



The Global Exchange For Advertising

April 2018

Safe Harbor

Forward-Looking Statements

This presentation includes, and management's answers to questions during the conference call may include, forward-looking statements, including statements based upon or relating to our expectations, assumptions, estimates, and projections. In some cases, you can identify forward-looking statements by terms such as "may," "might," "will," "objective," "intend," "should," "could," "can," "would," "expect," "believe," "design," "anticipate," "estimate," "predict," "potential," "plan" or the negative of these terms, and similar expressions. Forward-looking statements may include, but are not limited to, statements concerning our anticipated financial performance, including, without limitation, revenue, advertising spend, non-GAAP net revenue, profitability, net income (loss), Adjusted EBITDA, earnings per share, and cash flow; strategic objectives, including focus on header bidding, mobile, video, and private marketplace opportunities; investments in our business; development of our technology; introduction of new offerings; the impact of our acquisition of nToggle and its traffic shaping technology on our business; the effects of our cost reduction initiatives; scope and duration of client relationships; the fees we may charge in the future; business mix and expansion of our mobile, video, and private marketplace offerings; sales growth; client utilization of our offerings; our competitive differentiation; our market share and leadership position in the industry; market conditions, trends, and opportunities; user reach; certain statements regarding future operational performance measures including ad requests, fill rate, paid impressions, average CPM, take rate, and advertising spend; and factors that could affect these and other aspects of our business. These statements are not guarantees of future performance; they reflect our current views with respect to future events and are based on assumptions and estimates and subject to known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from expectations or results projected or implied by forward-looking statements. These risks include, but are not limited to: our ability to grow rapidly and to manage any growth effectively, including in our mobile, video, PMP, header bidding, and buyer businesses; our ability to develop innovative new technologies and remain a market leader; our ability to attract and retain buyers and sellers and increase our business with them; our vulnerability to loss of, or reduction in spending by, buyers; our ability to maintain and grow a supply of advertising inventory from sellers; the effect on the advertising market and our business from difficult economic conditions; the freedom of buyers and sellers to direct their spending and inventory to competing sources of inventory and demand; our ability to use our solution to purchase and sell higher value advertising and to expand the use of our solution by buyers and sellers utilizing evolving digital media platforms; our ability to introduce new offerings and bring them to market in a timely manner in response to client demands and industry trends, including shifts in digital advertising growth from display to mobile channels; the increased prevalence of header bidding and its effect on our competitive position; uncertainty of our estimates and expectations associated with new offerings, including header bidding, private marketplace, mobile, video, and guaranteed audience solutions, and traffic shaping; declining fees and take rate, and the need to grow through advertising spend increases rather than fee increases; our ability to compensate for a reduced take rate by increasing the volume and/or value of transactions on our platform; our vulnerability to the depletion of our cash resources as revenue declines with the reduction in our take rate and as we incur additional investments in technology required to support the increased volume of transactions on our exchange; our ability to support our growth objectives with reduced resources resulting from our cost reduction initiatives; our ability to raise additional capital if needed and/or to renew our working capital line of credit; our limited operating history and history of losses; our ability to continue to expand into new geographic markets; our ability to adapt effectively to shifts in digital advertising to mobile and video channels; increased prevalence of ad blocking technologies; the slowing growth rate of online digital display advertising; the growing percentage of online and mobile advertising spending captured by owned and operated sites (such as Facebook and Google); the effects, including loss of market share, of increased competition in our market and increasing concentration of advertising spending, including mobile spending, in a small number of very large competitors; acts of competitors and other third parties that can adversely affect our business; our ability to differentiate our offerings, and compete effectively in a market trending increasingly toward commodification, transparency, and disintermediation; requests from buyers and sellers for discounts, fee concessions or revisions, rebates, refunds, and greater levels of pricing transparency and specificity; potential adverse effects of malicious activity such as fraudulent inventory and malware; the effects of seasonal trends on our results of operations; costs associated with defending intellectual property infringement and other claims; our ability to attract and retain qualified employees and key personnel; our ability to identify future acquisitions of or investments in complementary companies or technologies and our ability to consummate the acquisitions and integrate such companies or technologies; and our ability to comply with, and the effect on our business of, evolving legal standards and regulations, particularly concerning data protection and consumer privacy and evolving labor standards. We discuss many of these risks and additional factors that could cause actual results to differ materially from those anticipated by our forward-looking statements under the headings "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations," and elsewhere in filings we have made and will make from time to time with the Securities and Exchange Commission, or SEC, including in our Annual Report on Form 10-K for the year ended December 31, 2017 and Quarterly Reports on Form 10-Q for 2018. These forward-looking statements represent our estimates and assumptions only as of the date they are made. Unless required by federal securities laws, we assume no obligation to update any of these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated, to reflect circumstances or events that occur after the statements are made. Without limiting the foregoing, any guidance we may provide will generally be given only in connection with quarterly and annual earnings announcements, without interim updates, and we may appear at industry conferences or make other public statements without disclosing material nonpublic information in our possession. Given these uncertainties, investors should not place undue reliance on these forward-looking statements. Investors should read this press release and the documents that we reference in this press release and have filed or will file with the SEC completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

