
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 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 March 31, 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: 001-39748

PUBMATIC, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

20-5863224

(I.R.S. Employer Identification Number)

Not applicable

(Address of principal executive offices)

Not applicable

(Zip Code)

Not applicable

(Registrant's telephone number, including area code)

Not applicable

(Former name, former address and former fiscal year, if changed since last report)

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

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Class A common stock, \$0.0001 par value per share	PUBM	The Nasdaq Global Market

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 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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 May 1, 2025, the registrant had 40,265,869 shares of Class A common stock outstanding and 8,267,780 shares of Class B common stock outstanding.

TABLE OF CONTENTS

	Page
<u>PART I - FINANCIAL INFORMATION</u>	
Item 1.	<u>Condensed Consolidated Financial Statements (Unaudited)</u>
	<u>1</u>
	<u>Condensed Consolidated Balance Sheets</u>
	<u>1</u>
	<u>Condensed Consolidated Statements of Operations</u>
	<u>2</u>
	<u>Condensed Consolidated Statements of Comprehensive Loss</u>
	<u>3</u>
	<u>Condensed Consolidated Statements of Stockholders' Equity</u>
	<u>4</u>
	<u>Condensed Consolidated Statements of Cash Flows</u>
	<u>5</u>
	<u>Notes to Condensed Consolidated Financial Statements</u>
	<u>6</u>
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>
	<u>18</u>
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>
	<u>29</u>
Item 4.	<u>Controls and Procedures</u>
	<u>29</u>
<u>PART II - OTHER INFORMATION</u>	
Item 1.	<u>Legal Proceedings</u>
	<u>30</u>
Item 1A.	<u>Risk Factors</u>
	<u>30</u>
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>
	<u>36</u>
Item 3.	<u>Defaults Upon Senior Securities</u>
	<u>36</u>
Item 4.	<u>Mine Safety Disclosures</u>
	<u>36</u>
Item 5.	<u>Other Information</u>
	<u>37</u>
Item 6.	<u>Exhibits</u>
	<u>38</u>
	<u>Signatures</u>
	<u>39</u>

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

PUBMATIC, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except par values)

	March 31, 2025	December 31, 2024
	(unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 101,811	\$ 100,452
Marketable securities	42,315	40,135
Accounts receivable, net	349,123	424,814
Prepaid expenses and other current assets	12,018	10,145
Total current assets	505,267	575,546
Property, equipment and software, net	54,386	58,522
Operating lease right-of-use assets	42,575	44,402
Acquisition-related intangible assets, net	3,889	4,284
Goodwill	29,577	29,577
Deferred tax assets	29,619	24,864
Other assets, non-current	3,289	2,324
TOTAL ASSETS	\$ 668,602	\$ 739,519
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 323,611	\$ 386,602
Accrued liabilities	20,309	26,365
Operating lease liabilities, current	6,241	5,843
Total current liabilities	350,161	418,810
Operating lease liabilities, non-current	38,649	39,538
Other liabilities, non-current	4,191	3,908
TOTAL LIABILITIES	393,001	462,256
Commitments and contingencies (Note 8)		
Stockholders' equity		
Preferred stock, \$0.0001 par value per share, 10,000 shares authorized as of March 31, 2025 and December 31, 2024; No shares issued and outstanding as of March 31, 2025 and December 31, 2024	—	—
Common stock, \$0.0001 par value per share; 1,000,000 Class A shares authorized as of March 31, 2025 and December 31, 2024; 48,698 shares issued and 40,042 shares outstanding as of March 31, 2025; 48,177 shares issued and 39,860 shares outstanding as of December 31, 2024; 1,000,000 Class B shares authorized as of March 31, 2025 and December 31, 2024; 11,416 shares issued and 8,275 shares outstanding as of March 31, 2025; 11,382 shares issued and 8,241 shares outstanding as of December 31, 2024	6	6
Treasury stock, at cost; 11,797 and 11,458 shares as of March 31, 2025 and December 31, 2024, respectively	(150,409)	(146,796)
Additional paid-in capital	286,471	275,304
Accumulated other comprehensive loss	(366)	(636)
Retained earnings	139,899	149,385
TOTAL STOCKHOLDERS' EQUITY	275,601	277,263
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 668,602	\$ 739,519

The accompanying notes are an integral part of these condensed consolidated financial statements.

PUBMATIC, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended March 31,	
	2025	2024
Revenue	\$ 63,825	\$ 66,701
Cost of revenue	25,588	25,424
Gross profit	38,237	41,277
Operating expenses:		
Technology and development	8,772	7,960
Sales and marketing	26,799	24,815
General and administrative	14,569	14,027
Total operating expenses	50,140	46,802
Operating loss	(11,903)	(5,525)
Interest income	1,593	2,564
Other income (expense), net	(1,014)	258
Loss before income taxes	(11,324)	(2,703)
Benefit from income taxes	(1,838)	(249)
Net loss	\$ (9,486)	\$ (2,454)
Basic net loss per share of Class A and Class B stock	\$ (0.20)	\$ (0.05)
Diluted net loss per share of Class A and Class B stock	\$ (0.20)	\$ (0.05)
Weighted-average shares used to compute net loss per share attributable to common stockholders:		
Basic	48,346	50,039
Diluted	48,346	50,039

The accompanying notes are an integral part of these condensed consolidated financial statements.

PUBMATIC, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2025	2024
Net loss	\$ (9,486)	\$ (2,454)
Other comprehensive income (loss):		
Unrealized loss on marketable securities, net of tax	(22)	(21)
Net change in foreign currency translation adjustment	292	—
Comprehensive loss	\$ (9,216)	\$ (2,475)

The accompanying notes are an integral part of these condensed consolidated financial statements.

PUBMATIC, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)
(Unaudited)

	Common Stock		Treasury Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders' Equity
	Shares	Amount					
Balance as of December 31, 2024	48,101	\$ 6	\$ (146,796)	\$ 275,304	\$ (636)	\$ 149,385	\$ 277,263
Stock-based compensation	—	—	—	10,604	—	—	10,604
Exercise of stock options	202	—	—	563	—	—	563
Repurchase of shares	(339)	—	(3,613)	—	—	—	(3,613)
Issuance of common stock related to RSU vesting	353	—	—	—	—	—	—
Other comprehensive income	—	—	—	—	270	—	270
Net loss	—	—	—	—	—	(9,486)	(9,486)
Balance as of March 31, 2025	48,317	\$ 6	\$ (150,409)	\$ 286,471	\$ (366)	\$ 139,899	\$ 275,601

	Common Stock		Treasury Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders' Equity
	Shares	Amount					
Balance as of December 31, 2023	50,246	\$ 6	\$ (71,103)	\$ 230,419	\$ (4)	\$ 136,881	\$ 296,199
Stock-based compensation	—	—	—	9,821	—	—	9,821
Exercise of stock options	298	—	—	939	—	—	939
Repurchase of shares	(895)	—	(15,754)	—	—	—	(15,754)
Issuance of common stock related to RSU vesting	230	—	—	—	—	—	—
Other comprehensive loss	—	—	—	—	(21)	—	(21)
Net loss	—	—	—	—	—	(2,454)	(2,454)
Balance as of March 31, 2024	49,879	\$ 6	\$ (86,857)	\$ 241,179	\$ (25)	\$ 134,427	\$ 288,730

The accompanying notes are an integral part of these condensed consolidated financial statements.

PUBMATIC, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2025	2024
CASH FLOW FROM OPERATING ACTIVITIES:		
Net loss	\$ (9,486)	\$ (2,454)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	11,676	11,212
Stock-based compensation	9,698	9,111
Deferred income taxes	(4,754)	(4,667)
Accretion of discount on marketable securities	(454)	(1,234)
Non-cash operating lease expense	1,928	1,690
Other	(223)	(1)
Changes in operating assets and liabilities:		
Accounts receivable	75,691	72,184
Prepaid expenses and other assets	5,681	(196)
Accounts payable	(62,578)	(58,444)
Accrued liabilities	(11,287)	(1,784)
Operating lease liabilities	(590)	(1,380)
Other liabilities, non-current	319	257
Net cash provided by operating activities	<u>15,621</u>	<u>24,294</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(1,441)	(801)
Capitalized software development costs	(6,880)	(7,231)
Purchases of marketable securities	(15,307)	(34,336)
Proceeds from maturities of marketable securities	13,559	38,500
Net cash used in investing activities	<u>(10,069)</u>	<u>(3,868)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of business combination indemnification claims holdback	—	(2,148)
Proceeds from exercise of stock options	563	939
Principal payments on finance lease obligations	(35)	(32)
Payments to acquire treasury stock	(5,000)	(17,500)
Net cash used in financing activities	<u>(4,472)</u>	<u>(18,741)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>1,080</u>	<u>1,685</u>
Effect of foreign exchange rates on cash and cash equivalents	279	—
CASH AND CASH EQUIVALENTS - Beginning of period	100,452	78,509
CASH AND CASH EQUIVALENTS - End of period	<u>\$ 101,811</u>	<u>\$ 80,194</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Income taxes paid	\$ 885	\$ 1,033
SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING AND FINANCING INFORMATION:		
Stock-based compensation capitalized as internal-use software costs	\$ 906	\$ 710
Property and equipment included in accounts payable and accrued liabilities	\$ 194	\$ 148
Capitalized software costs included in accounts payable and accrued liabilities	\$ 673	\$ 917

The accompanying notes are an integral part of these condensed consolidated financial statements.

PUBMATIC, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Note 1 – Organization and Description of Business

PubMatic, Inc. (together with its subsidiaries, the “Company” or “PubMatic”) was founded in 2006. The Company has offices worldwide. The Company provides a specialized cloud infrastructure platform that enables real-time programmatic advertising transactions. The purpose-built technology and infrastructure provides superior outcomes for both publishers and advertisers leveraging an efficient design, machine learning, and data processing capabilities, with customer alignment and global omnichannel reach.

Note 2 – Basis of Presentation and Summary of Significant Accounting Policies

Fiscal Year

The Company’s fiscal year ends on December 31, and its fiscal quarters end on March 31, June 30, September 30, and December 31. References to fiscal year 2025, for example, refer to the fiscal year ending December 31, 2025.

Unaudited Interim Condensed Consolidated Financial Information

The unaudited condensed consolidated financial statements include the accounts of PubMatic, Inc. and its wholly owned subsidiaries, and have been prepared in accordance with generally accepted accounting principles in the United States (“GAAP”) and following the requirements of the Securities and Exchange Commission (“SEC”) for interim reporting. As permitted under those rules, certain footnotes or other financial information that are normally required by GAAP can be condensed or omitted. These financial statements have been prepared on the same basis as the Company’s annual financial statements and, in the opinion of management, reflect all adjustments, consisting only of normal recurring adjustments, which are necessary for the fair statement of the Company’s financial information. These interim results are not necessarily indicative of the results to be expected for the fiscal year ending December 31, 2025 or for any other interim period or for any other future year. The accompanying unaudited condensed consolidated financial statements and related financial information should be read in conjunction with the audited consolidated financial statements and the related notes contained in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2024, as filed with the SEC on February 27, 2025 (the “Annual Report”).

Basis of Presentation

The accompanying condensed consolidated financial statements have been prepared in accordance with GAAP. The accompanying condensed consolidated financial statements include the accounts of PubMatic, Inc. and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and reported amounts of revenue and expenses.

