UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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 June 30, 2023

☐ 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: 001-37879

THE TRADE DESK, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

27-1887399
(I.R.S. Employer Identification No.)

42 N. Chestnut Street
Ventura, California 93001
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (805) 585-3434
N/A
(Former name, former address and former fiscal year, if changed since last report)

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

<table>
<thead>
<tr>
<th>Title of each class</th>
<th>Trading Symbol</th>
<th>Name of each exchange on which registered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock, par value $0.000001 per share</td>
<td>TTD</td>
<td>The Nasdaq Stock Market LLC</td>
</tr>
</tbody>
</table>

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 the 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 ☒
Non-accelerated filer ☐

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 July 31, 2023, the registrant had 446,162,505 shares of Class A common stock and 44,035,900 shares of Class B common stock outstanding.
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THE TRADE DESK, INC.
QUARTERLY REPORT ON FORM 10-Q

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</thead>
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</tr>
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# Part I. Financial Information

## Item 1. Condensed Consolidated Financial Statements

### Table: Condensed Consolidated Balance Sheets

**The Trade Desk, Inc.**

Condensed Consolidated Balance Sheets  
(In thousands, except par values)  
(Untaudited)

<table>
<thead>
<tr>
<th></th>
<th>As of June 30, 2023</th>
<th>As of December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$965,831</td>
<td>$1,030,506</td>
</tr>
<tr>
<td>Short-term investments, net</td>
<td>465,113</td>
<td>416,080</td>
</tr>
<tr>
<td>Accounts receivable, net of allowance for credit losses of $10,648 and $10,477 as of June 30, 2023 and December 31, 2022, respectively</td>
<td>2,346,070</td>
<td>2,347,195</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>54,749</td>
<td>51,836</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>3,831,763</strong></td>
<td><strong>3,845,617</strong></td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>159,805</td>
<td>173,759</td>
</tr>
<tr>
<td>Operating lease assets</td>
<td>212,088</td>
<td>220,396</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>94,028</td>
<td>94,028</td>
</tr>
<tr>
<td>Other assets, non-current</td>
<td>49,284</td>
<td>46,879</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$4,346,968</strong></td>
<td><strong>$4,380,679</strong></td>
</tr>
<tr>
<td><strong>Liabilities and Stockholders’ Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$1,892,906</td>
<td>$1,871,419</td>
</tr>
<tr>
<td>Accrued expenses and other current liabilities</td>
<td>103,285</td>
<td>105,474</td>
</tr>
<tr>
<td>Operating lease liabilities</td>
<td>54,793</td>
<td>52,430</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>2,050,984</strong></td>
<td><strong>2,029,323</strong></td>
</tr>
<tr>
<td>Operating lease liabilities, non-current</td>
<td>198,075</td>
<td>208,527</td>
</tr>
<tr>
<td>Other liabilities, non-current</td>
<td>26,499</td>
<td>27,490</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>2,275,558</strong></td>
<td><strong>2,265,340</strong></td>
</tr>
<tr>
<td><strong>Stockholders’ Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preferred stock, par value $0.000001; 100,000 shares authorized, zero shares issued and outstanding as of June 30, 2023 and December 31, 2022</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Common stock, par value $0.000001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class A, 1,000,000 shares authorized; 446,013 and 446,456 shares issued and outstanding as of June 30, 2023 and December 31, 2022, respectively</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Class B, 95,000 shares authorized; 44,036 and 44,012 shares issued and outstanding as of June 30, 2023 and December 31, 2022, respectively</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Additional paid-in capital</strong></td>
<td>1,700,498</td>
<td>1,449,825</td>
</tr>
<tr>
<td><strong>Retained earnings</strong></td>
<td>370,912</td>
<td>665,514</td>
</tr>
<tr>
<td><strong>Total Stockholders’ Equity</strong></td>
<td><strong>2,071,410</strong></td>
<td><strong>2,115,339</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities and Stockholders’ Equity</strong></td>
<td><strong>$4,346,968</strong></td>
<td><strong>$4,380,679</strong></td>
</tr>
</tbody>
</table>

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.
### THE TRADE DESK, INC.
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**
(In thousands, except per share amounts)
(UNAUDITED)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th></th>
<th>Six Months Ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2023</td>
<td></td>
<td>June 30, 2023</td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>$464,254</td>
<td>$376,962</td>
<td>$847,057</td>
<td>$692,285</td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Platform operations</td>
<td>$86,654</td>
<td>$67,490</td>
<td>$171,521</td>
<td>$131,380</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>$111,489</td>
<td>$89,420</td>
<td>$208,711</td>
<td>$160,108</td>
</tr>
<tr>
<td>Technology and development</td>
<td>$98,308</td>
<td>$83,483</td>
<td>$192,018</td>
<td>$155,482</td>
</tr>
<tr>
<td>General and administrative</td>
<td>$126,130</td>
<td>$134,826</td>
<td>$256,442</td>
<td>$260,625</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>$422,581</td>
<td>$375,219</td>
<td>$828,692</td>
<td>$707,595</td>
</tr>
<tr>
<td>Income (loss) from operations</td>
<td>$41,673</td>
<td>$1,743</td>
<td>$18,365</td>
<td>$(15,310)</td>
</tr>
<tr>
<td>Other expense (income):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense (income), net</td>
<td>$(17,507)</td>
<td>$(656)</td>
<td>$(31,930)</td>
<td>420</td>
</tr>
<tr>
<td>Foreign currency exchange loss (gain), net</td>
<td>$(747)</td>
<td>317</td>
<td>$(24)</td>
<td>$(478)</td>
</tr>
<tr>
<td>Total other income, net</td>
<td>$(18,254)</td>
<td>$(339)</td>
<td>$(31,954)</td>
<td>$(58)</td>
</tr>
<tr>
<td>Income (loss) before income taxes</td>
<td>$59,927</td>
<td>$2,082</td>
<td>$50,319</td>
<td>$(15,252)</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>$26,988</td>
<td>$21,155</td>
<td>$8,054</td>
<td>$18,419</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>$32,939</td>
<td>$(19,073)</td>
<td>$42,265</td>
<td>$(33,671)</td>
</tr>
<tr>
<td>Earnings (loss) per share:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>$0.07</td>
<td>$(0.04)</td>
<td>$0.09</td>
<td>$(0.07)</td>
</tr>
<tr>
<td>Diluted</td>
<td>$0.07</td>
<td>$(0.04)</td>
<td>$0.08</td>
<td>$(0.07)</td>
</tr>
<tr>
<td>Weighted-average shares outstanding:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>488,431</td>
<td>486,310</td>
<td>489,068</td>
<td>485,256</td>
</tr>
<tr>
<td>Diluted</td>
<td>499,349</td>
<td>486,310</td>
<td>499,570</td>
<td>485,256</td>
</tr>
</tbody>
</table>

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.
## THE TRADE DESK, INC.
### CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS’ EQUITY
(In thousands)  
(Unaudited)

<table>
<thead>
<tr>
<th>Shares</th>
<th>Class A and B Common Stock</th>
<th>Additional Paid-In Capital</th>
<th>Retained Earnings</th>
<th>Total Stockholders' Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance as of December 31, 2021</strong></td>
<td>483,441</td>
<td>$915,177</td>
<td>$612,129</td>
<td>$1,527,306</td>
</tr>
<tr>
<td>Exercise of common stock options</td>
<td>2,395</td>
<td>—</td>
<td>24,408</td>
<td>—</td>
</tr>
<tr>
<td>Issuance of restricted stock, net of forfeitures and shares withheld for taxes</td>
<td>190</td>
<td>(13,428)</td>
<td>—</td>
<td>(13,428)</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>—</td>
<td>125,415</td>
<td>—</td>
<td>125,415</td>
</tr>
<tr>
<td>Net loss</td>
<td>—</td>
<td>—</td>
<td>(14,598)</td>
<td>(14,598)</td>
</tr>
<tr>
<td><strong>Balance as of March 31, 2022</strong></td>
<td>486,026</td>
<td>1,051,572</td>
<td>597,531</td>
<td>1,649,103</td>
</tr>
<tr>
<td>Exercise of common stock options</td>
<td>657</td>
<td>—</td>
<td>7,387</td>
<td>—</td>
</tr>
<tr>
<td>Issuance of restricted stock, net of forfeitures and shares withheld for taxes</td>
<td>661</td>
<td>(9,768)</td>
<td>—</td>
<td>(9,768)</td>
</tr>
<tr>
<td>Issuance of common stock under employee stock purchase plan</td>
<td>946</td>
<td>25,547</td>
<td>—</td>
<td>25,547</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>—</td>
<td>126,635</td>
<td>—</td>
<td>126,635</td>
</tr>
<tr>
<td>Net loss</td>
<td>—</td>
<td>—</td>
<td>(19,073)</td>
<td>(19,073)</td>
</tr>
<tr>
<td><strong>Balance as of June 30, 2022</strong></td>
<td>488,290</td>
<td>1,201,373</td>
<td>578,458</td>
<td>1,779,831</td>
</tr>
<tr>
<td>Exercise of common stock options</td>
<td>497</td>
<td>—</td>
<td>21,316</td>
<td>—</td>
</tr>
<tr>
<td>Issuance of restricted stock, net of forfeitures and shares withheld for taxes</td>
<td>879</td>
<td>(15,459)</td>
<td>—</td>
<td>(15,459)</td>
</tr>
<tr>
<td>Repurchases of Class A common stock</td>
<td>(5,139)</td>
<td>—</td>
<td>(292,863)</td>
<td>(292,863)</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>—</td>
<td>114,235</td>
<td>—</td>
<td>114,235</td>
</tr>
<tr>
<td>Net income</td>
<td>—</td>
<td>—</td>
<td>9,326</td>
<td>9,326</td>
</tr>
<tr>
<td><strong>Balance as of December 31, 2022</strong></td>
<td>490,468</td>
<td>1,558,830</td>
<td>381,977</td>
<td>1,940,807</td>
</tr>
<tr>
<td>Exercise of common stock options</td>
<td>1,074</td>
<td>—</td>
<td>17,407</td>
<td>—</td>
</tr>
<tr>
<td>Issuance of restricted stock, net of forfeitures and shares withheld for taxes</td>
<td>879</td>
<td>(15,459)</td>
<td>—</td>
<td>(15,459)</td>
</tr>
<tr>
<td>Issuance of common stock under employee stock purchase plan</td>
<td>497</td>
<td>21,316</td>
<td>—</td>
<td>21,316</td>
</tr>
<tr>
<td>Repurchases of Class A common stock</td>
<td>(595)</td>
<td>—</td>
<td>(44,004)</td>
<td>(44,004)</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>—</td>
<td>118,404</td>
<td>—</td>
<td>118,404</td>
</tr>
<tr>
<td>Net income</td>
<td>—</td>
<td>—</td>
<td>32,939</td>
<td>32,939</td>
</tr>
<tr>
<td><strong>Balance as of June 30, 2023</strong></td>
<td>490,049</td>
<td>1,700,498</td>
<td>370,912</td>
<td>2,071,410</td>
</tr>
</tbody>
</table>

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.
# THE TRADE DESK, INC.
## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
### (In thousands)
#### (Unaudited)

<table>
<thead>
<tr>
<th>Operating Activities:</th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (loss)</td>
<td>$42,265</td>
<td>$(33,671)</td>
</tr>
<tr>
<td>Adjustments to reconcile net income (loss) to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>39,359</td>
<td>24,624</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>230,553</td>
<td>250,108</td>
</tr>
<tr>
<td>Noncash lease expense</td>
<td>24,325</td>
<td>21,343</td>
</tr>
<tr>
<td>Allowance for credit losses on accounts receivable</td>
<td>318</td>
<td>2,078</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>—</td>
<td>1,555</td>
</tr>
<tr>
<td>Other</td>
<td>(8,423)</td>
<td>6,630</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(35,368)</td>
<td>112,345</td>
</tr>
<tr>
<td>Prepaid expenses and other current and non-current assets</td>
<td>(3,659)</td>
<td>29,018</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>50,995</td>
<td>(129,853)</td>
</tr>
<tr>
<td>Accrued expenses and other current and non-current liabilities</td>
<td>399</td>
<td>(22,190)</td>
</tr>
<tr>
<td>Operating lease liabilities</td>
<td>(25,102)</td>
<td>(24,029)</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>315,662</td>
<td>237,958</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investing Activities:</th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchases of investments</td>
<td>$(316,307)</td>
<td>$(233,877)</td>
</tr>
<tr>
<td>Sales of investments</td>
<td>—</td>
<td>1,977</td>
</tr>
<tr>
<td>Maturities of investments</td>
<td>274,401</td>
<td>154,092</td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>(16,556)</td>
<td>(12,541)</td>
</tr>
<tr>
<td>Capitalized software development costs</td>
<td>(3,415)</td>
<td>(3,226)</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>$(61,877)</td>
<td>$(93,575)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financing Activities:</th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repurchases of Class A common stock</td>
<td>(336,494)</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from exercise of stock options</td>
<td>27,772</td>
<td>31,795</td>
</tr>
<tr>
<td>Proceeds from employee stock purchase plan</td>
<td>21,316</td>
<td>25,547</td>
</tr>
<tr>
<td>Taxes paid related to net settlement of restricted stock awards</td>
<td>(31,054)</td>
<td>(23,196)</td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) financing activities</strong></td>
<td>(318,460)</td>
<td>34,146</td>
</tr>
</tbody>
</table>

| Increase (decrease) in cash and cash equivalents | (64,675) | 178,529 |
| Cash and cash equivalents—Beginning of period | 1,030,506 | 754,154 |
| Cash and cash equivalents—End of period | $965,831 | $932,683 |

## SUPPLEMENTAL CASH FLOW INFORMATION:

| Cash paid for operating lease liabilities | $30,870 | $28,230 |
| Operating lease assets obtained in exchange for operating lease liabilities | $16,967 | $11,989 |
| Capitalized assets financed by accounts payable | $3,033 | $17,852 |
| Tenant improvements paid by lessor | — | $425 |
| Asset retirement obligation | — | $173 |
| Stock-based compensation included in capitalized software development costs | $2,086 | $1,942 |

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.
Note 1—Nature of Operations

The Trade Desk, Inc. (the “Company”) is a global technology company that empowers buyers of advertising. Through the Company’s self-service, cloud-based platform, ad buyers can create, manage and optimize more expressive data-driven digital advertising campaigns across ad formats and channels, including video (which includes connected TV (“CTV”)), display, audio, digital-out-of-home, native and social, on a multitude of devices, such as computers, mobile devices, televisions and streaming devices. The Company’s platform integrations with major inventory, publisher and data partners provide ad buyers reach and decisioning capabilities, and the Company’s enterprise application programming interfaces (“APIs”) enable its clients to develop on top of the platform.

The Company is a Delaware corporation formed in November 2009 and headquartered in Ventura, California with offices in various cities in North America, Europe, Asia and Australia.