Rubicon Project (NYSE: RUBI)

- The independent global exchange for advertising
- Headquartered in Los Angeles
- 400+ employees
- Operating in 30+ markets globally



What's New

- **Double digit** year-over-year ad spend growth since early February 2018
- Q4 2017 amounts paid to sellers **up 5%** year over year
- Take rate **stable to up** since November 1, 2017 elimination of buyer fees
- **\$44 mil** or **23%** annual cost structure reduction on 3/14/18
- Expect to be **adjusted EBITDA positive** in **Q4 2018**

Topics

OUR INDUSTRY HAS CHANGED

WHO WE ARE NOW

OUR STRATEGY

FOCUS AREAS

REVIEW OF FINANCIALS

Industry Stages



- Exclusive supply
- Waterfall / black box
- Few competitors
- Supply driven
- Price stability

- Duplicate supply
- Header bidding
- Fierce competition
- Demand driven
- Price sensitive

- Efficient supply
- Header bidding
- Consolidation
- Value driven
- Rational & transparent

Our Business: Matching Buyers & Sellers

PUBLISHERS & APP DEVELOPERS WANT

To drive revenue for all impressions, by leveraging turnkey access to billions of dollars of demand, and provide a quality experience for those accessing content

ADVERTISERS WANT

To safely reach high quality audiences at scale, across devices no matter where they engage

1,300+ MEDIA COMPANIES WITH **>1** MILLION WEBSITES & 60,000 APPS



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PROJECT

FASTLANE
PREBID.JS
SDK
xAPI
TAGS

Helping advertisers efficiently and effectively find consumers wherever and whenever they access technology

We do this through a variety of integrations across any format on any device in an automated fashion to reach
~1,000,000,000 consumers

