensation	$ 3,641	$ 4,052	$ 10,372	$ 11,487

As of September 30, 2025, the Company's remaining unrecognized stock-based compensation expense was approximately $24.9 million for unvested RSUs and $2.1 million for unvested PSUs.

The following table summarizes stock option, RSU and PSU activity for the nine months ended September 30, 2025:

	Stock Options	Service-Based RSUs	PSUs
Outstanding—December 31, 2024	1,692,519	3,798,514	1,226,600
Granted	—	6,866,910	2,002,848
Exercised/Vested	—	(1,649,398)	(174,923)
Forfeited	(232,727)	(677,047)	(40,948)
Outstanding—September 30, 2025	1,459,792	8,338,979	3,013,577

Service-based RSUs

The fair value of service-based RSUs granted to the Company's eligible employees and non-employee directors is based on the fair value of the Common Stock on the date of grant. Compensation expense is recognized on a straight-line basis over the service period. During the nine months ended September 30, 2025, the Company granted 6,866,910 service-based RSUs with a weighted average grant date fair value of $2.58 per share.

Performance Stock Units

The Company grants PSU awards to its senior executives and other key employees, some of which are subject to vesting conditions based on the Company's financial or operational metrics and others of which are subject to market-based vesting conditions based on achievement of absolute and relative total shareholder return ("TSR") metrics.

PSUs - Financial & Operational Vesting Conditions

The fair value of PSUs with financial and operational performance conditions is based on the fair value of the Common Stock on the date of grant. PSUs vest subject to employees' continuing employment and the Company's achievement of specified performance goals over the specified performance period (typically three years). Expense related to these PSUs is recognized ratably during the performance period, based on the probability of attaining the specified performance targets. The potential number of shares that may be earned is determined based on achievement of the performance targets up to a maximum of 150% of the number of PSUs granted. During the nine months ended September 30, 2025, the Company granted 721,424 of these PSUs to its executives with a weighted average fair value of $2.57 per share.

PSUs - Market-Based Vesting Conditions

The Company also grants market-based PSUs, which are based on TSR performance, to its senior executives and other key employees. The absolute TSR awards are subject to achievement of specified stock price hurdles of the Common Stock for 20 days out of a 30-trading day window during the 3-year performance period, as well as continued employment through the quarterly service dates over the 3-year period. The number of shares that are eligible to vest range from 0% to 100% of the number of PSUs granted based on achievement of the specified stock price hurdles, with half of our CEO's 2024 PSU award subject to vesting based on two additional above-target stock price hurdles.

In June 2025, the Company also granted relative TSR awards with vesting dependent on the Company's TSR relative to the market performance of the designated peer group. The performance achievement for the relative TSR awards is measured based on the actual performance against the relative TSR goals measured over the period beginning with the date of grant through the end of each calendar year in the 3-year performance period, subject to employee's continuing employment through the annual settlement dates of the vested awards. The number of shares that are eligible to vest range from 0% to 150% of the relative TSR awards granted, depending on the Company's relative TSR ranking based on pre-established goals, subject to interpolation between applicable performance levels.

The Company uses a Monte Carlo simulation, which uses subjective assumptions and simulates multiple stock price paths of the Common Stock to determine the fair value of market-based PSUs on the date of grant. Compensation expense is recognized using an accelerated attribution method over the greater of the derived service periods and explicit quarterly service periods. Compensation expense, net of forfeitures, is recorded regardless of whether the market condition will be ultimately satisfied.

The following assumptions are used to estimate the fair value of the Company's market-based PSUs:

	Nine Months Ended September 30,	
	2025	2024
Expected volatility	52.35 %	60.68 %
Risk-free rate	3.83 %	4.53 %
Expected dividend yield	—	—

During the nine months ended September 30, 2025, the Company granted 551,424 relative TSR awards to its senior executives and other key employees with a weighted average grant date fair value of $2.88 per share. In addition, in connection with the Acquisition, the Company granted a total of 730,000 absolute TSR awards to two of its key employees with a weighted average grant date fair value of $0.25 per share.

Stock-Based Awards Granted Outside of Equity Incentive Plans

Warrants

The Company issued equity-classified warrants to purchase shares of Common Stock to certain third-party advisors, consultants, and financial institutions, which expire in September 2026. As of each of September 30, 2025 and December 31, 2024, 48,529 warrants were outstanding and exercisable with a weighted average exercise price of $7.34.

Employee Stock Purchase Plan

As of September 30, 2025, approximately 3,350,446 shares of Common Stock have been reserved for issuance under the Company's 2021 Employee Stock Purchase Plan (the "ESPP"), which is subject to annual automatic evergreen increases. There have been no shares purchased under the ESPP as it is not yet active.

See Note 13 to the Company's 2024 Form 10-K for additional information relating to the Company's share-based compensation awards.

14. Defined Benefit Plans

In connection with the Acquisition, the Company acquired certain defined benefit plans in two international locations. Pension benefits under these plans are based on the employees' age, years of service, and compensation levels during their employment period.

As of September 30, 2025, the Company had net liabilities of $6.3 million recorded within other non-current liabilities in its condensed consolidated balance sheet, which included an aggregate fair value of plan assets of $6.7 million and an aggregate projected benefit obligation of $13.0 million as of September 30, 2025. The plan assets, financed by the employer and employee contributions, are invested in cash, bonds, equities, real estate, and alternative investments.

The following table summarizes the components of the Company’s net periodic benefit cost related to the Company’s defined benefit pension plans:

	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2025
	(In thousands)	
Service cost	$ 259	$ 659
Interest cost	45	115
Expected return on plan assets	(48)	(123)
Total net periodic benefit cost	$ 256	$ 651

The service cost component of net periodic benefit cost is recorded within operating expenses in the condensed consolidated statements of income while the other components are recorded in other income, net.

There were no cash contributions required to be made to the Company’s defined benefit plans during the period from February 2, 2025 through September 30, 2025.

15. Net Income (Loss) per Common Share

The following table presents the computation of the Company’s basic and diluted income (loss) per share:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(Dollars in thousands)			
Numerator:				
Net (loss) income attributed to common stockholders - basic	$ (19,690)	$ 6,696	$ (88,846)	$ (544)
Adjustments related to convertible debt	—	(6,173)	—	(4,834)
Net (loss) income attributed to common stockholders - diluted	$ (19,690)	$ 523	$ (88,846)	$ (5,378)
Denominator:				
Basic weighted-average shares	95,113,669	49,325,518	89,249,913	49,171,414
Weighted-average dilutive share equivalents				
Convertible debt	—	4,155,652	—	4,530,511
Restricted stock units	—	426,888	—	—
Diluted weighted-average shares	95,113,669	53,908,058	89,249,913	53,701,925
Net (loss) income per share:				
Basic	$ (0.21)	$ 0.14	$ (1.00)	$ (0.01)
Diluted	$ (0.21)	$ 0.01	$ (1.00)	$ (0.10)

The Company has PSUs, which are only included in diluted net income (loss) per share to the extent the underlying performance conditions have been satisfied at the end of the reporting period, or would be considered satisfied if the end of the reporting period was the end of the related performance period and the result would be dilutive.

The following weighted-average shares have been excluded from the calculation of diluted net loss per share for each period presented because they are anti-dilutive:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Options to purchase common stock	1,483,074	2,275,077	1,580,893	2,337,331
Warrants	48,529	188,235	48,529	188,235
Restricted stock units	8,803,475	794,716	5,813,564	3,854,406
Performance-based stock units	1,840,068	1,010,353	1,219,680	492,353
Total shares excluded from diluted loss per share	12,175,146	4,268,381	8,662,666	6,872,325

16. Segment and Geographic Information

The Company has one operating and reporting segment as the Company's Chief Operating Decision Maker ("CODM") reviews its performance and allocates resources based on its overall business operations with no distinct geographic or product lines that meet the criteria for separate segment reporting. The Company's CODM is its Chief Executive Officer, David Kostman. The accounting policies applied to the segment are the same as those described in the summary of significant accounting policies.

The Company generates its revenue by operating a two-sided technology platform that drives business results by connecting media owners and advertisers with engaged audiences to drive business outcomes. The Company's platform enables thousands of digital media owners to provide tailored experiences to their audiences, delivering audience engagement and monetization. For advertisers, the Company's platform optimizes audience attention and engagement to deliver greater return on investment at each step of the marketing funnel. This segment constitutes 100% of the Company's consolidated revenue and profit and is the primary focus of the Company's management's decision making regarding product development, marketing strategies and capital allocation.

The table below summarizes the results of operations that are provided to the CODM. As the Company has one reporting segment, net income is used as the measure of profit or loss to assess segment performance and allocate resources. The Company's asset information is not regularly provided to the Company's CODM.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(In thousands)			
Revenue from external customers	$ 318,772	$ 224,177	$ 948,225	$ 655,289
Less:				
Traffic acquisition costs	188,230	164,483	570,392	487,484
Personnel-related costs	63,157	33,208	184,695	99,702
Merger and acquisition costs	3,656	5,585	25,508	8,787
Depreciation and amortization	17,497	4,843	48,707	14,494
Marketing and advertising expenses	7,524	2,225	22,746	6,688
Restructuring charges	657	—	9,610	742
Impairment charges	—	—	15,614	—
Other segment expenses [1]	44,331	16,782	123,928	52,565
Gain on repurchase of long-term debt	—	(8,782)	(1,225)	(8,782)
Interest expense	17,084	1,444	57,732	2,950
Other expense (income) and interest income, net	994	(3,536)	2,984	(7,687)
(Benefit) provision for income taxes	(4,668)	1,229	(23,620)	(1,110)
Segment and consolidated net (loss) income	$ (19,690)	$ 6,696	$ (88,846)	$ (544)

[1] Other segment expenses primarily consist of hosting and data services, office and related expenses, other professional fees, non-income taxes, provision for credit losses, and other expenses.

TEADS HOLDING CO.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

The following table presents total revenue based on where the Company's advertisers are physically located:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(In thousands)			
The Americas [1]	$ 103,839	$ 67,496	$ 298,223	$ 195,301
EMEA (Europe, the Middle East and Africa)	182,048	134,469	549,981	401,012
Asia	32,885	22,212	100,021	58,976
Total revenue	$ 318,772	$ 224,177	$ 948,225	$ 655,289

[1] Includes U.S. revenues of $92.2 million and $261.5 million for the three and nine months ended September 30, 2025, respectively, and $64.0 million and $183.3 million for the three and nine months ended September 30, 2024, respectively.

The Company's long-lived assets by geographic location, which are comprised of property, equipment and capitalized software, net and operating lease right-of-use assets, net are summarized below:

	September 30, 2025	December 31, 2024
	(In thousands)	
The Americas	$ 48,149	$ 46,056
EMEA (Europe, the Middle East and Africa)	23,047	13,415
Asia	3,103	826
Total long-lived assets, net	$ 74,299	$ 60,297

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of our financial condition and results of operations together with our condensed consolidated financial statements and the related notes and other financial information included elsewhere in this Quarterly Report on Form 10-Q (this "Report") and in our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the Securities and Exchange Commission ("SEC") on March 7, 2025 ("2024 Form 10-K"). In addition to historical financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, beliefs, and expectations, and involve risks and uncertainties that could cause actual results, events, or circumstances to differ materially from those projected in the forward-looking statements. Factors that could cause or contribute to these differences include those set forth in Part I, Item 1A of our 2024 Form 10-K, which is incorporated by reference in this Report, as such factors may be revised or supplemented in subsequent filings with the SEC, as well as those discussed below and elsewhere in this Report, including under the caption "Note About Forward-Looking Statements."

