Financial Highlights

Q1 2020

May 6, 2020

Safe Harbor

FORWARD-LOOKING STATEMENTS

This presentation and management's prepared remarks during the conference call referred to above include, and management's answers to questions during the conference call may include, forward-looking statements, including statements based upon or relating to our expectations, assumptions, estimates, and projections. In some cases, you can identify forward-looking statements by terms such as "may," "might," "will," "objective," "intend," "should," "could," "can," "would," "expect," "believe," "design," "anticipate," "estimate," "predict," "potential," "plan" or the negative of these terms, and similar expressions. Forward-looking statements may include, but are not limited to, statements concerning the potential impacts of the novel coronavirus pandemic on our business operations, financial condition, and results of operations and on the world economy; our anticipated financial performance, including, without limitation, revenue, advertising spend, non-GAAP loss per share, profitability, net loss, Adjusted EBITDA, loss per share, and cash flow; anticipated benefits or effects related to the consummation of the merger with Telaria; including estimated synergies and cost savings resulting from the merger; strategic objectives, including focus on header bidding, connected television ("CTV"), mobile, video, Demand Manager, and private marketplace opportunities; investments in our business; development of our technology; industry growth rates for ad-supported CTV and the shift in video consumption from linear TV to CTV, including with respect to cord-cutting; introduction of new offerings; the impact of transparency initiatives we may undertake; the impact of our traffic shaping technology on our business; the effects of our cost reduction initiatives; scope and duration of client relationships; the fees we may charge in the future; business mix and expansion of our CTV, mobile, video and private marketplace offerings; sales growth; client utilization of our offerings; our competitive differentiation; our market share and leadership position in the industry; market conditions, trends, and opportunities; user reach; certain statements regarding future operational performance measures including ad requests, fill rate, paid impressions, average CPM, take rate, and advertising spend; benefits from supply path optimization; and other statements that are not historical facts. These statements are not guarantees of future performance; they reflect our current views with respect to future events and are based on assumptions and estimates and subject to known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from expectations or results projected or implied by forward-looking statements. These risks include, but are not limited to: the severity, magnitude, and duration of the novel coronavirus pandemic, including impacts of the pandemic and of responses to the pandemic by governments, business and individuals on our operations, personnel, buyers, sellers, and on the global economy and the advertising marketplace; our ability to successfully integrate the Telaria business, and realize the anticipated benefits of the merger; our ability to grow and to manage our growth effectively; our ability to develop innovative new technologies and remain a market leader; our ability to attract and retain buyers and sellers of digital advertising inventory, or publishers, and increase our business with them; our vulnerability to loss of, or reduction in spending by, buyers; our reliance on large sources of advertising demand, including demand side platforms ("DSPs") that may have or develop high-risk credit profiles or fail to pay invoices when due, including as a result of lower ad spending generally and/or general liquidity constraints experienced by buyers resulting from the novel coronavirus pandemic; our ability to maintain and grow a supply of advertising inventory from sellers and to fill the increased inventory; the effect on the advertising market and our business from difficult economic conditions or uncertainty; the freedom of buyers and sellers to direct their spending and inventory to competing sources of inventory and demand; our ability to cause buyers and sellers to use our solution to purchase and sell higher value advertising and to expand the use of our solution by buyers and sellers utilizing evolving digital media platforms, including CTV; our reliance on large aggregators of advertising inventory, and the concentration of CTV among a small number of large publishers that enjoy significant negotiating leverage; our ability to introduce new offerings and bring them to market in a timely manner, and otherwise adapt in response to client demands