ORDERS
RTB
TAGS

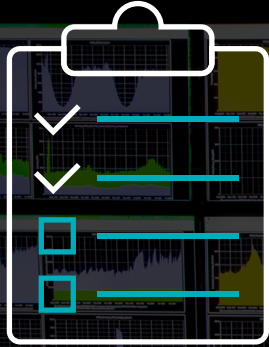


CONNECT WITH **900,000+** BRANDS, AGENCIES & DSPS



Who We Are Now

Our Advantages



**Offer Broadest
Inventory with...**



**Best Team &
Best Tech at...**

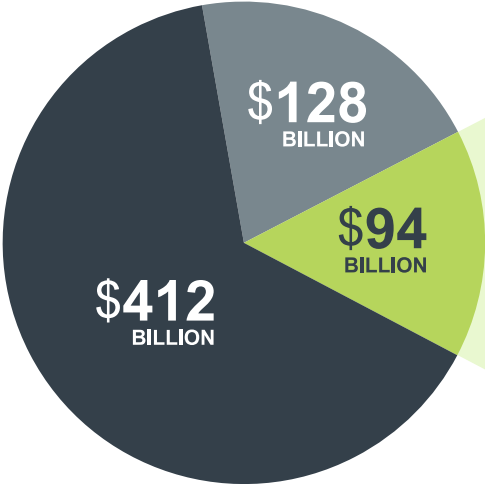


**Lowest
Overall Cost
makes...**

= RUBICON PROJECT *the leading exchange*

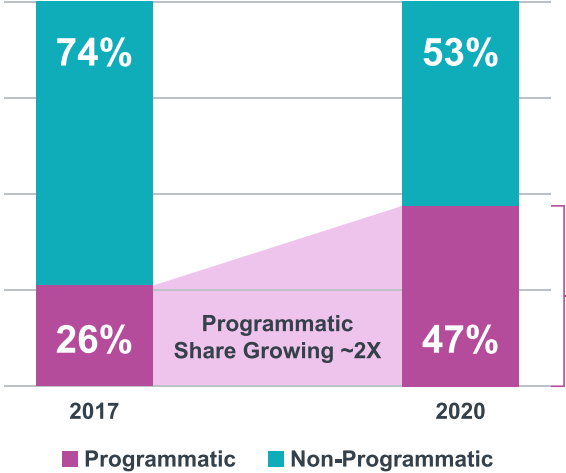
Growing Ad Market

2017 Global Ad Spend ⁽¹⁾



- Digital Display, Video Ad Spend
- Non-Digital Ad Spend
- Digital Search / Classifieds / Other