The Company evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, and adjusts those estimates and assumptions when facts and circumstances dictate. Actual results could materially differ from those estimates and assumptions. Due to the inherent uncertainty involved in making assumptions and estimates, events and changes in circumstances arising after March 31, 2025 may result in actual outcomes that differ from those contemplated by the Company’s assumptions and estimates.

Concentration of Revenue and Accounts Receivable

The Company defines its revenue concentration based on revenue recognized from individual publishers. For the three months ended March 31, 2025 and 2024, no publisher represented more than 10% of the Company’s revenue. As of March 31, 2025, two buyers accounted for 46% and 12%, respectively, of accounts receivable. As of December 31, 2024, two buyers accounted for 44% and 11%, respectively, of accounts receivable.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are recorded at the invoiced amount, are unsecured, and do not bear interest. The allowance for credit losses is based on the best estimate of the amount of probable credit losses in existing accounts receivable. The allowance for credit losses is determined based on historical collection experience and the review in each period of the status of the then outstanding accounts receivable, while taking into consideration current customer information, collection history, and other relevant data. Account balances are written off against the allowance when the Company believes it is probable the receivable will not be recovered.

The following table presents the changes in the allowance for credit losses (in thousands):

	Three Months Ended March 31,	
	2025	2024
Allowance for credit losses, beginning balance	\$ 1,018	\$ 770
Increase in provision for expected credit losses	—	—
Write-offs	—	163
Allowance for credit losses, ending balance	\$ 1,018	\$ 933

Recent Accounting Pronouncements Not Yet Adopted

In December 2023, FASB issued ASU 2023-09 “Income Taxes (Topic 740): Improvements to Income Tax Disclosures” to expand the disclosure requirements for income taxes, specifically related to the rate reconciliation and income taxes paid. ASU 2023-09 is effective for our annual periods beginning January 1, 2025, with early adoption permitted. We are currently evaluating the potential effect that the updated standard will have on our financial statement disclosures.

In November 2024, the FASB issued ASU 2024-03 “Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses”, requiring public entities to disclose additional information about specific expense categories in the notes to the financial statements on an interim and annual basis. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and for interim periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact adopting ASU 2024-03 will have on its financial statement disclosures.

Note 3 – Fair Value Measurements

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 (in thousands):

	March 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Money market funds	\$ 46,482	\$ —	\$ —	\$ 46,482
Certificates of deposit	—	13,462	—	13,462
Cash equivalents	46,482	13,462	—	59,944
Commercial paper	—	29,890	—	29,890
U.S. Treasury and government debt securities	—	12,425	—	12,425
Marketable securities	—	42,315	—	42,315
Total financial assets	\$ 46,482	\$ 55,777	\$ —	\$ 102,259
December 31, 2024				
	Level 1	Level 2	Level 3	Total
Financial Assets				
Money market funds	\$ 57,998	\$ —	\$ —	\$ 57,998
Commercial paper	—	2,296	—	2,296
Certificates of deposit	—	14,821	—	14,821
Cash equivalents	57,998	17,117	—	75,115
Commercial paper	—	27,837	—	27,837
U.S. Treasury and government debt securities	—	12,298	—	12,298
Marketable securities	—	40,135	—	40,135
Total financial assets	\$ 57,998	\$ 57,252	\$ —	\$ 115,250

The Company's financial assets consist of Level 1 and 2 assets. The Company had no Level 3 assets or liabilities for the periods presented. The Company classifies its cash equivalents and marketable securities within Level 1 or Level 2 because they are valued using either quoted market prices or inputs other than quoted prices which are directly or indirectly observable in the market, including readily-available pricing sources for the identical underlying security which may not be actively traded. The Company's fixed income available-for-sale securities consist of high quality, investment grade securities from diverse issuers. The valuation techniques used to measure the fair value of the Company's marketable securities were derived from non-binding market consensus prices that are corroborated by observable market data and quoted market prices for similar instruments.

Note 4 – Balance Sheet Components
Marketable Securities

The following tables summarize the Company's marketable securities by significant investment categories (in thousands):

	March 31, 2025			
	Amortized Cost	Unrealized Gain	Unrealized Loss	Fair Value
Commercial paper	\$ 29,893	\$ 2	\$ (5)	\$ 29,890
U.S. Treasury and government debt securities	12,421	4	—	12,425
Total	\$ 42,314	\$ 6	\$ (5)	\$ 42,315
December 31, 2024				
	Amortized Cost	Unrealized Gain	Unrealized Loss	Fair Value
Commercial paper	\$ 27,823	\$ 17	\$ (3)	\$ 27,837
U.S. Treasury and government debt securities	12,289	9	—	12,298
Total	\$ 40,112	\$ 26	\$ (3)	\$ 40,135

The remaining contractual maturity of all marketable securities was within one year as of March 31, 2025 and December 31, 2024. Realized gains and losses were not material for the three months ended March 31, 2025 and 2024. As of March 31, 2025 and 2024, there were no securities that were in an unrealized loss position for more than twelve months.

Property, Equipment and Software, Net

Property, equipment and software, net consisted of the following (in thousands):

	March 31, 2025	December 31, 2024
Internal-use software	\$ 78,465	\$ 72,372
Network hardware, computer equipment and software	154,656	153,838
Leasehold improvements	5,801	5,526
Furniture and fixtures	2,368	2,329
Property, equipment and software, gross	241,290	234,065
Less: accumulated depreciation and amortization	(186,904)	(175,543)
Total property, equipment and software, net	<u>\$ 54,386</u>	<u>\$ 58,522</u>

Depreciation and amortization expense related to property, equipment, and software (excluding amortization of internal-use software) was \$5.8 million and \$6.6 million for the three months ended March 31, 2025 and 2024, respectively.

The Company capitalized \$6.1 million and \$5.9 million in software development costs during the three months ended March 31, 2025 and 2024, respectively. Amortization expense of internal-use software was \$5.5 million and \$4.2 million during the three months ended March 31, 2025 and 2024, respectively. These costs are included within cost of revenue in the condensed consolidated statements of operations.

The Company did not recognize any impairment charges on its long-lived assets during the three months ended March 31, 2025 and 2024, respectively.

Accounts Payable

Accounts payable consisted of the following (in thousands):

	March 31, 2025	December 31, 2024
Payable to publishers	\$ 304,078	\$ 366,009
Trade and other payables	19,533	20,593
Total accounts payable	<u>\$ 323,611</u>	<u>\$ 386,602</u>

Accrued Liabilities

Accrued liabilities consisted of the following (in thousands):

	March 31, 2025	December 31, 2024
Accrued compensation	\$ 10,613	\$ 19,977
Accrued and other current liabilities	9,696	6,388
Total accrued liabilities	<u>\$ 20,309</u>	<u>\$ 26,365</u>

Note 5 – Senior Secured Credit Facilities Agreement

On October 17, 2022, the Company entered into a Senior Secured Credit Facilities Credit Agreement (the “Credit Agreement”) with the several lenders parties thereto (the “Lenders”), and Silicon Valley Bank (“SVB”), as administrative agent, lead arranger, issuing lender, and swingline lender. The Credit Agreement matures on October 17, 2027.

The Credit Agreement provides a revolving credit facility in an aggregate principal amount of \$110.0 million (“the Revolving Credit Facility”), including a \$25.0 million letter of credit sub-facility and a \$25.0 million swingline sub-facility. The Company’s obligations under the Revolving Credit Facility and the letter of credit sub-facility (described in Note 8) with SVB are secured by substantially all of its assets excluding its intellectual property. The Company may, subject to certain customary conditions, on one or more occasions increase commitments under the Revolving Credit Facility in an amount not to exceed \$90.0 million in the aggregate (the “Incremental Facility”). Each Lender will have discretion to determine whether it will participate in any Incremental Facility.

Borrowings under the Revolving Credit Facility will accrue interest at rates equal, at the Company’s election, to (i) the applicable secured overnight financing rate (“SOFR”), plus the applicable margin for such loans, or (ii) the alternate base rate (“ABR”), which is defined as the highest of (a) the prime rate in effect from time to time, (b) the federal funds effective rate in effect from time to time plus 0.50%, and (c) the adjusted term SOFR for a one (1) month tenor in effect from time to time plus 1.00%, plus the applicable margin for such loans. The applicable margin for borrowings bearing interest on the SOFR ranges from 2.00% to 2.75%, and the applicable margin for borrowings bearing interest based on the ABR ranges from 1.00% to 1.75%. As of March 31, 2025, the applicable interest rate under the revolving credit facility was 8.50%. The Company will pay a quarterly commitment fee during the term of the Credit Agreement for the non-use of available funds ranging from 0.25% to 0.35%. In addition, the Credit Agreement provides a mechanism to determine a successor reference rate to the applicable reference rate if, among other things, the applicable reference rate becomes unavailable or is generally replaced as a benchmark interest rate.

The Credit Agreement contains customary representations and warranties as well as customary affirmative and negative covenants. Negative covenants include, among others, limitations on incurrence of indebtedness, liens, disposition of property and investments by the Company and its subsidiaries. In addition, the Credit Agreement requires the Company to maintain certain interest coverage, leverage and senior leverage ratios. To date, the Company is in compliance with the affirmative and negative covenants.

The Credit Agreement contains customary events of default. Upon the occurrence and during the continuance of an event of default, the Lenders may declare the outstanding advances and all other obligations under the Credit Agreement immediately due and payable.

The Company may use amounts borrowed under the Credit Agreement for general corporate purposes or working capital financing. The Company may borrow additional amounts under the Credit Agreement from time to time as opportunities and needs arise. As of March 31, 2025, the Company has not drawn down on the credit facility.

Following the SVB closure by the California Department of Financial Protection and Innovation on March 10, 2023, and its subsequent receivership by the Federal Deposit Insurance Corporation (“FDIC”), the FDIC announced that all of SVB’s deposits and substantially all of its assets had been transferred to a newly created, full-service FDIC-operated bridge bank, Silicon Valley Bridge Bank, N.A. (“SVBB”). On March 27, 2023, First Citizens Bank & Trust Company (“First Citizens”) acquired substantially all of the loans and certain other assets of the former SVB, and assumed all customer deposits and certain other liabilities of the former SVB. As such, First Citizen assumed SVB’s obligations under the Credit Agreement.

Note 6 – Leases

Operating lease cost is recognized on a straight-line basis over the lease term. Finance lease cost is recognized as a combination of the amortization expense for the right-of-use assets and interest expense for the outstanding lease liabilities, and results in a front-loaded expense pattern over the lease term. Short-term and variable lease costs are not material to the Company's condensed consolidated financial statements.

During the three months ended March 31, 2025, operating right-of-use assets obtained in exchange for new lease obligations was \$2.1 million.

The components of lease cost were as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Operating lease cost	\$ 2,367	\$ 2,019
Finance lease cost	46	47
Total lease cost	\$ 2,413	\$ 2,066

As of March 31, 2025, a weighted average discount rate of 5.28% and 2.24% has been applied to the remaining operating and finance lease payments, respectively, to calculate the lease liabilities included within the condensed consolidated balance sheets. The weighted average remaining lease term of operating and finance leases is 7.6 and 3.0 years, respectively, as of March 31, 2025.