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

The accompanying condensed consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and are unaudited. Certain information and disclosures normally included in consolidated financial statements prepared in accordance with GAAP have been condensed or omitted. The condensed consolidated balance sheet as of December 31, 2022 was derived from audited financial statements but does not include all disclosures required by GAAP. Accordingly, these condensed consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements and related notes included in its Annual Report on Form 10-K for the year ended December 31, 2022.

There have been no material changes to the Company’s accounting policies from those disclosed in its Annual Report on Form 10-K for the year ended December 31, 2022, and these unaudited interim condensed consolidated financial statements have been prepared on a basis consistent with that used to prepare the Company’s audited annual consolidated financial statements for the year ended December 31, 2022, and include, in the opinion of management, all adjustments, consisting of normal recurring items, necessary for the fair statement of the condensed consolidated financial statements.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ materially from these estimates.

Management regularly evaluates its estimates, primarily those related to: (1) revenue recognition criteria, including the determination of revenue reporting as net versus gross in the Company’s revenue arrangements, (2) allowances for credit losses, (3) operating lease assets and liabilities, including the Company’s incremental borrowing rate and terms and provisions of each lease, (4) the useful lives of property and equipment and capitalized software development costs, (5) income taxes, (6) assumptions used in the option pricing models to determine the fair value of stock-based compensation and (7) the recognition and disclosure of contingent liabilities. These estimates are based on historical data and experience, as well as various other factors that management believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources.

As of June 30, 2023, the impacts to the Company’s business due to geopolitical developments and macroeconomic factors, such as rising interest rates, inflation, changes in foreign currency exchange rates and supply chain disruptions, continue to evolve. As a result, many of the Company’s estimates and assumptions, including the allowance for credit losses, consider macroeconomic factors in the market, which require increased judgment and carry a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, the Company’s estimates may change materially in future periods.
Note 3—Earnings Per Share

The Company has two classes of common stock, Class A and Class B. Basic and diluted earnings (loss) per share 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 computation of basic and diluted earnings (loss) per share is as follows (in thousands, except per share amounts):

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended June 30,</th>
<th>Six Months Ended June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2023</td>
<td>2022*</td>
</tr>
<tr>
<td>Numerator:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>$ 32,939</td>
<td>$(19,073)</td>
</tr>
<tr>
<td>Denominator:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted-average shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>outstanding—basic</td>
<td>488,431</td>
<td>486,310</td>
</tr>
<tr>
<td>Effect of dilutive securities</td>
<td>10,918</td>
<td>—</td>
</tr>
<tr>
<td>Weighted-average shares</td>
<td>499,349</td>
<td>486,310</td>
</tr>
<tr>
<td>outstanding—diluted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic earnings (loss) per share</td>
<td>$ 0.07</td>
<td>$(0.04)</td>
</tr>
<tr>
<td>Diluted earnings (loss) per share</td>
<td>$ 0.07</td>
<td>$(0.04)</td>
</tr>
<tr>
<td>Anti-dilutive equity awards under stock-based award plans excluded from the determination of diluted earnings (loss) per share</td>
<td>$7,578</td>
<td>—</td>
</tr>
</tbody>
</table>

* Diluted loss per share attributable to the Company for the three and six months ended June 30, 2022 excluded all potentially dilutive securities because there were net losses for the periods ended and the inclusion of these securities would have been anti-dilutive. Potentially dilutive securities excluded from the calculation of diluted loss per share were 28.1 million shares under stock-based award plans for the three and six months ended June 30, 2022.

Note 4—Cash, Cash Equivalents and Short-Term Investments, Net

Cash, cash equivalents and short-term investments in marketable securities were as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Cash and Cash Equivalents</th>
<th>Short-Term Investments, Net</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ 193,107</td>
<td>—</td>
<td>$193,107</td>
</tr>
<tr>
<td>Level 1:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money market funds</td>
<td>760,150</td>
<td>—</td>
<td>760,150</td>
</tr>
<tr>
<td>Level 2:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial paper</td>
<td>12,574</td>
<td>172,039</td>
<td>184,613</td>
</tr>
<tr>
<td>Corporate debt securities</td>
<td>—</td>
<td>145,454</td>
<td>145,454</td>
</tr>
<tr>
<td>U.S. government and agency securities</td>
<td>—</td>
<td>147,620</td>
<td>147,620</td>
</tr>
<tr>
<td>Total</td>
<td>$ 965,831</td>
<td>$ 465,113</td>
<td>$1,430,944</td>
</tr>
</tbody>
</table>
As of December 31, 2022

<table>
<thead>
<tr>
<th>Cash and Cash Equivalents</th>
<th>Short-Term Investments, Net</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>339,717</td>
<td>339,717</td>
</tr>
<tr>
<td>Level 1:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money market funds</td>
<td>640,233</td>
<td>640,233</td>
</tr>
<tr>
<td>Level 2:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial paper</td>
<td>50,556</td>
<td>126,507</td>
</tr>
<tr>
<td>Corporate debt securities</td>
<td>—</td>
<td>180,502</td>
</tr>
<tr>
<td>U.S. government and agency securities</td>
<td>—</td>
<td>109,071</td>
</tr>
<tr>
<td>Total</td>
<td>1,030,506</td>
<td>1,446,586</td>
</tr>
</tbody>
</table>

The Company’s gross unrealized gains or losses from its short-term investments, recorded at fair value, for the three and six months ended June 30, 2023 and 2022, were immaterial.

The contractual maturities of the Company’s short-term investments are as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due in one year</td>
<td>450,849</td>
</tr>
<tr>
<td>Due in one to two years</td>
<td>14,264</td>
</tr>
<tr>
<td>Total</td>
<td>465,113</td>
</tr>
</tbody>
</table>

Note 5—Leases

The components of lease expense recorded in the condensed consolidated statements of operations were as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Six Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2023</td>
<td>June 30, 2023</td>
</tr>
<tr>
<td></td>
<td>2023</td>
<td>2022</td>
</tr>
<tr>
<td>Operating lease cost</td>
<td>$ 12,209</td>
<td>$ 12,792</td>
</tr>
<tr>
<td>Short-term lease cost</td>
<td>442</td>
<td>479</td>
</tr>
<tr>
<td>Variable lease cost</td>
<td>2,851</td>
<td>2,471</td>
</tr>
<tr>
<td>Sublease income</td>
<td>(604)</td>
<td>(621)</td>
</tr>
<tr>
<td>Total lease cost</td>
<td>$ 14,898</td>
<td>$ 15,121</td>
</tr>
</tbody>
</table>

Note 6—Debt

Credit Facility

On June 15, 2021, the Company and a syndicate of banks, led by JPMorgan Chase Bank, N.A., as agent, entered into a Loan and Security Agreement (the “Credit Facility”). The Credit Facility consists of a $450 million revolving loan facility, with a $20 million sublimit for swingline borrowings and a $15 million sublimit for the issuance of letters of credit. Under certain circumstances, the Company has the right to increase the Credit Facility by an amount not to exceed $300 million. The Credit Facility is collateralized by substantially all of the Company’s assets, including a pledge of certain of its accounts receivable, deposit accounts, intellectual property, investment property and equipment.

On December 17, 2021, the Company amended the Credit Facility to expand the process for issuing letters of credit and the related invoicing, particularly with respect to letters of credit not denominated in U.S. Dollars. On February 9, 2023, the Company further amended its Credit Facility (as amended, the “Amended Credit Facility”) to transition from a variable interest rate based on the London Interbank Offered Rate to a variable interest rate based on the secured overnight financing rate (“SOFR”).
Loans under the Amended Credit Facility bear interest at a rate equal to, at the Company’s option, an annual rate of either a Base Rate or an adjusted term SOFR rate (defined as SOFR for a specified term plus a credit spread adjustment of 10 basis points, subject to a 0% floor), plus an applicable margin (“Base Rate Borrowings” and “Term SOFR Borrowings”). The Base Rate is defined as a rate per annum for any day equal to the greatest of (1) the rate of interest last quoted by The Wall Street Journal as the “Prime Rate” in the United States, (2) the New York Federal Reserve Bank Rate in effect on such day plus half of 1%, and (3) the adjusted term SOFR rate for a one-month interest period on such day plus 1%. The applicable margin is between 0.25% to 1.25% for Base Rate Borrowings and between 1.25% and 2.25% for Term SOFR Rate Borrowings based on the Company maintaining certain leverage ratios. The fee for undrawn amounts under the Amended Credit Facility ranges, based on the applicable leverage, from 0.200% to 0.350%. The Company is also required to pay customary letter of credit fees, as necessary.

As of June 30, 2023, the Company did not have an outstanding debt balance under the Amended Credit Facility. Availability under the Amended Credit Facility was $445 million as of June 30, 2023, which is net of outstanding letters of credit of $5 million. The Amended Credit Facility matures, and all outstanding amounts become due and payable, on June 15, 2026.

The Amended Credit Facility contains customary conditions to borrowings, events of default and covenants, including covenants that restrict the Company’s ability to sell assets, make changes to the nature of the Company’s business, engage in mergers or acquisitions, incur, assume or permit to exist additional indebtedness and guarantees, create or permit to exist liens, pay dividends, issue equity instruments, make distributions or redeem or repurchase capital stock or make other investments, engage in transactions with affiliates and make payments in respect of subordinated debt. The Amended Credit Facility also requires the Company to maintain compliance with a maximum ratio of consolidated funded debt to consolidated EBITDA of 3.50 to 1.00. As of June 30, 2023, the Company was in compliance with all covenants.

Note 7—Capitalization

Share Repurchase Program

In February 2023, the Company’s board of directors approved a share repurchase program with authorization to purchase up to $700 million of its Class A common stock. The share repurchase program, which has no expiration date, is designed to help offset the impact of future share dilution from employee stock issuances. Repurchases under the program may be made in the open market, in privately negotiated transactions or otherwise, with the amount and timing of repurchases to be determined at the Company’s discretion, depending on market conditions and corporate needs. Open market repurchases are structured to occur in accordance with applicable federal securities laws, including within the pricing and volume requirements of Rule 10b-18 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The Company may also, from time to time, enter into Rule 10b5-1 plans to facilitate repurchases of its shares under this authorization. This program does not obligate the Company to acquire any particular amount of Class A common stock, and may be modified, suspended or terminated at any time at the discretion of the Company’s board of directors.

During the three and six months ended June 30, 2023, the Company repurchased and subsequently retired 0.6 million shares and 5.7 million shares, respectively, of its Class A common stock for aggregate repurchase amounts of $44 million and $337 million, respectively. The repurchase amounts for the three and six months ended June 30, 2023 included immaterial amounts related to the 1% excise tax on net share repurchases as a result of the Inflation Reduction Act of 2022 (“IRA”). As of June 30, 2023, $364 million remained available and authorized for repurchases. Activity under the share repurchase program was recognized in the condensed consolidated financial statements on a trade-date basis.
Note 8—Stock-Based Compensation

Stock-Based Compensation Expense

Stock-based compensation expense recorded in the condensed consolidated statements of operations was as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th></th>
<th>Six Months Ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2023</td>
<td>June 30, 2022</td>
<td>June 30, 2023</td>
<td>June 30, 2022</td>
</tr>
<tr>
<td>Platform operations</td>
<td>$4,967</td>
<td>$4,787</td>
<td>$8,913</td>
<td>$10,737</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>18,800</td>
<td>17,332</td>
<td>32,923</td>
<td>33,857</td>
</tr>
<tr>
<td>Technology and development</td>
<td>26,689</td>
<td>22,224</td>
<td>47,556</td>
<td>44,617</td>
</tr>
<tr>
<td>General and administrative</td>
<td>66,627</td>
<td>80,870</td>
<td>141,161</td>
<td>160,897</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$117,083</strong></td>
<td><strong>$125,213</strong></td>
<td><strong>$230,553</strong></td>
<td><strong>$250,108</strong></td>
</tr>
</tbody>
</table>

Stock Options

The following summarizes stock option activity:

<table>
<thead>
<tr>
<th>Shares Under Options (in thousands)</th>
<th>Shares Under Options (in thousands)</th>
<th>Weighted-Average Exercise Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding as of December 31, 2022</td>
<td>15,418</td>
<td>$19.82</td>
</tr>
<tr>
<td>Granted</td>
<td>2,766</td>
<td>61.85</td>
</tr>
<tr>
<td>Exercised</td>
<td>(3,525)</td>
<td>7.89</td>
</tr>
<tr>
<td>Expired/Forfeited</td>
<td>(461)</td>
<td>54.31</td>
</tr>
<tr>
<td>Outstanding as of June 30, 2023</td>
<td>14,198</td>
<td>$29.86</td>
</tr>
<tr>
<td>Exercisable as of June 30, 2023</td>
<td>9,843</td>
<td>$17.00</td>
</tr>
</tbody>
</table>

At June 30, 2023, the Company had unrecognized stock-based compensation relating to stock options, excluding the CEO Performance Option (as defined below), of approximately $154 million, which is expected to be recognized over a weighted-average period of 3.0 years.

CEO Performance Option

In October 2021, the Company granted a market-based performance award to the Company’s Chief Executive Officer (the “CEO Performance Option”) under the Company’s 2016 Incentive Award Plan. The CEO Performance Option has an exercise price of $68.29 per share. At December 31, 2022, the CEO Performance Option had 19.2 million options outstanding. No options were granted, exercised, forfeited or expired during the three and six months ended June 30, 2023. At June 30, 2023, the CEO Performance Option had 2.4 million exercisable options and 19.2 million options outstanding. Stock-based compensation of $48 million and $66 million for the CEO Performance Option was recorded as a component of general and administrative expense during the three months ended June 30, 2023 and 2022, respectively. Stock-based compensation of $108 million and $131 million for the CEO Performance Option was recorded as a component of general and administrative expense during the six months ended June 30, 2023 and 2022, respectively. At June 30, 2023, the Company had unrecognized stock-based compensation relating to the CEO Performance Option of $291 million that is expected to be recognized over a weighted-average period of 2.0 years, assuming no acceleration of vesting.


**Restricted Stock**

The following summarizes restricted stock activity:

<table>
<thead>
<tr>
<th>Shares (in thousands)</th>
<th>Weighted-Average Grant Date Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unvested as of December 31, 2022</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Granted</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Vested</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Forfeited</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Unvested as of June 30, 2023</strong></td>
<td></td>
</tr>
</tbody>
</table>

At June 30, 2023, the Company had unrecognized stock-based compensation relating to restricted stock of approximately $687 million, which is expected to be recognized over a weighted-average period of 3.2 years.

**Employee Stock Purchase Plan ("ESPP")**

Stock-based compensation expense related to the ESPP totaled $5 million and $16 million for the three months ended June 30, 2023 and 2022, respectively. Stock-based compensation expense related to the ESPP totaled $8 million and $42 million for the six months ended June 30, 2023 and 2022, respectively. At June 30, 2023, the Company had unrecognized stock-based compensation relating to ESPP awards of approximately $14 million, which is expected to be recognized over a weighted-average period of 0.9 years.