Global Digital Ad Spend —
Programmatic vs. Non-Programmatic ⁽¹⁾

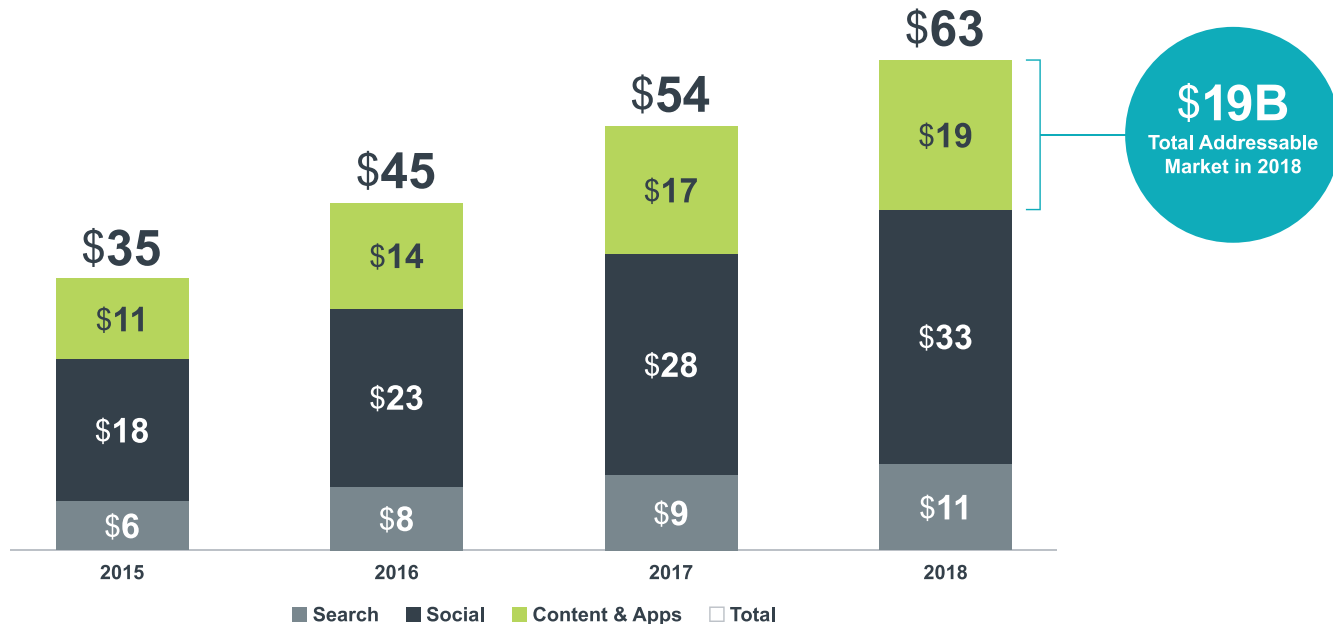


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PROJECT
TAM

⁽¹⁾ IDC Worldwide Digital Advertising Market Model Dec 2016

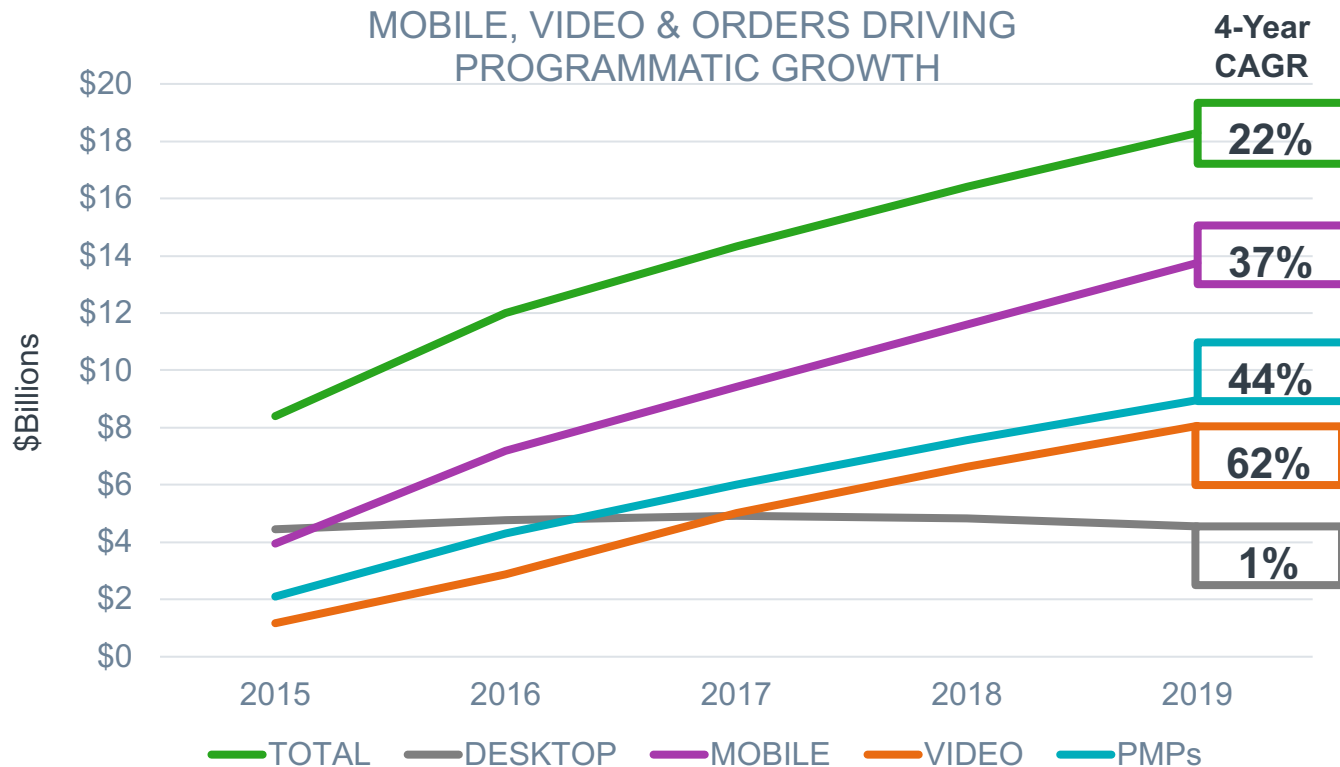
Opportunity: \$19B Addressable Market

Attractive Growth in Content & Application Ad Spending (\$B)



Data from Wall Street Research and Technavio

Well Positioned In Highest Growth Segments



Source: 2017 eMarketer US RTB Digital Ad Spending by segment report

Our Strategy

Our Strategy

- Broadest Inventory – Efficient to Access
- Committed to Being Low Cost Provider
- Transparency & Choice
- Inventory Quality and Brand Safety