As of March 31, 2025, the maturities of lease liabilities under operating and finance leases were as follows (in thousands):

	Operating Leases	Finance Leases	Total
Remainder of 2025	\$ 3,108	\$ 112	\$ 3,220
2026	9,291	153	9,444
2027	9,748	158	9,906
2028	6,372	41	6,413
2029	4,839	—	4,839
Thereafter	24,279	—	24,279
Total minimum lease payments	57,637	464	58,101
Less: imputed interest	(12,747)	(15)	(12,762)
Total present value of lease liabilities	\$ 44,890	\$ 449	\$ 45,339

Note 7 – Acquisition-related Intangible Assets, Net
Acquisition-related Intangible Assets, Net

Acquisition-related intangible assets, net consisted of the following (in thousands):

	March 31, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Developed technology	\$ 7,900	\$ 4,011	\$ 3,889
Total acquisition-related intangible assets	\$ 7,900	\$ 4,011	\$ 3,889
	December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Developed technology	\$ 7,900	\$ 3,616	\$ 4,284
Customer relationships	1,000	1,000	—
Total acquisition-related intangible assets	\$ 8,900	\$ 4,616	\$ 4,284

The weighted average remaining useful life of developed technology was 2.5 years as of March 31, 2025. Amortization expense related to acquisition-related intangibles was \$0.4 million for each of the three months ended March 31, 2025 and 2024, respectively.

As of March 31, 2025, estimated future amortization expense for acquisition-related intangible assets was as follows (in thousands):

Remainder of 2025	\$ 1,185
2026	1,580
2027	1,124
Total estimated future amortization expense for acquisition-related intangible assets	\$ 3,889

Note 8 – Commitments and Contingencies
Purchase Obligations

The Company's purchase obligations primarily relate to minimum contractual payments due to data center providers. During the three months ended March 31, 2025, there were no material changes to the Company's non-cancelable purchase obligations disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

Letters of Credit

As of March 31, 2025, the Company had three irrevocable letters of credit outstanding related to non-cancelable facilities leases in the amounts of \$3.5 million, \$1.5 million, and \$0.1 million, with annual automatic renewal and final expiration dates in July 2028, April 2036, and September 2031, respectively. As of December 31, 2024, the Company had two irrevocable letters of credit outstanding related to non-cancelable facilities leases in the amounts of \$3.5 million and \$1.5 million, with annual automatic renewal and final expiration dates in July 2028 and April 2036, respectively.

Legal Matters

From time to time, the Company is or may be involved in various claims and other legal matters arising in the normal course of business. The Company records an accrual for a liability relating to claims and other legal matters when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Any such accruals are reviewed at least quarterly and adjusted for the impacts of negotiations, rulings, settlements, and other information or events pertaining to a particular matter, or on the advice of legal counsel. To date, the Company has not incurred a material loss, or a material loss in excess of a recorded accrual, with respect to any claims and other legal matters arising in the normal course of business. However, the outcomes of claims and other legal matters are inherently unpredictable and subject to significant uncertainties. If the Company subsequently concludes that there is a reasonable possibility that a loss exceeding amounts already recognized may be incurred, and the amount of such additional loss would be material, the Company will either disclose the estimated additional loss or state that such an estimate cannot be made.

Indemnification

In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties and provide for general indemnification. The Company's exposure under these agreements is unknown because it involves future claims that may be made against the Company but have not yet been made. To date, the Company has not paid any material claims or been required to defend any actions related to its indemnification obligations. However, the Company may record charges in the future as a result of these indemnification obligations. In addition, the Company has indemnification agreements with certain of its directors and executive officers that require it, among other things, to indemnify them against certain liabilities that may arise due to their status or service as directors or officers of the Company. The terms of such obligations may vary.

Note 9 – Stockholders' Equity and Equity Incentive Plans

Share Repurchases

In February 2023, the Company's board of directors authorized the Company to repurchase up to \$75 million of its Class A common stock (as amended, the "2023 Repurchase Program"). In February 2024, the Company's board of directors authorized the Company to repurchase up to an additional \$100 million of its Class A common stock under the 2023 Repurchase Program (in addition to the \$75 million previously authorized under the 2023 Repurchase Program, and extended the expiration of the 2023 Repurchase Program to December 31, 2025 (the "2024 Repurchase Program Extension"). As of March 31, 2025, \$36.8 million remains available for repurchases. Shares are repurchased in a manner deemed in the best interest of the Company and its stockholders, dependent upon business, economic and market conditions, corporate and regulatory requirements, prevailing stock prices and other considerations.

During the three months ended March 31, 2025, the Company repurchased 339,000 aggregate shares of Class A common stock for \$3.6 million.

Repurchases are executed from time to time, subject to general business and market conditions and other investment opportunities, through open market purchases or privately negotiated transactions, in accordance with Rule 10b-18 and/or Rule 10b5-1 of the Exchange Act. The 2023 Repurchase Program, as amended, is scheduled to terminate on December 31, 2025.

Equity Incentive Plans

The Company maintains the 2020 Equity Incentive Plan ("2020 Plan"), pursuant to which the Company may grant stock options, restricted stock awards, stock appreciation rights, restricted stock units ("RSUs"), deferred stock units ("DSUs"), performance awards, and stock bonus awards. As of March 31, 2025, the Company has reserved 5,409,206 shares of Class A common stock for the issuance of awards under the 2020 Plan. These available shares will increase automatically on January 1 for each of the first ten calendar years during the term of the 2020 Plan by the number of shares equal to the lesser of five percent (5%) of the aggregate number of outstanding shares of all classes of the Company's common stock outstanding as of the immediately preceding December 31, or a number as may be determined by the Company's board of directors or compensation committee. No new awards were issued under the Company's prior 2006 Plan or 2017 Plan ("Prior Plans") after the effective date of the 2020 Plan. To the extent outstanding awards under the 2006 Plan and the 2017 Plan are forfeited, expire unexercised, or would otherwise have been returned to the share reserve under the Prior Plans, the shares of Class B common stock subject to such awards instead will be available for future issuance as Class A common stock under the 2020 Plan.

Stock Options

The following table summarizes stock option activity and related information under the Company's equity incentive plans:

	Stock Options			
	Number of Shares Underlying Outstanding Options (in thousands)	Weighted-Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of December 31, 2024	7,893	\$ 10.68	5.71	\$ 50,372
Options granted	986	15.65		
Options exercised	(202)	2.78		
Options canceled	(36)	17.65		
Options expired	(7)	24.78		
Outstanding as of March 31, 2025	8,634	\$ 11.40	6.75	\$ 26,013
Vested and exercisable as of March 31, 2025	5,976	\$ 9.44	4.68	\$ 26,013

As of March 31, 2025, unrecognized stock-based compensation of \$23.1 million related to unvested stock options will be recognized on a straight-line basis over a weighted average period of 2.79 years.

Restricted Stock Units

The following table summarizes RSU activity and related information under the Company's 2020 Plan:

	RSUs	
	Number of Shares (in thousands)	Weighted-Average Grant Date Fair Value per Share
Unvested as of December 31, 2024	3,687	\$ 17.68
Granted	1,612	15.54
Vested	(353)	18.54
Canceled or forfeited	(69)	17.58
Unvested as of March 31, 2025	4,877	\$ 16.91

As of March 31, 2025, unrecognized stock-based compensation of \$72.8 million related to unvested RSUs will be recognized on a straight-line basis over a weighted average period of 2.81 years.

2020 Employee Stock Purchase Plan

In November 2020, the Company's board of directors adopted, and its stockholders approved, the 2020 Employee Stock Purchase Plan ("ESPP"), which became effective in connection with the Company's initial public offering ("IPO"). A total of 500,000 shares of the Company's Class A common stock were initially reserved for issuance under the ESPP. The aggregate number of shares reserved for issuance under the ESPP will increase automatically on January 1st of each of the first ten calendar years during the term of the ESPP by the number of shares equal to the lesser of (a) 1% of the total outstanding shares of all classes of the Company's common stock as of the immediately preceding December 31, and (b) such number of shares of common stock as determined by the Company's board of directors. The aggregate number of shares issued over the term of the ESPP may not exceed 7,500,000 shares of Class A common stock. As of March 31, 2025, the Company had reserved 2,260,820 shares of its Class A common stock for issuance under the ESPP.

As of March 31, 2025, \$1.2 million has been withheld on behalf of employees for a future purchase under the ESPP due to the timing of payroll deductions and is included in accrued liabilities. For the three months ended March 31, 2025 and 2024, no shares of our Class A common stock were purchased under the ESPP.

As of March 31, 2025, unrecognized stock-based compensation expense related to the ESPP was \$0.3 million, which is expected to be recognized over a weighted-average period of 0.32 years.

Stock-Based Compensation

Total stock-based compensation expense recognized in the condensed consolidated statements of operations was as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Cost of revenue	\$ 474	\$ 437
Technology and development	1,585	1,441
Sales and marketing	3,463	3,238
General and administrative	4,176	3,995
Total stock-based compensation expense	9,698	9,111
Tax benefit from stock-based compensation	(2,055)	(1,886)
Total stock-based compensation expense, net of tax effect	\$ 7,643	\$ 7,225

Note 10 – Net Loss Per Share

The Company has two classes of common stock, Class A and Class B. Basic and diluted earnings per share (“EPS”) attributable to common stockholders for Class A and Class B common stock were the same because they were entitled to the same liquidation and dividend rights.

The following table sets forth the computation of the Company’s basic and diluted net loss per share (in thousands, except per share data):

	Three Months Ended March 31,	
	2025	2024
Numerator:		
Net loss	\$ (9,486)	\$ (2,454)
Denominator:		
Weighted average shares outstanding – basic and diluted	48,346	50,039
Net loss per share – basic and diluted	\$ (0.20)	\$ (0.05)

The following weighted-average outstanding shares of common stock equivalents were excluded from the computation of diluted net loss per share attributable to common stockholders for the periods presented because including them would have been anti-dilutive (in thousands):

	Three Months Ended March 31,	
	2025	2024
Options to purchase common stock	4,162	3,344
Unvested restricted stock units	1,062	7
Total common stock equivalents excluded from net loss per share – diluted	5,224	3,351

Note 11 – Income Taxes

The Company has historically calculated the provision for income taxes during interim reporting periods by applying an estimate of the annual effective tax rate (“AETR”) for the full fiscal year to “ordinary” income or loss (pretax income or loss excluding unusual or infrequently occurring discrete items) for the reporting period. The Company has determined that since small changes in estimated “ordinary” income would result in significant changes in the estimated AETR, the historical method would not provide a reliable estimate for the fiscal three months ended March 31, 2025. Therefore, the discrete effective tax rate method has been used to calculate taxes for the fiscal three months ended March 31, 2025.

The Company recorded a benefit from income taxes of \$1.8 million and \$0.2 million for the three months ended March 31, 2025 and 2024, respectively.

The effective income tax rate was 16% and 9% for the three months ended March 31, 2025 and 2024, respectively. The benefit from income taxes for the three months ended March 31, 2025 is related to tax benefits from foreign-derived intangible income, research tax credits, deductions for equity awards, partially offset by nondeductible stock-based compensation and Section 162(m) limitation on the tax deductibility of officers’ compensation.

Realization of the Company’s deferred tax assets is dependent primarily on the generation of future taxable income. In considering the need for a valuation allowance, the Company considers its historical, as well as future projected, taxable income along with other objectively verifiable evidence. Objectively verifiable evidence includes the Company’s realization of tax attributes, assessment of tax credits, and utilization of net operating loss carryforwards during the year.

Note 12 – Segment and Geographical Information

Segment Information

Operating segments are components of an enterprise for which separate financial information is available and is evaluated regularly by the Company’s chief operating decision maker (“CODM”) in deciding how to allocate resources and assessing performance. The Company’s CODM is its Chief Executive Officer.

