



THE GLOBAL EXCHANGE FOR ADVERTISING

AUGUST 2017

SAFE HARBOR

Forward-Looking Statements

These materials include forward-looking statements concerning or implying growth trends or expectations, including the impact of our acquisition of nToggle and its traffic shaping technology on our business, and our ad spend and take rate stabilizing. Forward-looking 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 and to manage our growth effectively; our ability to develop innovative new technologies and remain a market leader; our ability to attract and retain buyers and sellers 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; our header bidding solution not resulting in revenue growth and causing infrastructure strain and added cost; uncertainty of our estimates and expectations associated with new offerings, including header bidding, private marketplace, mobile, video, Orders, automated guaranteed and guaranteed audience solutions, and traffic shaping; declining fees and take rate, including as a result of implementation of alternative pricing models, and the need to grow through advertising spend and fill rate increases rather than pricing increases; 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 and formats; increased prevalence of ad blocking technologies; the slowing growth rate of online digital desktop advertising; the growing percentage of online and mobile advertising spending captured by owned and operated sites (such as Facebook and Google); the effects 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.

More detailed information is set forth in filings we make with the Securities and Exchange Commission. Also, these forward-looking statements represent our current estimates and assumptions only; 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.

TOPICS

WHO WE ARE

OUR STRATEGY

FOCUS AREAS

REVIEW OF FINANCIALS

WHO WE ARE

Rubicon project (NYSE: RUBI)

- The independent global exchange for advertising
- Headquartered in Los Angeles
- 500+ employees
- 18 offices worldwide
- Operating in 30+ markets globally



OUR POSITION: MATCHING BUYERS & SELLERS

PUBLISHERS & APP DEVELOPERS WANT

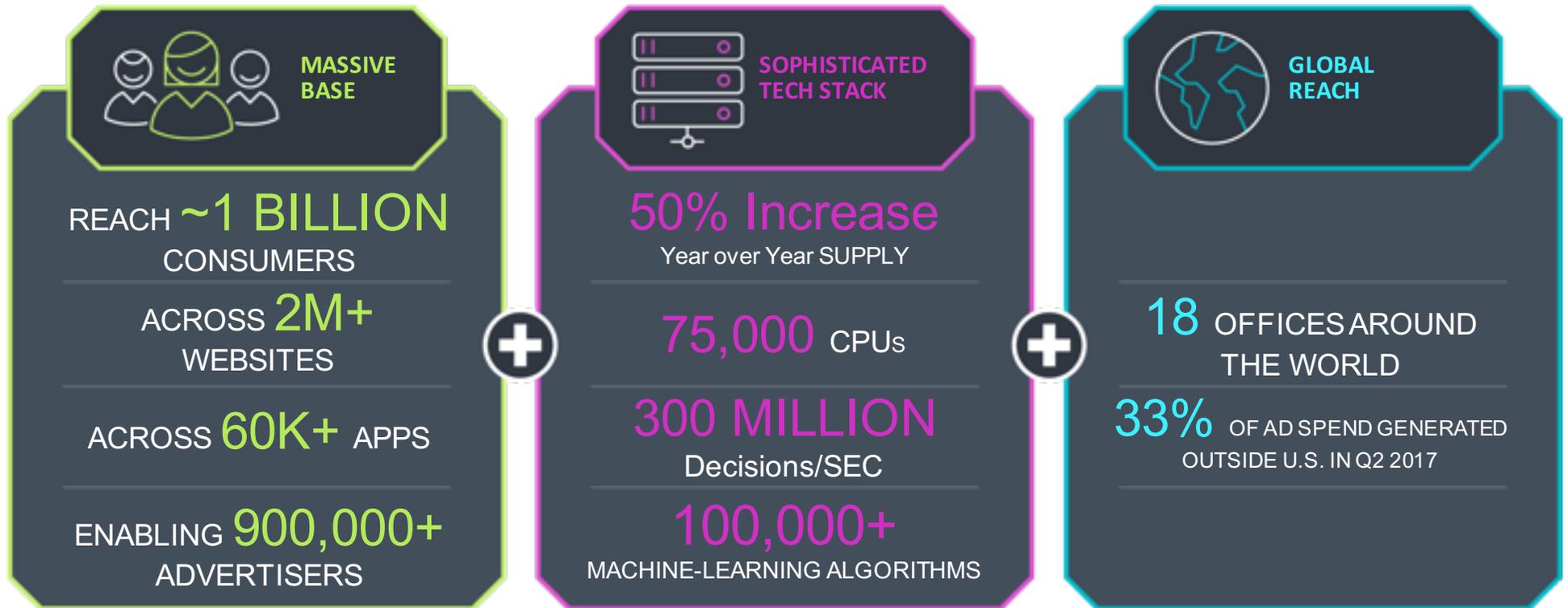
To drive revenue for all impressions, by leveraging turnkey access to billions of dollars of demand, and provide a quality experience for those accessing content