Playing Offense Again

Focus Areas

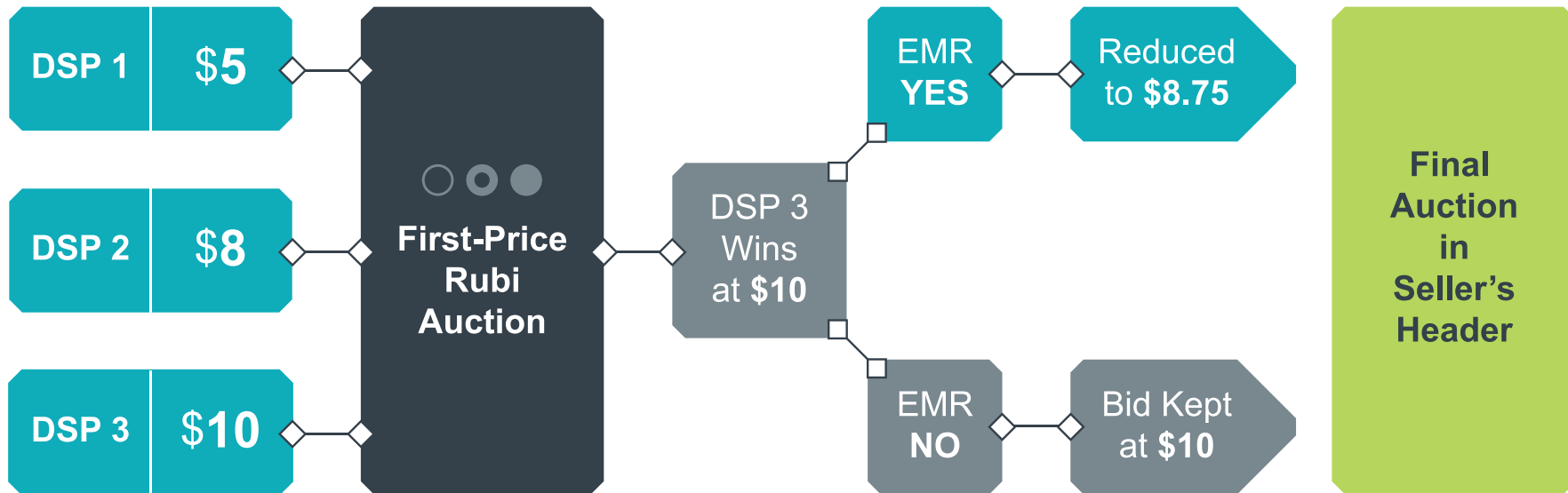
Introducing Estimated Market Rate (EMR)

- EMR seeks to reduce first-price bids with minimal adverse win rate impact
- Designed to help buyers compete in a first-price environment
- Preserves budgets and improves liquidity



EMR in the Auction

Example Only:



Focus: Header Bidding

MARKET OPPORTUNITY

More inventory and more scale: We will now have access to large volumes of impressions we never saw in the past

HERE TO STAY

Header Bidding began in U.S. desktop and moving to mobile and video in 2018

PROBLEM EXISTING TODAY

Most solutions are proprietary client side wrappers and “black box” server-side solutions



SOLUTION:
A TRULY
UNIFIED
MARKETPLACE

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Fully support industry-wide adoption of prebid.js open source wrapper

Committed to bringing open source to server-side

Integrate with all players including
GOOGLE & AMAZON

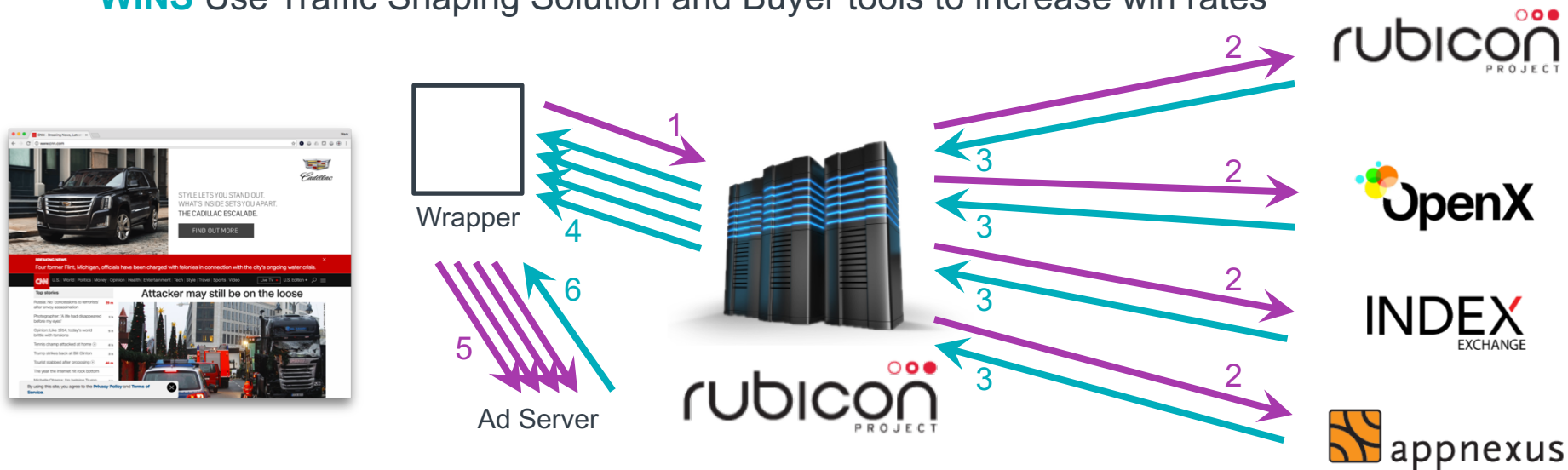
Rubicon Project is committed to fostering a fair and transparent marketplace