The primary measure of segment profit or loss is consolidated net loss as presented below and is used by the CODM for purposes of allocating resources and evaluating financial performance. The Company has one business activity and there are no segment managers accountable for operations, operating results beyond revenue or gross profit, or plans for levels or components below the consolidated unit level. Accordingly, the Company has one single reporting segment.

The following table presents selected financial information with respect to the Company’s single operating segment for the three months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31,	
	2025	2024
Revenues	\$ 63,825	\$ 66,701
Less:		
Employee compensation ¹	47,557	45,670
Depreciation and amortization expense	11,676	11,212
Other segment items ²	16,495	15,344
Operating loss	(11,903)	(5,525)
Other income (expense)		
Interest income	1,593	2,564
Other income (expense), net	(1,014)	258
Loss before income taxes	(11,324)	(2,703)
Benefit from income taxes	(1,838)	(249)
Segment net loss	\$ (9,486)	\$ (2,454)

(1) Employee compensation includes employee payroll, share-based compensation, bonus, and employee benefits for medical care, retirement, insurances, and other related expenses.

(2) Other segment items includes costs and expenses from operation of the Company’s data centers, professional services, facilities, marketing, and other related expenses.

Geographical Information

The following table presents total revenue by geographic area based on the publisher’s billing address (in thousands):

	Three Months Ended March 31,	
	2025	2024
United States	\$ 38,133	\$ 40,507
EMEA	18,848	20,144
APAC	5,382	4,967
Rest of the world	1,462	1,083
Total	\$ 63,825	\$ 66,701

No other country besides the United States represented more than ten percent of total revenue during the three months ended March 31, 2025 and 2024.

The following table presents long-lived assets, net, which consist primarily of property and equipment and operating lease right-of-use assets, by geographic area (in thousands):

	March 31, 2025	December 31, 2024
United States	\$ 81,638	\$ 88,998
Rest of the world	15,323	13,926
Total	\$ 96,961	\$ 102,924

Note 13 – 401(k) Plan

The Company has a 401(k) Savings Plan (the “401(k) Plan”) that qualifies as a deferred salary arrangement under Section 401(k) of the Internal Revenue Code. Under the 401(k) Plan, participating employees may elect to contribute up to 100% of their eligible compensation, subject to certain limitations. The 401(k) Plan provides for a discretionary employer matching contribution. The Company made \$0.5 million in matching contributions to the 401(k) Plan for each of the three months ended March 31, 2025 and 2024, respectively.

Note 14 – Subsequent Event

On May 7, 2025, the Company’s Board of Directors authorized up to an additional \$100 million for the repurchase of its Class A common stock (“2025 Repurchase Program Extension”), in addition to the \$175.0 million previously authorized by the Company’s Board of Directors for our repurchase program. As of May 5, 2025, there was \$30.8 million authorized and available from the 2024 Repurchase Program Extension. Accordingly, the Company has a collective total of \$130.8 million authorized and available for repurchases of its Class A common stock as of May 5, 2025 under the 2023 Repurchase Program. Pursuant to the 2023 Repurchase Program, the Company is authorized to repurchase shares in the open market and/or in privately negotiated transactions, in accordance with Rule 10b-18 and/or Rule 10b5-1 of the Exchange Act. The timing and total amount of the repurchases will depend upon business, economic and market conditions, corporate and regulatory requirements, prevailing stock prices and other considerations. The 2023 Repurchase Program, as amended by the 2024 Repurchase Program Extension and 2025 Repurchase Program Extension, is scheduled to terminate on December 31, 2026.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements generally are identified by the words "believe," "may," "will," "potentially," "estimate," "continue," "anticipate," "intend," "could," "would," "project," "plan," "expect," and similar expressions. Examples of forward-looking statements include, but are not limited to, statements we make regarding our ability to maintain our growth and profitability, our ability to attract and retain publishers, and our expectations concerning the advertising industry.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in "Risk Factors" and elsewhere in this Quarterly Report on Form 10-Q. Moreover, we operate in a very competitive and rapidly changing environment, and new risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties, and assumptions, the forward-looking events and circumstances discussed in this Quarterly Report on Form 10-Q may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance, or events and circumstances reflected in the forward-looking statements will be achieved or occur. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this Quarterly Report on Form 10-Q to conform these statements to actual results or to changes in our expectations, except as required by law.

The following discussion should be read in conjunction with the unaudited condensed consolidated financial statements and the related notes thereto included elsewhere in this Quarterly Report on Form 10-Q, and the audited consolidated financial statements and notes thereto and management's discussion and analysis of financial condition and results of operations for the fiscal year ended December 31, 2024 included in our Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (the "SEC").

Overview

We are an independent technology company seeking to maximize customer value by delivering digital advertising's supply chain of the future.

Our technology platform empowers the world's leading digital content creators (which we refer to as "publishers") across the open internet to maximize monetization of their advertising inventory. Our platform also provides control and transparency to buyers, which includes advertisers, agencies, agency trading desks, and demand side platforms ("DSPs"), (which we collectively refer to as "buyers") and enables both publishers and buyers to drive better business outcomes. Our infrastructure-driven approach allows for the efficient processing and utilization of data in real time. By delivering scalable and flexible programmatic innovation, we believe we improve outcomes for our customers while championing a vibrant and transparent digital advertising supply chain.

We continue to focus on the strengths that we believe provide us with long-term competitive advantages. These strengths include our global, omnichannel reach which targets a diverse set of publishers touching many ad formats and digital device types, including mobile app, mobile web, desktop, display, video, over-the-top video/connected TV ("OTT/CTV"), and rich media. Additionally, as an independent infrastructure provider prioritizing transparency, we can be more closely aligned with both publishers and buyers which has enabled us to build direct relationships with publishers, advertisers, agencies, and DSPs and create bespoke products that meet our customers' needs. We have also maintained a demonstrated track record of stability and agility to address these market conditions and provide superior outcomes for both publishers and buyers. Finally, we have designed our technology to efficiently process real-time advertising transactions while leveraging data to optimize outcomes for publishers and buyers. We own and operate our software and hardware infrastructure globally, which saves significant infrastructure expenditures as compared to public cloud alternatives.

Industry Trends and Macroeconomic Factors

The digital advertising ecosystem continues to evolve and adapt at a rapid pace. Some noted trends include the continued growth of digital media across multiple platforms, a continued increase in the number of ad impressions processed and analyzed in real-time by each participant in the digital advertising ecosystem, and a desire for transparency and control throughout the supply chain from both the buyers and publishers. Additionally, rapidly evolving data and privacy regulations and industry standards continue to impact our business. For example, in April 2025, Google confirmed that it was abandoning its effort to deprecate the use of third-party cookies in Chrome and instead ask users to opt-in or opt-out of cookies in Chrome, which may impact the industry's anticipated shift to alternative identity solutions.

Additionally, recent macroeconomic uncertainty, including adopted or proposed changes in the trade policies and tariff rates of the United States and international trade partners, slowing domestic growth, economic recession concerns, interest rate fluctuations, volatility in domestic and international equity and debt markets, foreign currency fluctuation and weakening of the U.S. Dollar, and persistent inflation in the U.S. and other markets globally, continue to create economic volatility and dislocation in the capital and credit markets in the U.S. and globally. To date, we have not observed material impacts in our business or outlook, but we intend to continue to monitor macroeconomic conditions closely and may determine to take certain financial or operational actions in response to such conditions to the extent our business begins to be adversely impacted.

See "Risk Factors" in this report and in our Annual Report on Form 10-K for the year ended December 31, 2024 for further discussion of the risks related to inflation, volatile interest rates, foreign currency fluctuations and general macroeconomic uncertainty on our business.

Business Highlights

The table below summarizes the financial highlights of our business performance:

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
Revenue	\$ 63,825	\$ 66,701
Operating loss	\$ (11,903)	\$ (5,525)
Net loss	\$ (9,486)	\$ (2,454)
Adjusted EBITDA ⁽¹⁾	\$ 8,457	\$ 15,056
Net cash provided by operating activities	\$ 15,621	\$ 24,294

(1) For a definition of Adjusted EBITDA, an explanation of our management's use of this measure, and a reconciliation of Adjusted EBITDA to net income, see "Non-GAAP Financial Measure."

Our Strategy and Performance

We believe our growth and financial performance are dependent on many factors, including those described below.

Attract New Customers and Expand our Relationship with Existing Customers Globally

We leverage our extensive platform capabilities and the subject matter expertise of our team members to grow revenue from our publishers and increase advertising spending from our buyers. Our sales and marketing team includes customer success pods to enhance customer knowledge and implementation of best practices. Once we onboard a new customer, we seek to expand our relationship with existing publishers by establishing multiple header bidding integrations by leveraging our omnichannel capabilities to maximize our access to publishers' ad formats and devices, and expanding into the various properties that a publisher may own around the world. We may also up-sell additional products to publisher customers including our header bidding management, identity, and audience solutions. We automate workflow processes whenever feasible to drive predictable and value-added outcomes for our customers and increase productivity of our organization.

Net dollar-based retention rate is an important indicator of publisher satisfaction and usage of our platform, as well as potential revenue for future periods. We calculate our net dollar-based retention rate at the end of each quarter for a cumulative twelve months. We calculate our net dollar-based retention rate by starting with the revenue from publishers in the prior trailing twelve-month period ("Prior Period Revenue"). We then calculate the revenue from these same publishers in the current trailing twelve-month period ("Current Period Revenue"). Current Period Revenue includes any upsells and is net of contraction or attrition, but excludes revenue from new publishers.

Our net dollar-based retention rate equals the Current Period Revenue divided by Prior Period Revenue. Our net dollar-based retention rate was 102% for the trailing twelve months ended March 31, 2025 and 106% for the trailing twelve months ended March 31, 2024.

Further, we work with DSPs to help them reduce their costs and improve advertiser ROI, which in turn makes us the specialized cloud infrastructure platform of choice for many of our buying partners. We depend upon a limited number of large DSPs for a large percentage of impressions purchased and our business results, including revenues, may be impacted by changes in their pricing strategies, bidding algorithms or go-to market efforts. As buyers increasingly consolidate their spending with fewer larger technology platforms, we seek to bring an increased proportion of their digital ad spending to our platform through direct deals. Supply Path Optimization ("SPO") continues to be a major growth driver for us as we add new SPO relationships and expand existing ones. We have been investing in SPO technology and partnerships for over five years and SPO represented over 55% of total activity for the three months ended March 31, 2025.

Monetization Excellence

We focus on monetizing digital impressions by coordinating over a hundred billion real-time auctions and nearly a trillion bids globally on a daily basis, using our specialized cloud software, machine learning algorithms, and scaled transaction infrastructure. Valuable ad impressions are transparent and data rich, viewable by humans, and verifiable. Each ad impression we auction consists of 665 independent data parameters, which can yield valuable insights if recorded and analyzed properly. This processing of voluminous data for each ad impression must occur in less than half a second as consumers expect a seamless digital ad experience. We continually assess impressions from new and existing publishers through a rigorous validation process. We add or remove impressions from our platform based on an assessment of the projected value of the impressions, which is influenced by the type of publisher and its related consumers, as well as the potential volume of monetizable impressions and ad format types, such as digital video. We continuously create and iterate algorithms that leverage vast datasets flowing through our infrastructure to improve the liquidity in our marketplace. Our ability to drive successful outcomes in the real-time auction process on behalf of our publishers and buyers will affect our operating results.