**Note 9—Income Taxes**

In determining the interim provision for income taxes for the three and six months ended June 30, 2023, the Company utilized the annual estimated effective tax rate applied to the actual year-to-date income and added the tax effects of any discrete items in the reporting period in which they occur. In determining the interim provision for income taxes for the three and six months ended June 30, 2022, the Company utilized the discrete effective tax rate method, as allowed by Accounting Standards Codification (“ASC”) 740-270-30-18, “Income Taxes – Interim Reporting.” The discrete method is applied when the application of the estimated annual effective tax rate is impractical because it is not possible to reliably estimate the annual effective tax rate. The discrete method treats the year-to-date period as if it were the annual period and determines the income tax expense or benefit on that basis.

For the three months ended June 30, 2023 and 2022, the provision for income taxes included benefits associated with stock-based awards of $9 million and $5 million, respectively. For the six months ended June 30, 2023 and 2022, the provision for income taxes included benefits associated with stock-based awards of $36 million and $31 million, respectively.

For the six months ended June 30, 2023 and 2022, the Company’s effective tax rate differed from the United States federal statutory tax rate of 21% primarily due to nondeductible stock-based compensation, state and foreign taxes, the impact of tax benefits associated with stock-based awards and research and development tax credits.

There were no material changes to the Company’s unrecognized tax benefits during the six months ended June 30, 2023, and the Company does not expect to have any significant changes to unrecognized tax benefits through the end of the fiscal year.

**Note 10—Segment and Geographic Information**

The Company has one primary business activity and operates in one reportable and operating segment. The Company reports revenue net of amounts it pays suppliers for the cost of advertising inventory, third-party data and other add-on features (collectively, “Supplier Features”). The Company generally bills clients based on the gross amount of Supplier Features they purchase through its platform and the platform fees (“Gross Billings”), net of allowances. The Company’s accounts receivable are recorded at the amount of Gross Billings for the amounts it is responsible to
collect, and accounts payable are recorded at the net amount payable to suppliers. Accordingly, both accounts receivable and accounts payable appear large in relation to revenue reported on a net basis.

Gross Billings, based on the address of the clients or client affiliates, set forth as a percentage of total Gross Billings, were as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>88%</td>
<td>89%</td>
<td>88%</td>
<td>88%</td>
</tr>
<tr>
<td>United States</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International</td>
<td>12%</td>
<td>11%</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Note 11—Commitments and Contingencies

Guarantees and Indemnification

In the ordinary course of business, the Company may provide indemnifications of varying scope and terms to clients, vendors, lessors, business partners and other parties with respect to certain matters, including, but not limited to, losses arising out of breach of such agreements, services to be provided by the Company or from intellectual property infringement claims made by third parties. In addition, the Company has entered into indemnification agreements with directors and certain officers and employees that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors, officers or employees. No demands have been made upon the Company to provide indemnification under such agreements, and thus, there are no claims that the Company is aware of that could have a material effect on the Company’s balance sheet, statement of operations or statement of cash flows. Accordingly, no amounts for any obligation have been recorded at June 30, 2023 and 2022.

Litigation

From time to time, the Company is subject to various legal proceedings, litigation and claims, either asserted or unasserted, that arise in the ordinary course of business. Although the outcome of the various legal proceedings, litigation and claims cannot be predicted with certainty, management does not believe that any of these proceedings or other claims will have a material adverse effect on the Company’s business, financial condition, results of operations or cash flows. Regardless of the outcome, litigation can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources and other factors.

On May 27, 2022, a stockholder of the Company filed a derivative lawsuit captioned Huizenga v. Green, et al., No. 2022-0461, asserting claims on behalf of the Company against certain members of the Company’s board of directors in the Court of Chancery of the State of Delaware. On June 27, 2022, a second derivative lawsuit captioned Pfeiffer v. Green, et al., No. 2022-0560 was filed in the Court of Chancery of the State of Delaware alleging substantially similar claims. Those lawsuits were consolidated on August 18, 2022, and a lead plaintiff was appointed on October 7, 2022. The two complaints allege generally that the Defendants breached their fiduciary duties to the Company and its stockholders in connection with the negotiation and approval of the CEO Performance Option. The plaintiffs seek a court order rescinding the CEO Performance Option and monetary damages. On November 10, 2022, the plaintiffs filed a consolidated complaint, and on January 12, 2023, the Defendants moved to dismiss the consolidated complaint. On March 24, 2023, plaintiffs filed an opposition to defendants’ motions to dismiss. Defendants filed their replies in support of their motions to dismiss on May 19, 2023, and oral argument is scheduled for October 9, 2023.

Litigation is inherently uncertain and there can be no assurance regarding the likelihood that the motions to dismiss or defense of the various actions will be successful.

Employment Contracts

The Company has entered into agreements with severance terms with certain employees and officers, all of whom are employed on an at-will basis, subject to certain severance obligations in the event of certain involuntary terminations. The Company may be required to accelerate the vesting of certain stock options in the event of changes in control, as defined, and involuntary terminations.
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 (the “Exchange Act”). Forward-looking statements generally relate to future events or our future financial or operating performance and may include statements concerning, among other things, our business strategy (including anticipated trends and developments in, and management plans for, our business and the markets in which we operate), financial results, the impact of the COVID-19 pandemic and other macroeconomic factors on our business, operations, and the markets and communities in which we, our clients, and partners operate, results of operations, revenues, operating expenses, share repurchases and capital expenditures, sales and marketing initiatives and competition. In some cases, you can identify forward-looking statements because they contain words such as “may,” “might,” “will,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “target,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “suggests,” “potential” or “continue” or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. These statements are not guarantees of future performance; they reflect our current views with respect to future events and are based on assumptions and are 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.

We discuss many of these risks in Part II of this Quarterly Report on Form 10-Q in greater detail under the heading “Risk Factors” and in other filings we make from time to time with the Securities and Exchange Commission (the “SEC”). Also, these forward-looking statements represent our estimates and assumptions only as of the date of this Quarterly Report on Form 10-Q, which are inherently subject to change and involve risks and uncertainties. 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. Given these uncertainties, investors should not place undue reliance on these forward-looking statements.

Investors should read this Quarterly Report on Form 10-Q and the documents that we reference in this report and have filed with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2022, 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.

References to “Notes” are notes included in our unaudited condensed consolidated financial statements appearing elsewhere in this Quarterly Report on Form 10-Q.

Overview

We offer a self-service, cloud-based ad-buying platform that empowers our clients to plan, manage, optimize and measure more expressive data-driven digital advertising campaigns. Our platform allows clients to execute integrated campaigns across ad formats and channels, including video (which includes CTV), display, audio, digital-out-of-home, native and social, on a multitude of devices, such as computers, mobile devices, television and streaming devices. Our platform’s integrations with major inventory, publisher and data partners provide ad buyers reach and decisioning capabilities, and our enterprise application programming interfaces enable our clients to customize and expand platform functionality.

Our clients are advertising agencies, brands and other service providers for advertisers, with whom we enter into ongoing master service agreements (“MSAs”). We generate revenue by charging our clients a platform fee based on a percentage of a client’s total spend on advertising. We also generate revenue from providing data and other value-added services and platform features.
Executive Summary

**Highlights**

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended June 30,</th>
<th></th>
<th></th>
<th>Six Months Ended June 30,</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dollars (in thousands)</td>
<td>2023</td>
<td>2022</td>
<td>Change 2023 ($)</td>
<td>23%</td>
<td>Change</td>
</tr>
<tr>
<td>Revenue</td>
<td>$464,254</td>
<td>$376,962</td>
<td>$87,292</td>
<td></td>
<td></td>
<td>$847,057</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>$32,939</td>
<td>$ (19,073)</td>
<td>$52,012</td>
<td>NM</td>
<td></td>
<td>$42,265</td>
</tr>
</tbody>
</table>

NM: Not meaningful.

**Trends, Opportunities and Challenges**

The growing digitization of media and fragmentation of audiences has increased the complexity of advertising and thereby increased the need for automation in ad buying, which we provide on our platform. In order to grow, we will need to continue to develop our platform’s programmatic capabilities and advertising inventory. We believe that key opportunities include our ongoing global expansion, continuing development of our video (including CTV), audio and native ad inventory, and continuing development of the data usage, measurement and targeting capabilities provided by our platform.

We believe that growth of the programmatic advertising market is important for our ability to grow our business. Adoption of programmatic advertising by advertisers allows us to acquire new clients and grow revenue from existing clients. Although our clients include some of the largest advertising agencies in the world, we believe there is significant room for us to expand further within these clients and gain a larger amount of their advertising spend through our platform. We also believe that the industry trends noted above will lead to advertisers adopting programmatic advertising through platforms such as ours.

Similarly, the adoption of programmatic advertising by inventory owners and content providers allows us to expand the volume and type of advertising inventory that we present to our clients. For example, we have expanded our CTV, native and audio advertising offerings through our integrations with supply-side partners.

We invest for long-term growth. We anticipate that our operating expenses will continue to increase significantly in the foreseeable future as we invest in platform operations and technology and development to enhance our product features, including programmatic buying of CTV ad inventory, and in sales and marketing to acquire new clients and reinforce our relationships with existing clients. In addition, we expect to continue making investments in our infrastructure, including our information technology, financial and administrative systems and controls, to support our growing operations.

We believe the markets outside of the United States, and in particular across Europe and Asia in markets such as the United Kingdom, Germany, France, China, Japan and India, offer opportunities for growth. However, such markets may also pose challenges related to compliance with local laws and regulations, restrictions on foreign ownership or investment, uncertainty related to trade relations and a variety of additional risks. We intend to make additional investments in sales and marketing and product development to expand in international markets where we are making significant investments in our platform and growing our team.

We believe that these investments will contribute to our long-term growth, although they may negatively impact profitability in the near term.

Our business model has allowed us to grow significantly, and we believe that our operating leverage enables us to support future growth profitably.
COVID-19 and Other Macroeconomic Factors

The worldwide spread of COVID-19, including the emergence of variants and subvariants, as well as rising interest rates, inflation, changes in foreign currency exchange rates and geopolitical developments have resulted, and may continue to result, in a global slowdown of economic activity, which may decrease demand for a broad variety of goods and services, including those provided by our clients, while also disrupting supply channels, sales channels and advertising and marketing activities for an unknown period of time until economic activity normalizes. As a result of the current uncertainty in economic activity, we are unable to predict the size and duration of the impact on our revenue and our results of operations. The extent of the impact of these macroeconomic factors on our operational and financial performance will depend on a variety of factors, including the duration and spread of COVID-19 and its variants and the duration and extent of geopolitical and global economic disruption and their respective impacts on our clients, partners, industry and employees, all of which are uncertain at this time and cannot be accurately predicted. See “Item 1A. Risk Factors” in Part II. Other Information for further discussion of the adverse impacts of the macroeconomic factors on our business.

During the second half of 2022, many of our employees adopted a hybrid work schedule consisting of both in-person work and working from home. Additionally, we resumed travel and in-person events in accordance with applicable regional guidance, resulting in an increase in operating expenses for the first half of 2023 compared to the first half of 2022, before most travel and in-person events resumed. Our costs and expenses may increase as we continue to increase office activity globally, further increase travel, participate in and hold more in-person meetings and events and increase capital expenditures for additional office space. We continue to monitor the effects of the COVID-19 pandemic and take steps deemed appropriate to limit the impact on our business.
### Results of Operations for the Three and Six Months Ended June 30, 2023 Compared with the Three and Six Months Ended June 30, 2022

The following tables set forth our condensed consolidated results of operations for the periods presented.

#### Three Months Ended June 30, 2023

<table>
<thead>
<tr>
<th></th>
<th>2023 (in thousands)</th>
<th>(% of Revenue)</th>
<th>2022 (in thousands)</th>
<th>(% of Revenue)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$ 464,254</td>
<td>100 %</td>
<td>$ 376,962</td>
<td>100 %</td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Platform operations</td>
<td>86,654</td>
<td>19 %</td>
<td>67,490</td>
<td>18 %</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>111,489</td>
<td>24 %</td>
<td>89,420</td>
<td>24 %</td>
</tr>
<tr>
<td>Technology and development</td>
<td>98,308</td>
<td>21 %</td>
<td>83,483</td>
<td>22 %</td>
</tr>
<tr>
<td>General and administrative</td>
<td>126,130</td>
<td>27 %</td>
<td>134,826</td>
<td>36 %</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>422,581</td>
<td>91 %</td>
<td>375,219</td>
<td>100 %</td>
</tr>
<tr>
<td>Income from operations</td>
<td>41,673</td>
<td>9 %</td>
<td>1,743</td>
<td>— %</td>
</tr>
<tr>
<td>Total other income, net</td>
<td>(18,254)</td>
<td>(4) %</td>
<td>(339)</td>
<td>— %</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>53,927</td>
<td>13 %</td>
<td>2,082</td>
<td>1 %</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>26,988</td>
<td>6 %</td>
<td>21,155</td>
<td>6 %</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>$ 32,939</td>
<td>7 %</td>
<td>$(19,073)</td>
<td>(5) %</td>
</tr>
</tbody>
</table>

#### Six Months Ended June 30, 2023

<table>
<thead>
<tr>
<th></th>
<th>2023 (in thousands)</th>
<th>(% of Revenue)</th>
<th>2022 (in thousands)</th>
<th>(% of Revenue)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$ 847,057</td>
<td>100 %</td>
<td>$ 692,285</td>
<td>100 %</td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Platform operations</td>
<td>171,521</td>
<td>20 %</td>
<td>131,380</td>
<td>19 %</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>208,711</td>
<td>25 %</td>
<td>160,108</td>
<td>23 %</td>
</tr>
<tr>
<td>Technology and development</td>
<td>192,018</td>
<td>23 %</td>
<td>155,482</td>
<td>22 %</td>
</tr>
<tr>
<td>General and administrative</td>
<td>256,442</td>
<td>30 %</td>
<td>260,625</td>
<td>38 %</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>828,692</td>
<td>98 %</td>
<td>707,595</td>
<td>102 %</td>
</tr>
<tr>
<td>Income (loss) from operations</td>
<td>18,365</td>
<td>2 %</td>
<td>(15,310)</td>
<td>(2) %</td>
</tr>
<tr>
<td>Total other income, net</td>
<td>(31,954)</td>
<td>(4) %</td>
<td>(58)</td>
<td>— %</td>
</tr>
<tr>
<td>Income (loss) before income taxes</td>
<td>50,319</td>
<td>6 %</td>
<td>(15,252)</td>
<td>(2) %</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>8,054</td>
<td>1 %</td>
<td>18,419</td>
<td>3 %</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>$ 42,265</td>
<td>5 %</td>
<td>$(33,671)</td>
<td>(5) %</td>
</tr>
</tbody>
</table>

Note: Percentages may not sum due to rounding.

#### Revenue

Revenue increased by $87 million, or 23%, and $155 million, or 22%, for the three and six months ended June 30, 2023, as compared to the three and six months ended June 30, 2022, respectively. The increase was primarily due to higher gross spend in the current year on our platform, which was primarily driven by more advertisers and more campaigns executed by existing clients.

