

PUBMATIC Q4 AND FY 2021 AT A GLANCE

INFRASTRUCTURE-DRIVEN APPROACH AND USAGE-BASED MODEL CONTINUE TO DELIVER EXCEPTIONAL RESULTS

Continued to Deliver Compelling Combination of Growth and Profitability

REVENUE

- Q4 2021 revenue of \$75.6 million, up 34% year-over-year. Excluding Q4 2020 political spend, Q4 2021 revenue was up 40% year-over-year.
- FY 2021 revenue of \$226.9 million, up 53% year-over-year.

GAAP NET INCOME ¹

- Q4 2021 GAAP net income was \$28.2 million or 37% of revenue, compared to 33% in Q4 2020. Q4 2021 diluted earnings per share of \$0.50.
- GAAP net income FY 2021 was \$56.6 million or 25% of revenue, compared to 18% in 2020. FY 2021 diluted earnings per share of \$1.00.

NET DOLLAR BASED REVENUE RETENTION ²

Net dollar-based revenue retention for FY 2021 was 149%, compared to 122% for FY 2020.

ADJUSTED EBITDA ³

- Adjusted EBITDA in Q4 2021 was \$38.9 million, or 51% of revenue, compared to \$26.9 million in Q4 2020.
- FY 2021 adjusted EBITDA was \$96.2 million, or 42% of revenue.

NET CASH PROVIDED BY OPERATING ACTIVITIES

Cash flow from operations was \$89.5 million for FY 2021.

IMPRESSIONS PROCESSED

- In Q4 2021, we processed nearly 30 trillion impressions, 88% more than the amount processed in Q4 2020.
- Reduced the unit cost of impressions by 28% year-over-year.

EXPANDED USAGE FROM BUYERS

- A quarter of activity on our platform is now via Supply Path Optimization agreements, up from approximately 10% at the beginning of 2020.
- The top ten advertiser verticals on our platform, in aggregate, grew over 50% year-over-year in Q4 2021.

OMNICHANNEL REVENUE

- Q4 2021 combined mobile and video revenues grew by 41% year-over-year and represented 67% of total revenues in Q4 2021.
- Q4 2021 Connected TV revenue grew more than 6X year-over-year.
- 167 publishers programmatically monetized CTV inventory with PubMatic in Q4 2021, up from 154 publishers in Q3 2021.

INVESTMENTS FOR GROWTH

- Extending platform into Retail Media, a \$100B+ opportunity.
- PubMatic had 713 global employees at the end of 2021, a 30% increase over 2020.
- Hiring plans call for doubling of our engineering team over the next 12-18 months.
- Invested \$30 million in 2021 in infrastructure and increased capacity, with continued capital expenditure investment in 2022.
- Expanded our global footprint last year into South Korea and opened offices in Madrid, Paris and Beijing.

¹ Q4 2021 and FY 2021 GAAP net income include an unrealized gain on equity investments. Net of income taxes, the impact was \$4.2M.

² Calculated by starting with the revenue from publishers in the trailing twelve months ended December 31, 2020 ("Prior Period Revenue"). We then calculate the revenue from these same publishers in the trailing twelve months ended December 31, 2021 ("Current Period Revenue") (including any upsells and net of contraction or attrition, but excluding revenue from new publishers). Our net dollar-based retention rate equals Current Period Revenue divided by Prior Period Revenue.

³ This non-GAAP measure is presented for supplemental informational purposes only and should not be considered a substitute for financial information presented in accordance with GAAP. Please see provided table for a reconciliation between GAAP net income and Adjusted EBITDA.

RECONCILIATION OF GAAP NET INCOME TO ADJUSTED EBITDA (In thousands) (unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
Net income	\$28,239	\$18,825	\$56,604	\$26,613
Add back (deduct):				
Stock-based compensation	3,599	1,124	14,107	3,563
Depreciation and amortization	7,081	4,169	23,072	15,743
Unrealized gain on capital investment	(5,433)		(5,433)	
Interest income	(92)	(62)	(300)	(537)
Provision for income taxes	5,504	2,863	8,199	4,967
Adjusted EBITDA	<u>\$38,898</u>	<u>\$26,919</u>	<u>\$96,246</u>	<u>\$50,349</u>

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Recent Customer Case Studies & Performance Proof Points

BUYER VALUE CREATION

- GroupM Selects PubMatic to Support the Supply Chain of the Future →
- PubMatic's Premium Inventory and Google Audiences Deliver Better Open Market Performance for Dentsu Amnet →
- Verve Group and Scream Malmo Increase Reach 21% Across Unique Audiences →

PUBLISHER VALUE CREATION

- FourM, a Premium Sales House in Japan, Improved Publisher Monetization with PubMatic →
- Kueez Increases Revenue by 460% with PubMatic's Prebid and Identity Hub Solutions →
- Popular Social Media Platform Improved In-App Monetization with PubMatic's OpenWrap SDK →

AUDIENCE ADDRESSABILITY INNOVATION

- PubMatic's Identity Hub Helps diDNA Scale Identity Across Their Network →
- PubMatic and LiveRamp: Publishers Significantly Increase Fill Rate, Yield, and Overall Revenue Across Cookieless Browsers Globally →
- PubMatic and MiQ Are at the Leading Edge of Addressability Innovation →