The purpose of this Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is to provide the readers of our financial statements with narrative information from our management, which is necessary to understand our business, financial condition, and results of operations. The MD&A should be read in conjunction with our condensed consolidated financial statements and notes thereto. In addition to the condensed consolidated financial statements prepared in accordance with the generally accepted accounting principles in the United States ("GAAP"), we use certain non-GAAP financial measures throughout this discussion to provide investors with supplemental metrics used by our management for financial and operational decision making. These measures are supplemental and are not an alternative to our financial statements prepared in accordance with U.S. GAAP. See "Non-GAAP Reconciliations" in this Report for the definitions and limitations of these measures, and reconciliations to the most comparable U.S. GAAP financial measures.

Business Overview

Outbrain Inc. ("Outbrain") was incorporated in August 2006 in Delaware. On February 3, 2025, Outbrain completed the acquisition ("Acquisition") of TEADS, a private limited liability company (*société à responsabilité limitée*) incorporated and existing under the laws of the Grand Duchy of Luxembourg ("Legacy Teads"). The consideration paid at the closing of the Acquisition was approximately $0.9 billion. Upon closing, we began operating under the new Teads brand and on June 6, 2025, we completed our corporate name change from Outbrain Inc. to Teads Holding Co. (together with its subsidiaries, "Teads," the "Company," "we," "our," or "us"). Teads Holding Co.'s common stock, par value $0.001 per share (the "Common Stock"), trades on The Nasdaq Stock Market LLC under the new "TEAD" ticker symbol effective June 10, 2025. The Company is headquartered in New York, New York with various wholly-owned subsidiaries, including in Europe, the Middle East and Asia.

As a result of the Acquisition, our results of operations include the results of the acquired business from February 3, 2025 through September 30, 2025. Accordingly, the financial information presented as of and for the three and nine months ended September 30, 2025 is not directly comparable to our financial information presented for the corresponding prior year periods.

Teads is the omnichannel outcomes platform for the Open Internet, driving full-funnel results for marketers across premium media. With a focus on meaningful business outcomes for branding and performance objectives, we drive value with every media dollar by leveraging predictive AI technology to connect quality media, beautiful brand creative, and context-driven addressability and measurement.

We operate a two-sided marketplace, which together, creates a scaled end-to-end advertising solution. We have direct relationships with both (i) global advertisers including Fortune 500 brands, agency holding companies, and small-to-medium sized businesses, and (ii) media owners spanning premium publishers to connected TV ("CTV") platforms. We believe that CTV is an example of our investment in and expansion into high-growth channels. CTV positions our platform to capture increasing advertiser spend as it continues its shift from linear television into on-demand television. We generate revenue from advertisers purchasing media owner inventory through our platforms.

Our platform is designed to enable advertisers to not only reach their audiences across the entire Open Internet — from web, to CTV, to app environments — but to drive outcomes from those audiences at each step of the marketing funnel. These outcomes include completed views, post-click engagement, brand uplift, sign-ups, sales, and more. Our solution is designed to directly address the largest challenges in the advertising industry today — including inefficient supply chains and fragmentation, quality and scale of inventory, and the ability to correlate advertising investment to concrete business outcomes. For advertisers and their agencies, we offer a single access point to scaled audiences across premium, curated media environments, with technology solutions that we believe drive outcomes from branding to performance. For media owners, we provide both sustainable, year-round advertising revenue and technology solutions designed to more deeply engage and retain audiences.

By combining the respective sets of exclusive media inventory of Outbrain and Legacy Teads, from publishers to CTV, we believe that we provide a more connected consumer experience across the Open Internet.

The following is a summary of our performance for the periods presented, which incorporate the results of operations for Legacy Teads from February 3, 2025 through September 30, 2025:

- Our revenue was $318.8 million in the three months ended September 30, 2025, compared to $224.2 million in the three months ended September 30, 2024, including net favorable foreign currency effects of approximately $5.0 million. Revenue for the nine months ended September 30, 2025 was $948.2 million, compared to $655.3 million for the nine months ended September 30, 2024, including net favorable foreign currency effects of $7.8 million.

- Our gross profit was $105.7 million and our gross margin was 33.2% for the three months ended September 30, 2025, compared to gross profit of $48.9 million and gross margin of 21.8% for the comparable period in 2024. Our gross profit was $308.7 million and our gross margin was 32.6% for the nine months ended September 30, 2025, compared to gross profit of $136.0 million and gross margin of 20.8% for the nine months ended September 30, 2024.

- Our Ex-TAC Gross Profit[(1)] was $130.5 million in the three months ended September 30, 2025, compared to $59.7 million in the three months ended September 30, 2024. Our Ex-TAC Gross Profit[(1)] was $377.8 million for the nine months ended September 30, 2025, compared to $167.8 million for the nine months ended September 30, 2024.

- Our net loss was $19.7 million, or (18.6)% of gross profit, in the three months ended September 30, 2025, compared to net income of $6.7 million, or 13.7% of gross profit, for the comparable period in 2024. For the nine months ended September 30, 2025, our net loss was $88.8 million, or (28.8)% of gross profit, compared to net loss of $0.5 million, or (0.4)% of gross profit, for the nine months ended September 30, 2024.

- Our Adjusted EBITDA[(1)] was $19.2 million for the three months ended September 30, 2025, compared to $11.5 million for the three months ended September 30, 2024. Adjusted EBITDA[(1)] was 14.7% and 19.3% of Ex-TAC Gross Profit[(1)] in the three months ended September 30, 2025 and 2024, respectively. Our Adjusted EBITDA[(1)] was $56.8 million for the nine months ended September 30, 2025, compared to $20.3 million for the nine months ended September 30, 2024. Adjusted EBITDA[(1)] was 15.0% and 12.1% of Ex-TAC Gross Profit[(1)] for the nine months ended September 30, 2025 and 2024, respectively.

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(1) Ex-TAC Gross Profit, Adjusted EBITDA, and Adjusted EBITDA as a percentage of Ex-TAC Gross Profit are non-GAAP financial measures. See “Non-GAAP Reconciliations” in this Report for definitions and limitations of these measures, and reconciliations to the comparable GAAP financial measures.

Recent Developments

Acquisition of Teads

On August 1, 2024, we entered into a definitive share purchase agreement (the “Share Purchase Agreement”) with Altice Teads S.A. (the “Seller” or “Altice Teads”), a public limited liability company (société anonyme) incorporated and existing under the laws of the Grand Duchy of Luxembourg and the sole shareholder of Legacy Teads, and Legacy Teads. Pursuant to the Share Purchase Agreement, we agreed to acquire all of the issued and outstanding share capital of Legacy Teads on the terms and conditions set forth in the Share Purchase Agreement. On February 3, 2025, the parties entered into Amendment No. 1 to the Share Purchase Agreement, which revised certain terms of the Share Purchase Agreement, including the consideration paid at the closing of the Acquisition.

On February 3, 2025, we completed the Acquisition for an aggregate closing day consideration of approximately $0.9 billion, including $625 million in cash, subject to certain customary adjustments, and 43.75 million shares of Common Stock. Following the closing, the Seller owns approximately 46.6% of the Company’s issued and outstanding shares of Common Stock (based on the amount of issued and outstanding shares of Common Stock as of December 31, 2024). We believe that the Acquisition created one of the largest Open Internet advertising platforms, which is differentiated by our ability to drive outcomes for awareness, consideration, and performance objectives, across CTV, web and mobile applications.

During the three and nine months ended September 30, 2025, we recorded Acquisition and integration costs of approximately $3.7 million and $25.5 million, respectively. See Note 2 to the accompanying condensed consolidated financial statements for additional information on the Acquisition.

2025 Restructuring Plan

On February 3, 2025, in connection with the completion of the Acquisition, we announced a restructuring plan (the "Plan"), involving a reduction in workforce, as part of our efforts to streamline operations and reduce duplication of roles. We estimate that we will incur approximately $11 million to $14 million in charges in connection with the Plan, of which approximately $9 million to $11 million is expected to be incurred in 2025. These charges will consist primarily of severance and related costs.

The actions associated with the employee restructuring under the Plan were initiated in February 2025 and were implemented in large part in the second quarter of 2025, and are expected to be completed by the first quarter of 2026. During the three and nine months ended September 30, 2025, the Company recorded associated non-cash charges of approximately $0.7 million and $9.6 million, respectively (see Note 3 to the accompanying condensed consolidated financial statements for additional information).

The estimates of the charges and expenditures that the Company expects to incur in connection with the Plan, and the timing thereof, are subject to a number of assumptions, and actual amounts may differ materially from estimates. In addition, the Company may incur other charges or cash expenditures not currently contemplated due to unanticipated events that may occur, including in connection with the implementation of the Plan.

Credit Agreements

In connection with the entry into the Share Purchase Agreement on August 1, 2024, the Company entered into a debt commitment letter, dated August 1, 2024, with Goldman Sachs Bank USA, Jefferies Finance LLC and Mizuho Bank, LTD, pursuant to which these parties committed to provide (i) a $100 million senior secured revolving credit facility and (ii) a senior secured bridge facility in an aggregate principal amount of up to $750 million.

Subsequently, on February 3, 2025 (the "Credit Facilities Closing Date" or "Acquisition Closing Date"), in connection with the completion of the Acquisition, Outbrain and our wholly-owned subsidiary, OT Midco Inc. ("Midco"), entered into a credit agreement (the "Credit Agreement") among the Company, Midco, the additional borrowers party thereto from time to time, Goldman Sachs Bank USA, as sole administrative agent and swingline lender, U.S. Bank Trust Company, National Association, as the collateral agent, and the lenders, issuing banks and arrangers party thereto from time to time. The Credit Agreement provided for (a) a super senior secured revolving credit facility in an aggregate principal amount of $100.0 million (the "2025 Revolving Facility") and (b) a senior secured bridge term loan credit facility in an aggregate principal amount of $625.0 million (the "Bridge Facility" and, together with the Revolving Facility, the "Credit Facilities"). See the "Liquidity and Capital Resources" section below and Note 9 to the accompanying condensed consolidated financial statements for additional information regarding the Credit Facilities. On the Credit Facilities Closing Date, Midco borrowed $625 million in aggregate principal amount under the Bridge Facility (the "Bridge Loans"). The proceeds of the Bridge Loans were used to finance the consideration for the Acquisition and to pay related transaction fees, costs and expenses.

Further, on the Credit Facilities Closing Date, in connection with the entry into the Credit Agreement described above, the Company terminated the Second Amended and Restated Loan and Security Agreement, dated as of November 2, 2021, by and among the Company, Silicon Valley Bank, a division of First-Citizens Bank & Trust Company, Zemanta Holding USA Inc. and Zemanta Inc.