Infrastructure Platform Efficiency

We have a track record of expanding the capacity of our infrastructure platform, while maintaining or reducing the corresponding costs related to processing impressions transacted on our platform on a per impression basis. We expect to continue to invest in both software and hardware infrastructure to continue growing the number of valuable ad impressions we process on our platform.

Our recent growth has been driven by a variety of factors including increased access to mobile web (display and video) and mobile app (display and video) impressions and desktop video impressions. Our performance is affected by our ability to maintain and grow our access to valuable ad impressions from current publishers as well as through new relationships with publishers. In March 2025, our platform processed approximately 842 billion ad impressions daily, each in a fraction of a second.

Key Components of Our Results of Operations

Revenue

We generate revenue from publishers who use our platform. We generate revenue primarily through fees charged to our publishers, which are generally a percentage of the value of the advertising impressions that publishers monetize on the platform. We also generate revenues from our other products such as OpenWrap, our header bidding solution, and Connect, our solution that provides additional data and insights to buyers, which are sold separate from or in conjunction with use of our platform. In 2023, we launched Activate, which allows buyers to execute direct deals on our platform with publisher inventory, and Convert, our commerce media solution.

We report revenue on a net basis. This represents gross billings to buyers, net of amounts we pay publishers and rebates associated with SPO agreements with buyers. We record our accounts receivable at the amount of gross billings to buyers, net of allowances, for the amounts we are responsible to collect, and we record our accounts payable at the net amount payable to publishers. Accordingly, both accounts receivable and accounts payable appear large in relation to revenue, which is reported on a net basis.

Cost of Revenue

Cost of revenue consists of data center co-location costs, depreciation expense related to hardware supporting our platform, amortization expense related to capitalized internal-use software development costs, personnel costs, and allocated facilities costs. Personnel costs include salaries, bonuses, stock-based compensation, and employee benefit costs, and are primarily attributable to our cloud operations group, which maintains our servers, and our client operations group, which is responsible for the integration of new publishers and buyers and providing customer support for existing customers.

Operating Expenses

Technology and Development. Technology and development expenses consist of personnel costs, including salaries, bonuses, stock-based compensation, and employee benefits costs, allocated facilities costs, and professional services. These expenses include costs incurred in the development, implementation and maintenance of internal-use software, including platform and related infrastructure. We expend technology and development costs as incurred, except to the extent that such costs are associated with internal-use software development that qualifies for capitalization. We expect technology and development expenses to generally increase in absolute dollars in future periods.

Sales and Marketing. Sales and marketing expenses consist of personnel costs, including salaries, bonuses, stock-based compensation, and employee benefits costs, for our employees engaged in sales, sales support, marketing, business development, and customer relationship functions. Sales and marketing expenses also include expenses related to promotional, advertising and marketing activities, allocated facilities costs, travel, and entertainment primarily related to sales activity and professional services. We expect sales and marketing expenses to increase in absolute dollars in future periods.

General and Administrative. General and administrative expenses consist of personnel costs, including salaries, bonuses, stock-based compensation, and employee benefits costs for our executive, finance, legal, human resources, information technology, and other administrative employees. General and administrative expenses also include outside consulting, legal and accounting services, allocated facilities costs, and travel and entertainment primarily related to inter-office travel and conferences.

Total Other Income (expense), Net

Total other income (expense), net consists of interest income and other income (expense), net. Interest income is generated by investing excess cash into money market accounts and marketable securities. Other income (expense), net consists primarily of gains and losses from foreign currency exchange transactions.

Provision for (benefit from) Income Taxes

The provision for (benefit from) income taxes consists primarily of federal, state, and foreign income taxes. Our provision for income taxes or income tax benefit may be significantly affected by changes to our estimates for tax in jurisdictions in which we operate and other estimates utilized in determining the global effective tax rate. Actual results may also differ from our estimates based on changes in economic conditions. Such changes could have a substantial impact on the income tax provision. We reevaluate the judgments surrounding our estimates and make adjustments, as appropriate, each reporting period.

Our effective tax rate differs from the U.S. federal statutory income tax rate due to state taxes, foreign tax rate differences, research tax credits, and stock-based compensation.

Realization of our deferred tax assets is dependent primarily on the generation of future taxable income. In considering the need for a valuation allowance, we consider our historical, as well as future projected, taxable income along with other objectively verifiable evidence. Objectively verifiable evidence includes our realization of tax attributes, assessment of tax credits, and utilization of net operating loss carryforwards during the year.

Results of Operations

The following tables set forth our condensed consolidated results of operations data and such data as a percentage of revenue for the periods presented. The period-to-period comparison of results is not necessarily indicative of results for future periods.

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
Revenue	\$ 63,825	\$ 66,701
Cost of revenue ⁽¹⁾	25,588	25,424
Gross profit	38,237	41,277
Operating expenses ⁽¹⁾ :		
Technology and development	8,772	7,960
Sales and marketing	26,799	24,815
General and administrative	14,569	14,027
Total operating expenses	50,140	46,802
Operating loss	(11,903)	(5,525)
Interest income	1,593	2,564
Other income (expense), net	(1,014)	258
Loss before income taxes	(11,324)	(2,703)
Benefit from income taxes	(1,838)	(249)
Net loss	\$ (9,486)	\$ (2,454)

(1) Amounts include stock-based compensation expense before tax benefit as follows:

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
Cost of revenue	\$ 474	\$ 437
Technology and development	1,585	1,441
Sales and marketing	3,463	3,238
General and administrative	4,176	3,995
Total stock-based compensation expense	\$ 9,698	\$ 9,111

	Three Months Ended March 31,	
	2025	2024
	(as percentage of revenue)	
Revenue	100 %	100 %
Cost of revenue	40	38
Gross profit	60	62
Operating expenses:		
Technology and development	14	12
Sales and marketing	42	37
General and administrative	23	21
Total operating expenses	79	70
Operating loss	(19)	(8)
Interest income	2	4
Other income (expense), net	(1)	—
Loss before income taxes	(18)	(4)
Benefit from income taxes	(3)	—
Net loss	(15)%	(4)%

Revenue, Cost of Revenue and Gross Profit

	Three Months Ended March 31,		\$ Change	% Change
	2025	2024		
	(dollars in thousands)			
Revenue	\$ 63,825	\$ 66,701	\$ (2,876)	(4)%
Cost of revenue	25,588	25,424	164	1 %
Gross profit	\$ 38,237	\$ 41,277	\$ (3,040)	(7)%
Gross profit margin	60 %	62 %		

Revenue for the three months ended March 31, 2025 decreased by \$2.9 million, or 4%, compared to the three months ended March 31, 2024. Our revenues were primarily driven by impressions processed on our platform, new revenue streams, and growth in customer relationships. These were negatively impacted by bidding methodology changes implemented by one of our buyers in 2024 resulting in a year over year decline in revenues.

As of March 31, 2025, we served approximately 1,950 publishers and app developers worldwide on our platform, compared to approximately 1,800 publishers and app developers worldwide as of March 31, 2024. For purposes of our publisher count, we aggregate multiple business accounts from separate divisions, segments or subsidiaries into a single “master” publisher based on our assessment of the related nature of the group.

We expect our revenues to be affected by macroeconomic conditions for the remainder of 2025, and will continue to be impacted by the bidding methodology changes implemented by one of our buyers in the near term. The magnitude of these impacts on our future revenues is difficult to predict.

Cost of revenue increased \$0.2 million for the three months ended March 31, 2025 compared to the three months ended March 31, 2024, primarily due to a \$0.5 million increase in depreciation and amortization, offset by a \$0.4 million decrease in personnel costs. Overall, our cost of revenue per million impressions processed for the three months ended March 31, 2025 decreased by approximately 22% compared to the three months ended March 31, 2024.

Our gross margin of 60% for the three months ended March 31, 2025 decreased compared to 62% for the three months ended March 31, 2024 primarily due to a decrease in revenue.

We expect the cost of revenue to be higher in 2025 compared to 2024 in absolute dollars as we continue to expand our capacity to process impressions. Cost of revenue may fluctuate from quarter to quarter and period to period, on an absolute dollar basis and as a percentage of revenue, depending on revenue levels and the volume of transactions we process supporting those revenues, and the timing and amounts of depreciation and amortization of equipment and software.

Technology and Development

	Three Months Ended March 31,		\$ Change	% Change
	2025	2024		
	(dollars in thousands)			
Technology and development	\$ 8,772	\$ 7,960	\$ 812	10 %
Percent of revenue	14 %	12 %		

The increase in technology and development costs for the three months ended March 31, 2025 was primarily due to an increase of \$0.9 million in personnel costs as headcount increased, partially offset by an increase of \$0.2 million related to the capitalization of internal-use software.

We expect technology and development expenses to continue to increase in 2025 compared to 2024 in absolute dollars, primarily due to additional headcount and investment in technological innovation.

Sales and Marketing

	Three Months Ended March 31,		\$ Change	% Change
	2025	2024		
	(dollars in thousands)			
Sales and marketing	\$ 26,799	\$ 24,815	\$ 1,984	8 %
Percent of revenue	42 %	37 %		

Sales and marketing costs for the three months ended March 31, 2025 increased primarily due to a \$0.9 million increase in personnel costs and a \$0.9 million increase in travel and entertainment costs.

We expect sales and marketing expenses to increase in 2025 compared to 2024 in absolute dollars primarily due to additional headcount investments.

General and Administrative

	Three Months Ended March 31,		\$ Change	% Change
	2025	2024		
	(dollars in thousands)			
General and administrative	\$ 14,569	\$ 14,027	\$ 542	4 %
Percent of revenue	23 %	21 %		

General and administrative expense increased for the three months ended March 31, 2025 primarily due to a \$0.4 million increase in personnel costs.

We expect general and administrative expenses to increase in 2025 compared to 2024 in absolute dollars primarily due to employee compensation.

Interest Income

	Three Months Ended March 31,		\$ Change	% Change
	2025	2024		
	(dollars in thousands)			
Interest income	\$ 1,593	\$ 2,564	\$ (971)	(38)%

Interest income decreased for the three months ended March 31, 2025 compared to the prior year period due to a decrease in the Company's interest-bearing securities investments.

Other Income (Expense), net

	Three Months Ended March 31,		\$ Change	% Change
	2025	2024		
	(dollars in thousands)			
Other income (expense), net	\$ (1,014)	\$ 258	\$ (1,272)	(493)%

Other income (expense), net decreased for the three months ended March 31, 2025 due to foreign exchange rate fluctuations.

Provision for (benefit from) Income Taxes

	Three Months Ended March 31,		\$ Change	% Change
	2025	2024		
	(dollars in thousands)			
Benefit from income taxes	\$ (1,838)	\$ (249)	\$ (1,589)	638 %

The difference between the effective tax rate for the three months ended March 31, 2025 of 16% and the federal statutory income tax rate of 21% was related to tax benefits from foreign-derived intangible income (FDII), research tax credits and deductions for equity awards, partially offset by nondeductible stock-based compensation, and Section 162(m) limitation on the tax deductibility of officers' compensation. The effective income tax rate of 9% for the three months ended March 31, 2024 was related to the tax benefit from FDII, research tax credits, and deductions for equity awards, partially offset by nondeductible stock-based compensation and Section 162(m) limitation on the tax deductibility of officers compensation.