Server Side Header Bidding

SCALE Use SSHB to see more Ad Requests and provide buyers with a one-stop shop for broad selection of impressions

EFFICIENCY Continue to lead in Efficiency: Low total cost provider wins

WINS Use Traffic Shaping Solution and Buyer tools to increase win rates



Financials

CASH FLOW AND BALANCE SHEET HIGHLIGHTS

Cash Flow Highlights

(\$MM)

	2017	2016
Financial measure:		
Net cash provided by operating activities	\$21.5	\$60.1
Less capital expenditures	40.4	33.4
Free cash flow	(\$18.9)	\$26.7

Balance Sheet Highlights

(\$MM)

	December 31, 2017	December 31, 2016
Financial measure:		
Cash & equivalents	\$76.6	\$149.4
Marketable securities ⁽¹⁾	55.0	40.6
Total cash + liquid assets	\$131.6	\$190.0
Debt + capital lease obligations	\$ Nil	\$ Nil

(1) Marketable securities include \$52.5 million current assets and \$2.5 million in long term marketable securities captured as other assets

INCOME STATEMENT

GAAP Financial Measures ⁽¹⁾	Three Months Ended	
	12/31/2017	12/31/2016
GAAP revenue	\$31.4 M	\$72.7 M
Net income (loss)	(\$23.8) M	\$(21.2) M
Basic and Diluted earnings (loss) per share	(\$0.48)	(\$0.44)

Non-GAAP Financial Measures ⁽¹⁾	Three Months Ended	
	12/31/2017	12/31/2016
Non-GAAP net revenue	\$31.4 M	\$66.9 M
Advertising spend ⁽²⁾	\$246.3 M	\$277.1 M
Mobile advertising spend	\$116.5 M	\$98.39M
Desktop advertising spend	\$129.8 M	\$178.2 M
Adjusted EBITDA	(\$6.2) M	\$21.7 M
Capital expenditures	\$19.4 M	\$14.5 M

- (1) Full reconciliation of GAAP Revenue to non-GAAP Revenue, Net Income (loss) to Adjusted EBITDA, and Advertising Spend to GAAP Revenue can be found in the Q4 2017 investor deck located on the company's Investor Relations page at <http://investor.rubiconproject.com/>
- (2) Advertising spend represents the buyer spending on advertising transacted on the Company's platform

SIGNS OF PROGRESS

Low / Stability
Point

Revenue

1Q18_{est}

Ad Spend

1Q17

Take Rate

1Q18*

Revenue, Ad Spend and Take Rate Are Great Progress Indicators

* - stabilizing in 1Q18 following buy side fee elimination on 11/1/17

Conclusion

Strategy

- + Offer the broadest inventory
- + High volume, high win exchange
- + LOWEST TOTAL COST OF SUPPLY – NO BUYER FEES, TRAFFIC SHAPING, WIN RATES

Leadership & Cost Cuts

- + Experienced management team
- + Cut \$44 million or 23% from annual cost structure on 3/14/18
- + Expect to be adjusted EBITDA positive in 4Q 2018

Executing on Value Proposition

- + Aggressive price investments – Removed all our buyer fees
- + Bought nToggle – leading position in AI and machine learning algorithms
- + Strong position in header bidding, mobile, mobile app & video (OTT)
- + Generating year over year ad spend growth