Senior Secured Notes

On February 11, 2025, Midco completed a private offering (the "Offering") of $637.5 million in aggregate principal amount of 10.000% senior secured notes due 2030 (the "Notes") at an issue price of 98.087% of the principal amount thereof in a transaction exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"). See the "Liquidity and Capital Resources" section below and Note 9 to the accompanying condensed consolidated financial statements for additional information regarding the Notes.

The proceeds from the Offering were used, together with cash on hand, to repay in full and cancel the indebtedness incurred under the Bridge Facility, including accrued and unpaid interest thereon, that was used to finance and pay costs related to the Acquisition, as well as pay fees and expenses incurred in connection with the Offering and the Bridge Facility refinancing.

On June 17, 2025, the Company completed the repurchase of $9.3 million aggregate principal amount of the Notes for $8.0 million in cash, including accrued interest, representing a discount of approximately 17% to the principal amount of the repurchased Notes.

Impairment of vi

In March 2025, in connection with the post-merger integration of the newly acquired Teads business, we made a decision to discontinue the video product offering associated with our prior acquisition of vi. Accordingly, during the nine months ended September 30, 2025, we recorded impairment charges totaling $15.5 million to fully write off the associated intangible assets and capitalized software, as further described below and in Note 5 to the accompanying condensed consolidated financial statements.

Conditions in Israel

Many of our employees, including certain members of our management team and board of directors (“Board”), operate from our offices in Israel. Accordingly, political, economic and military conditions in Israel and the surrounding region directly affect our business and operations. Following the October 7, 2023 attacks by Hamas terrorists on Israel's southern border, Israel declared war against Hamas and since then, Israel has been involved in military conflicts with Hamas, Hezbollah, a terrorist organization based in Lebanon, and Iran, both directly and through proxies like the Houthi movement in Yemen and armed groups in Iraq and other terrorist organizations. Additionally, following the fall of the Assad regime in Syria, Israel conducted limited military operations targeting the Syrian army, Iranian military assets and infrastructure linked to Hezbollah and other Iran-supported groups. Although certain cease-fire agreements have been reached with Hamas and Lebanon (with respect to Hezbollah), these agreements failed to be upheld and military activity and hostilities continue to exist at varying levels of intensity, and the situation remains volatile, with the potential for escalation into a broader regional conflict involving additional terrorist organizations and possibly other countries.

In June 2025, a new round of direct hostilities broke out between Israel and Iran, involving significant missile and drone strikes exchanged between the two countries. This escalation and other regional events have heightened regional instability and increased security risks across Israel. These events have resulted in significant travel restrictions, facility closures and shelter-in-place orders, including remote work measures, in various locations, and may further impact critical infrastructure, supply chains, and the broader Israeli economy. In October 2025, a cease-fire was brokered between Israel and Hamas. However, we cannot predict if and to what extent this cease-fire will remain in effect or upheld.

The draft of Israeli military reservists, as well as the evacuation of Israeli citizens from areas near conflict zones have adversely affected our employees impacted by such actions. In addition, future government-imposed restrictions and precautions in response to such conflicts may negatively impact our employees, management and directors by interrupting their ability to effectively perform their roles and responsibilities. In addition, further hostilities involving Israel, possible damage to facilities and infrastructure, increased cyber attacks, the interruption or curtailment of trade between Israel and its trading partners, and/or the willingness to do business with companies with operations in Israel, as well as macroeconomic indications of deterioration of Israel’s economic standing as reflected in the downgrading in Israel’s credit rating by rating agencies that took place in parallel to these events, could adversely affect our business, financial condition and results of operations and could make it more difficult for us to raise capital. The intensity and duration of the conflict between Israel and Hamas and the sustainability of the related cease-fire, as well as the conflicts with Hezbollah and other terror organizations and Iran and other countries are difficult to predict and we are continuing to monitor the situation and assessing its potential impact on our business.

We cannot attribute the impact of the current trends in advertising demand to any particular factor, including the conditions in Israel, and cannot predict the impact if the war continues or escalates further. See Item 1A “Risk Factors” included in our 2024 Form 10-K for more information regarding certain risks associated with the conditions in Israel.

Recent Trends, Risks and Uncertainties

Together with those risk factors we have identified in the 2024 Form 10-K, we have identified the following important factors that could impact our future financial performance or condition:

In the second and third quarters of 2025, we faced operational challenges in returning to growth while implementing the complex integration of two similarly scaled companies. During the third quarter of 2025, we restructured our go-to-market organization and implemented several measures related to our organizational leadership, structure and processes. While these changes have resulted in measurable improvements in leading indicators, they have not yet translated into revenues at the pace we anticipated. We are seeing an increase in new business-generating meetings, a growing pipeline, and a shift in the trajectory of cross-sell revenue. Despite this progress in early-stage metrics, the impact of these improvements on revenue is nascent and has been influenced by factors such as increased competition, advertiser volatility, and agency relationships in certain geographies and verticals. Accordingly, we continue to see a lower rate of sales, a lagging indicator, in the following key countries: the U.S., the United Kingdom and France.

We are facing a changing eco-system, including declining traffic trends on the traditional publisher side of the Open Internet, and increased competition on the demand side. The proliferation of generative AI tools, particularly their integration into major search engines and web browsers, is causing a shift in how users discover and consume content online. These tools can provide users with direct answers and AI-generated summaries, which has reduced their need to click through to original publisher websites. This trend of bypassing the traditional user journey to a publisher's site has led to a decline in direct user traffic across the Open Internet. For a representative segment of our premium publisher partners, we have observed this trend result in an approximate 10% to 15% decline in paid page views. A reduction in traffic to our media partners directly decreases the inventory of advertising impressions available for us to monetize, which has affected and continues to affect our revenue and results of operations.

Our legacy Outbrain DSP business also experienced headwinds, including from the clean-up of underperforming supply partners and other quality control changes. These changes had a meaningful impact, with a small number of customers spending a combined $30.0 million less on our platform year over year, driving a $5.0 million decline in year over year Ex-TAC Gross Profit.

During the third quarter, we engaged an external consulting firm to conduct a comprehensive review of our business to identify opportunities to restore growth and improve profitability. This review provided analysis and specific implementation plans regarding the rationalization of our business portfolio, our operational and organizational structure, and potential further efficiencies, which are being converted into a detailed execution plan.

Macroeconomic Environment

General worldwide economic conditions have experienced significant instability, as well as volatility and disruption in the financial markets, resulting from factors including geopolitical tensions, including the effects of the war between Russia-Ukraine, the conflict between Israel-Hamas and the sustainability of the related cease-fire, the conflict between Israel-Iran and the uncertain trajectories of such conflicts, tariffs and trade wars, new and proposed legislation in the U.S., the impact of the U.S. government shutdown, general economic uncertainty, inflation, increased interest rates, recessionary concerns, bankruptcies, currency exchange rate fluctuations, global supply chain disruptions, and labor market volatility. The global economy is also experiencing heightened uncertainty in part due to market reactions to changes in tariff policies, which have the potential to further exacerbate inflationary pressures, with the duration of any such impact remaining uncertain. These conditions have negatively impacted our advertisers and, as a result, our business and could, if they continue or worsen further, 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), but these conditions make it difficult for us, our media partners, advertisers, and agencies to accurately forecast and plan future business activities and they could cause a further reduction or delay in overall advertising demand and spending or impact our advertisers' ability to pay, any of which would negatively impact our business, financial condition, and results of operations.

Factors Affecting Our Business

Advertiser Retention and Growth

Our engine serves the ad experiences that are predicted to deliver high attention or engagement, rather than prioritizing simply based on price of the ads. We believe this approach leads to better return on advertiser spend ("ROAS") for advertisers, whether they are focused on driving a performance outcome, or a branding outcome. Our growth is partially driven by retaining and expanding the amount of spend by advertisers on our platform, as well as by acquiring new advertisers. Through the Acquisition, we have expanded our total addressable market to now include top of the funnel marketing, while also attracting more diverse, premium demand. We view our full-funnel offering of both branding and performance capabilities as an opportunity to increase our share of wallet from advertisers and agencies. In addition, our joint business partnerships, or JBPs, represent a significant overall portion of our revenue and are strategic for driving advertiser retention and growth.

We continually invest in enhancements to our platform that allow advertisers to drive concrete business outcomes and ROAS. In particular, we are expanding our usage of AI to automate manual tasks in campaign set up and optimization, and to enhance advertiser creative and landing page performance. We also support advertisers with developing creative ads across formats, as a value added service to our advertisers.

Prices paid by advertisers on our platform fluctuate period to period for a variety of reasons, including supply and demand balance, macroeconomic conditions, and seasonality. In order to grow our revenue and Ex-TAC Gross Profit and maximize value for our advertisers and media partners, our focus as a business is on driving business outcomes and ROAS for advertisers, not on optimizing for price.

For the nine months ended September 30, 2025, tens of thousands unique advertisers were active on our owned and operated platforms, in addition to the thousands of advertisers who access the platform through programmatic partnerships.

User Engagement with Relevant Media and Advertising Content

Driving attention and engagement is the key pillar of our platform that drives value for consumers, media partners, and advertisers. Our AI prediction engine manages this dynamic, matching consumers with editorial and advertiser experiences that will deliver attention and engagement across the Open Internet. We believe that the user experience has a profound impact on long-term user behavior patterns and thus "compounds" over time, improving our long-term monetization prospects. This principle guides our behavior and, as a result, we strive to compound consumer attention and engagement, continually enhancing value for both advertisers and media owners.

Growth in attention and engagement is driven by several factors, including enhancements to our AI prediction engine, growth in the breadth and depth of our data assets, the size and quality of our content and advertising index, user engagement, new media partners, expansion on existing media partners and expansion to new media environments and formats. As we grow attention and engagement, we are able to collect more data and continually improve our prediction engine, which drives better results for our advertiser and media owner partners. This growth "flywheel" can be measured by growth of the consumer data points we drive, such as click-through-rate ("CTR"). CTR improvements increase the number of clicks on our platform. We believe that we have a significant opportunity to further grow consumer engagement, and thus our business, as today CTR for ads on the Outbrain platform is less than 1% of ads served.

Retention and Growth of Relationships with Media Partners

We rely on our relationships with our media partners for our advertising inventory and our corresponding ability to drive advertising revenue. To further strengthen these relationships, we continuously invest in our technology and product functionality to drive user engagement and monetization by taking steps designed to (i) improve our algorithms, referred to as our AI prediction engine; (ii) attract and procure relevant demand; (iii) expand the adoption of our enhanced products by media partners; and (iv) expand our demand capabilities to new formats.

Our relationships with media partners are typically long-term, exclusive, and strategic in nature. Our top 20 media partners leveraged our platform for an average of 7 years (based on 2024 revenue), despite their typical contract length being two to four years.

Our growth depends on media partners' ability to drive traffic to their sites and generate page views. The proliferation of social media properties, streaming services and other platforms, as well as the adoption of AI have negatively impacted and may continue to negatively impact our media partners' growth.