ADVERTISERS WANT

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

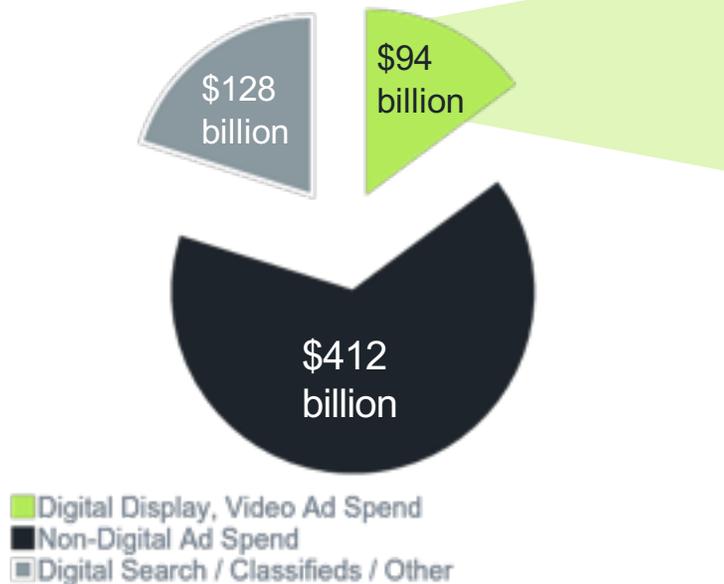


KEY ADVANTAGE - SCALE

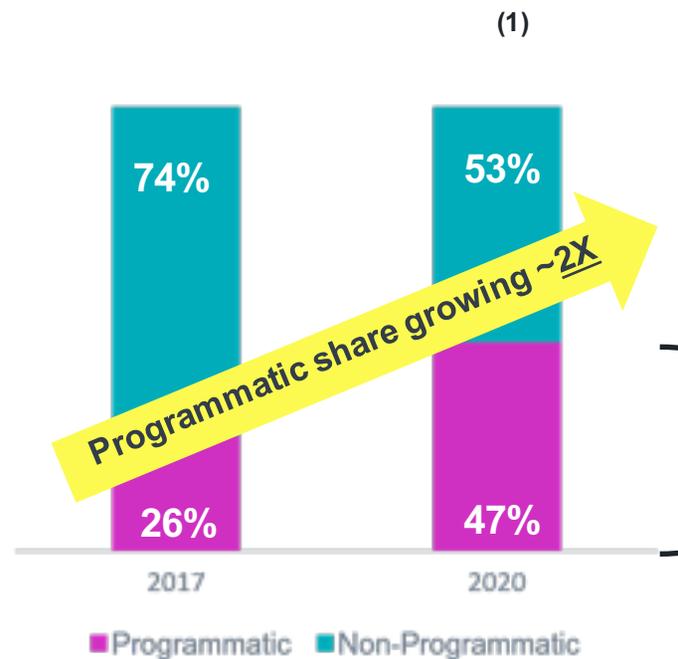


UNIQUE POSITION IN GROWING AD MARKET

2017 Global Ad Spend (1)



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

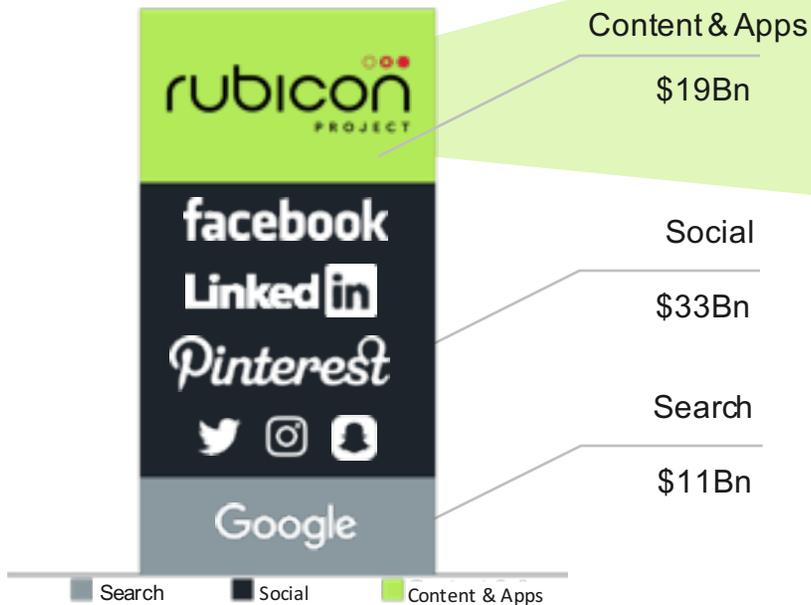


rubicon
PROJECT

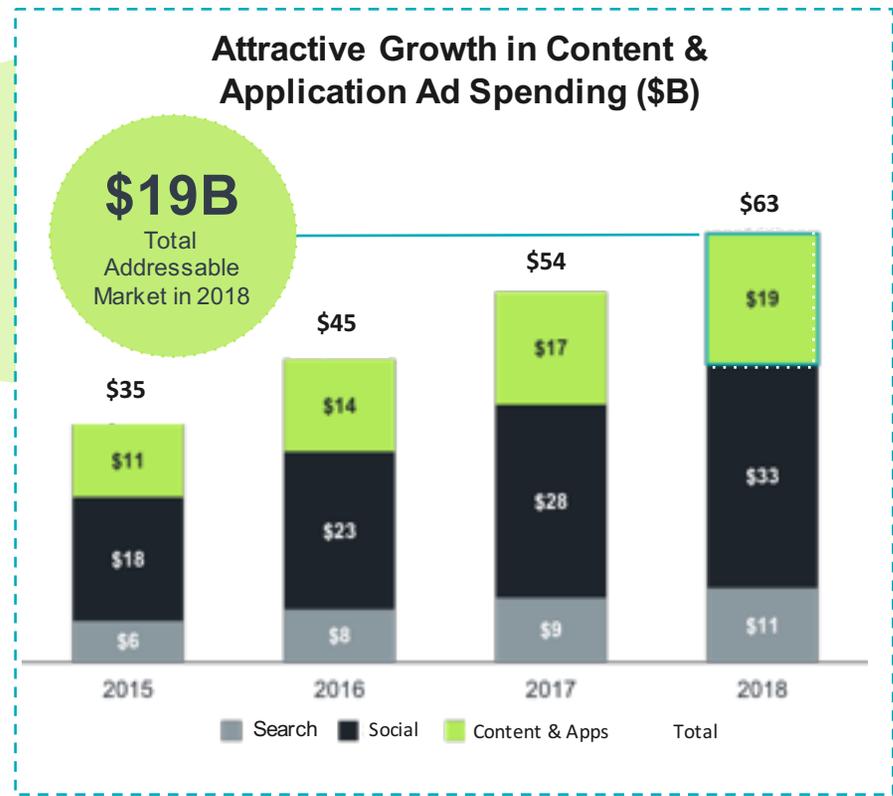
OPPORTUNITY: \$19B ADDRESSABLE MARKET

2018 Programmatic Advertising Market (\$B)

\$63B



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



OUR STRATEGY

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- Broadest Selection of Inventory
- Lowest Overall Cost Provider
- Best Buyer Execution - Win Rates

OUR STRENGTHS

- Scale of Buyers, Sellers and Broad Inventory
- Proprietary Machine Learning, Algorithms, Tools & Support for Buyers & Sellers
- Our Team, Trust & Experience

PLAYING OFFENSE

FOCUS AREAS

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 wrappers and “black box” server-side systems