#### Platform Operations

Platform operations expense increased by $19 million, or 28%, for the three months ended June 30, 2023, as compared to the three months ended June 30, 2022. The increase was primarily due to increases of $14 million in hosting costs and $3 million in personnel costs. The increase in hosting costs was primarily attributable to support related to the increased use of our platform by our clients and by investment in new data centers to support our platform. The increase in
personnel costs was due to an increase in headcount as well as return-to-office and travel, partially offset by a decrease in employee engagement costs driven by the timing of in-person events.

Platform operations expense increased by $40 million, or 31%, for the six months ended June 30, 2023, as compared to the six months ended June 30, 2022. The increase was primarily due to an increase of $28 million in hosting costs and an increase of $11 million in personnel costs, partially offset by a $2 million decrease in stock-based compensation. The increase in hosting costs was primarily attributable to support related to the increased use of our platform by our clients and by investment in new data centers to support our platform. The increase in personnel costs was due to an increase in headcount as well as return-to-office, travel and employee engagement costs, including in-person events impacted by headcount growth. The decrease in stock-based compensation was primarily due to the impact of stock price volatility on employee stock purchase plan (“ESPP”) expense, partially offset by new equity grants.

We expect platform operations expenses to increase in absolute dollars in future periods as we continue to experience increased volumes of media impressions through our platform and hire additional personnel to support our growth.

Sales and Marketing

Sales and marketing expense increased by $22 million, or 25%, for the three months ended June 30, 2023, as compared to the three months ended June 30, 2022. The increase was primarily due to an increase of $18 million in personnel costs, which included a $1 million increase in stock-based compensation, a $3 million increase in marketing costs and a $1 million increase in allocated facilities costs. The increase in personnel costs was primarily due to an increase in headcount to support our sales efforts and to continue to develop and maintain relationships with our clients; an increase in incentive compensation driven by headcount growth and gross spend growth; and return-to-office and travel, partially offset by a decrease in employee engagement costs driven by the timing of in-person events. The increase in stock-based compensation was primarily due to new equity grants, partially offset by the impact of stock price volatility on ESPP expense. The increase in marketing costs was primarily due to an increase in marketing campaigns, events, sponsorships and client engagement. The increase in allocated facilities costs was primarily driven by new leases for additional office space to support our future growth as well as return-to-office support expenses.

Sales and marketing expense increased by $49 million, or 30%, for the six months ended June 30, 2023, as compared to the six months ended June 30, 2022. The increase was primarily due to an increase of $42 million in personnel costs, which included a $4 million increase in stock-based compensation, a $3 million increase in allocated facilities costs, partially offset by a $1 million decrease in stock-based compensation. The increase in personnel costs was primarily due to an increase in headcount to support our sales efforts and to continue to develop and maintain relationships with our clients; an increase in incentive compensation driven by headcount growth and gross spend growth; and return-to-office, travel and employee engagement costs, including in-person events impacted by headcount growth. The increase in marketing costs was primarily due to an increase in marketing campaigns, events, sponsorships and client engagement. The increase in allocated facilities costs was primarily driven by new leases for additional office space to support our future growth as well as return-to-office support expenses. The decrease in stock-based compensation was primarily due to the impact of stock price volatility on ESPP expense, partially offset by new equity grants.

We expect sales and marketing expenses to increase in absolute dollars in future periods, as we focus on increasing the adoption of our platform with existing and new clients and expanding our international business.

Technology and Development

Technology and development expense increased by $15 million, or 18%, for the three months ended June 30, 2023, as compared to the three months ended June 30, 2022. The increase was primarily due to an increase of $14 million in personnel costs, which included a $4 million increase in stock-based compensation, and a $1 million increase in allocated facilities costs. The increase in personnel costs was primarily attributable to increased headcount to maintain and support further development of our platform, as well as return-to-office and travel, partially offset by a decrease in employee engagement costs driven by the timing of in-person events. The increase in stock-based compensation was primarily due to new equity grants, partially offset by the impact of stock price volatility on ESPP expense. The increase in allocated facilities costs was primarily driven by new leases for additional office space to support our future growth as well as return-to-office support expenses.

Technology and development expense increased by $37 million, or 23%, for the six months ended June 30, 2023, as compared to the six months ended June 30, 2022. The increase was primarily due to an increase of $33 million in personnel costs, which included a $3 million increase in stock-based compensation, and a $3 million increase in allocated
facilities costs. The increase in personnel costs was primarily attributable to increased headcount to maintain and support further development of our platform, as well as return-to-office, travel and employee engagement costs, including in-person events impacted by headcount growth. The increase in allocated facilities costs was primarily driven by new leases for additional office space to support our future growth as well as return-to-office support expenses. The increase in stock-based compensation was primarily due to new equity grants, partially offset by the impact of stock price volatility on ESPP expense.

We expect technology and development expense to increase in absolute dollars as we continue to invest in the development of our platform to support additional features and functions, increase the number of advertising and data inventory suppliers and support the increase in volume of advertising spending by our customers on our platform. We also intend to invest in technology to further automate our business processes.

**General and Administrative**

General and administrative expense decreased by $9 million, or 6%, for the three months ended June 30, 2023, as compared to the three months ended June 30, 2022, primarily due to a $14 million decrease in stock-based compensation, partially offset by an increase of $6 million in personnel costs. The decrease in stock-based compensation was primarily driven by an $18 million decrease in expense related to the CEO Performance Option driven by the graded-vesting attribution method, under which more expense is recognized earlier in the option’s life, as well as a $2 million decrease in ESPP expense driven by the impact of stock price volatility, partially offset by a $6 million increase in expense related to new equity grants. The increase in personnel costs was primarily attributable to increased headcount to support our growth as well as return-to-office and travel, partially offset by a decrease in employee engagement costs driven by the timing of in-person events.

General and administrative expense decreased by $4 million, or 2%, for the six months ended June 30, 2023, as compared to the six months ended June 30, 2022, primarily due to a $20 million decrease in stock-based compensation and a $4 million decrease in administrative costs, partially offset by an increase of $19 million in personnel costs. The decrease in stock-based compensation was primarily driven by a $23 million decrease in expense related to the CEO Performance Option driven by the graded-vesting attribution method, under which more expense is recognized earlier in the option’s life, as well as a $6 million decrease in ESPP expense driven by the impact of stock price volatility, partially offset by a $9 million increase in expense related to new equity grants. The decrease in administrative costs was primarily driven by a credit to local business taxes. The increase in personnel costs was primarily attributable to increased headcount to support our growth as well as return-to-office, travel and employee engagement costs, including in-person events impacted by headcount growth.

Excluding the impact of the CEO Performance Option, we expect general and administrative expenses to increase primarily due to continued investment in corporate infrastructure to support growth.

**Total Other Income, Net**

Total other income, net increased by $18 million and $32 million for the three and six months ended June 30, 2023, respectively, as compared to total other income, net for the three and six months ended June 30, 2022, respectively. The increase was primarily due to higher interest income on our short-term investments driven by rising interest rates.

**Provision for Income Taxes**

The U.S. federal statutory tax rate was 21% for the three and six months ended June 30, 2023 and 2022, respectively.

The provision for income taxes increased by $6 million for the three months ended June 30, 2023, as compared to the three months ended June 30, 2022. The increase was primarily due to higher pre-tax profitability, partially offset by a lower impact attributable to nondeductible stock-based compensation.

The provision for income taxes decreased by $10 million for the six months ended June 30, 2023, as compared to the six months ended June 30, 2022. The decrease was primarily due to a lower impact attributable to nondeductible stock-based compensation coupled with higher tax benefits associated with employee stock-based awards.
Liquidity and Capital Resources

As of June 30, 2023, we had working capital of $1,781 million, which included $966 million in cash and cash equivalents, $49 million of which was held by our international subsidiaries, and $465 million in short-term investments in marketable securities. Additionally, we had $445 million available under our Amended Credit Facility (refer to the “Credit Facility” section below). For the six months ended June 30, 2023, we generated $316 million in cash flows from operating activities.

We believe our existing cash and cash equivalents, cash flow from operations, and our undrawn available balance under our Amended Credit Facility will be sufficient to meet our working capital requirements for at least the next 12 months. We believe our existing cash and cash equivalents, short-term investments and cash flow from operations will be sufficient to fund our share repurchase program. Further, we have a shelf registration statement on Form S-3 on file with the SEC (the “Shelf Registration”), which permits us to issue equity securities and equity-linked securities from time to time, subject to certain limitations. The Shelf Registration is intended to provide us with additional flexibility to access capital markets for general corporate purposes, subject to market conditions and our capital needs. Our future capital requirements and the adequacy of available funds will depend on many factors, including those set forth in “Item 1A. Risk Factors” within this Quarterly Report on Form 10-Q.

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.

There can be no assurances that we will be able to raise additional capital. The inability to raise capital would adversely affect our ability to achieve our business objectives. In addition, 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. We are closely monitoring the effect that current macroeconomic factors may have on our working capital requirements.

Credit Facility

On June 15, 2021, we and a syndicate of banks, led by JPMorgan Chase Bank, N.A., as agent, entered into a Loan and Security Agreement (the “Credit Facility”). The Credit Facility consists of a $450 million revolving loan facility, with a $20 million sublimit for swingline borrowings and a $15 million sublimit for the issuance of letters of credit. Under certain circumstances, we have the right to increase the Credit Facility by an amount not to exceed $300 million.

On December 17, 2021, we amended the Credit Facility to expand the process for issuing letters of credit and the related invoicing, particularly with respect to letters of credit not denominated in U.S. Dollars. On February 9, 2023, we further amended the Credit Facility (as amended, the “Amended Credit Facility”) to transition from a variable interest rate based on the London Interbank Offered Rate to a variable interest rate based on the secured overnight financing rate (“SOFR”).

As of June 30, 2023, we did not have an outstanding debt balance under the Amended Credit Facility. Availability under the Amended Credit Facility was $445 million as of June 30, 2023, which is net of outstanding letters of credit of $5 million. The Amended Credit Facility matures, and all outstanding amounts become due and payable, on June 15, 2026. As of June 30, 2023, we were in compliance with all covenants.

For additional information regarding the Amended Credit Facility, refer to Note 6—Debt.
Share Repurchase Program

In February 2023, our board of directors approved a share repurchase program with authorization to purchase up to $700 million of our Class A common stock. The share repurchase program, which has no expiration date, is designed to help offset the impact of future share dilution from employee stock issuances. Repurchases under the program may be made in the open market, in privately negotiated transactions or otherwise, with the amount and timing of repurchases determined at our discretion, depending on market conditions and corporate needs. Open market repurchases are structured to occur in accordance with applicable federal securities laws, including within the pricing and volume requirements of Rule 10b-18 under the Exchange Act. We may also, from time to time, enter into Rule 10b5-1 plans to facilitate repurchases of shares under this authorization. This program does not obligate us to acquire any particular amount of Class A common stock, and may be modified, suspended or terminated at any time at the discretion of our board of directors.

During the three and six months ended June 30, 2023, we repurchased and subsequently retired 0.6 million shares and 5.7 million shares, respectively, of our Class A common stock for aggregate repurchase amounts of $44 million and $337 million, respectively. The repurchase amounts for the three and six months ended June 30, 2023 included immaterial amounts related to the 1% excise tax on net share repurchases as a result of the Inflation Reduction Act of 2022 (“IRA”). As of June 30, 2023, $364 million remained available and authorized for repurchases.

Cash Flows

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

<table>
<thead>
<tr>
<th></th>
<th>Six Months Ended June 30,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2023</td>
<td>2022</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>$315,662</td>
<td>$237,958</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>$(61,877)</td>
<td>$(93,575)</td>
</tr>
<tr>
<td>Net cash provided by (used in) financing activities</td>
<td>$(318,460)</td>
<td>$34,146</td>
</tr>
</tbody>
</table>

Operating Activities

Our cash flows from operating activities are primarily influenced by growth in our operations, increases or decreases in collections from our clients and related payments to our suppliers for advertising inventory and data. We typically pay suppliers in advance of collections from our clients. Our collection and payment cycles can vary from period to period. In addition, we expect seasonality to impact cash flows from operating activities on a sequential quarterly basis during the year.

For the six months ended June 30, 2023, cash provided by operating activities of $316 million resulted primarily from net income adjusted for noncash items of $328 million, and a net decrease in our operating assets and liabilities of $13 million. The net decrease in our operating assets and liabilities was primarily due to a $35 million increase in accounts receivable and a $25 million decrease in operating lease liabilities, partially offset by a $51 million increase in accounts payable. The increase in accounts receivable was due to the timing and seasonality of cash receipts from clients. The decrease in operating lease liabilities was due primarily to rent payments. The increase in accounts payable was due to the timing and seasonality of payments to suppliers for the cost of advertising inventory, data and add-on features.

For the six months ended June 30, 2022, cash provided by operating activities of $238 million resulted primarily from net income adjusted for noncash items of $273 million and a net decrease in our operating assets and liabilities of $35 million. The net decrease in our operating assets and liabilities was primarily due to a $130 million decrease in accounts payable, a $24 million decrease in operating lease liabilities and a $22 million decrease in accrued expenses and other liabilities, partially offset by a $112 million decrease in accounts receivable and a $29 million decrease in prepaid expenses and other assets. The decrease in accounts payable was due to seasonality and the timing of payments to suppliers. The decrease in operating lease liabilities was due primarily to rent payments. The decrease in accrued expenses and other liabilities was due primarily to payments of taxes associated with stock-based awards, bonus payments and reduction of the liability related to the ESPP due to the purchase of shares in accordance with the plan. The decrease in accounts receivable was due to seasonality and the timing of cash receipts from clients. The decrease in prepaid expenses and other assets was primarily due to a decrease in the income tax receivable including the receipt of an income tax refund, partially offset by current year estimated income tax payments.
Investing Activities

Our primary investing activities consist of investing in short-term marketable securities, purchases of property and equipment for the expansion of our new facilities in support of our expanding headcount as a result of our growth and capital expenditures to develop our software in support of enhancing our technology platform. As our business grows, we expect our capital expenditures and our investment activity to continue to increase.

For the six months ended June 30, 2023, we used $62 million of cash in investing activities, consisting of $42 million of net purchases of short-term investments, $17 million to purchase property and equipment and $3 million of investments in capitalized software.

For the six months ended June 30, 2022, we used $94 million of cash in investing activities, consisting of $78 million of net purchases of short-term investments, $13 million to purchase property and equipment and $3 million of investments in capitalized software.

Financing Activities

For the six months ended June 30, 2023, we used $318 million of cash in financing activities, consisting of $336 million of cash paid for repurchases of our Class A common stock and $31 million of taxes paid for restricted stock award settlements, partially offset by $28 million of proceeds from stock option exercises and $21 million of proceeds from our ESPP.

For the six months ended June 30, 2022, cash provided by financing activities of $34 million was primarily due to $32 million of proceeds from stock option exercises and $26 million of proceeds from our ESPP, partially offset by $23 million of taxes paid for restricted stock award settlements.

Off-Balance Sheet Arrangements

We do not have any relationships with other entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities that have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. We did not have any other off-balance sheet arrangements at June 30, 2023 other than the indemnification agreements described below.