Expansion Into New Environments, New Experiences and New Ad Formats

The available mediums and formats for consumers to engage with media has greatly expanded over the last several years. As this evolution in media consumption and consumer behavior continues, we are focused on utilizing our AI prediction technology to bring curated, relevant consumer experiences to these new devices, experiences and formats.

Fundamentally, we plan to continue to make our platform available for media partners on all types of devices and platforms and evolve our business to apply our technology to the most popular methods of media consumption, which now include unique video, high-impact display, and other new media experiences, such as Moments, our vertical video offering launched in 2024, powered by Outbrain technology.

Examples of environments in which content consumption is expected to grow include pre-installed applications on Smartphones, Smartphone content feeds, gaming applications, push notifications, and CTV. Through the Acquisition, we have created an omnichannel outcomes platform, enabling advertisers to not only reach their audiences across the entire Open Internet — from web, to CTV, to app environments — but to drive outcomes from those audiences at each step of the marketing funnel.

The development and deployment of new ad formats allow us to better serve consumers, media partners and, ultimately, advertisers who seek to target and engage consumers at scale; we believe this continues to open and grow new types of advertiser demand, while ensuring relevance as the environments in which we operate diversify. As an example, we are rolling out our Connected Ads solutions, a new offering designed to provide a more immersive brand experience by delivering complementary ad placements on a single publisher page. We believe these initiatives are critical to our long-term growth and our ability to deliver differentiated value.

Investment in Our Technology and Infrastructure

Innovation is a core tenet of our Company and our industry. We plan to continue our investments in our people and our technology in order to retain and enhance our competitive position. For example, improvements to our AI prediction engine or use of additional data signals, help us deliver more relevant ads, driving higher user engagement, thereby improving ROAS for advertisers and increasing monetization for our media partners.

We believe in the transformative power of AI in shaping the future of sustainable media, and we are powered by our deep expertise in using AI technology for years to empower both media owners and advertisers in their businesses. We leverage AI in a manner designed to enable media owners to increase their revenues and connect with audiences on their own platforms within the Open Internet. We use machine learning to predict consumer interest and propensity to convert ads to sales. Our technology has developed into a robust AI machine learning system and is largely homegrown by our Research and Development team. One of the strongest long-term levers in our business is the continuous improvement of our algorithms and the data sets our algorithms learn from. Our direct integrations across our media partners' properties provide us with a large volume of proprietary first-party data, including context, user interest and behavioral signals. The more data points we have, the better our advertisers' ROAS, and yield potential can be.

Our dynamic placement optimization and ad serving technology, powered by our Smartlogic product, dynamically adjusts both the arrangement and the formats of content delivered to a user, depending on the user's preferences and a media partner's key performance indicators, designed to provide a tailored and engaging feed experience. We continue to invest in media partner and advertiser focused tools, technology, and products as well as privacy-centric solutions.

Industry Dynamics

Our business depends on the overall demand for digital advertising, on the continuous success of our current and prospective media partners, and on general market conditions. Digital advertising is a rapidly growing industry, with growth that has outpaced the growth of the broader advertising industry. Content consumption continues to shift online, requiring media owners to adapt in order to successfully attract, engage and monetize their consumers. As audiences are increasingly engaged across digital media platforms, and as more purchase data is created, collected, integrated and analyzed digitally, advertisers are increasingly able to leverage sophisticated measurement and attribution solutions in order to optimize their advertising spend across the marketing funnel. As a result, advertisers are increasingly shifting spend away from legacy media offerings towards data-based solutions, driven by performance-centric metrics. We believe that our strength in delivering engagement and clear outcomes for advertisers, built on our proprietary AI prediction engine, aligns well with the ongoing market shift towards increased accountability and expectations of ROAS from digital advertising spend.

AI is revolutionizing content creation, distribution, and personalization; automating tasks like video editing, image recognition, and language translation. AI-powered systems are also improving content delivery, helping media platforms suggest relevant movies, shows, articles, and advertisements to consumers. This is especially important at a time when advertisers increasingly anticipate measurable results from their digital advertising investments. Our experience in this space enables us to more nimbly capitalize on the opportunities for media owners and advertisers to leverage AI and automation to engage consumers and optimize their business goals.

At the same time, the proliferation of generative AI tools, particularly their integration into major search engines and web browsers, is causing a shift in how users discover and consume content online. These tools can provide users with direct answers and AI-generated summaries, which has reduced their need to click through to original publisher websites. This trend of bypassing the traditional user journey to a publisher's site could lead to a significant decline in direct user traffic across the Open Internet. A reduction in traffic to our media partners directly decreases the inventory of advertising impressions available for us to monetize, which has affected, and could in the future have a significant effect on, our revenue and results of operations.

Regulators across most developed markets are increasingly focused on enacting and enforcing user privacy rules as well as exerting tighter oversight on the major "walled garden" platforms. Industry participants have recently been, and likely will continue to be, impacted by changes implemented by platform leaders, such as Apple's change to its Identifier for Advertisers policy and Google's evolving roadmap pertaining to the use of third-party cookies within its Chrome web browser. See Item 1A, "Risk Factors" in our 2024 Form 10-K for additional information regarding changing industry dynamics with respect to industry participants and the regulatory environment.

Seasonality

The global advertising industry experiences seasonal trends that affect most participants in the digital advertising ecosystem. Our revenue generally fluctuates from quarter to quarter as a result of a variety of factors, including seasonality, as many advertisers allocate the largest portion of their budgets to the fourth quarter of the calendar year to coincide with increased holiday purchasing, as well as the timing of advertising budget cycles. Historically, the fourth quarter of the year has reflected the highest levels of advertiser spending, and the first quarter generally has reflected the lowest level of advertiser spending.

In addition, expenditures by advertisers tend to be cyclical and discretionary in nature, reflecting changes in brand advertising strategy, budgeting constraints, and buying patterns, and a variety of other factors, many of which are outside of our control. The quarterly rate of increase in our traffic acquisition costs is generally commensurate with the quarterly rate of increase in our revenue. However, traffic acquisition costs have, at times, grown at a faster or slower rate than revenue, primarily due to the mix of the revenue generated or contracted terms with media partners. We generally expect these seasonal trends to continue, though historical seasonality may not be predictive of future results given the potential for changes in advertising buying patterns and macroeconomic conditions. These trends will affect our operating results and we expect our revenue to continue to fluctuate based on seasonal factors that affect the advertising industry as a whole.

Definitions of Financial and Performance Measures

Revenue

We generate revenue from advertisers through ads that we deliver across a variety of media partner properties. We charge advertisers based on certain actions, such as the number of clicks or impressions of their ads, or other actions, such as the number of completed video views. We recognize revenue when an ad is clicked on or displayed to the end user.

The amount of revenue that we generate depends on the level of demand from advertisers on our media partners' properties. We generate higher revenue at times of high demand, which is also impacted by seasonal factors. Due to the measurable performance that our advertisers achieve with us, a portion of our advertisers increase their level of spend with us over time as long as their ROAS objectives are met.

We continue to expand and introduce new platform features that are adopted by our clients, expand our omnichannel capabilities, extend our reach to more CTV and other inventory and add additional clients whose businesses may have different underlying business models.

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

Traffic Acquisition Costs

We define traffic acquisition costs ("TAC") as amounts owed to media partners for the purchase of inventory. We incur costs with our media partners, which may be publishers or third-party intermediaries, in the period in which certain actions, such as click-throughs, impressions or views occur. Such costs due to media partners are based on the media partners' contractual revenue share, a CPM model or guaranteed rates of payment based on certain media partner conditions. In some circumstances, we incur costs based on a guaranteed minimum payment, which may be based on either impressions, page views or a fixed amount if the partner reaches certain performance targets, in exchange for guaranteed placement on specified portions of the media owners' online properties. As such, traffic acquisition costs may not correlate with fluctuations in revenue, as our costs may remain fixed even with a decrease in revenue. Traffic acquisition costs also include amounts payable to media partners whose supply is purchased programmatically.

Other Cost of Revenue

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

Operating Expenses

Our operating expenses consist of research and development, sales and marketing and general and administrative expenses. The largest component of our operating expenses is personnel costs. Personnel costs consist of wages, benefits, bonuses, stock-based compensation and, with respect to sales and marketing expenses, sales commissions.

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

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

General and Administrative. General and administrative expenses consist primarily of personnel and the related overhead costs, professional fees, facilities costs, insurance, and certain taxes other than income taxes. General and administrative personnel costs include, among others, our executive, finance, human resources, information technology and legal functions. Our professional service fees consist primarily of accounting, audit, tax, legal, information technology and other consulting costs, including costs relating to the Acquisition, as well as our compliance with Sarbanes-Oxley Act requirements.

Impairment Charges. Impairment charges primarily consist of impairments of long-lived assets and capitalized software associated with the discontinuance of the video product offering associated with vi during the first quarter of 2025, as well as impairments of right-of-use assets for exited office locations, both in connection with the post-Acquisition integration of Teads.

Restructuring Charges. Restructuring charges consist primarily of severance and other costs in connection with our announced Plan to streamline our operations and reduce duplicative workforce upon completion of the Acquisition.

Other (Expense) Income, Net

Other (expense) income, net is comprised of gains on repurchases of our long-term debt, interest expense, and other (expense) income and interest income, net.

Gain on Repurchase of Long-Term Debt. On June 17, 2025, we completed the repurchase of $9.3 million aggregate principal amount of the Notes for approximately $8.0 million in cash, including accrued interest, at a discount of approximately 17% to the principal amount and recorded a pre-tax gain of approximately $1.2 million. In September 2024, we repurchased the remaining $118.0 million of our 2.95% Convertible Senior Notes due 2026 (“Convertible Notes”) at a discount of approximately 7.5% of the principal amount and recorded a pre-tax gain of $8.8 million.

Interest Expense. Interest expense consists of interest and fees on the Bridge Facility drawn and repaid during the first quarter of 2025, interest on our Notes, the Overdraft Facility (as defined below) assumed in the Acquisition, our revolving credit facilities, and our previously outstanding convertible notes. Interest expense may increase if we incur any borrowings under our 2025 Revolving Facility or if we enter into new debt facilities or finance lease arrangements.

Other (Expense) Income and Interest Income, net. Other (expense) income and interest income, net primarily consists of interest earned on our cash, cash equivalents and investments in marketable securities, discount amortization on our investments in marketable securities, and foreign currency exchange gains and losses. Foreign currency exchange gains and losses, both realized and unrealized, relate to transactions and monetary asset and liability balances denominated in currencies other than the functional currencies, including mark-to-market adjustments on undesignated foreign exchange forward contracts. Foreign currency gains and losses may continue to fluctuate in the future due to changes in foreign currency exchange rates.