Non-GAAP Financial Measures

In addition to our results determined in accordance with U.S. generally accepted accounting principles ("GAAP"), including, in particular, operating loss, net cash provided by operating activities, and net income (loss), we believe that Adjusted EBITDA, a non-GAAP measure, is useful in evaluating our operating performance. We define Adjusted EBITDA as net income (loss) adjusted for stock-based compensation expense, depreciation and amortization, interest income, and provision for (benefit from) income taxes.

The following table presents a reconciliation of Adjusted EBITDA to net loss for each of the periods indicated:

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
Net loss	\$ (9,486)	\$ (2,454)
Add back (deduct):		
Stock-based compensation	9,698	9,111
Depreciation and amortization	11,676	11,212
Interest income	(1,593)	(2,564)
Benefit from income taxes	(1,838)	(249)
Adjusted EBITDA	<u>\$ 8,457</u>	<u>\$ 15,056</u>

Although Adjusted EBITDA is used by many investors and securities analysts in their evaluations of companies, it has limitations as an analytical tool, and should not be considered in isolation or as a substitute for analysis of our results of operations as reported under GAAP. Other companies in our industry may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

Liquidity and Capital Resources

We have financed our operations and capital expenditures primarily through utilization of cash generated from operations as well as sales of equity securities. As of March 31, 2025, we had cash, cash equivalents, and marketable securities of \$144.1 million and net working capital, consisting of current assets less current liabilities, of \$155.1 million.

Our principal uses of cash are funding our operations and other working capital requirements.

We believe our existing cash, cash equivalents, marketable securities and anticipated net cash provided by operating activities, together with available borrowings under our credit facility, will be sufficient to meet our working capital requirements for at least the next 12 months. However, if our operating performance during the next 12 months is below our expectations, our liquidity and ability to operate our business could be adversely affected. Our future capital requirements and the adequacy of available funds will depend on many factors, including those set forth under “Risk Factors” in this report and in our Annual Report on Form 10-K for the year ended December 31, 2024. As of March 31, 2025, our material cash requirements included the contractual commitments set forth under “Contractual Obligations and Future Cash Requirements.”

In February 2023, our board of directors authorized the 2023 Repurchase Program which was to terminate as of December 31, 2024 (as amended, the “2023 Repurchase Program”). In February 2024, our board of directors authorized an additional \$100.0 million for repurchases under the 2023 Repurchase Program, and extended the termination date to December 31, 2024 (the “2024 Repurchase Program Extension”). During the three months ended March 31, 2025, we repurchased 339,000 shares of Class A common stock under the 2023 Repurchase Program for an aggregate purchase price of \$3.6 million. As of March 31, 2025, \$36.8 million remained available for future share repurchases under the 2023 Repurchase Program.

In the future, we may attempt to raise additional capital through the sale of equity securities or through equity-linked or debt financing arrangements. If we raise additional funds by issuing equity or equity-linked securities, the ownership of our existing stockholders will be diluted. If we raise additional financing by incurring additional indebtedness, we may be subject to increased fixed payment obligations and could also be subject to additional restrictive covenants, such as limitations on our ability to incur additional debt, and other operating restrictions that could adversely impact our ability to conduct our business. Any future indebtedness we incur may result in terms that could be unfavorable to equity investors. We cannot guarantee that we will be able to raise additional capital in the future on favorable terms, or at all. Any inability to raise capital could adversely affect our ability to achieve our business objectives.

The global advertising industry experiences seasonal trends that affect the vast majority of participants in the digital advertising ecosystem. Most notably, advertisers have historically spent relatively more in the fourth quarter of the calendar year to coincide with the holiday shopping season, and relatively less in the first quarter. We expect seasonality trends to continue, thereby resulting in seasonality in our revenues and corresponding accounts receivable and accounts payable balances, and our ability to manage our resources in anticipation of these trends will affect our operating results.

Cash Flows

The following table summarizes our cash flows for the periods presented:

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
Net cash provided by operating activities	\$ 15,621	\$ 24,294
Net cash used in investing activities	(10,069)	(3,868)
Net cash used in financing activities	(4,472)	(18,741)
Effect of foreign currency on cash	279	—
Net increase in cash and cash equivalents	\$ 1,359	\$ 1,685

Operating Activities

Our cash flows from operating activities are primarily influenced by growth in our operations, increases or decreases in collections from our buyers and related payments to our publishers, as well as our investment in personnel to support the anticipated growth of our business. Cash flows from operating activities have been affected by changes in our working capital, particularly changes in accounts receivable and accounts payable. The timing of cash receipts from buyers and payments to publishers can significantly impact our cash flows from operating activities. For example, we noted an impact to our operating cash flows for the three months ended March 31, 2025 as a result of shifts in spend from one of our large DSPs. In addition, we expect seasonality to impact quarterly cash flows from operating activities.

For the three months ended March 31, 2025, net cash provided by operating activities of \$15.6 million resulted primarily from adjustments for non-cash expenses of \$17.9 million, including \$11.7 million for depreciation and amortization and \$9.7 million for stock-based compensation, a decrease in accounts receivable of \$75.7 million, a decrease in prepaid expenses and other assets of \$5.7 million, offset by a net loss of \$9.5 million, a decrease in accounts payable of \$62.6 million, and a decrease in accrued liabilities of \$11.3 million.

For the three months ended March 31, 2024, net cash provided by operating activities of \$24.3 million resulted primarily from adjustments for non-cash expenses of \$16.1 million, including \$11.2 million for depreciation and amortization and \$9.1 million for stock-based compensation, a decrease in accounts receivable of \$72.2 million, offset by a net loss of \$2.5 million, a decrease in accounts payable of \$58.4 million, and a decrease in accrued liabilities of \$1.8 million.

Investing Activities

Our investing activities primarily included investments in marketable securities, purchases of equipment as we expanded the infrastructure in our third-party data centers, and capitalized internal-use software costs in support of enhancing our platform. Purchases of property and equipment may vary from period-to-period due to the timing of the expansion of our data centers, the addition of headcount, and the development cycles of our software development. As our business grows, we expect our capital expenditures and our investment activity to continue to increase.

For the three months ended March 31, 2025, we used \$10.1 million in investing activities, consisting of \$1.4 million in purchases of property and equipment (primarily data center infrastructure), and \$6.9 million of investments in capitalized internal-use software, and a net increase in investments of marketable securities of \$1.7 million.

For the three months ended March 31, 2024, we used \$3.9 million in investing activities, consisting of \$0.8 million in purchases of property and equipment (primarily data center infrastructure), and \$7.2 million of investments in capitalized internal-use software, and a net decrease in investments of marketable securities of \$4.2 million.

Financing Activities

For the three months ended March 31, 2025, net cash used in financing activities of \$4.5 million was primarily due to purchases of treasury stock of \$5.0 million, including the prepayment of funds for future purchases of approximately \$1.4 million, offset by proceeds from employee stock option exercises of \$0.6 million.

For the three months ended March 31, 2024, net cash used in financing activities of \$18.7 million was primarily due to purchases of treasury stock of \$17.5 million, including the prepayment of funds for future purchases of approximately \$1.8 million, and payment of a business combination indemnification holdback of \$2.1 million, offset by proceeds from employee stock option exercises of \$0.9 million.

Contractual Obligations and Future Cash Requirements

Our principal contractual obligations consist of non-cancelable leases for our various facilities. In certain cases, the terms of the lease agreements provide for rental payments that increase over time.

There were no material changes to our contractual obligations disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

As of March 31, 2025, we had \$5.3 million of long-term income tax liabilities, including interest, related to uncertain tax positions. Because of the high degree of uncertainty regarding the settlement of these liabilities, we are unable to estimate the years in which future cash outflows may occur.

Critical Accounting Policies and Estimates

We prepare our condensed consolidated financial statements in accordance with GAAP. The preparation of the condensed consolidated financial statements requires us to make estimates and assumptions that affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and reported amounts of revenue and expenses. We evaluate our estimates and assumptions on an ongoing basis using historical experience and other factors, and adjust those estimates and assumptions when facts and circumstances dictate. Actual results could materially differ from these estimates and assumptions.

There have been no material changes to our critical accounting policies and estimates as compared to the critical accounting policies and estimates described in our Management's Discussion and Analysis of Financial Condition and Results of Operations, included in our Annual Report on Form 10-K for the year ended December 31, 2024.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to certain market risks in the ordinary course of our business. These risks primarily include:

Interest Rate Risk

We had cash and cash equivalents of \$101.8 million and marketable securities of \$42.3 million as of March 31, 2025, which consisted of bank deposits, money market accounts, time deposits, commercial paper, U.S. Treasury and government debt securities. The primary objective of our investment activities is to preserve principal while maximizing income without significantly increasing risk. Because our cash, cash equivalents, and marketable securities have a relatively short maturity, our portfolio's fair value is relatively insensitive to interest rate changes. Our line of credit is at variable interest rates. We had no amounts outstanding under our credit facility as of March 31, 2025. We do not believe that an increase or decrease in interest rates of 100 basis points would have a material effect on our operating results or financial condition. In future periods, we will continue to evaluate our investment policy relative to our overall objectives.

Currency Exchange Risk

Our condensed consolidated results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates. Historically, the majority of our revenue contracts have been denominated in U.S. Dollars. Our expenses are generally denominated in the currencies in which our operations are located, primarily the U.S. Dollar, Indian Rupee and British Pound. To date, we have not entered into any hedging arrangements with respect to foreign currency risk or other derivative instruments. In the event our foreign sales and expenses increase, our operating results may be more greatly affected by foreign currency exchange rate fluctuations, which can affect our operating income. A hypothetical 10% change in the U.S. Dollar to India Rupee exchange rate could result in a change of \$0.6 million in our operating loss for the three months ended March 31, 2025. A hypothetical 10% change in the U.S. Dollar to British Pound exchange rate could result in a change of \$0.5 million in our operating loss for the three months ended March 31, 2025.

Inflation Risk

We do not believe that inflation has had a material effect on our business, results of operations, or financial condition. If our costs were to become subject to significant inflationary pressures, for example in India, we might not be able to fully offset such higher costs through price increases. Our inability or failure to do so could adversely affect our business, results of operations, and financial condition.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of March 31, 2025. Based on such evaluation, our principal executive officer and principal financial officer have concluded that, as of such date, our disclosure controls and procedures were effective at a reasonable assurance level.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(d) and 15d-15(d) under the Exchange Act) that occurred during the quarter ended March 31, 2025 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls and Procedures

Our management, including our principal executive officer and principal financial officer, do not expect that our disclosure controls or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are 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 and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we may become involved in legal or regulatory proceedings, lawsuits and other claims arising in the ordinary course of our business. In view of the inherent difficulty of predicting the outcome of such matters, we cannot state what the eventual outcome of such matters will be. However, based on our knowledge, we are not presently a party to any legal proceedings that, in the opinion of our management, would individually or taken together have a material adverse effect on our business, operating results, financial condition, or cash flows. Regardless of outcome, litigation can have an adverse impact on us due to defense and settlement costs, diversion of management resources, negative publicity and reputational harm, and other factors. For additional information, see Note 8, "Commitments and Contingencies," to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

ITEM 1A. RISK FACTORS

Investing in our common stock involves a high degree of risk. The Company's business, operations, financial results, and our stock price can be affected by a number of factors, whether currently known or unknown, including those described in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024. When any one or more of these risks materialize from time to time, such developments could adversely affect our business, financial condition, results of operations, cash flows, and the trading price of our stock. Below are material changes to our risk factors since our Annual Report on Form 10-K for the year ended December 31, 2024.