**SOLUTION:
A TRULY UNIFIED
MARKETPLACE**

rubicon
PROJECT

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

Committed to bringing open source to server-side

Aim to integrate and be open with all players

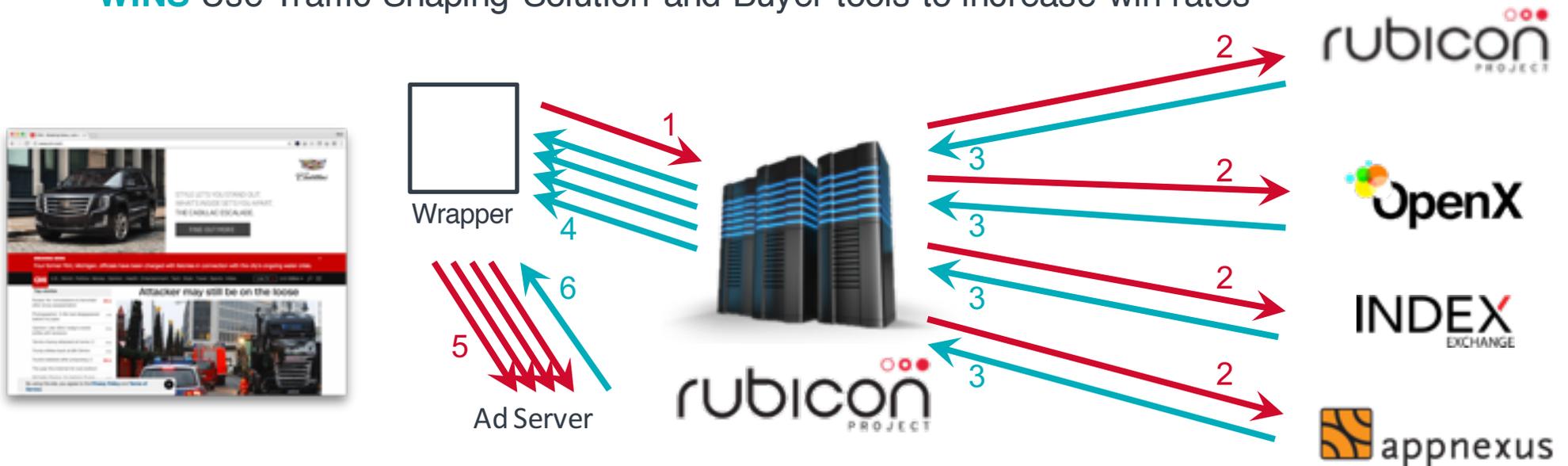
Rubicon Project is committed to fostering a fair and transparent marketplace

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



nToggle: ADDRESSING CLIENT NEEDS

Automated Shaping by Employing Machine Learning

Shaping Inventory Beyond What's Humanly Possible

- Algorithmically shapes inventory to **improve bid & win rates**
- **Automates traffic rules** using bid and win patterns
- Creates 100,000s of precise rules to **pinpoint valuable traffic**
- **Machine learning refreshes rules** as demand needs shift

nToggle ACQUISITION DETAIL

- Paid \$38.5m in cash transaction
 - Boston based team of 23 – mostly data scientists / engineers
- Aggressive deployment
- **Financial Details / Benefits**
 - Increase share of wallet
 - Raise fill rates
 - Improve capex efficiency
- 2H 2017 modest increase in expense & one time capex
- 2018 expected positive impact on revenue & adjusted EBITDA

Strategic deal to win more DSP business

See more valuable inventory, increase win rates & reduce capex

FINANCIALS

HEALTHY BALANCE SHEET WITH CASH TO INVEST IN FUTURE

Cash Flow Highlights (\$MM)

	YTD 6/30/17	YTD 6/30/16
Financial measure:		
Net cash provided by operating activities	\$ 12.8	\$ 33.3
Less capital expenditures	9.2	9.0
Free cash flow	\$ 3.6	\$ 24.3

Balance sheet Highlights (\$MM)

	June 30, 2017	December 31, 2016
Financial measure:		
Cash & equivalents	\$ 165.2	\$ 149.4
Marketable securities	27.4	40.6
Total cash + liquid assets⁽¹⁾	\$ 192.6	\$ 190.0
Debt + capital lease obligations	\$ Nil	\$ Nil

(1) Subsequent to June 30, 2017 \$38.5 million was used to purchase nToggle

INCOME STATEMENT

GAAP Financial Measures ⁽¹⁾	Three Months Ended	
	6/30/2017	6/30/2016
GAAP revenue	\$42.9 M	\$70.5 M
Net income (loss)	(\$11.6) M	(\$2.7) M
Diluted earnings (loss) per share	\$(0.24)	\$(0.06)

Non-GAAP Financial Measures ⁽¹⁾	Three Months Ended	
	6/30/2017	6/30/2016
Non-GAAP net revenue	\$42.9 M	\$65.1 M
Advertising spend ⁽²⁾	\$204.4 M	\$257.4 M
Mobile advertising spend	\$85.9 M	\$85.0 M
Desktop advertising spend	\$118.5 M	\$172.5 M
Adjusted EBITDA	\$3.0 M	\$18.4 M
Capital expenditures	\$3.8 M	\$5.2 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 Q2 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

	TREND	TIMING
Inventory		2Q17
Ad Spend		2Q17
Take Rate		3Q17

CONCLUSION

Strategy

- + Offer the broadest inventory
- + Move to high volume, high win rate exchange
- + Be the easiest and lowest total cost exchange in the market

Executive Changes & Cost Cuts

- + New President / CEO, CTO & CFO
- + Completed restructuring with 18% headcount reduction
- + Filled important video and mobile in-app product roles

Executing on Value Proposition

- + Aggressive price investments – take rate lowered by approximately 30%
- + Bought nToggle – leading position in AI and machine learning algorithms
- + Moving to leader position in Server-Side Header Bidding
- + Investing in mobile, mobile app & video

THANK YOU