Benefit for Income Taxes

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

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

Results of Operations

We have one operating segment, which is also our reportable segment. The following table sets forth our results of operations for the periods presented, which incorporates the results of Legacy Teads for the period from February 3, 2025 through September 30, 2025:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(In thousands)			
Condensed Consolidated Statements of Operations:				
Revenue	$ 318,772	$ 224,177	$ 948,225	$ 655,289
Cost of revenue:				
Traffic acquisition costs	188,230	164,483	570,392	487,484
Other cost of revenue	24,794	10,825	69,171	31,765
Total cost of revenue	213,024	175,308	639,563	519,249
Gross profit	105,748	48,869	308,662	136,040
Operating expenses:				
Research and development	10,743	9,053	38,007	27,576
Sales and marketing	68,658	23,201	202,071	71,195
General and administrative	31,970	19,564	96,335	51,700
Impairment charges	—	—	15,614	—
Restructuring charges	657	—	9,610	742
Total operating expenses	112,028	51,818	361,637	151,213
Loss from operations	(6,280)	(2,949)	(52,975)	(15,173)
Other (expense) income:				
Gain on repurchase of long-term debt	—	8,782	1,225	8,782
Interest expense	(17,084)	(1,444)	(57,732)	(2,950)
Other (expense) income and interest income, net	(994)	3,536	(2,984)	7,687
Total other (expense) income, net	(18,078)	10,874	(59,491)	13,519
(Loss) income before income taxes	(24,358)	7,925	(112,466)	(1,654)
(Benefit) provision for income taxes	(4,668)	1,229	(23,620)	(1,110)
Net (loss) income	$ (19,690)	$ 6,696	$ (88,846)	$ (544)
Other Financial Data:				
Ex-TAC Gross Profit [1]	$ 130,542	$ 59,694	$ 377,833	$ 167,805
Adjusted EBITDA[1]	$ 19,171	$ 11,531	$ 56,836	$ 20,337

[1] Ex-TAC Gross Profit and Adjusted EBITDA are non-GAAP financial measures. See “Non-GAAP Reconciliations” in this Report for the definitions and limitations of these measures, and reconciliations to the most comparable U.S. GAAP financial measures.

Three and Nine Months Ended September 30, 2025 Compared to Three and Nine Months Ended September 30, 2024

Revenue

Revenue for the three months ended September 30, 2025 increased $94.6 million, or 42.2%, to $318.8 million, from $224.2 million for the three months ended September 30, 2024. Revenue increased $292.9 million, or 44.7%, to $948.2 million for the nine months ended September 30, 2025 from $655.3 million for the nine months ended September 30, 2024. Revenue for the three and nine months ended September 30, 2025 included net favorable foreign currency effects of approximately $5.0 million and $7.8 million, respectively, and increased $89.6 million and $285.1 million, respectively, on a constant currency basis, compared to the prior year period.

Our reported increases in revenue for the three and nine months ended September 30, 2025 were primarily attributable to incremental revenues from the Acquisition of $126.8 million and $346.2 million, respectively, offset in part by lower revenues of $32.2 million and $53.3 million from the legacy Outbrain business, primarily driven by lower ad impressions from certain media partners.

See “Non-GAAP Reconciliations” for information regarding the constant currency measures provided in this discussion and below to supplement our reported results.

Cost of Revenue and Gross Profit

Traffic acquisition costs — increased $23.7 million, or 14.4%, to $188.2 million for the three months ended September 30, 2025, compared to $164.5 million in the prior year period. Traffic acquisition costs increased $82.9 million, or 17.0%, to $570.4 million for the nine months ended September 30, 2025, compared to $487.5 million in the prior year period. Traffic acquisition costs for the three and nine months ended September 30, 2025 included net unfavorable foreign currency effects of approximately $4.6 million and $7.2 million, respectively, and increased $19.1 million and $75.7 million, respectively on a constant currency basis, compared to the prior year period.

The increase in traffic acquisition costs in both periods was largely driven by incremental costs from the Acquisition, partially offset by lower traffic acquisition costs from the legacy Outbrain business, reflecting lower revenue and a net favorable change in our revenue mix. As a percentage of revenue, traffic acquisition costs decreased to 59.0% for the three months ended September 30, 2025, from 73.4% for the three months ended September 30, 2024 and decreased to 60.2% for the nine months ended September 30, 2025, from 74.4% for the nine months ended September 30, 2024, reflecting the higher margin profile of the acquired business.

Other cost of revenue — increased $14.0 million, or 129.0%, to $24.8 million for the three months ended September 30, 2025, compared to $10.8 million in the prior year period. Other cost of revenue increased $37.4 million, or 117.8%, to $69.2 million for the nine months ended September 30, 2025, compared to $31.8 million in the prior year period. These increases were primarily due to the impact of the Acquisition, and higher amortization expense related to technology intangible assets of approximately $3.9 million and $10.0 million, respectively. As a percentage of revenue, other cost of revenue increased to 7.8% for the three months ended September 30, 2025, from 4.8% for the three months ended September 30, 2024, and increased to 7.3% for the nine months ended September 30, 2025, from 4.8% for the nine months ended September 30, 2024.

Gross profit — increased $56.8 million, or 116.4%, to $105.7 million for the three months ended September 30, 2025, compared to $48.9 million for the three months ended September 30, 2024. Gross profit increased $172.7 million, or 126.9%, to $308.7 million for the nine months ended September 30, 2025, compared to $136.0 million for the nine months ended September 30, 2024. These increases were largely due to the impact of the Acquisition.

Ex-TAC Gross Profit

Our Ex-TAC Gross Profit increased $70.8 million, or 118.7%, to $130.5 million for the three months ended September 30, 2025, from $59.7 million for the three months ended September 30, 2024. Our Ex-TAC Gross Profit increased $210.0 million, or 125.2%, to $377.8 million for the nine months ended September 30, 2025, from $167.8 million for the nine months ended September 30, 2024. These increases were largely due to the impact of the Acquisition. See “Non-GAAP Reconciliations” for the related definition and reconciliations to our gross profit.

Operating Expenses

Operating expenses increased $60.2 million, or 116.2%, to $112.0 million for the three months ended September 30, 2025, from $51.8 million for the three months ended September 30, 2024, including net unfavorable foreign currency effects of approximately $2.0 million. The reported increase was primarily attributable to the impact of the Acquisition, including acquisition and integration costs during the three months ended September 30, 2025.

Operating expenses increased $210.4 million, or 139.2%, to $361.6 million for the nine months ended September 30, 2025, from $151.2 million for the nine months ended September 30, 2024, including net unfavorable foreign currency effects of approximately $3.1 million. This reported increase was primarily due to the impact of the Acquisition, including incremental acquisition and integration costs of $16.7 million, as well as impairment charges of $15.6 million and higher restructuring charges of $8.9 million recorded during the nine months ended September 30, 2025, as further described below.

The following are the components of the operating expenses for the quarterly and the year-to-date periods presented:

Research and development expenses — increased $1.7 million and $10.4 million, respectively, during the three and nine months ended September 30, 2025, primarily due to increased costs resulting from the Acquisition, largely offset by lower personnel related costs of $3.3 million and $5.4 million, respectively, resulting from our cost-saving initiatives.

Sales and marketing expenses — increased \$45.4 million and \$130.9 million, respectively, during the three and nine months ended September 30, 2025, primarily due to the impact of the Acquisition, and higher amortization expenses recorded on the associated intangible assets of approximately \$8.6 million and \$22.3 million, respectively.

General and administrative expenses — increased \$12.4 million and \$44.6 million, respectively, during the three and nine months ended September 30, 2025. These increases were primarily due to the impact of the Acquisition, including higher acquisition and integration related costs of \$16.7 million during the nine months ended September 30, 2025, compared to the prior year period. The increase for the three months ended September 30, 2025 was also attributable to increased credit loss reserve of approximately \$3.0 million.

Impairment charges — were \$15.6 million for the nine months ended September 30, 2025, and were largely attributable to the full impairment of the carrying values of the definite-lived intangible assets of \$15.1 million and capitalized software of \$0.4 million associated with our previously acquired vi business, in connection with our decision to discontinue the related video product offering as part of our post-merger integration following the Acquisition (see Notes 5 and 6 to the accompanying condensed consolidated financials statements for additional information).

Restructuring charges — were \$0.7 million and \$9.6 million, respectively, during the three and nine months ended September 30, 2025, including severance costs of \$0.6 million and \$8.9 million, respectively, and legal costs of \$0.1 million and \$0.7 million, respectively. These charges were incurred in connection with our previously announced Plan to streamline operations, including a reduction in workforce of approximately 15% to reduce duplicative roles after the Acquisition close. For the three months ended September 30, 2025, approximately \$0.1 million related to research and development. \$0.4 million related to sales and marketing and \$0.1 million related to general and administrative expenses. For the nine months ended September 30, 2025, approximately \$0.9 million related to research and development, \$6.3 million related to sales and marketing and \$2.4 million related to general and administrative departments.

We estimate that total charges to be incurred under this Plan in 2025 will range from approximately \$9 million to \$11 million and we expect it to result in 2025 cost savings of approximately \$40 million, with the higher run-rate impact in 2026 and beyond.

During the nine months ended September 30, 2024, restructuring charges were \$0.7 million, comprised of severance and related costs.

Total operating expenses as a percentage of revenue increased to 35.1% for the three months ended September 30, 2025 from 23.1% for the three months ended September 30, 2024, and increased to 38.1% for the nine months ended September 30, 2025 from 23.1% for the nine months ended September 30, 2024. These increases were largely driven by the Acquisition and the associated Acquisition-related costs, as well as restructuring and impairment charges.

Other (Expense) Income

Gain on repurchase of long-term debt — In June 2025, we completed the repurchase of \$9.3 million aggregate principal amount of the Notes for approximately \$8.0 million in cash, including accrued interest, representing a discount of approximately 17% to the principal amount of the repurchased Notes. As a result, we realized a pre-tax gain of approximately \$1.2 million within other income in our consolidated statements of operations for the nine months ended September 30, 2025. During the nine months ended September 30, 2024, we recorded a pre-tax gain of approximately \$8.8 million in connection with our repurchase of the remaining \$118.0 million aggregate principal amount of Convertible Notes in September 2024.

Interest expense — increased \$15.7 million to \$17.1 million for the three months ended September 30, 2025, from \$1.4 million for the three months ended September 30, 2024, which was primarily due to interest expense of \$16.8 million on the Notes, including interest and amortization of the related discount and deferred financing fees, during the three months ended September 30, 2025, partially offset by reduced interest expense of \$0.8 million due to the absence of the previously outstanding Convertible Notes.

Interest expense increased \$54.7 million to \$57.7 million for the nine months ended September 30, 2025, from \$3.0 million for the nine months ended September 30, 2024. This increase was primarily driven by \$42.9 million of interest expense on the Notes, including interest and amortization of the related discount and deferred financing fees, as well as \$13.3 million of fees and interest related to the Bridge Facility, which was drawn to finance the cash portion of the Acquisition consideration and subsequently repaid with the proceeds from the Notes in February 2025. These increases were partially offset by reduced interest expense of \$2.5 million due to the absence of the previously outstanding Convertible Notes.

Other (expense) income and interest income, net — decreased $4.5 million to net expense $1.0 million for the three months ended September 30, 2025, compared to income of $3.5 million for the three months ended September 30, 2024. This decrease was primarily attributable to increased foreign currency losses of $2.5 million resulting from the remeasurement of transactions denominated in currencies other than the functional currencies and less favorable mark-to-market adjustments of $1.0 million on undesignated foreign exchange forward contracts used to manage our foreign currency exchange risk on net cash flows from our non-U.S. dollar denominated operations. The decline was also attributable lower investment income of $1.6 million during the three months ended September 30, 2025.