Contractual Obligations

Our principal commitments consist of our non-cancelable operating leases for our various office facilities and other contractual commitments consisting of obligations to our hosting services providers, marketing contracts and providers of software as a service. In certain cases, the terms of the lease agreements provide for rental payments on a graduated basis.

The following table summarizes our non-cancelable contractual obligations at June 30, 2023 (in thousands):

<table>
<thead>
<tr>
<th>Payments Due by Period</th>
<th>Remainder of 2023</th>
<th>2024 and Thereafter</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating lease commitments</td>
<td>$32,744</td>
<td>$248,947</td>
<td>$281,691</td>
</tr>
<tr>
<td>Other contractual commitments</td>
<td>81,674</td>
<td>385,210</td>
<td>466,884</td>
</tr>
<tr>
<td>Total</td>
<td>$114,418</td>
<td>$634,157</td>
<td>$748,575</td>
</tr>
</tbody>
</table>

In the ordinary course of business, we enter into agreements in which we may agree to indemnify clients, suppliers, vendors, lessors, business partners, lenders, stockholders and other parties with respect to certain matters, including losses resulting from claims of intellectual property infringement, damages to property or persons, business losses or other liabilities. Generally, these indemnity and defense obligations relate to our own business operations, obligations and acts or omissions. However, under some circumstances, we agree to indemnify and defend contract counterparties against losses resulting from their own business operations, obligations and acts or omissions, or the business operations, obligations and acts or omissions of third parties. These indemnity provisions generally survive termination or expiration of the agreements in which they appear. In addition, we have entered into indemnification agreements with our directors, executive officers and other officers that will require us to indemnify them against liabilities.
that may arise by reason of their status or service as directors, officers or employees. In the ordinary course of business, demands have been made upon us to provide indemnification under such agreements, but we are not aware of any claims that could have a material effect on our balance sheet, statement of operations or statement of cash flows. Accordingly, no amounts for any obligation have been recorded at June 30, 2023.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements are prepared in accordance with GAAP. The preparation of these condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures. We evaluate our estimates and assumptions on an ongoing basis. Our estimates are based on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Our actual results could differ from these estimates.

We believe that the assumptions and estimates associated with the evaluation of revenue recognition criteria, including the determination of revenue recognition as net versus gross in our revenue arrangements, stock-based compensation expense and income taxes have the greatest potential impact on our condensed consolidated financial statements. Therefore, we consider these to be our critical accounting policies and estimates.

Recently Issued Accounting Pronouncements

None.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We have operations both within the United States and internationally, and we are exposed to market risks in the ordinary course of our business. These risks include primarily interest rate and foreign currency exchange risks.

**Interest Rate Risk**

We are exposed to market risk from changes in interest rates under our Amended Credit Facility, which accrues interest at a variable rate. No amount was owed on our Amended Credit Facility as of June 30, 2023. We have not used any derivative financial instruments to manage our interest rate risk exposure. Based upon the short-term investments amount as of June 30, 2023, a hypothetical one percentage point increase or decrease in the interest rate would result in a corresponding increase or decrease in investment income of approximately $5 million annually.

**Foreign Currency Exchange Risk**

We have foreign currency exchange risk related to transactions denominated in currencies other than the U.S. Dollar, principally the Euro, Australian Dollar, British Pound, Canadian Dollar, Japanese Yen, Indian Rupee, Indonesian Rupiah and Singapore Dollar. The volatility of exchange rates depends on many factors that we cannot forecast with reliable accuracy. As of June 30, 2023, an immediate 10% adverse change in foreign exchange rates on foreign-denominated accounts would result in a foreign currency loss of approximately $30 million. In the event our non-U.S. Dollar denominated sales and expenses increase, our operating results may be more greatly affected by exchange rate fluctuations.

We enter into forward contracts or other derivative transactions in an attempt to hedge our foreign currency risk. There can be no assurance that such transactions will be effective in hedging some or all of our foreign currency exposures, and under some circumstances they could generate losses for us.

Item 4. Controls and Procedures

**Evaluation of Disclosure Controls and Procedures**

Our management, with the participation of our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), 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 June 30, 2023. Our disclosure controls and procedures are designed to provide reasonable assurance that information we are required to disclose in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosures, and is recorded, processed, summarized and reported within the time periods specified in
the SEC’s rules and forms. Based on this evaluation, our CEO and CFO have concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of June 30, 2023.

**Changes in Internal Control over Financial Reporting**

There have been no significant changes in our internal control over financial reporting during the quarter ended June 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**Inherent Limitations on Effectiveness of Controls**

Management recognizes that a control system, no matter how well conceived 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 or error, 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 also is 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 are subject to various legal proceedings, litigation and claims, either asserted or unasserted, that arise in the ordinary course of business. Although the outcome of the various legal proceedings, litigation and claims cannot be predicted with certainty, management does not believe that any of these proceedings or other claims will have a material adverse effect on our business, financial condition, results of operations or cash flows. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

On May 27, 2022, a stockholder filed a derivative lawsuit captioned Huizenga v. Green, et al., No. 2022-0461, asserting claims on our behalf against certain members of our board of directors in the Court of Chancery of the State of Delaware. On June 27, 2022, a second derivative lawsuit captioned Pfeiffer v. Green, et al., No. 2022-0560, was filed in the Court of Chancery of the State of Delaware alleging substantially similar claims. Those lawsuits were consolidated on August 18, 2022, and a lead plaintiff was appointed on October 7, 2022. The two complaints allege generally that the defendants breached their fiduciary duties to us and our stockholders in connection with the negotiation and approval of the CEO Performance Option. The plaintiffs seek a court order rescinding the CEO Performance Option and monetary damages. On November 10, 2022, the plaintiffs filed a consolidated complaint, and on January 12, 2023, the defendants moved to dismiss the consolidated complaint. On March 24, 2023, plaintiffs filed an opposition to defendants’ motions to dismiss. Defendants filed their replies in support of their motions to dismiss on May 19, 2023, and oral argument is scheduled for October 9, 2023.

Litigation is inherently uncertain and there can be no assurance regarding the likelihood that the motions to dismiss or defense of the various actions will be successful.

Item 1A. Risk Factors

Investing in our Class A common stock involves a high degree of risk. You should consider carefully the risks and uncertainties described below, together with all of the other information contained in this Quarterly Report on Form 10-Q, including the condensed consolidated financial statements and the related notes and Management’s Discussion and Analysis of Financial Condition and Results of Operations, before making investment decisions related to our Class A common stock. If any of the following risks are realized, our business, financial condition, results of operations and prospects could be materially and adversely affected. In that event, the market price of our Class A common stock could decline and you could lose part or all of your investment.

Risks Related to Our Business and Industry

If we fail to maintain and grow our client base and spend through our platform, our revenue and business may be negatively impacted.

To sustain or increase our revenue, we must regularly add new clients and encourage existing clients to maintain or increase the amount of advertising inventory purchased through our platform and adopt new features and functionalities that we make available. If competitors introduce lower cost or differentiated offerings that compete with or are perceived to compete with our offerings, our ability to sell our services to new or existing clients could be impaired. We have spent significant effort in cultivating our relationships with advertising agencies, which has resulted in an increase in the budgets allocated to, and the amount of advertising purchased on, our platform. However, it is possible that we may reach a point of saturation at which we cannot continue to grow our revenue from such agencies because of internal limits that advertisers may place on the allocation of their advertising budgets to digital media to a particular provider or otherwise. While we generally have master services agreements (“MSAs”) in place with our clients, such agreements allow our clients to choose the amount they spend through our platform and terminate our services with limited notice. We at times supplement our MSAs with joint business plans and other incentive programs designed to increase spending from existing clients; however, such increased spending may not materialize in the amounts we expect or at all. We do not typically have exclusive relationships with our clients and there is limited cost and difficulty to moving their media spend to our competitors. As a result, we have limited visibility to our future advertising revenue streams. We cannot assure you that our clients will continue to use our platform to the extent that we expect or at all, or that we will be able to replace, in a timely or effective manner, departing clients with new clients that generate comparable revenue. If a major client representing a significant portion of our business decides to materially reduce its use of our platform or to cease using our platform.
altogether, it is possible that our revenue or revenue growth rate could be significantly reduced, and our business negatively impacted.

The loss of advertising agencies as clients could significantly harm our business, financial condition and results of operations.

Our client base consists primarily of advertising agencies. We do not have exclusive relationships with advertising agencies, and we depend on agencies to work with us to build and maintain advertiser relationships and execute advertising campaigns.

The loss of agencies as clients could significantly harm our business, financial condition and results of operations. If we fail to maintain satisfactory relationships with an advertising agency, we risk losing business from the current and future advertisers represented by that agency.

Advertisers may change advertising agencies. If an advertiser switches from an agency that utilizes our platform to one that does not, we will lose revenue from that advertiser. In addition, some advertising agencies have their own relationships with suppliers of advertising inventory and can directly connect advertisers with such suppliers. Our business may suffer to the extent that advertising agencies and inventory suppliers purchase and sell advertising inventory directly from one another or through intermediaries other than us.

We had over 1,000 clients, consisting primarily of advertising agencies, as of December 31, 2022. Many of these agencies are owned by holding companies, where decision making is decentralized such that purchasing decisions are made, and relationships with advertisers are located, at the agency, local branch or division level. If all of our individual client contractual relationships were aggregated at the holding company level, Publicis Groupe would have represented more than 10% of our gross billings for 2022.

In most cases, we enter into separate contracts and billing relationships with the individual agencies and account for them as separate clients. However, some holding companies for these agencies may choose to exert control over the individual agencies in the future. If so, any loss of relationships with such holding companies and consequently, of their agencies, local branches or divisions, as clients could significantly harm our business, financial condition and results of operations.

If we fail to innovate or make the right investment decisions in our offerings and platform, we may not attract and retain advertisers and advertising agencies and our revenue and results of operations may decline.

Our industry is subject to rapid and frequent changes in technology and laws governing our activities, evolving client needs and the frequent introduction by our competitors of new and enhanced offerings. We must constantly make investment decisions regarding offerings and technology to meet client demand and evolving industry and legal standards. We may make bad decisions regarding these investments. If new or existing competitors have more attractive offerings, we may lose clients or clients may decrease their use of our platform. New client demands, superior competitive offerings or new industry standards could require us to make unanticipated and costly changes to our platform or business model. In addition, as we develop and introduce new products and services, including those incorporating or utilizing artificial intelligence and machine learning and new processing of personal information, including identifiable information, they may raise new, or heighten existing, technological, security, legal and other challenges, may cause unintended consequences and may not function properly or may be misused by our clients. If we fail to adapt to our rapidly changing industry or to evolving client needs, or we provide new products and services that exacerbate technological, security, legal or other challenges, the reputation of and demand for our platform or related offerings could decrease and our business, financial condition and operations may be adversely affected.

The market for programmatic buying for advertising campaigns is relatively new and evolving. If this market develops slower or differently than we expect, our business, growth prospects and financial condition could be adversely affected.

The substantial majority of our revenue has been derived from clients that programmatically purchase advertising inventory through our platform. We expect that spending on programmatic ad buying will continue to be our primary source of revenue for the foreseeable future and that our revenue growth will largely depend on increasing spend through our platform. The market for programmatic ad buying is an emerging market, and our current and potential clients may not shift to programmatic ad buying from other buying methods as quickly as we expect, which would reduce our growth potential. If the market for programmatic ad buying deteriorates or develops more slowly than we expect, it could reduce demand for our platform, and our business, growth prospects and financial condition would be adversely affected.
In addition, our revenue may not necessarily grow at the same rate as spend on our platform. As the market for programmatic buying for advertising matures, growth in spend may outpace growth in our revenue due to a number of factors, including pricing competition, quantity discounts and shifts in product, media, client and channel mix. A significant change in revenue as a percentage of spend could reflect an adverse change in our business and growth prospects. In addition, any such fluctuations, even if they reflect our strategic decisions, could cause our performance to fall below the expectations of securities analysts and investors, and adversely affect the price of our common stock.

The effects of health epidemics, such as the ongoing global COVID-19 pandemic, have had, and could in the future have, an adverse impact on our business, financial condition and results of operations.

Our business and operations have been, and could in the future be, adversely affected by health epidemics, such as the global COVID-19 pandemic. The COVID-19 pandemic and efforts to control its spread curtailed the movement of people, goods and services worldwide, including in the regions in which we and our clients and partners operate, and significantly impacted economic activity and financial markets. Many marketers have decreased or paused their advertising spending as a response to the economic uncertainty, decline in business activity and other COVID-19-related impacts, which have negatively impacted, and with respect to the COVID-19 pandemic or other future health epidemics, may continue to negatively impact, our revenue and results of operations, the extent and duration of which we may not be able to accurately predict.

The economic uncertainty caused by the COVID-19 pandemic has made and may continue to make it difficult for us to forecast revenue and operating results and to make decisions regarding operational cost structures and investments. The duration and extent of the impact from the COVID-19 pandemic depend on future developments that cannot be accurately predicted at this time, including the emergence of new variant strains of COVID-19 and the measures taken by governments, businesses and other organizations in response, and if we are not able to respond to and manage the impact of such events effectively, our business may be harmed.

The market in which we participate is intensely competitive, and we may not be able to compete successfully with our current or future competitors.

We operate in a highly competitive and rapidly changing industry. We expect competition to persist and intensify in the future, which could harm our ability to increase revenue and maintain profitability. New technologies and methods of buying advertising present a dynamic competitive challenge, as market participants develop and offer new products and services aimed at capturing advertising spend or disrupting the digital marketing landscape, such as analytics, automated media buying and exchanges.

We may also face competition from new companies entering the market, including large established companies and companies that we do not yet know about or do not yet exist. If existing or new companies develop, market or resell competitive high-value products or services that result in additional competition for advertising spend or advertising inventory or if they acquire one of our existing competitors or form a strategic alliance with one of our competitors, our ability to compete effectively could be significantly compromised and our results of operations could be harmed.

Our current and potential competitors may have significantly more financial, technical, marketing, and other resources than we have, which may allow them to devote greater resources to the development, promotion, sale and support of their products and services. They may also have more extensive advertiser bases and broader publisher relationships than we have, rich first-party data sets, and may be better positioned to execute on advertising conducted over certain channels, such as social media, mobile, and video. Some of our competitors may have a longer operating history and greater name recognition. As a result, these competitors may be better able to respond quickly to new technologies, develop superior solutions, develop deeper advertiser relationships or offer services at lower prices. Any of these developments would make it more difficult for us to sell our platform or related offerings and could result in increased pricing pressure, increased development, sales and marketing expense, or the loss of market share.

Any decrease in the use of the advertising channels that we are primarily dependent upon, failure to expand the use of emerging channels, or unexpected shift in use among the channels in which we operate, could harm our growth prospects, financial condition and results of operations.