Risks Related to Our Business, Results of Operations and Growth

Our revenue and results of operations are highly dependent on the overall demand for advertising.

Our business depends on the overall demand for advertising and on the economic health of our current and prospective publishers and buyers. In recent years, macroeconomic factors such as general economic volatility, recessionary fears, inflation, volatile interest rates and softening demand in certain verticals caused some advertisers to reduce their advertising budgets. Such macroeconomic factors, as well as broader economic downturns, recessions, transnational trade wars or disruptions, inflation, further volatility in interest rates or foreign exchange rates or any supply chain disruptions, changes in the tax treatment of advertising expenses, or general financial uncertainty in North America, Europe, and Asia, where we do most of our business; could adversely affect our business, results of operations, and financial condition. In addition, the conflict in Ukraine and the resumption of the conflict in Israel could cause unpredictable economic effects in Europe and EMEA, including potentially softening general consumer demand. Such conflicts may increase costs of labor and other items impacting our cost of revenue, and these factors and potential others may do so in the future. Reductions in overall advertising spending due to these factors or other factors could make it difficult to predict our revenue and could adversely affect our business, results of operations, and financial condition.

Our results of operations may fluctuate significantly and may not meet our expectations or those of securities analysts and investors.

We operate in an evolving industry with ever-changing customer needs and behavior, and, as a result, our business has evolved over time such that our operating history makes it difficult to evaluate our business and future prospects. Our results of operations have fluctuated in the past, and future results of operations are likely to fluctuate as well. Although we have experienced prolonged revenue growth, we may not be able to sustain this growth rate, current revenue levels, or profitability. In addition, because our business is evolving, our historical results of operations may be of limited utility in assessing our future prospects. We expect to face challenges, risks, and difficulties frequently experienced by growing companies in rapidly developing industries, including those relating to:

- changes in demand and pricing for ad impressions sold on our platform;
- changes in our access to valuable ad impressions from publishers;
- responding to evolving industry standards and government regulations that impact our business, particularly in the areas of data protection and consumer privacy;
- developing, maintaining, and expanding relationships with publishers, DSPs, agencies, advertisers, and buyers;
- seasonality in our business;
- changes in demand due to real or perceived economic stagnation or recession in certain markets;

- innovating and developing new solutions that are adopted by and meet the needs of publishers, DSPs, agencies, advertisers, and buyers;
- competing against companies with a larger customer base or greater financial or technical resources;
- changes in the structure of the buying and selling of ad impressions;
- changes in the pricing policies of publishers and competitors;
- changes in the bidding behavior of buyers of ad impressions;
- changes in demand due to changes in macroeconomic environment, including as a result of an economic downturn, recession, inflation, volatility in interest rates or foreign exchange rates, disruptions to supply chains, disruptions to global trade, or otherwise;
- further expanding our business internationally; and
- recruiting, integrating, and retaining qualified and motivated employees, particularly engineers.

Any one or more of the factors above may result in significant fluctuations in our results of operations. You should not rely on our past results as an indicator of our future performance.

Risk Related to our Operations

We cannot guarantee that our share repurchase program will be fully consummated or that it will enhance long-term stockholder value. Share repurchases could also increase the volatility of the trading price of our stock and diminish our cash reserves.

In February 2023, our board of directors authorized and approved a program pursuant to which we could repurchase up to \$75.0 million in aggregate of shares of our Class A common stock, with the authorization to expire on December 31, 2024 (as amended, the “2023 Repurchase Program”). On February 22, 2024, our board of directors authorized an increase and extension to the 2023 Repurchase Program from \$75.0 million to \$175.0 million through December 31, 2025. On May 7, 2025, our board of directors authorized a further increase and extension to the 2023 Repurchase Program, increasing the total amount authorized for repurchase from \$175.0 million to \$275.0 million and extending the 2023 Repurchase Program through December 31, 2026 (the “2025 Repurchase Program Extension”). As of March 31, 2025, we have repurchased approximately \$138.2 million of our Class A common stock in aggregate under the 2023 Repurchase Program. Although our board of directors authorized the 2025 Repurchase Program Extension, the program does not obligate us to repurchase any specific dollar amount or to acquire any specific number of shares of our Class A common stock. The actual timing and amount of repurchases remain subject to a variety of factors, including stock price, trading volume, market conditions and other general business considerations, all of which may be negatively impacted by macroeconomic conditions and factors, including, for example, volatile interest rates, inflation, and geopolitical uncertainty. The 2023 Repurchase Program may be modified, suspended, or terminated at any time, and we cannot guarantee that the 2023 Repurchase Program will be fully consummated or that it will enhance long-term stockholder value. The program could affect the trading price of our Class A common stock, increase volatility and diminish our cash and cash equivalents and marketable securities, and any announcement of a termination of this program may result in a decrease in the trading price of our stock.

Risks Related to Regulations

We are subject to constantly evolving laws, regulations and industry requirements related to data privacy, data protection, information security, and consumer protection across the markets we operate in.

We receive, store, and process data about or related to consumers in addition to publisher, buyer, partner, employee, and services provider or vendor data. Our handling of this data is subject to numerous federal, state, and foreign laws and regulations that are constantly evolving and not always consistent across jurisdictions. We are also subject to regulation by various governmental authorities in addition to federal and state regulations. Our data handling is further subject to contractual obligations and may be deemed to be subject to industry standards and trade associations.

The U.S. federal government and various state and foreign governments have adopted or proposed limitations on the collection, distribution, use, and storage of data relating to individuals, including the use of contact information, precise geolocation information, and other data for marketing, advertising and other communications with individuals and businesses. In the United States, various laws and regulations apply to the collection, processing, disclosure, and security of certain types of data. Additionally, the U.S. Federal Trade Commission and many state attorneys general are interpreting federal and state consumer protection laws as imposing standards for the online collection, use, dissemination, and security of data. These regulatory regimes are constantly evolving and not always interpreted in a consistent manner. If we fail to comply with any such laws or regulations, we may be subject to enforcement actions that may not only expose us to litigation, fines, and civil and/or criminal penalties, but also require us to change our business practices, each of which could adversely affect our business, results of operations, and financial condition.

The regulatory framework for data privacy worldwide is evolving and is likely to remain uncertain for the foreseeable future. The occurrence of unanticipated events often rapidly drives the adoption of legislation or regulation affecting the use, collection, or other processing of data and manners in which we conduct our business. Restrictions have been placed upon the collection, management, aggregation, transfer, and use of information, and compliance with those restrictions may require us to change how we collect, manage, aggregate, transfer, and use data in the future, which could result in a material increase in the cost of collecting or otherwise obtaining certain kinds of data. These restrictions could further limit the ways in which we may use or disclose information or may require us to make changes to our offerings, which could adversely affect our business, results of operations, and financial condition. In particular, interest-based advertising, or the use of data to draw inferences about a user's interests and deliver relevant advertising to that user, and similar or related practices (sometimes referred to as behavioral advertising or personalized advertising), such as cross-device data collection and aggregation, have come under increasing scrutiny by legislative, regulatory, and self-regulatory bodies in the United States and abroad that focus on consumer protection or data privacy. In addition, the steps taken by companies to de-identify personal data, to use and distribute the resulting data, including for purposes of personalization and the targeting of advertisements, have also been a frequent target of scrutiny by these authorities. Much of the related regulatory activity has focused on the use of cookies and other technology to collect information about Internet users' online browsing activity on web browsers, mobile devices, and other devices, to associate such data with user or mobile advertising identifiers or de-identified identities across devices and channels. There is also increased regulatory focus on the use of geolocation data that aims to limit what can be collected, what kind of consent may be required with respect to the same, and how such data may be used, exchanged, or disclosed to others.

In addition to governmental authorities, providers of Internet browsers maintain significant control over cookies and similar technologies and the data collected using such technologies. Because we, and our customers, rely upon large volumes of such data collected primarily through cookies and similar technologies, it is possible that these providers could have a substantial impact on our ability to collect and use data from Internet users. It is essential that we engage in responsible privacy practices, including providing consumers with notice of the types of data we collect and how we use that data to provide our services.

In the United States, the U.S. Congress and state legislatures, along with federal regulatory authorities, have increased their attention on matters concerning the collection and use of consumer data. In the United States, non-sensitive consumer data generally may be used under current rules and regulations, subject to certain restrictions, so long as the person does not affirmatively "opt-out" of the collection or use of such data. If an "opt-in" model or other more restrictive regulations were to be adopted in the United States, less data would be available, and the cost of data would be higher. It is uncertain what steps the second Trump Administration in the United States may take to expand, curtail, or alter the current federal regulatory regime in which we operate.

California enacted the California Consumer Privacy Act (as amended, "CCPA") which took effect in January 2020. The CCPA created individual privacy rights for California residents, including rights of deletion and access, and increased the privacy and security obligations of businesses handling personal data. The CCPA is also still enforceable by the California Attorney General, and there is a CCPA private right of action relating to certain data security incidents. The CCPA generally requires covered businesses to, among other things, provide disclosures to California consumers regarding the collection, use and disclosure of their personal data. The CCPA also affords California consumers the ability to opt-out of certain sales of personal data, a concept that is defined broadly and is subject to evolving regulations promulgated initially by the California Attorney General, and now the California Privacy Protection Agency ("CPPA"), a newly created agency charged with CCPA rulemaking and enforcement.

CCPA amendments have also imposed additional data protection obligations on companies doing business in California, including additional consumer rights processes and opt-outs for certain uses of sensitive data and “sharing” of personal data for cross-context behavioral advertising. The effects of the CCPA, including from expected but not yet promulgated regulations, are potentially significant and may require us to modify our data collection or processing practices and policies and to incur substantial costs and expenses in an effort to comply, which will increase our potential exposure to regulatory enforcement and/or litigation. Decreased availability and increased costs of information due to implementing the CCPA, could adversely affect our ability to meet our customers’ requirements and could have an adverse effect on our business, results of operations, and financial condition.

In addition to regulations under the CCPA, the California Privacy Protection Agency have also promulgated regulations as a result of the California Delete Act, which applies to those entities defined as ‘data brokers’ under the CCPA amendments. The Delete Act requires the CPPA to establish an accessible data deletion mechanism by January 1, 2026, to allow California consumers to submit a single verifiable consumer request to delete their data across all data brokers. By providing an opportunity for mass data subject requests, the Delete Act imposes compliance and operational costs and has the potential to limit the availability of personal data that PubMatic may utilize for targeted advertising.

The California Invasion of Privacy Act (as amended, “CIPA”) has become the basis for a growing number of lawsuits against digital advertising companies. Plaintiffs have argued that CIPA prohibits certain forms of interception of communications and the use of pen registers or similar tracking devices without the consent of all parties to the communication. Plaintiffs in several recent cases have alleged that adtech intermediaries—including supply side platforms (SSPs)—have violated CIPA by participating in the interception of communications between consumers and websites through the use of tracking pixels, cookies, session replay scripts, or real-time bidding signals. Although we believe our practices comply with applicable laws, the legal framework surrounding CIPA is unsettled and continues to evolve through litigation and courts have issued conflicting decisions regarding the scope of CIPA’s application to modern internet technologies. Should plaintiffs successfully argue that our participation in the adtech ecosystem constitutes a violation of CIPA, we could be subject to significant statutory damages costly litigation, injunctions, or other regulatory actions. Even unmeritorious claims can result in substantial legal expenses and divert management attention. If similar claims are adopted by courts in other jurisdictions, or if regulators issue adverse guidance interpreting these practices as unlawful under CIPA or other statutes, our exposure could increase and our business, results of operations, and financial condition could be adversely affected.