Other (expense) income and interest income, net, decreased $10.7 million to net expense of $3.0 million for the nine months ended September 30, 2025, compared to income of $7.7 million for the nine months ended September 30, 2024. This decrease was primarily attributable to increased foreign currency losses of $9.4 million resulting from the remeasurement of transactions denominated in currencies other than the functional currencies and lower investment income of $4.2 million. These decreases were partially offset by more favorable mark-to-market adjustments of $1.6 million on undesignated foreign exchange forward contracts used to manage our foreign currency exchange risk on net cash flows from our non-U.S. dollar denominated operations during the nine months ended September 30, 2025.

(Benefit) Provision for Income Taxes

Benefit from income taxes was $4.7 million for the three months ended September 30, 2025, compared to provision for income taxes of $1.2 million for the three months ended September 30, 2024. Benefit from income taxes was $23.6 million for the nine months ended September 30, 2025, compared to benefit of $1.1 million for the nine months ended September 30, 2024. These increases in benefits from income taxes were primarily due to higher pre-tax losses during the three and nine months ended September 30, 2025, compared to the respective prior year periods.

Our effective tax rate increased to 19.2% in the three months ended September 30, 2025, compared to 15.5% in the three months ended September 30, 2024. This increase was primarily due to the unfavorable impact of the absence of the foreign-derived intangible income deduction in the current period, increase in uncertain tax positions and impact of state taxes, partially offset by increased concentration of profitability in lower-tax jurisdictions and lower non-deductible stock-based compensation in the current period.

Our effective tax rate decreased to 21.0% in the nine months ended September 30, 2025, compared to 67.1% in the nine months ended September 30, 2024. This decrease was primarily due to increases in valuation allowance and uncertain tax positions combined with a pre-tax loss in the period, as well as increased concentration of profitability in lower-tax jurisdictions, partially offset by the absence of the foreign-derived intangible income deduction in the current year, and changes in the non-deductible transaction costs and non-deductible stock-based compensation.

On July 4, 2025, the One Big Beautiful Bill Act (the "OBBBA") was enacted into law in the U.S., with certain provisions of the OBBBA effective in 2025 and others becoming effective in 2026 and beyond. The OBBBA amends U.S. tax law including provisions related to bonus depreciation, interest deduction limitations, research and development, and foreign derived intangible income. The OBBBA provisions did not have a material impact on our total tax benefits for the three and nine month periods ended September 30, 2025. For the full 2025 year, we expect that the OBBBA provisions will result in lower cash taxes due to a favorable change to the US interest expense limitation regime, which allowed for more interest to be deducted in 2025 rather than carried forward into future years. We will continue to evaluate discretionary elections available and other provisions which become effective in 2026.

Our future effective tax rate may be affected by the geographic mix of earnings in countries with different statutory rates. Additionally, our future effective tax rate may be affected by our ongoing assessment of the need for a valuation allowance on our deferred tax assets or liabilities, or changes in tax laws, regulations, or accounting principles, tax planning initiatives, as well as certain discrete items.

Net (Loss) Income

As a result of the foregoing, we recorded a net loss of $19.7 million for the three months ended September 30, 2025, as compared to net income of $6.7 million for the three months ended September 30, 2024. Net loss for the nine months ended September 30, 2025 was $88.8 million, as compared to net loss of $0.5 million for the nine months ended September 30, 2024.

Adjusted EBITDA

Our Adjusted EBITDA increased $7.7 million to $19.2 million for the three months ended September 30, 2025 from $11.5 million for the three months ended September 30, 2024, including net unfavorable foreign currency effects of approximately $1.6 million. Adjusted EBITDA increased $36.5 million to $56.8 million for the nine months ended September 30, 2025 from $20.3 million for the nine months ended September 30, 2024, including net unfavorable foreign currency effects of approximately $2.5 million. The increases in both periods were largely driven by the Acquisition. See "Non-GAAP Reconciliations" for the related definitions of Adjusted EBITDA and reconciliations to our net loss.

Non-GAAP Reconciliations

Because we are a global company, the comparability of our operating results is affected by foreign exchange fluctuations. We calculate certain constant currency measures and foreign currency impacts by translating the current year's reported amounts, excluding new acquisitions, into comparable amounts using the prior year's exchange rates. All constant currency financial information being presented is non-GAAP and should be used as a supplement to our reported operating results. We believe that this information is helpful to our management and investors to assess our operating performance on a comparable basis. However, these measures are not intended to replace amounts presented in accordance with U.S. GAAP and may be different from similar measures calculated by other companies.

We present Ex-TAC Gross Profit, Adjusted EBITDA, Adjusted EBITDA as a percentage of Ex-TAC Gross Profit, Free Cash Flow, and Adjusted Free Cash Flow because they are key profitability measures used by our management and our Board to understand and evaluate our operating performance and trends, develop short-term and long-term operational plans, and make strategic decisions regarding the allocation of capital. Accordingly, we believe that these measures provide information to investors and the market in understanding and evaluating our operating results in the same manner as our management and the Board.

These non-GAAP financial measures are defined and reconciled to the corresponding U.S. GAAP measures below. These non-GAAP financial measures are subject to significant limitations, including those identified below. In addition, other companies in our industry may define these measures differently, which may reduce their usefulness as comparative measures. As a result, this information should be considered as supplemental in nature and is not meant as a substitute for revenue, gross profit, net loss or net cash provided by (used in) operating activities presented in accordance with U.S. GAAP.

Ex-TAC Gross Profit

Ex-TAC Gross Profit is a non-GAAP financial measure. Gross profit is the most comparable U.S. GAAP measure. In calculating Ex-TAC Gross Profit, we add back other cost of revenue to gross profit. Ex-TAC Gross Profit may fluctuate in the future due to various factors, including, but not limited to, seasonality and changes in the number of media partners and advertisers, advertiser demand or user engagements.

There are limitations on the use of Ex-TAC Gross Profit in that traffic acquisition cost is a significant component of our total cost of revenue but not the only component and, by definition, Ex-TAC Gross Profit presented for any period will be higher than gross profit for that period. A potential limitation of this non-GAAP financial measure is that other companies, including companies in our industry which have a similar business, may define Ex-TAC Gross Profit differently, which may make comparisons difficult. As a result, this information should be considered as supplemental in nature and is not meant as a substitute for revenue or gross profit presented in accordance with U.S. GAAP.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(In thousands)			
Revenue	$ 318,772	$ 224,177	$ 948,225	$ 655,289
Traffic acquisition costs	(188,230)	(164,483)	(570,392)	(487,484)
Other cost of revenue	(24,794)	(10,825)	(69,171)	(31,765)
Gross profit	105,748	48,869	308,662	136,040
Other cost of revenue	24,794	10,825	69,171	31,765
Ex-TAC Gross Profit	$ 130,542	$ 59,694	$ 377,833	$ 167,805

Adjusted EBITDA

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

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(In thousands)			
Net (loss) income	$ (19,690)	$ 6,696	$ (88,846)	$ (544)
Gain on repurchase of long-term debt	—	(8,782)	(1,225)	(8,782)
Interest expense	17,084	1,444	57,732	2,950
Other expense (income) and interest income, net	994	(3,536)	2,984	(7,687)
(Benefit) provision for income taxes	(4,668)	1,229	(23,620)	(1,110)
Depreciation and amortization	17,497	4,843	48,707	14,494
Stock-based compensation	3,641	4,052	10,372	11,487
Acquisition and integration costs	3,656	5,585	25,508	8,787
Restructuring charges	657	—	9,610	742
Impairment charges	—	—	15,614	—
Adjusted EBITDA	$ 19,171	$ 11,531	$ 56,836	$ 20,337
Net (loss) income as % of gross profit	(18.6)%	13.7%	(28.8)%	(0.4)%
Adjusted EBITDA as % of Ex-TAC Gross Profit	14.7%	19.3%	15.0%	12.1%

Free Cash Flow

Free cash flow is defined as cash flow provided by operating activities, less capital expenditures and capitalized software development costs. Adjusted free cash flow is defined as free cash flow plus direct acquisition costs. Free cash flow and adjusted free cash flow are supplementary measures used by our management and the Board to evaluate our ability to generate cash and we believe it allows for a more complete analysis of our available cash flows. Free cash flow and adjusted free cash flow should be considered as supplemental measures and should not be considered in isolation or as a substitute for any measures of our financial performance that are calculated and reported in accordance with U.S. GAAP.

The following table presents the reconciliation of free cash flow to net cash provided by operating activities.

	Nine Months Ended September 30,	
	2025	2024
	(In thousands)	
Net cash provided by operating activities	$ 344	$ 25,898
Purchases of property and equipment	(4,853)	(4,668)
Capitalized software development costs	(12,020)	(7,592)
Free cash flow	$ (16,529)	$ 13,638
Direct acquisition costs	19,918	—
Adjusted free cash flow	3,389	13,638

LIQUIDITY AND CAPITAL RESOURCES

We regularly evaluate the cash requirements for our operations, commitments, acquisitions, development activities and capital expenditures and manage our liquidity risk in a manner consistent with our corporate priorities. Our current investment program is focused on achieving maximum returns within our investment policy parameters, while preserving capital and maintaining sufficient liquidity.

We believe that our operating cash flow, cash and cash equivalents and investments, and available borrowing capacity, will be sufficient to fund our anticipated operating expenses and capital expenditures for at least the next 12 months and the foreseeable future. However, there are multiple factors that could impact our future liquidity, including our business performance, ability to collect payments from advertisers, having to pay media partners even if advertisers default on their payments, or other factors described under Item 1A “Risk Factors” included in our 2024 Form 10-K and subsequent reports filed with the SEC.

Sources of Liquidity

Our primary sources of liquidity are cash receipts from our advertisers, cash and cash equivalents, investments in marketable securities, and the available capacity under our 2025 Revolving Facility discussed below.

We have historically experienced higher cash collections during our first quarter due to seasonally strong fourth quarter sales, and, as a result, our working capital needs typically decrease during the first quarter. We generally expect these trends to continue in future periods.

As of September 30, 2025, our available liquidity was follows:

	September 30, 2025
	(In thousands)
Cash and cash equivalents [(1)]	$ 130,751
Short-term investments	7,501
2025 Revolving Facility [(2)]	100,000
Total	$ 238,252

[(1)] As of September 30, 2025, approximately $77.2 million of our cash and cash equivalents was held outside of the United States by our non-U.S. subsidiaries. As of September 30, 2025, we plan to either reinvest indefinitely our earnings from our foreign subsidiaries or repatriate them tax-neutrally. We are in the process of evaluating our cash requirements post-Acquisition. If future earnings are repatriated and we are unable to do so in a tax-neutral manner, we may be required to accrue and pay additional taxes, including any applicable foreign withholding tax and income taxes.