Historically, our clients have predominantly used our platform to purchase mobile, display and video advertising inventory. In particular, the CTV market is quickly evolving and the demand for CTV inventory on our platform has been a significant driver of growth. We expect that these will continue to be significant channels used by our clients for digital
advertising in the future. We also believe that our revenue growth may depend on our ability to expand within social, native, audio, and especially CTV, and we have been, and are continuing to, enhance such channels. Any decrease in the use of mobile, display and video advertising, whether due to clients losing confidence in the value or effectiveness of such channels, regulatory restrictions, consumer choices, or other causes, or any inability to further penetrate social, native, audio or CTV, or enter new and emerging advertising channels, could harm our growth prospects, financial condition and results of operations.

Each advertising channel presents distinct and substantial risk and, in many cases, requires us to continue to develop additional functionality or features to address the particular requirements of the channel. Our ability to provide capabilities across multiple advertising channels, which we refer to as omnichannel, may be constrained if we are not able to maintain or grow advertising inventory for such channels, and some of our omnichannel offerings may not gain market acceptance. If we fail to maintain a diversified channel mix, a decrease in the demand for any channel or channels that we become primarily dependent upon could harm our business, financial condition and results of operations. We may not be able to accurately predict changes in overall advertiser demand for the channels in which we operate and cannot assure you that our investment in channel development will correspond to any such changes. Furthermore, if our channel mix changes due to a shift in client demand, such as clients shifting their spending more quickly or more extensively than expected to channels in which we have relatively less functionality, features, or inventory, then demand for our platform could decrease, and our business, financial condition, and results of operations could be adversely affected.

We often have long sales cycles, which can result in significant time between initial contact with a prospect and execution of a client agreement, making it difficult to project when, if at all, we will obtain new clients and when we will generate revenue from those clients.

Our sales cycle for our platform and newer offerings, from initial contact to contract execution and implementation, can take significant time. Our sales efforts involve educating our clients about the use, technical capabilities and benefits of our platform and related offerings. Some of our clients undertake an evaluation process that frequently involves not only our platform but also the offerings of our competitors. As a result, it is difficult to predict when we will obtain new clients and begin generating revenue from these new clients. Even if our sales efforts result in obtaining a new client, under our usage-based pricing model, the client controls when and to what extent it uses our platform. As a result, we may not be able to add clients or generate revenue as quickly as we may expect, which could harm our revenue growth rates.

We are subject to payment-related risks that may adversely affect our business, working capital, financial condition and results of operations, including from advertising agencies that do not pay us until they receive payment from their advertisers and from clients that dispute or do not pay their invoices.

Spend on our platform primarily comes through our agency clients. Many of our contracts with advertising agencies provide that if the advertiser does not pay the agency, the agency is not liable to us, and we must seek payment solely from the advertiser, a type of arrangement called sequential liability. Contracting with these agencies, which in some cases have or may develop higher-risk credit profiles, may subject us to greater credit risk than if we were to contract directly with advertisers. This credit risk may vary depending on the nature of an advertising agency’s aggregated advertiser base. In addition, typically, we are contractually required to pay advertising inventory and data suppliers within a negotiated period of time, regardless of whether our clients pay us on time, or at all. In addition, we typically experience slow payment cycles by advertising agencies as is common in our industry. While we attempt to negotiate long payment periods with our suppliers and shorter periods from our clients, we are not always successful. As a result, we often face a timing issue with our accounts payable on shorter cycles than our accounts receivables, requiring us to remit payments from our own funds, and accept the risk of credit loss.

This collections and payments cycle may increasingly consume working capital if we continue to be successful in growing our business. If we are unable to borrow on commercially acceptable terms, our working capital availability could be reduced, and as a consequence, our financial condition and results of operations would be adversely impacted.

We may also be involved in disputes with clients, and in the case of agencies, their advertisers, over the operation of our platform, the terms of our agreements or our billings for purchases made by them through our platform. If we are unable to resolve disputes with our clients, we may lose clients or clients may decrease their use of our platform and our financial performance and growth may be adversely affected. If we are unable to collect or make adjustments to bills to clients, we could incur write-offs for credit loss, which could harm our results of operations. In the future, credit loss may exceed reserves for such contingencies and our credit loss exposure may increase over time. Any increase in write-offs for credit loss could harm our business, financial condition and results of operations. Even if we are not paid by our clients on
time or at all, we are still obligated to pay for the advertising inventory, third-party data and other add-on features that clients purchase on our platform, and as a consequence, our business, financial condition and results of operations would be adversely impacted.

We may experience fluctuations in our results of operations, which could make our future results of operations difficult to predict or cause our results of operations to fall below analysts’ and investors’ expectations.

Our quarterly and annual results of operations have fluctuated in the past and we expect our future results of operations to fluctuate due to a variety of factors, many of which are beyond our control. Fluctuations in our results of operations could cause our performance to fall below the expectations of analysts and investors, and adversely affect the price of our common stock. Because our business is changing and evolving rapidly, our historical results of operations may not be necessarily indicative of our future results of operations. Factors that may cause our results of operations to fluctuate include the following:

- changes in demand for programmatic advertising and for our platform, including related to the seasonal nature of our clients’ spending on digital advertising campaigns;
- changes to availability of and pricing of competitive products and services, and their effects on our pricing;
- changes in the pricing or availability of data and other third-party services, including pricing structure changes and the alignment of our pricing model with our data partners;
- changes in our client base and platform or related offerings;
- the addition or loss of advertising agencies and advertisers as clients;
- changes in advertising budget allocations, agency affiliations or marketing strategies;
- changes to our product, media, client or channel mix;
- changes and uncertainty in the regulatory environment for us, advertisers or others in the advertising industry, and the effects of our efforts and those of our clients and partners to address changes and uncertainty in the regulatory environment;
- changes in the economic prospects of advertisers or the economy generally, which could alter advertisers’ budgets or spending priorities, or could increase the time or costs required to complete advertising inventory sales;
- changes in the pricing and availability of advertising inventory, including through real-time advertising exchanges or in the cost of reaching end consumers through digital advertising;
- disruptions, outages, vulnerabilities or technological issues uncovered on our platform or related offerings;
- factors beyond our control, such as natural disasters, terrorism, war and public health crises;
- the introduction of new technologies or offerings by our competitors or others in the advertising marketplace;
- changes in our capital expenditures as we acquire the hardware, equipment and other assets required to support our business;
- timing differences between our payments for advertising inventory and our collection of related advertising revenue;
- the length and unpredictability of our sales cycle;
- costs related to acquisitions of businesses or technologies and development of new products;
- cost of employee recruiting and retention; and
- changes to the cost of infrastructure, including real estate and information technology.
Based upon the factors above and others beyond our control, we have a limited ability to forecast our future revenue, costs and expenses. If we fail to meet or exceed the operating results expectations of analysts and investors or if analysts and investors have estimates and forecasts of our future performance that are unrealistic or that we do not meet, the market price of our common stock could decline. In addition, if one or more of the analysts who cover us adversely change their recommendation regarding our stock, the market price of our common stock could decline. In the past, companies that have experienced volatility in the market price of their stock have been subject to securities litigation. We may be the target of this type of litigation in the future, which could result in substantial costs and divert our management’s attention from other business concerns.

If our access to quality advertising inventory is diminished or fails to expand, our revenue could decline and our growth could be impeded.

We must maintain a consistent supply of attractive ad inventory. Our success depends on our ability to secure quality inventory on reasonable terms across a broad range of advertising networks and exchanges and social media platforms, including video, display, CTV, audio and mobile inventory. The amount, quality and cost of inventory available to us can change at any time, including as publishers and other inventory suppliers respond to changes in the legal and regulatory landscape. A few inventory suppliers hold a significant portion of the programmatic inventory either generally or concentrated in a particular channel, such as audio and social media. In addition, we compete with companies with which we have business relationships. For example, Google is one of our largest advertising inventory suppliers in addition to being one of our competitors. If Google or any other company with attractive advertising inventory limits our access to its advertising inventory, our business could be adversely affected. If our relationships with certain of our suppliers were to cease, or if the material terms of these relationships were to change unfavorably, our business would be negatively impacted. Our suppliers are generally not bound by long-term contracts. As a result, there is no guarantee that we will have access to a consistent supply of quality inventory on favorable terms or at all. If we are unable to compete favorably for advertising inventory available on real-time advertising exchanges, or if real-time advertising exchanges decide not to make their advertising inventory available to us, we may not be able to place advertisements or find alternative sources of inventory with comparable traffic patterns and consumer demographics in a timely manner. Furthermore, the inventory that we access through real-time advertising exchanges may be of low quality or misrepresented to us, despite attempts by us and our suppliers to prevent fraud and conduct quality assurance checks.

Inventory suppliers control the bidding process, rules and procedures for the inventory they supply. Such processes may not always work in our favor or for the benefit of our clients and may create inefficiencies in the supply chain for advertising inventory. Given the importance of ensuring access to quality inventory for our advertisers, we have initiated our own efforts to procure access through OpenPath, our supply path optimization offering intended to give clients a simplified, direct connection to publishers. However, there can be no guarantee that we will be successful in any such efforts or at all.

As new types of inventory become available, we will need to expend significant resources to ensure we have access to such new inventory. For example, although television advertising is a large market, only a very small percentage of it is currently purchased through digital advertising exchanges. We are investing heavily in our programmatic television offering, including by increasing our workforce and by adding new features, functions and integrations to our platform. If the CTV market does not continue to grow as we anticipate or we fail to successfully serve such market, our growth prospects could be harmed.

Our success depends on consistently adding valued inventory in a cost-effective manner. If we are unable to maintain a consistent supply of quality inventory for any reason, client retention and loyalty, and our financial condition and results of operations could be harmed.

Current or future global market uncertainties or downturns and associated macroeconomic conditions beyond our control could adversely affect our business, financial condition and results of operations.

Our business depends on the overall demand for advertising and on the economic health of advertisers that benefit from our platform. Current or future global market uncertainties or downturns and associated macroeconomic conditions, such as growing inflation, rising interest rates, recessionary fears, changes in foreign currency exchange rates, the impact of global instability in many parts of the world and the COVID-19 pandemic or other public health crises, may disrupt the operations of our clients and partners and cause advertisers to decrease or pause their advertising budgets, which could reduce spend though our platform and adversely affect our business, financial condition and results of operations. As we
explore new countries to expand our business, economic downturns or unstable market conditions in any of those countries could also result in our investments not yielding the returns we anticipate.

**Seasonal fluctuations in advertising activity could have a negative impact on our revenue, cash flow and results of operations.**

Our revenue, cash flow, results of operations and other key operating and performance metrics may vary from quarter to quarter due to the seasonal nature of our clients’ spending on advertising campaigns. For example, clients tend to devote more of their advertising budgets to the fourth calendar quarter to coincide with consumer holiday spending. Moreover, advertising inventory in the fourth quarter may be more expensive due to increased demand for it. Political advertising could also cause our revenue to increase during election cycles and decrease during other periods. Our historical revenue growth has lessened the impact of seasonality; however, seasonality could have a more significant impact on our revenue, cash flow and results of operations from period to period if our growth rate declines, if seasonal spending becomes more pronounced, or if seasonality otherwise differs from our expectations.

**Failure to manage our growth effectively could cause our business to suffer and have an adverse effect on our financial condition and results of operations.**

We have experienced and continue to experience significant growth in a short period of time. To manage our growth effectively, we must continually evaluate and evolve our organization. We must also manage our employees, operations, finances, technology and development and capital investments efficiently. Our efficiency, productivity and the quality of our platform and client service may be adversely impacted if we do not train our new personnel, particularly our sales and support personnel, quickly and effectively, or if we fail to appropriately coordinate across our organization. Additionally, our rapid growth may place a strain on our resources, infrastructure and ability to maintain the quality of our platform and related offerings. Our revenue growth and levels of profitability in recent periods should not be considered as indicative of future performance. In future periods, our revenue or profitability could decline or grow more slowly than we expect. Failure to manage our growth effectively could cause our business to suffer and have an adverse effect on our financial condition and results of operations.

**As our costs increase, we may not be able to generate sufficient revenue to sustain profitability.**

We have expended significant resources to grow our business in recent years by increasing the offerings of our platform, adding new offerings, growing our number of employees and expanding internationally. Supporting our continued growth may require substantial financial and other resources to, among other things:

- develop our platform and related offerings, including by investing in our engineering team, creating, acquiring or licensing new products or features, and improving the availability and security of our platform and related offerings;
- continue to expand internationally by growing our sales force and client services team in an effort to increase our client base and spend through our platform, and by adding inventory and data from countries our clients are seeking;
- improve our technology infrastructure, including investing in internal technology development and acquiring outside technologies;
- expand our platform’s reach in new and growing channels such as CTV, including expanding the supply of CTV inventory;
- cover general and administrative expenses, including legal, accounting and other expenses necessary to support a larger organization;
- cover sales and marketing expenses, including a significant expansion of our direct sales organization;
- cover expenses relating to data collection and use and consumer privacy compliance, including additional infrastructure, product features, security, automation and personnel; and
- explore strategic acquisitions.

Investing in the foregoing, however, may not yield anticipated returns. Consequently, as our costs increase, we may not be able to generate sufficient revenue to sustain profitability.
We allow our clients to utilize application programming interfaces ("APIs") with our platform, which could result in outages or security breaches and negatively impact our business, financial condition and results of operations.

The use of APIs by our clients has significantly increased in recent years. Our APIs allow clients to build their own media buying and data management interface by using our APIs to develop custom integration of their business with our platform. The increased use of APIs increases security and operational risks to our systems and the users of our systems, including the risk for intrusion attacks, data theft, or denial of service attacks. Furthermore, while APIs allow clients greater ease and power in accessing our platform, they also increase the risk of overusing our systems, potentially causing outages. We have experienced system slowdowns due to client overuse of our systems through our APIs. While we have taken measures intended to decrease security and outage risks associated with the use of APIs, we cannot guarantee that such measures will be successful. Our failure to prevent outages or security breaches resulting from API use could result in government enforcement actions against us, claims for damages by consumers and other affected individuals, costs associated with investigation and remediation damage to our reputation and loss of goodwill, any of which could harm our business, financial condition and results of operations.

We may experience outages, disruptions, and malfunctions on our platform and related offerings, if we fail to maintain adequate security and supporting infrastructure and processes, which may harm our reputation and negatively impact our business, financial condition and results of operations.