Thank You

RECONCILIATIONS OF NET INCOME (LOSS) TO ADJUSTED EBITDA & GAAP REVENUE TO ADVERTISING SPEND

Reconciliation of Net Income (Loss) to Adjusted EBITDA (\$MM)	Q4 2017	Q4 2016
Financial Measure: (\$MM)		
Net loss	(\$23.8)	(\$21.2)
Add back (deduct):		
Depreciation and amortization, excluding amortization of acquired intangible assets	7.8	7.2
Amortization of acquired intangibles	1.3	6.2
Stock-based compensation expense	4.3	6.6
Impairment of intangible assets and internal use software	4.6	23.5
Acquisition and related items	--	--
Interest income, net	(0.2)	(0.1)
Foreign currency (gain) loss, net	0.1	(0.6)
Provision (benefit) for income taxes	(0.3)	0.1
Adjusted EBITDA	(\$6.2)	\$21.7

Reconciliation of GAAP Revenue to Advertising Spend (\$MM)	Q4 2017	Q4 2016
Financial Measure: (\$MM)		
GAAP Revenue	\$31.4	\$72.7
Plus amounts paid to sellers ⁽¹⁾	\$214.9	\$204.4
Advertising Spend	\$246.3	\$277.1

(1) Amounts paid to sellers for the portion of our revenue recorded on a net basis for GAAP purposes.

RECONCILIATIONS OF GAAP REVENUE TO NON-GAAP NET REVENUE & NET INCOME (LOSS) TO NON-GAAP NET INCOME (LOSS)

Reconciliation of GAAP Revenue to Non-GAAP Net Revenue (\$MM)	Q4 2017	Q4 2016
Financial Measure:		
GAAP revenue	\$31.4	\$72.7
Less amounts paid to sellers reflected in cost of revenue ⁽¹⁾	-	\$5.8
Non-GAAP net revenue	\$31.4	\$66.9
Reconciliation of Net Income (Loss) to Non-GAAP Net Income (Loss) (\$MM, except share figures)	Q4 2017	Q4 2016
Financial Measure:		
Net loss	(\$23.8)	(\$21.2)
Add back (deduct):		
Stock-based compensation expense	4.3	6.6
Acquisition and related items, including amortization of acquired intangibles	1.3	6.2
Impairment of intangible assets and internal use software ⁽²⁾	4.6	23.5
Foreign currency (gain) loss, net	0.1	(0.6)
Tax effect of non-GAAP adjustments ⁽³⁾	(0.1)	3.6
Non-GAAP Net Income (Loss)	(\$13.6)	\$18.1
Non-GAAP earnings (loss) per diluted share	(\$0.28)	\$0.37
Non-GAAP weighted-average shares outstanding (MM)	49.3	48.8

(1) Amounts paid to sellers for the portion of our revenue recorded on a gross basis for GAAP purposes.

(2) Related to exit of intent marketing business in early 2017

(3) Non-GAAP net loss for the fourth quarters of 2017 and 2016 include the estimated tax impacts from the expense items reconciling between net loss and non-GAAP net loss for those periods.

ADDITIONAL RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES TO GAAP

Revenue & Advertising Spend Split by Channel	Q4 2017			Q4 2016		
Financial Measure: (\$MM)	Mobile	Desktop	Total	Mobile	Desktop	Total
GAAP Revenue	\$16.0	\$15.4	\$31.4	\$26.9	\$45.8	\$72.7
Plus amounts paid to sellers ⁽¹⁾	100.5	114.4	214.9	72.0	132.4	204.4
Advertising Spend	\$116.5	\$129.8	\$246.3	\$98.9	\$178.2	\$277.1
Percentage of total Advertising Spend	47%	53%	100%	36%	64%	100%

Revenue & Advertising Spend Split by Geography	Q4 2017			Q4 2016		
Financial Measure: (\$MM)	Domestic	International	Total	Domestic	International	Total
GAAP Revenue	\$21.4	\$10.0	\$31.4	\$53.7	\$19.0	\$72.7
Plus amounts paid to sellers ⁽¹⁾	135.9	79.0	214.9	132.0	72.4	204.4
Advertising Spend	\$157.3	\$89.0	\$246.3	\$185.7	\$91.4	\$277.1
Percentage of total Advertising Spend	64%	36%	100%	67%	33%	100%

(1) Amounts paid to sellers for the portion of our revenue recorded on a net basis for GAAP purposes.