[2] On February 3, 2025, we entered into the Credit Agreement, which established the Credit Facilities, including the 2025 Revolving Facility and the Bridge Facility, and our subsidiary, Midco, borrowed $625 million in aggregate principal amount of Bridge Loans under the Bridge Facility to finance the cash portion of the Acquisition consideration and the related transaction fees, costs and expenses. On February 11, 2025, the Bridge Facility, including accrued and unpaid interest thereon, was fully repaid and cancelled using proceeds from the Offering and cash on hand.

Loans under the 2025 Revolving Facility (the "Revolving Loans") bear interest, at the Company's option, at (x) secured overnight financing rate, subject to a "zero" floor, plus an interest rate margin of 4.25% per annum or (y) an alternate base rate plus an interest rate margin of 3.25% per annum. In addition, the 2025 Revolving Facility accrues an unused commitment fee at a rate ranging from 0.375% to 0.50%, depending on the Company's senior secured net leverage ratio, as set forth in the Credit Agreement.

The 2025 Revolving Facility may be used for working capital and other general corporate purposes of the Company and our subsidiaries. Up to $10.0 million of the 2025 Revolving Facility is available in the form of letters of credit and up to $20.0 million of the 2025 Revolving Facility is available in the form of swingline loans. The Company may seek incremental commitments under the 2025 Revolving Facility from lenders or other financial institutions up to an aggregate principal amount equal to the greater of $62.5 million and 25% of the Company's EBITDA (as defined in the Credit Agreement). The 2025 Revolving Facility lenders will not be under any obligation to provide any such incremental commitments, and any such increase in commitments will be subject to certain customary conditions precedent.

Additional wholly-owned subsidiaries of the Company organized in certain jurisdictions may become borrowers under the 2025 Revolving Facility from time to time. The Credit Facilities are senior secured obligations of the Company, Midco and the Credit Facilities Guarantors (as defined in Note 9 to the accompanying condensed consolidated financial statements), provided, that, with respect to the application of proceeds from enforcement or distressed disposals of collateral, the 2025 Revolving Facility will rank super senior to other senior secured indebtedness of the Company, Midco and the Credit Facilities Guarantors, including the Bridge Facility.

The Credit Agreement includes a customary springing financial covenant with respect to the 2025 Revolving Facility that will require the Company and our restricted subsidiaries to comply with a maximum senior secured net leverage ratio from and after the fiscal quarter ending September 30, 2025, in the event that utilization under the 2025 Revolving Facility exceeds 40%.

In connection with the entry into the Credit Agreement described above, we terminated the Second Amended and Restated Loan and Security Agreement, dated as of November 2, 2021, by and among the Company, Silicon Valley Bank, a division of First-Citizens Bank & Trust Company, Zemanta Holding USA Inc. and Zemanta Inc. and replaced it with the new 2025 Revolving Credit Facility.

As of September 30, 2025, we were in compliance with the financial covenants under the Credit Agreement. See Note 9 to the accompanying condensed consolidated financial statements for additional information related to terms and conditions, covenants, guarantees, and events of default.

Material Cash Requirements

We plan to meet our liquidity needs through available cash, cash generated from our operations and our borrowing capacity. Our primary uses of liquidity are payments to our media partners, our operating expenses, capital expenditures, our long-term debt and the related interest payments. We primarily use our operating cash for payments due to media partners and vendors, as well as for personnel costs, and other employee-related expenditures. Our contracts with media partners are generally variable based bids on impressions or guaranteed minimum payments if the media partner reaches certain performance targets, and for legacy Outbrain may also include revenue share arrangements with media partners. See "Definitions of Financial and Performance Measures —Traffic Acquisition Costs." We may also acquire or make investments in complementary companies or technologies, such as the Acquisition.

Debt Obligations

The following table presents our debt obligations as of September 30, 2025. We had no borrowings outstanding as of December 31, 2024.

	September 30, 2025
	(In thousands)
10% Senior Secured Notes [1]	$ 628,226
Debt discount	(10,853)
Unamortized debt issuance costs	(13,350)
Total long-term debt	604,023
Short-term debt (€15 million) [2]	17,606
Total debt	$ 621,629

[1] On February 11, 2025, Midco completed the Offering of the Notes at an issue price of 98.087% of the principal amount thereof in a transaction exempt from registration under the Securities Act. The Notes bear interest from February 11, 2025 at an annual rate of 10.000%, payable semi-annually on February 15 and August 15 of each year, commencing on August 15, 2025. The Notes will mature on February 15, 2030.

On June 17, 2025, we completed the repurchase of $9.3 million aggregate principal amount of the Notes for $8.0 million in cash, including accrued interest, representing a discount of approximately 17% to the principal amount of the repurchased Notes. As a result, we recorded a pre-tax gain of $1.2 million within other income in our consolidated statements of operations for the three and nine months ended September 30, 2025.

The Notes are guaranteed, jointly and severally on a secured, unsubordinated basis by the Company and each existing and future wholly-owned subsidiary of Outbrain that becomes a borrower, issuer or guarantor under the 2025 Revolving Facility. The Notes are also secured by first-priority lien over (i) all or substantially all assets of OT Midco, Outbrain and Teads Australia PTY Ltd, a subsidiary of Outbrain in Australia, and (ii) certain assets of some of the other direct and indirect subsidiaries of Outbrain in England and Wales, Canada, Germany, Mexico, Singapore, Switzerland, Luxembourg, Japan, Italy, France and Israel.

The terms of the Indenture, among other things, limit the ability of the Company and our restricted subsidiaries to (i) incur or guarantee additional indebtedness or issue preferred stock, (ii) pay dividends or make other restricted payments; (iii) make certain investments, (iv) transfer and sell assets, (v) create or incur certain liens, (vi) engage in certain transactions with affiliates and (vii) consolidate or merge or transfer all or substantially all of our assets. These covenants are subject to a number of important exceptions and qualifications. The Indenture provides for customary events of default which include, among other things (subject in certain cases to customary grace and cure periods), defaults based on (i) the failure to make payments under the Indenture when due, (ii) breach of covenants, (iii) acceleration of other material indebtedness, (iv) bankruptcy events and (v) material judgments. Generally, if an event of default occurs, the trustee or the holders of at least 30% in principal amount of the then outstanding Notes may declare all of the Notes to be due and payable.

[2] Upon the close of the Acquisition, the Company's new French subsidiary has an overdraft short-term credit facility with HSBC (the "Overdraft Facility"), which provides Teads France with a revolving line of credit of up to €15 million at a 3-month Euro Interbank Offered Rate ("EURIBOR"), plus a margin of 1.8%, payable quarterly in arrears. This facility may be used to fund general working capital needs of Teads France. Borrowings under this facility are subject to a commission fee of 0.035% per annum, and a facility fee of 1.25% per annum. There are no financial covenants relating to the Overdraft Facility.

See Note 9 to the accompanying condensed consolidated financial statements for additional information relating to our debt obligations.

Other Contractual Cash Obligations

See "Contractual Cash Obligations" disclosure within "Liquidity and Capital Resources" section of our 2024 Form 10-K for detailed disclosures of our other material cash obligations as of December 31, 2024.

The increase in the Company's future contractual obligation and commitments resulting from our Acquisition primarily relates to the following:

- $628.2 million of the Notes issued on February 11, 2025 to finance the Acquisition;
- future interest payments of approximately $62.8 million in each of 2026 through 2029, and $31.4 million in 2030; and
- future operating lease obligations, which are included in the maturities of the Company's lease liabilities under operating leases in Note 8 to our accompanying condensed consolidated financial statements.

The acquired business also has media partner agreements entered into in the normal course of business, the payments under which are contingent on publishers fulfilling their obligations to provide to the Company the related inventory.

Share Repurchases

On December 14, 2022, our Board approved a new stock repurchase program, authorizing us to repurchase up to $30 million of our Common Stock, with no requirement to purchase any minimum number of shares. The manner, timing, and actual number of shares repurchased under the program will depend on a variety of factors, including price, general business and market conditions, and other investment opportunities. Shares may be repurchased through privately negotiated transactions or open market purchases, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The repurchase program may be commenced, suspended, or terminated at any time at our discretion without prior notice. There were no shares repurchased under the stock repurchase program during the three and nine months ended September 30, 2025. During the nine months ended September 30, 2024, we repurchased 1,410,001 shares with a fair value of $5.8 million under the repurchase program. As of September 30, 2025, the remaining availability under our $30 million share repurchase program was $6.6 million.

In addition, we periodically withhold shares to satisfy employee tax withholding obligations arising in connection with the vesting of restricted stock units and exercise of options and warrants in accordance with the terms of our equity incentive plans and the underlying award agreements. During the three and nine months ended September 30, 2025, we withheld 52,063 shares and 195,171 shares, respectively, with a fair value of $0.1 million and $0.6 million, respectively, to satisfy the minimum employee tax withholding obligations. For the three and nine months ended September 30, 2024, the Company withheld 39,323 shares and 123,903 shares, respectively, with a fair value of $0.2 million and $0.5 million, respectively.

Capital Expenditures

Our cash flow from investing activities primarily consists of capital expenditures and capitalized software development costs. We spent $4.9 million in capital expenditures during the nine months ended September 30, 2025. We currently anticipate that our capital expenditures will be between $6 million and $8 million in 2025, primarily relating to expenditures for servers and related equipment and other equipment. However, actual amounts may vary from these estimates.

Cash Flows

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

	Nine Months Ended September 30,	
	2025	2024
	(In thousands)	
Net cash provided by operating activities	$ 344	$ 25,898
Net cash (used in) provided by investing activities	(545,380)	75,569
Net cash provided by (used in) financing activities	585,358	(116,894)
Effect of exchange rate changes	1,834	2,034
Net increase (decrease) in cash, cash equivalents and restricted cash	$ 42,156	$ (13,393)

Operating Activities

Net cash provided by operating activities decreased $25.6 million, to $0.3 million for the nine months ended September 30, 2025, as compared to $25.9 million for the nine months ended September 30, 2024. This decrease was primarily attributable to due to an unfavorable change of $39.6 million in net income (loss) after non-cash adjustments during the nine months ended September 30, 2025, compared to the prior year period. The decrease in cash from operating activities was partially offset by higher working capital of $13.2 million, which was primarily attributable to cash flow generated by the acquired business, and the timing of cash collections and payments, which included cash outflows for interest on our debt obligations, acquisition-related costs and severance costs.

Our adjusted free cash flow decreased to $3.4 million for the nine months ended September 30, 2025, as compared to adjusted free cash flow of $13.6 million for the nine months ended September 30, 2024, primarily driven by lower operating cash flow, adjusted for payments of direct acquisition costs, offset in part by increased capitalized software development costs. Free cash flow and adjusted free cash flow are supplemental non-GAAP financial measures. See “Non-GAAP Reconciliations” for the related definition and a reconciliation to net cash provided by operating activities.

Investing Activities

Cash related to investing activities decreased $621.0 million to cash used in investing activities of $545.4 million in the nine months ended September 30, 2025, from cash provided by investing activities of $75.6 million in the nine months ended September 30, 2024. This decrease in cash was primarily related to $598.3 million of cash consideration paid, net of cash acquired, in connection with the Acquisition, an $18.2 million decrease in net proceeds from sales and maturities of marketable securities under our investment program (net of purchases), and increased capitalized software development costs of $4.4 million.