As we expand our offerings, which in some instances involves ingesting more identifiable and sensitive information, the consequences of potential security vulnerabilities become more significant for our business. We expect to continue to invest in technology and security services, equipment, and expertise, including engineers, data centers, network services and database technologies, as well as potentially increase our reliance on open source software. Without these improvements, our operations might suffer from security vulnerabilities or misuse, system disruptions, data loss, slow transaction processing, unreliable service levels, impaired quality or delays in reporting accurate information regarding transactions in our platform, any of which could negatively affect our financial condition, reputation and ability to attract and retain clients. In addition, the expansion and improvement of our systems and infrastructure may require us to commit substantial financial, operational and technical resources, with no assurance our business will increase. If we fail to respond to technological change or to adequately maintain, protect, expand, upgrade and develop our systems and infrastructure in a timely fashion, our growth prospects and results of operations could be adversely affected. The steps we take to increase the reliability, integrity and security of our platform and related offerings as they scale are expensive and complex, and our execution could result in operational failures and increased vulnerability to cyberattacks. Such cyberattacks could include denial-of-service attacks impacting service availability (including the ability to deliver ads) and reliability, tricking company employees into releasing control of their systems to a hacker, or the introduction of computer viruses or malware into our systems with a view to steal confidential or proprietary data. Cyberattacks of increasing sophistication may be difficult to detect and could result in the theft of our intellectual property and data, including personal information, from our platform. We are also vulnerable to unintentional errors or malicious or improper actions by persons with authorized access to our systems that exceed the scope of their access rights, distribute data erroneously, or, unintentionally or intentionally, interfere with the intended operations and functioning of our platform and related offerings. Moreover, we could be adversely impacted by outages and disruptions in the online platforms of our inventory and data suppliers, such as real-time advertising exchanges. Misuse, vulnerabilities, outages and disruptions of our platform and related offerings, including due to cyberattacks, may require engagement with regulators or lead to legal actions, harm our reputation and negatively impact our business, financial condition and results of operations.

Operational performance and internal control issues with our platform may adversely affect our business, financial condition and results of operations and subject us to liability.

Our platform and other offerings are complex and proprietary, and we rely on the expertise of members of our engineering, operations and software development teams for its continued performance. Operational, performance and internal control issues may arise due to a variety of factors, including infrastructure changes, introductions of new functionality, human or software errors and other internal and external variables. Such issues have caused errors, failures, design flaws, vulnerabilities and bugs in the past and may again in the future. We also rely on third-party technology and systems to perform properly and is often used in connection with computing environments utilizing different operating systems, system management software, equipment and networking configurations, which may cause errors in, or failures of, our platform or such other computing environments. Operational, performance and internal control issues with our platform and related offerings, which we may experience and have experienced in the past, could include the failure of our user interface, outages, errors, discrepancies in costs billed versus costs paid, unauthorized bidding, cessation of our ability to bid or deliver impressions, deletion of our reporting information, unanticipated volume overwhelming our databases, server failure or catastrophic events affecting one or more server farms.
Operational, performance, design, and internal control issues with our platform and related offerings, whether real or perceived, could also result in negative publicity, damage to our brand and reputation, government investigations, loss of clients, loss of data, loss of or delay in market acceptance or market share of our platform or related offerings, increased costs or loss of revenue, loss of the ability to access our platform or related offerings, loss of competitive position, claims by clients for losses sustained by them and loss of stockholder confidence in the accuracy and completeness of our financial reports. Alleviating problems resulting from such issues could require significant expenditures of capital and other resources and could cause interruptions, delays or the cessation of our business, any of which may adversely affect our business, financial condition and results of operations.

If unauthorized access is obtained to user, client or inventory and third-party provider data, or our platform is compromised, our services may be disrupted or perceived as insecure, and as a result, we may lose existing clients or fail to attract new clients, and we may incur significant reputational harm and legal and financial liabilities.

Our products and services involve the storage and transmission of significant amounts of data from users, clients and inventory and data providers, a large volume of which is hosted by third-party service providers. Our services and the data on our platform and in our systems could be exposed to unauthorized access due to activities that breach or undermine security measures, including: negligence or malfeasance by internal or external actors; attempts by outside parties to fraudulently induce employees, clients or vendors to disclose sensitive information; or errors or vulnerabilities in our systems, products or processes or in those of our service providers, clients, and vendors. For example, from time to time, we experience cyberattacks of varying degrees and other attempts to obtain unauthorized access to our systems, including to employee mailboxes. We have dedicated and expect to continue to dedicate resources toward security protections that shield data from these activities. However, such measures cannot provide absolute security. Further, we can expect that the deployment of techniques to circumvent our security measures may occur with more frequency and sophistication and may not be recognized until launched against a target. Accordingly, we may be unable to anticipate or detect these techniques or to implement adequate preventative measures. Finally, while we have developed worldwide incident response teams and dedicated resources to incident response processes, such processes could, among other issues, fail to be adequate or accurately assess the incident severity, not proceed quickly enough, or fail to sufficiently remediate an incident.

Many of our employees now have a hybrid work schedule consisting of both in-person work and working from home. Although we have implemented work-from-home protocols and provide work-issued devices to employees, the actions of our employees while working from home may have a greater effect on the security of our systems, the platform and the data we process, including by increasing the risk of compromise to our systems, confidential information or data arising from employees’ combined personal and private use of devices, accessing our systems or data using wireless networks that we do not control or the ability to transmit or store company-controlled data outside of our secured network.

A breach of our security, a flawed design, and/or our failure to respond sufficiently to a security incident could disrupt our services and result in theft, misuse, loss, corruption, or improper use or disclosure of data. This could result in government investigations, enforcement actions and other legal and financial liability, and/or loss of confidence in the availability and security of our products and services, all of which could seriously harm our reputation and brand and impair our ability to attract and retain clients. As we launch new products and services, some of which involve the receipt and processing of identifiable information, the risks associated with data including risks to breach of our systems increases, and we could be subject to contractual breach and indemnification claims from other clients and partners and otherwise suffer damage to our reputation, brand, and business. Our platform may also receive data in aggregated or pseudonymized form, and if our systems are breached and such data or information is compromised, it could be damaging to our brand, reputation, and business. Cyberattacks could also compromise our own trade secrets and other sensitive information and result in such information being disclosed to others and becoming less valuable, which could negatively affect our business.

Privacy and data protection laws to which we are subject may cause us to incur additional or unexpected costs, subject us to enforcement actions for compliance failures, or cause us to change our platform or business model, which may have a material adverse effect on our business.

Information relating to individuals and their devices (commonly called “personal information” or “personal data”) is regulated under a wide variety of local, state, national and international laws and regulations that apply to the collection, use, retention, protection, disclosure, transfer (including transfer across national boundaries) and other processing of such data. We typically collect and store IP addresses and other device identifiers (such as unique cookie identifiers and mobile application identifiers), which are or may be considered personal data or personal information in many jurisdictions or otherwise may be the subject of regulation. In connection with newer products and services, including Unified ID 2.0 and
offering and honoring an opt-out of
issued pursuant to the Colorado Privacy Act ("CPA") impose detailed requirements for compliance with a variety of CPA obligations such as those related to
obligations imposed by any of these state laws that are different from the CCPA's requirements will require further investment for compliance. The regulations
individuals a range of data privacy rights relating to such data, including the right to opt out of targeted advertising and certain profiling activities. Any
time, resources and expense to develop and maintain compliance. All of these laws protect a broadly-defined concept of "personal data," and each law grants
California use somewhat different terminology from the CCPA but result in many of the same compliance obligations, and may similarly require significant
deemed "sensitive" under the laws, and creating new notice obligations. Most significant for the advertising industry, however, these laws require
businesses that engage in certain advertising uses of consumer personal information to offer and honor an opt-out of such activities, including, in some states,
through browser or device-based preference signals. (Terminology varies slightly among some of the state laws, tying the opt-out requirement to "targeted
advertising activities and signals regulators' willingness to pursue in-depth investigations and impose substantial penalties on entities allegedly operating in
violation of the statute.

The California law (the California Consumer Privacy Act, or "CCPA") also creates a potentially severe statutory damages framework for violations of
the law and for businesses that fail to implement reasonable security procedures and practices to prevent data breaches. The CCPA also offers the possibility for
enforcement activity under the initial law in 2022 revealed that regulators interpret "sales" broadly to include common advertising technology practices. This enforcement
activity, together with the updates to California’s laws and the state laws that will take effect throughout 2023 and beyond, will impact our practices and those
of our clients and others in the advertising industry. Enforcement activity by the California Attorney General also reflects an ongoing focus on online
advertising activities and signals regulators' willingness to pursue in-depth investigations and impose substantial penalties on entities allegedly operating in
violation of the statute.

Although the California Privacy Protection Agency's rulemaking activities remain ongoing, the CCPA and the existing implementing regulations will
likely increase compliance costs and obligations on us, our clients, and other companies in the advertising industry. Thus, we expect that continuing to maintain
compliance with California's legal requirements, including monitoring and adjusting to new regulations and interpretations that affect our approach to
compliance, will require significant time, resources, and expense, as will the effort to monitor whether additional changes to our business practices and our
backend configuration are needed, all of which may increase operating costs, or limit our ability to operate or expand our business.

Following the passage of the CCPA, a trend has emerged of other states passing data privacy laws. The state data privacy laws passed outside of
California use somewhat different terminology from the CCPA but result in many of the same compliance obligations, and may similarly require significant
time, resources and expense to develop and maintain compliance. All of these laws protect a broadly-defined concept of "personal data," and each law grants
individuals a range of data privacy rights relating to such data, including the right to opt out of targeted advertising and certain profiling activities. Any
obligations imposed by any of these state laws that are different from the CCPA's requirements will require further investment for compliance. The regulations
issued pursuant to the Colorado Privacy Act ("CPA") impose detailed requirements for compliance with a variety of CPA obligations such as those related to
offering and honoring an opt-out of
Changes in data residency and cross-border transfer restrictions also impact our operations. For the transfer of personal data from the EU to the United States, like many U.S. and European companies, we have relied upon, and were certified under the EU-U.S. and Swiss-U.S. Privacy Shield Frameworks. The Privacy Shield Framework, however, was struck down in July 2020 by the EU Court of Justice (a decision referred to as “Schrems II”) as an adequate mechanism by which EU companies may pass personal data to the United States, and other EU mechanisms for adequate data transfer, such as the standard contractual clauses, were questioned by the Court of Justice and whether and how standard contractual clauses can be used to transfer personal data to the United States is in question. In June 2021, the European Commission published revised standard contractual clauses, and shortly thereafter the European Data Protection Board promulgated guidance on implementation of the new clauses. In October 2022, the White House released an executive order implementing a new EU-U.S. data transfer mechanism, the Trans-Atlantic Data Privacy Framework (“DPF”). The DPF aims to address the concerns raised by the court in Schrems II relating to perceived risks of transferring personal data to the United States by putting in place a new set of “commercial principles” similar to the old Privacy Shield Framework together with new rules governing U.S. intelligence authorities and redress for EU individuals. The European Commission launched the process to adopt a final adequacy decision, which, if granted, would reduce the legal uncertainty of cross-border transfers of personal data. However, until an adequacy decision is granted, the validity of the standard contractual clauses as a transfer mechanism remains uncertain. If all or some jurisdictions within the EU or the United Kingdom determine that the new standard contractual clauses also cannot be used to transfer personal data to the United States and if the DPF is not ultimately adopted, we could be left with no reasonable option for the lawful cross-border transfer of
personal data. If left with no reasonable option for the lawful cross-border transfer of personal data, and if we nonetheless continue to transfer personal data from the EU to the United States, that could lead to governmental enforcement actions, litigation, fines and penalties or adverse publicity, which could have an adverse effect on our reputation and business or cause us to need to establish systems to maintain certain data in the EU, which may involve substantial expense and cause us to divert resources from other aspects of our operations, all of which may adversely affect our business. Other jurisdictions have adopted or are considering cross-border or data residency restrictions, which could reduce the amount of data we can collect or process and, as a result, significantly impact our business.

Regulatory investigations and enforcement actions could also impact us. In the U.S., the FTC uses its enforcement powers under Section 5 of the Federal Trade Commission Act (which prohibits “unfair” and “deceptive” trade practices) to investigate companies engaging in online tracking. For example, the FTC recently brought several actions against companies regarding their alleged disclosure of consumer health data to third-party platforms for advertising purposes, signaling increased regulatory scrutiny of advertising practices that involve particularly “sensitive” categories of personal information such as health data. Other companies in the advertising technology space have been subject to government investigation by regulatory bodies; advocacy organizations have also filed complaints with data protection authorities against advertising technology companies, arguing that certain of these companies’ practices do not comply with data privacy laws, such as the CCPA or GDPR, or consumer protection laws such as the FTC Act. We cannot avoid the possibility that one of these investigations or enforcement actions will require us to alter our practices. Further, our legal risk depends in part on our clients’ or other third parties’ adherence to data privacy laws and regulations and their use of our services in ways consistent with end user expectations. We rely on representations made to us by clients, partners and providers that they will comply with all applicable laws, including all relevant data privacy and data protection regulations. Although we make reasonable efforts to enforce such representations and contractual requirements, we do not fully audit our clients’ compliance with our recommended disclosures or their adherence to data privacy laws and regulations. If our clients, partners or providers fail to adhere to our expectations or contracts in this regard, we and our clients could be subject to adverse publicity, damages and related possible investigation or other regulatory activity.

Adapting our data business to privacy laws enacted at the state level and their implementing regulations and to the enhanced and evolving privacy obligations in the EU and elsewhere could continue to involve substantial expense and may cause us to divert resources from other aspects of our operations, all of which may adversely affect our business. Additionally, as the advertising industry evolves, and new ways of collecting, combining and using data are created, governments may enact legislation in response to technological advancements and changes that could result in our having to re-design features or functions of our platform, therefore incurring unexpected compliance costs. Further, adaptation of the digital advertising marketplace requires increasingly significant collaboration between participants in the market, such as publishers and advertisers. Failure of the industry to adapt to changes required for operating under existing and future data privacy laws and user response to such changes could negatively impact inventory, data, and demand. We cannot control or predict the pace or effectiveness of such adaptation, and we cannot currently predict the impact such changes may have on our business.

In addition to laws regulating the processing of personal information, we are also subject to regulation with respect to political advertising activities, which are governed by various federal and state laws in the U.S., and national and provincial laws worldwide. Online political advertising laws are rapidly evolving and, in certain jurisdictions, have varying transparency and disclosure requirements. We saw publishers impose varying prohibitions and restrictions on the types of political advertising and breadth of targeted advertising allowed on their platforms with respect to advertisements for the 2020 U.S. presidential election in response to political advertising scandals, such as the scandal involving Cambridge Analytica. The lack of uniformity and increasing requirements on transparency and disclosure could adversely impact the inventory made available for political advertising and the demand for such inventory on our platform, and otherwise increase our operating and compliance costs. Concerns about political advertising or other advertising in areas deemed sensitive, whether or not valid and whether or not driven by applicable laws and regulations, industry standards, client or inventory provider expectations, or public perception, may harm our reputation, result in loss of goodwill, and inhibit use of our platform by current and future clients.

These laws and other obligations may be interpreted and applied in a manner that is inconsistent with our existing data management practices or the features of our platform. If so, in addition to the possibility of fines, lawsuits and other claims, we could be required to fundamentally change our business activities and practices or modify our products, which could have an adverse effect on our business. We may be unable to make such changes and modifications in a commercially reasonable manner or at all, and our ability to develop new products and features could be limited. All of this could impair our or our clients’ ability to collect, use, or disclose information relating to consumers, which could decrease demand for our platform, increase our costs, and impair our ability to maintain and grow our client base and increase our revenue.
Commitments to advertising technology industry self-regulation may subject us to investigation by government or self-regulatory bodies, government or private litigation, and operational costs or harm to reputation or brand.