and industry trends, including shifts in linear TV to CTV, digital advertising growth from desktop to mobile channels and other platforms and from display to video formats and the introduction and market acceptance of Demand Manager; uncertainty of our estimates and expectations associated with new offerings, including CTV, header bidding, private marketplace, mobile, video, Demand Manager, and traffic shaping; the possibility of lower take rates and the need to grow through increasing the volume and/or value of transactions on our platform and increasing our fill rate; our vulnerability to the depletion of our cash resources as a result of the adverse impacts of the novel coronavirus pandemic, or as we incur additional investments in technology required to support the increased volume of transactions on our exchange and development of new offerings; our ability to support our growth objectives with reduced resources from our cost reduction initiatives; our ability to raise additional capital if needed and/or renew our working capital line of credit; our limited operating history and history of losses; our ability to continue to expand into new geographic markets and grow our market share in existing markets; our ability to adapt effectively to shifts in digital advertising; increased prevalence of ad-blocking or cookie-blocking technologies and the slow adoption of common identifiers; the slowing growth rate of desktop display advertising; the growing percentage of online and mobile advertising spending captured by owned and operated sites (such as Facebook, Google and Amazon); industry growth rates for ad-supported CTV and the shift in video consumption from linear TV to digital mediums such as CTV and over-the-top ("OTT"); the adoption of programmatic advertising by CTV publishers; the effects, including loss of market share, of increased competition in our market and increasing concentration of advertising spending, including mobile spending, in a small number of very large competitors; the effects of consolidation in the ad tech industry; acts of competitors and other third parties that can adversely affect our business; our ability to differentiate our offerings and compete effectively in a market trending increasingly toward commodification, transparency, and disintermediation; requests for discounts, fee concessions or revisions, rebates, refunds, favorable payment terms and greater levels of pricing transparency and specificity; our ability to ensure a high level of brand safety for our clients and to detect “bot” traffic and other fraudulent or malicious activity; the effects of seasonal trends on our results of operations; costs associated with defending intellectual property infringement and other claims; our ability to attract and retain qualified employees and key personnel; political uncertainty and the ability of the company to attract political advertising spend; our ability to identify future acquisitions of or investments in complementary companies or technologies and our ability to consummate the acquisitions and integrate such companies or technologies; and our ability to comply with, and the effect on our business of, evolving legal standards and regulations, particularly concerning data protection and consumer privacy and evolving labor standards. We discuss many of these risks and additional factors that could cause actual results to differ materially from those anticipated by our forward-looking statements under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," and elsewhere in filings we have made and will make from time to time with the Securities and Exchange Commission, or SEC, including our Annual Report on Form 10-K for the year ended December 31, 2019 and subsequent Quarterly Reports on Form 10-Q for 2020. These forward-looking statements represent our estimates and assumptions only as of the date of the report in which they are included. Unless required by federal securities laws, we assume no obligation to update any of these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated, to reflect circumstances or events that occur after the statements are made. Without limiting the foregoing, any guidance we may provide will generally be given only in connection with quarterly and annual earnings announcements, without interim updates, and we may appear at industry conferences or make other public statements without disclosing material nonpublic information in our possession. Given these uncertainties, investors should not place undue reliance on these forward-looking statements. Investors should read this press release and the documents that we reference in this press release and have filed or will file with the SEC completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