Financing Activities

Net cash provided by financing activities increased $702.3 million to net cash provided by financing activities of $585.4 million in the nine months ended September 30, 2025, from net cash used in financing activities of $116.9 million in the nine months ended September 30, 2024. This increase was primarily attributable to debt issuances related to the Acquisition of $625.3 million (net of Bridge Loan repayment), lower repayments of long-term debt obligations of $102.1 million, and lower treasury share repurchases of $5.8 million. This increase was partially offset by debt financing related costs payments of $31.0 million during the nine months ended September 30, 2025.

Critical Accounting Policies and Estimates

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

Other than described below, there have been no other material changes to our critical accounting policies and estimates as compared to those described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” set forth in our 2024 Form 10-K.

Business Combinations

Accounting for business combinations under ASC 805, Business Combinations, requires management to make significant estimates and assumptions, including the valuation of intangible assets acquired and the determination of fair values of liabilities assumed. Although we believe that the assumptions and estimates we have made have been reasonable and appropriate, they are based in part on historical experience and information obtained from the management of the acquired companies and are inherently uncertain. Unanticipated events and circumstances may occur that may affect the accuracy or validity of such assumptions, estimates or actual results.

Recently Issued Accounting Pronouncements

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

JOBS Act Transition Period

We are an emerging growth company as defined in the JOBS Act. The JOBS Act provides that an emerging growth company may take advantage of an extended transition period for complying with new or revised accounting standards, delaying the adoption of some accounting standards until they would otherwise apply to private companies. We have elected to use the extended transition period under the JOBS Act for the adoption of certain accounting standards until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our consolidated financial statements may not be comparable to companies that have adopted new or revised accounting pronouncements as of public company effective dates. Based on the anticipated total gross revenue of the Company, we expect that we will cease to be an emerging growth company as of December 31, 2025.

Off-Balance Sheet Arrangements

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We have operations both in the United States and internationally, and we are exposed to market risks in the ordinary course of our business. These risks include foreign exchange, interest rate, inflation and credit risks.

Foreign Currency Risk

Our consolidated results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates related to our operations and intercompany transactions. Our primary foreign currency exposures are to Euros, the New Israeli Shekels, the British Pound Sterling, among other currencies. Our operating expenses are generally denominated in the currencies in which our operations are located. Foreign currency fluctuations may impact the remeasurement of balances that are denominated in different currencies than the functional currencies of our subsidiaries. In addition, changes in the U.S. Dollar against the currencies of the countries in which we operate impact our operating results, as further described in Item 2, “Results of Operations.” The effect of a hypothetical 10% increase or decrease in our weighted-average exchange rates on our revenue, cost of revenue and operating expenses denominated in foreign currencies would result in a $2.2 million unfavorable or favorable change to our operating income for the three months ended September 30, 2025 and $7.5 million unfavorable or favorable change to our operating income for the nine months ended September 30, 2025.

We evaluate periodically the various currencies to which we are exposed and we are a party to, and may from time to time enter into additional foreign currency forward exchange contracts to manage our foreign currency risk and reduce the potential adverse impact from the appreciation or the depreciation of our non-U.S. dollar-denominated operations, as appropriate.

Interest Rate Risk

Our exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of the interest rates in the United States and abroad. Our exposure to market risk for changes in interest rates relates primarily to our cash and cash equivalents of $130.8 million, our investments in marketable securities of $7.5 million under our investment program, and any current or future borrowings under our credit facilities. Our investments in marketable securities consist of U.S. Treasuries, U.S. government bonds, commercial paper, U.S. corporate bonds and municipal bonds, all maturing within one year. The primary objectives of our investment program are focused on achieving maximum returns within our investment policy parameters, while preserving capital and maintaining sufficient liquidity. We plan to actively monitor our exposure to the fair value of our investment portfolio in accordance with our policies and procedures, which include monitoring market conditions, to minimize investment risk.

A 100-basis point change in interest rates as of September 30, 2025 would change the fair value of our investment portfolio by less than $0.1 million. Since our debt investments are classified as available-for-sale, the unrealized gains and losses related to fluctuations in market volatility and interest rates are reflected within accumulated other comprehensive loss within stockholders’ equity in our condensed consolidated balance sheets.

There have been no amounts outstanding under our new $100 million 2025 Revolving Facility pursuant to our Credit Agreement entered into in February 2025, or under our prior revolving credit facility with Silicon Valley Bank. However, as part of the Acquisition, we assumed the Overdraft Facility which had outstanding borrowings of $17.6 million as of September 30, 2025. The Overdraft Facility carries a variable rate of interest based on the three-month EURIBOR plus a margin of 1.8%.

Long-term debt recorded on our condensed consolidated balance sheet as of September 30, 2025 relates to our Notes with a carrying value of $604.0 million, which bear a fixed rate of interest. There was no long-term debt outstanding as of December 31, 2024.

Inflation Risk

Our business is subject to risk associated with inflation. We continue to monitor the impact of inflation to minimize its effects. If our costs, including wages, were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs which could negatively impact our business, financial condition, and results of operations. Inflation throughout the broader economy has led and could continue to lead to reduced ad spend and indirectly harm our business, financial condition and results of operations. See Item 1A, “Risk Factors” in our 2024 Form 10-K.

Credit Risk

Financial instruments that subject us to concentration of credit risk are cash and cash equivalents, investments and receivables. As part of our ongoing procedures, we monitor the credit levels and the financial condition of our customers in order to minimize our credit risk and require certain customers with higher potential credit risk to prepay for their campaigns. See Item 1A, "Risk Factors" in our 2024 Form 10-K under "*We are subject to payment-related risks that may adversely affect our business, working capital, financial condition and results of operations.*" We generally do not factor our accounts receivables, nor do we maintain credit insurance to manage the risk of credit loss. We are also exposed to a risk that the counterparty to our foreign currency forward exchange contracts will fail to meet its contractual obligations. In order to mitigate this risk, we perform an evaluation of our counterparty credit risk and our forward contracts have a term of no more than 18 months.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Exchange Act), as of September 30, 2025. Based on such evaluation, our CEO and CFO have concluded that as of September 30, 2025, our disclosure controls and procedures are designed at a reasonable assurance level and are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

Except as noted below, there were no changes to our internal control over financial reporting that occurred during the three months ended September 30, 2025 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Acquisition of Teads

On February 3, 2025, we completed the Acquisition (see Note 2 to the accompanying condensed consolidated financial statements for additional information). Outbrain was the accounting acquirer in the Acquisition under U.S. GAAP and was subject to Section 404 of the Sarbanes-Oxley Act ("SOX"), while Teads, a privately held company, was not subject to Section 404 of SOX. Teads' financial results have been included in Outbrain's financial statements for the period subsequent to the Acquisition, from February 3, 2025 through September 30, 2025. As of September 30, 2025, we are still in the process of evaluating the internal controls of the acquired business and integrating it in our existing operations.

Inherent Limitations on Effectiveness of Controls

Our management, including our CEO and CFO, does not expect that our disclosure controls and procedures or internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within a company are detected.

Part II Other Information

Item 1. Legal Proceedings

Information with respect to this item may be found in Note 11 in the accompanying notes to the condensed consolidated financial statements included in Part I, Item 1 “Financial Statements” of this Report, under “Legal Proceedings and Other Matters,” which is incorporated herein by reference.

Item 1A. Risk Factors

There have been no material changes to our risk factors as previously disclosed in Item 1A of Part I of the Company’s 2024 Form 10-K, which is incorporated herein by reference.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Recent Sales of Unregistered Securities

The shares of the Common Stock issued to Altice Teads on February 3, 2025 as consideration in connection with the Acquisition were issued in transactions exempt from registration under the Securities Act, in reliance on Section 4(a)(2) of the Securities Act.

Purchases of Equity Securities by the Issuer

On December 14, 2022, our Board approved a share repurchase program authorizing us to repurchase up to $30 million of our Common Stock, with no requirement to purchase any minimum number of shares. The manner, timing, and actual number of shares repurchased under the program will depend on a variety of factors, including price, general business and market conditions, and other investment opportunities. Shares may be repurchased through privately negotiated transactions or open market purchases, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Exchange Act. The repurchase program may be commenced, suspended, or terminated at any time at our discretion without prior notice.

In addition, we may from time to time withhold shares in connection with tax obligations related to vesting of restricted stock units in accordance with the terms of our equity incentive plans and the underlying award agreements. The below table sets forth the repurchases of our Common Stock for the three months ended September 30, 2025:

Period	(a) Total number of shares (or units) purchased [1]	(b) Average price paid per share (or unit)	(c) Total number of shares purchased as part of publicly announced plans or programs	(d) Approximate dollar value of shares that may yet be purchased under the plans or programs (in thousands)[2]
July 2025	496	$2.49	—	$6,615
August 2025	760	$1.94	—	$6,615
September 2025	50,807	$1.63	—	$6,615
TOTAL	52,063		—	

(1) Total number of shares purchased is comprised of shares withheld to satisfy employee tax withholding obligations arising in connection with the vesting and settlement of restricted stock units under our 2007 Omnibus Securities and Incentive Plan and our 2021 Long-Term Incentive Plan.

On February 3, 2025, as part of the equity portion of the consideration for the Acquisition, we reissued 13,429,839 shares of our Treasury Stock at $6.01 per share, or $80.7 million.

Item 5. Other Information.

During the three months ended September 30, 2025, none of the Company’s directors or executive officers adopted or terminated any contract, instruction, or written plan for the purchase or sale of Company securities intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

EXHIBIT INDEX

Exhibit No.	Description
31.1*	Certification of Principal Executive Officer Pursuant To Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer Pursuant To Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*❖	Certification of the Principal Executive Officer and Principal Financial Officer Pursuant To 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

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* Filed herewith.

❖ This certification is not deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended or the Exchange Act.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized on November 6, 2025.

OUTBRAIN INC.

By: /s/ David Kostman
Name: David Kostman
Title: *Chief Executive Officer*

By: /s/ Jason Kiviat
Name: Jason Kiviat
Title: *Chief Financial Officer*

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David Kostman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Teads Holding Co.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2025

By: /s/ David Kostman
Name: David Kostman
Title: Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jason Kiviat, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Teads Holding Co.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2025

By: /s/ Jason Kiviat
Name: Jason Kiviat
Title: Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATIONS OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, David Kostman, Chief Executive Officer (Principal Executive Officer) of Teads Holding Co. (the “Company”), and Jason Kiviat, Chief Financial Officer (Principal Financial Officer) of the Company, each hereby certifies that, to the best of his knowledge:

1. The Quarterly Report on Form 10-Q for the quarter ended September 30, 2025 (the “Report”) of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 6, 2025

By: /s/ David Kostman
Name: David Kostman
Title: Chief Executive Officer
(Principal Executive Officer)

By: /s/ Jason Kiviat
Name: Jason Kiviat
Title: Chief Financial Officer
(Principal Financial Officer)