The CCPA has encouraged “copycat” laws in other states across the country. Following California’s lead, over a third of other U.S. states have enacted comprehensive consumer privacy laws as well as privacy laws targeted at specific industries or types of data, and at data brokers specifically. Numerous other states have or are in the process of passing their own privacy or privacy-adjacent laws. Compliance with new privacy legislation adds complexity and may require investment in additional resources for compliance programs, thus potentially resulting in additional costs and expense of resources to maintain compliance. We cannot yet fully predict the impact of such state laws or subsequent guidance on our business or operations, but it may require us to further modify our data processing practices and policies and to incur substantial costs and expenses in an effort to comply, including the opportunity cost of devoting resources to developing compliance solutions over expanded platform capabilities. New and proposed legislation has added and may in the future add additional complexity, variation in requirements, restrictions, and potential legal risk, require additional investment in resources to compliance programs, and could impact strategies and availability of previously useful data and could result in increased compliance costs and/or changes in business practices and policies. In some cases, different regulatory regimes may interpret certain practices differently, and there may be contradiction among the regimes in which we operate. Although proposals are regularly introduced in Congress, it remains to be seen whether the U.S. will implement comprehensive federal consumer privacy legislation.

In Europe, the GDPR took effect on May 25, 2018, and applies to products and services that we provide in Europe, as well as the processing of personal data of European Union (“EU”) citizens, wherever that processing occurs. The United Kingdom (“U.K.”) implemented the Data Protection Act, effective May 2018, and statutorily amended it in 2019 to contain provisions, including its own derogations, for how GDPR is applied in the U.K. post-Brexit (the “UK GDPR”). The GDPR includes operational requirements for companies that receive or process personal data of residents of the EU. For example, we are required to offer consent mechanisms to data subjects in Europe before processing data for certain aspects of our service. Failure to comply with GDPR may result in significant penalties for non-compliance of up to the greater of €20 million (£17.5 million in the U.K.) or 4% of an enterprise’s global annual revenue. In addition to the foregoing, a breach of the GDPR could result in regulatory investigations, reputational damage, orders to cease/ change our processing of our data, enforcement notices, and/ or assessment notices (for a compulsory audit). We may also face civil claims including representative actions and other class action type litigation (where individuals have suffered harm), potentially amounting to significant compensation or damages liabilities, as well as associated costs, diversion of internal resources, and reputational harm.

Further, European regulators continue to be focused on compliance with requirements in the online behavioral advertising ecosystem and enforcing national laws that implement the ePrivacy Directive (commonly called the “Cookie Directive”) in those ecosystems. European court decisions and regulators’ recent guidance continue to drive increased attention to cookies and tracking technologies. As regulators start to enforce a stricter approach (which has already begun to occur in Germany, where data protection authorities have initiated a probe on third-party cookies), this could lead to substantial costs, require significant systems changes, limit the effectiveness of our marketing activities, divert the attention of our technology personnel, adversely affect our margins, increase costs, and subject us to additional liabilities.

IAB Europe previously collaborated with the digital advertising industry to create a user-facing framework (the Transparency and Consent Framework, or “TCF”) for establishing and managing legal bases under the GDPR and other U.K. and EU privacy laws including the ePrivacy Directive. In February 2022, the Belgian Data Protection Authority (“DPA”) issued an order against IAB Europe that imposes specific remedies on IAB Europe and its operation of TCF. IAB Europe appealed the Belgian DPA’s decision, and the Belgian Market Court issued an interim ruling on the appeal and referred preliminary questions to the CJEU for guidance. IAB Europe subsequently issued an updated version of the TCF, and following the CJEU’s March 2024 ruling, the appeal remains in the Belgian Market Court on the substantive questions posed.

In addition, some countries, including India, Brazil, Thailand, and Japan, are considering or have passed legislation implementing data protection requirements or requiring local storage and processing of data or similar requirements that could increase the cost and complexity of delivering our services or force us to change business practices to conform to local law. The U.S. federal government has additionally added restrictions on the flow of certain data to China and other so called “countries of concern” which has the potential to limit with whom we may partner or the data we are able to share with certain partners. Any failure to achieve required data protection standards (which are not currently clear when applied to the online advertising ecosystem) may result in lawsuits, regulatory fines, or other actions or liability, all of which may harm our results of operations and revenue opportunities. Because the interpretation and application of privacy and data protection laws, such as the CCPA and GDPR, and their related regulations and standards, are potentially uncertain and may be different across jurisdictions, it is possible that these laws, regulations and standards may be interpreted and applied in manners that are, or are asserted to be, inconsistent with our data management practices or the technological features of our solutions.

We are also subject to laws and regulations that dictate whether, how, and under what circumstances we can transfer, process and/or receive certain data that is critical to our operations, including data shared between countries or regions in which we operate, and data shared among our products and services.

We are also subject to regulation with respect to political advertising activities, which are governed by various federal and state laws in the United States, and national and provincial laws worldwide. Online political advertising laws are rapidly evolving, and our publishers may impose restrictions on receiving political advertising, especially in light of recent elections both in the United States and in foreign jurisdictions. The lack of uniformity and increasing compliance requirements around political advertising may adversely impact the amount of political advertising spent through our platform, increase our operating and compliance costs, and subject us to potential liability from regulatory agencies.

The collection and processing of health-related data presents heightened compliance risks due to the broad and ambiguous language of emerging privacy laws such as Washington’s My Health My Data Act (“MHMD”) and the Nevada Consumer Health Data Law. These laws expand the definition of “consumer health data” far beyond traditional medical information, potentially encompassing data points that are commonly used in digital advertising, such as location data, app usage, and browsing history when linked to health-related interests. Unlike HIPAA, which applies to specific entities such as healthcare providers, these new state laws cast a wider net, creating uncertainty around what constitutes health data and how it must be handled. Compliance obligations, including obtaining explicit consumer consent, offering broad deletion rights, and imposing strict contractual restrictions on data sharing, introduce operational complexity and potential liability for companies such as ours. Additionally, these laws contain private rights of action, exposing businesses to costly class action lawsuits even in cases where health-related data is inadvertently inferred rather than explicitly collected. As enforcement of these regulations ramps up, our company must continuously assess and adapt our data practices to mitigate risk, which may require limiting certain data-driven advertising use cases or investing in additional compliance infrastructure, impacting operational efficiency and revenue opportunities.

In addition to government regulation, privacy advocacy and industry groups may propose new and different self-regulatory standards that either legally or contractually apply to us or our customers. We are members of self-regulatory bodies that impose additional requirements related to the collection, use, and disclosure of consumer data. Under the requirements of these self-regulatory bodies, in addition to other compliance obligations, we are obligated to provide consumers with notice about our use of cookies and other technologies to collect consumer data and of our collection and use of consumer data for certain purposes, and to provide consumers with certain choices relating to the use of consumer data. Some of these self-regulatory bodies have the ability to discipline members or participants, which could result in fines, penalties, and/or public censure (which could in turn cause reputational harm) being imposed on us. Additionally, some of these self-regulatory bodies might refer violations of their requirements to the U.S. Federal Trade Commission or other regulatory bodies. If we were to be found responsible for such a violation, it could adversely affect our reputation, as well as our business, results of operations, and financial condition.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES, USE OF PROCEEDS, AND ISSUER PURCHASE OF EQUITY SECURITIES

The following table provides information about our repurchases of our Class A common stock during the three months ended March 31, 2025:

Period	Total Number of Shares Purchased	Average Price Paid Per Share ⁽²⁾	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽¹⁾	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs ⁽¹⁾
January 1, 2025 – January 31, 2025	—	\$ —	—	\$ 40,400,785
February 1, 2025 – February 28, 2025	—	\$ —	—	\$ 40,400,785
March 1, 2025 – March 31, 2025	339,000	\$ 10.66	339,000	\$ 36,787,667
Total	339,000		339,000	

The amounts above do not include the 1% excise tax on stock repurchases enacted by the Inflation Reduction Act of 2022.

(1) On February 28, 2023, we announced the authorization of a share repurchase program for the repurchase of shares of our Class A common stock in an aggregate amount of up to \$75 million through December 31, 2024. On February 22, 2024, we announced the authorization of an additional \$100 million under our share repurchase program for the repurchase of shares of our Class A common stock through December 31, 2025.

(2) Average price paid per share includes costs associated with the repurchases.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION**(c) Trading Plans**

In the first quarter of 2025, the following trading plans were adopted or terminated:

Name	Title	Action	Date	Trading Arrangement		Total Shares to be Sold	Expiration Date
				Rule 10b5-1*	Non-Rule 10b5-1**		
Rajeev Goel	Chief Executive Officer	Adopted	3/2/2025	X ⁽¹⁾		1,100,000	6/12/2026
Mukul Kumar	President, Engineering	Adopted	3/5/2025	X ⁽¹⁾		104,000	7/17/2026

* Intended to satisfy the affirmative defense of Rule 10b5-1(c).

** Not intended to satisfy the affirmative defense of Rule 10b5-1(c).

(1) The 10b5-1 plan included a representation from the officer to the broker administering the plan that they were not in possession of any material nonpublic information regarding the Company or the securities subject to the plan. A similar representation was made to the Company in connection with the adoption of the plan under the Company's insider trading policy. Those representations were made as of the date of adoption of the 10b5-1 plan, and speak only as of that date. In making those representations, there is no assurance with respect to any material non-public information of which the officer was unaware, or with respect to any material non-public information acquired by the officer or the Company after the date of the representation.

ITEM 6. EXHIBITS

Exhibit Number	Description of Document	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
31.1	Certification of Chief Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Chief Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2*	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101.INS	Inline XBRL Instance Document — the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					X

* The information in this exhibit is furnished and deemed not filed with the Securities and Exchange Commission for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and is not to be incorporated by reference into any filing of PubMatic, Inc. under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Dated: May 8, 2025

PUBMATIC, INC.

By: /s/ Steven Pantelick
Steven Pantelick
Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION OF CHIEF 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, Rajeev K. Goel, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of PubMatic, Inc.;
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 (the registrant's fourth fiscal quarter in the case of an annual report) 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.

Dated: May 8, 2025

By: /s/ Rajeev K. Goel
Rajeev K. Goel
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION OF CHIEF 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, Steven Pantelick, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of PubMatic, Inc.;
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 (the registrant's fourth fiscal quarter in the case of an annual report) 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.

Dated: May 8, 2025

By: /s/ Steven Pantelick
Steven Pantelick
Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Rajeev K. Goel, Chief Executive Officer of PubMatic, Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended March 31, 2025 (the "Report") 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.

Dated: May 8, 2025

By: /s/ Rajeev K. Goel
Rajeev K. Goel
Chief Executive Officer
(Principal Executive Officer)

The foregoing certification is not deemed filed with the Securities and Exchange Commission for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is not to be incorporated by reference into any filing of PubMatic, Inc. under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Steven Pantelick, Chief Financial Officer of PubMatic, Inc. (the “Company”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended March 31, 2025 (the “Report”) 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.

Dated: May 8, 2025

By: /s/ Steven Pantelick
Steven Pantelick
Chief Financial Officer
(Principal Financial Officer)

The foregoing certification is not deemed filed with the Securities and Exchange Commission for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and is not to be incorporated by reference into any filing of PubMatic, Inc. under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filing.