Highlights

- **Rubicon Project**
  - **Revenue grew 12%** year over year to $36.3 million in Q1 2020
  - Adjusted EBITDA was $2.8 million in Q1 2020
- **Telaria** *(closed on April 1, 2020)*
  - **Total revenue grew 11%** year over year to $15.1 million in Q1 2020
  - **CTV revenue grew 74%** year over year to $9.1 million in Q1 2020
- **Combined company** expectations for Q2 2020
  - Expect revenue to be between **$36 to $39 million**
  - Increasing cost savings to a $20+ million per year run rate
  - Adjusted EBITDA opex expected to be approximately $48 to $49 million in Q2 2020

CTV Trends = Big Opportunity

Three Out of Four US Households Have CTV

Cord cutting continues to accelerate

An increasing amount of CTV is ad supported

Programmatic is driving the future of CTV

Q1 2020 Summary

Financial Measures ($MM except per share data)	Three Months Ended		
	3/31/2020	3/31/2019	Change Favorable / (Unfavorable)
Revenue			
Mobile revenue	$21.0	$17.2	22%
Desktop revenue	$15.3	$15.2	--
Revenue	$36.3	$32.4	12%
Net income (loss)	($9.7)	($12.5)	22%
Adjusted EBITDA[(1)]	$2.8	($0.1)	2900%
Adjusted EBITDA margin[(1)]	8%	--%	8 ppt
Adjusted EBITDA operating expenses[(2)]	$33.5	$32.5	3%
Basic and Diluted loss per share	($0.18)	($0.24)	25%
Non-GAAP earnings per share[(3)]	($0.06)	($0.14)	57%

(1) Adjusted EBITDA and non-GAAP income (loss) per share are non-GAAP financial measures. Please see the discussion in the section called "Non-GAAP Financial Measures" and the reconciliations included at the end of the earnings press release presentation.
(2) Adjusted EBITDA operating expenses is calculated as revenue less Adjusted EBITDA.
(3) Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by revenue. A reconciliation for net loss to Adjusted EBITDA is included at the end of this presentation.

Cash Flow and Balance Sheet Highlights

Adjusted Cash Flow Highlights

($mm)

	Q1 2020	Q1 2019
Adjusted EBITDA	$2.8	($0.1)
Less capital expenditures	**(4.8)**	**(2.2)**
Cash flow (excluding working capital changes)	**($2.0)**	**($2.3)**

Balance Sheet Highlights

($mm)

	March 31, 2020	December 31, 2019
Cash & equivalents	$71.3	$88.9
Marketable securities	- -	- -
Total cash + liquid assets	$71.3	$88.9
Debt	$ Nil	$ Nil

Amortization Schedule

Remaining Amortization Schedule for Acquired Intangibles by Period ($MM)	Amount
2020	3.2
2021	4.1
2022	2.1
2023	0.5
2024	0.4
TOTAL Remaining Amortization of Acquired Intangibles	$10.3

Reconciliations of Net Loss to Adjusted EBITDA

Reconciliation of Net Loss to Adjusted EBITDA ($MM)	Q1 2020	Q1 2019
Net loss	($9.7)	($12.5)
Add back (deduct):		
Depreciation and amortization, excluding amortization of acquired intangible assets	6.5	7.8
Amortization of acquired intangibles	1.1	0.8
Stock-based compensation expense	4.1	4.4
Acquisition and related items	1.9	--
Interest income, net	(0.1)	(0.2)
Foreign currency (gain) loss, net	(0.7)	0.3
Provision (benefit) for income taxes	(0.2)	(0.7)
Adjusted EBITDA	$2.8	($0.1)

Note: Amounts may not foot due to rounding.

Reconciliations of Net Loss to Non-GAAP Net Loss

Reconciliation of Net Loss to Non-GAAP Income (Loss) ($MM, except share figures)	Q1 2020	Q1 2019
Net loss	($9.7)	($12.5)
Add back (deduct):		
Acquisition and related items, including amortization of acquired intangibles	3.0	0.8
Stock-based compensation expense	4.1	4.4
Foreign currency (gain) loss, net	(0.7)	0.3
Tax effect of non-GAAP adjustments	(0.2)	(0.1)
Non-GAAP income	($3.6)	($7.2)
Non-GAAP loss per share	($0.06)	($0.14)
Non-GAAP weighted-average shares outstanding (MM)	54.9	51.6

Note: Amounts may not foot due to rounding.

Revenue Split by Channel & Geography

Revenue Split by Channel	Q1 2020			Q1 2019		
Financial Measure: ($MM)	Mobile	Desktop	Total	Mobile	Desktop	Total
GAAP Revenue	$21.0	$15.3	$36.3	$17.2	$15.2	$32.4
Percent of Revenue	58%	42%	100%	53%	47%	100%

Revenue Split by Geography	Q1 2020			Q1 2019		
Financial Measure: ($MM)	U.S.	International	Total	U.S	International	Total
GAAP Revenue	$25.5	$10.8	$36.3	$21.5	$10.9	$32.4
Percent of Revenue	70%	30%	100%	66%	34%	100%