In addition to our legal obligations, we have committed to comply, and generally require our clients, providers and partners to comply, with applicable self-regulatory principles, such as the Network Advertising Initiative’s Code of Conduct and the Digital Advertising Alliance’s Self-Regulatory Principles for Online Behavioral Advertising in the United States, and similar self-regulatory principles in Europe and Canada adopted by the local Digital Advertising Alliance. Trade associations and industry self-regulatory groups have also promulgated best practices and other industry standards relating to targeted advertising. Our efforts to comply with these self-regulatory principles include offering Internet users notice and choice when advertising is served to them based, in part, on their interests. If we or our clients or partners make mistakes in the implementation of these principles, or if self-regulatory bodies expand these guidelines or government authorities issue different guidelines regarding targeted advertising, or opt out mechanisms fail to work as designed, or if Internet users misunderstand our technology or our commitments with respect to these principles, we may, as a result, be subject to negative publicity, government investigation, government or private litigation or investigation by self-regulatory bodies or other accountability groups. Any such action against us, or investigations, even if meritless, could be costly and time consuming, require us to change our business practices, cause us to divert management’s attention and our resources and be damaging to our brand, reputation and business. In addition, privacy advocates and industry groups may propose new and different self-regulatory standards that either legally or contractually apply to us. We cannot yet determine the impact such future standards may have on our business.

Third parties control our access to unique identifiers, and if the use of “third-party cookies” or other technology to uniquely identify devices is rejected by Internet users, restricted or otherwise subject to unfavorable regulation, blocked or limited by preference signals, technical changes on end users’ devices and web browsers, or our and our clients’ ability to use data on our platform is otherwise restricted, our performance may decline and we may lose advertisers and revenue.

Our ability to successfully leverage user data and generate revenue from opportunities to serve advertisements could be impacted by restrictions imposed by laws or by third parties, including restrictions on our ability to use or read cookies, device identifiers, or other tracking features or our ability to use real-time bidding networks or other bidding networks. For example, if publishers or supply-side platforms decide to limit the data that we receive in order to comply (in their view) with state data privacy laws or a potential federal data privacy law, then our service may prove to be less valuable to our clients and we may find it more difficult to generate revenue. That is, if third parties on which we rely for data or opportunities to serve advertisements impose limitations (for whatever reason) or are restricted by other ecosystem participants or applicable regulations, we may lose the ability to access data, bid on opportunities, or purchase digital ad space, which could have a substantial impact on our revenue.

Digital advertising mostly relies on the ability to uniquely identify devices across websites and applications, and to collect data about user interactions with those devices for purposes such as serving relevant ads and measuring the effectiveness of ads. Devices are identified through unique identifiers stored in cookies (and similar technologies), provided by device operating systems for advertising purposes, or generated based on statistical algorithms applied to information about a device, such as the IP address and device type. We use device identifiers to record information such as when an Internet user views an ad, clicks on an ad, or visits one of our advertiser’s websites or applications. We use device identifiers to help us achieve our advertisers’ campaign goals, including to limit the instances that an Internet user sees the same advertisement, report information to our advertisers regarding the performance of their advertising campaigns, and detect and prevent malicious behavior and invalid traffic throughout our network of inventory. We also use data associated with device identifiers to help our clients decide whether to bid on, and how to price, an opportunity to place an advertisement in a specific location, at a given time, in front of a particular Internet user. Additionally, our clients rely on device identifiers to add information they have collected or acquired about users into our platform. Without such data, our clients may not have sufficient insight into an Internet user’s activity, which may compromise their and our ability to determine which inventory to purchase for a specific campaign and may undermine the effectiveness of our platform or our ability to improve our platform and remain competitive.

Today, digital advertising, including our platform, makes significant use of cookies to store device identifiers for the advertising activities described above. When we use cookies, they are generally considered third-party cookies, which are cookies owned and used by parties other than the owners of the website visited by the Internet user. The most commonly used Internet browsers—Chrome, Firefox, Internet Explorer and Safari—allow Internet users to modify their browser settings to prevent some or all cookies from being accepted by their browsers. Internet users can delete cookies from their computers at any time. Additionally, some browsers currently, or may in the future, block or limit some third-party cookies by default or may implement user control settings that algorithmically block or limit some cookies. Today,
increased new controls over third-party cookies and announced plans to deprecate support for third-party cookies and user agent strings entirely in the second half of 2024, which will follow a one-percent depreciation of third-party cookies for Chrome users globally in the first half of 2024. Some Internet users also download free or paid ad-blocking software that not only prevents third-party cookies from being stored on a user’s computer, but also blocks all interaction with a third-party ad server. In addition, Google has introduced ad-blocking software in its Chrome web browser that will block certain ads based on quality standards established under a multi-stakeholder coalition. If such a feature inadvertently or mistakenly blocks ads that are not within the established blocking standards, or if such capabilities become widely adopted and the advertising technology industry does not collaboratively develop alternative technologies, our business could be harmed. The Interactive Advertising Bureau and Digital Advertising Alliance have also developed frameworks that allow users to opt out of the “sale” or use of their personal information for targeted advertising purposes under state data privacy laws in ways that stop or severely limit the ability to show targeted ads. Because additional state data privacy laws require businesses to permit end users to opt out of processing their personal information for purposes of targeted advertising, we expect that more opt-out solutions will become available that may ultimately be used by end users, which may reduce our clients’ use of our platform, and our business, financial condition, and results of operations could be adversely affected.

Advertising shown on mobile applications can also be affected by blocking or restricting use of mobile device identifiers. Data regarding interactions between users and devices are tracked mostly through stable, pseudonymous advertising identifiers that are built into the device operating system with privacy controls that allow users to express a preference with respect to data collection for advertising, including to disable the identifier. These identifiers and privacy controls are defined by the developers of the platforms through which the applications are accessed and could be changed by the platforms in a way that may negatively impact our business. For example, Apple has shifted to require user opt-in before permitting access to Apple’s unique identifier, or IDFA, and Google has announced that it will deprecate the mobile advertising identifier used on Android devices entirely. These changes have had, and will likely continue to have, a substantial impact on the mobile advertising ecosystem and could adversely impact our growth in this channel.

In addition, in the EU, Directive 2002/58/EC (as amended by Directive 2009/136/EC), commonly referred to as the ePrivacy or Cookie Directive, directs EU member states to ensure that accessing information on an Internet user’s computer, such as through a cookie and other similar technologies, is allowed only if the Internet user has been informed about such access and given his or her consent. A ruling by the Court of Justice of the European Union clarified that such consent must be reflected by an affirmative act of the user, and European regulators continue to agitate for more robust forms of consent and bringing enforcement actions against major platforms, including Amazon, Facebook, and Google, concerning their cookie consent mechanisms. These developments have resulted in decreased reliance on implied consent mechanisms that have been used to meet requirements of the ePrivacy Directive in some markets. A replacement for the ePrivacy Directive is currently under discussion by EU member states to complement and bring electronic communication services in line with the GDPR and force a harmonized approach across EU member states. Like the GDPR, the proposed ePrivacy Regulation has extra-territorial application as it applies to businesses established outside the EU who provide publicly available electronic communications services to, or gather data from the devices of, users in the EU. Though still subject to debate, the proposed ePrivacy Regulation may further raise the bar for the use of cookies and the fines and penalties for breach may be significant. We may be required to, or otherwise may determine that it is advisable to, make significant changes in our business operations and product and services to obtain user opt-in for cookies and use of cookie data, or develop or obtain additional tools and technologies to compensate for a lack of cookie data.

As the collection and use of data for digital advertising has received media attention over the past several years, some government regulators, such as the FTC, and privacy advocates have suggested creating a “Do Not Track” standard that would allow Internet users to express a preference, independent of cookie settings in their browser, not to have their online browsing activities tracked implemented through an opt-out preference tool such as the “Global Privacy Control.” In addition to the CCPA, recent state laws, such as those enacted in Colorado and Connecticut and regulations issued pursuant to the CCPA and CPA address and expand on requirements for honoring browser-based or similar technical signals for consumers to opt out of the sale of personal information and the use of personal information for targeted advertising purposes. If use of the “Global Privacy Control” or similar signals is adopted by many Internet users or if such a standard is imposed by additional states or by federal or foreign legislation or is agreed upon by standard setting groups, we may have to change our business practices, our clients may reduce their use of our platform, and our business, financial condition and results of operations could be adversely affected.

Increased transparency into the collection and use of data for digital advertising, introduced both through features in browsers and devices and regulatory requirements, such as the GDPR, state data privacy laws, “Global Privacy Control,”
and the ePrivacy Directive, as well as compliance with such requirements, may create operational burdens to implement and may lead more users to choose to block the collection and use of data about them. Adapting to these and similar changes has in the past and may in the future require significant time, resources and expense, which may increase our cost of operation or limit our ability to operate or expand our business.

Concerns regarding data privacy and security relating to our industry’s technology and practices, and actual or perceived failure to comply with laws and industry self-regulation, could damage our reputation and deter current and potential clients from using our products and services.

Public perception regarding data protection and privacy are significant in the programmatic advertising buying industry. Concerns about industry practices with regard to the collection, use, and disclosure of personal information, whether or not valid and whether driven by applicable laws and regulations, industry standards, client or inventory provider expectations, or the broader public, may harm our reputation, result in loss of goodwill, and inhibit use of our platform or related offerings by current and future clients. For example, perception that our practices involve an invasion of privacy or are designed with insufficient protections, whether or not such practices are consistent with current or future laws, regulations, or industry practices, may subject us to public criticism, private class actions, reputational harm, or claims by regulators, which could disrupt our business and expose us to increased liability.

Our failure to meet standards and provide services that our advertisers and inventory suppliers trust, could harm our brand and reputation and those of our partners and negatively impact our business, financial condition and results of operations.

We do not provide or control the content of the advertisements that we serve or the content of the websites providing the inventory. Advertisers provide the advertising content and inventory suppliers provide the inventory. Both advertisers and inventory suppliers are concerned about being associated with content they consider inappropriate, competitive or inconsistent with their brands or illegal, and they are hesitant to spend money or make inventory available, respectively, without some guarantee of brand security. Consequently, our reputation depends in part on providing services that our advertisers and inventory suppliers trust, and we have contractual obligations to meet content and inventory standards. We contractually prohibit the misuse of our platform by our clients and inventory suppliers. Additionally, we use our proprietary technology and third-party services to, and we participate in industry co-ops that work to, detect malware and other content issues as well as click fraud (whether by humans or software known as “bots”) and to block fraudulent inventory, including “tool bar” inventory, which is inventory that appears within an application and displaces any advertising that would otherwise be displayed on the website. Despite such efforts, our clients may inadvertently purchase inventory that proves to be unacceptable for their campaigns, in which case we may not be able to recoup the amounts paid to inventory suppliers. Preventing and combating fraud is an industry-wide issue that requires constant vigilance, and we cannot guarantee that we will be successful in our efforts. Our clients could intentionally run campaigns that do not meet the standards of our inventory suppliers or attempt to use illegal or unethical targeting practices or seek to display advertising in jurisdictions that do not permit such advertising or in which the regulatory environment is uncertain, in which case our supply of ad inventory from such suppliers could be jeopardized. Some of our competitors undertake human review of content, but because our platform is self-service, and because such means are cost-intensive, we do not utilize all means available to decrease these risks. We may provide access to inventory that is objectionable to our advertisers, serve advertising that contains malware, objectionable content, or is based on questionable targeting criteria to our inventory suppliers, or be unable to detect and prevent non-human traffic, any one of which could harm our or our clients’ brand and reputation, decrease their trust in our platform, and negatively impact our business, financial condition and results of operations.

Our future success depends on the continuing efforts of our key employees, including Jeff T. Green and David R. Pickles, and our ability to attract, hire, retain and motivate highly skilled employees in the future.

Our future success depends on the continuing efforts of our executive officers and other key employees, including our two founders, Jeff T. Green, our Chief Executive Officer, and David R. Pickles, our Chief Technology Officer. We rely on the leadership, knowledge, and experience that our executive officers provide. They foster our corporate culture, which has been instrumental to our ability to attract and retain new talent. We also rely on our ability to hire and retain qualified and motivated employees, particularly those employees in our product development, support, and sales teams that attract and keep key clients.

The market for talent in many of our areas of operations, including California and New York, is intensely competitive, as technology companies like ours compete to attract the best talent. As a business-to-business company, we
do not have the same level of name recognition among potential recruits as business-to-consumer companies. Additionally, we have less experience with recruiting and less name recognition in geographies outside of the United States and may face additional challenges in attracting and retaining international employees. In addition, many companies now offer a remote or hybrid work environment, which may increase the competition for employees from employers outside of our traditional office locations. As a result, we may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and we may lose new employees to our competitors or other companies before we realize the benefit of our investment in recruiting and training them. New employees often require significant training and, in many cases, take significant time before they achieve full productivity. Our account managers, for instance, need to be trained quickly on the features of our platform since failure to offer high-quality support may adversely affect our relationships with our clients.

Employee turnover, including changes in our management team, could disrupt our business. None of our founders or other key employees have an employment agreement for a specific term, and all of our employees may terminate their employment with us at any time. The loss of one or more of our executive officers, especially our two founders, or our inability to attract and retain highly skilled employees could have an adverse effect on our business, financial condition and results of operations.

If we fail to offer sufficient client training and support, our business and reputation would suffer.

Because we offer a self-service platform, client training and support is important for the successful marketing and continued use of our platform and for maintaining and increasing spend through our platform from existing and new clients. Providing this training and support requires that our platform operations personnel have specific domain knowledge and expertise along with the ability to train others, which makes it more difficult for us to hire qualified personnel and to scale up our support operations due to the extensive training required. The importance of high-quality client service will increase as we expand our business and pursue new clients. If we are not responsive and proactive regarding our clients’ advertising needs, or do not provide effective support for our clients’ advertising campaigns, our ability to retain our existing clients would suffer and our reputation with existing or potential clients would be harmed, which would negatively impact our business.

If the non-proprietary technology, software, products and services that we use are unavailable, have future terms we cannot agree to, or do not perform as we expect, our business, financial condition and results of operations could be harmed.

We depend on various technology, software, products and services from third parties or available as open source, including data centers and API technology, payment processing, payroll and other technology and professional services, some of which are critical to the features and functionality of our platform. For example, in order for clients to target ads in ways they desire and otherwise optimize and verify campaigns, our platform must have access to data regarding Internet user behavior and reports with demographic information regarding Internet users. Identifying, negotiating, complying with and integrating with third-party terms and technology are complex, costly and time-consuming matters. Failure by third-party providers to maintain, support or secure their technology either generally or for our accounts specifically, or downtime, errors or defects in their products or services, could adversely impact our platform, our administrative obligations or other areas of our business. Having to replace any third-party providers or their technology, products or services could result in outages or difficulties in our ability to provide our services. If we are unsuccessful in establishing or maintaining our relationships with our third-party providers or otherwise need to replace them, internal resources may need to be diverted and our business, financial condition and results of operations could be harmed.

Disruptions to service from our third-party data center hosting facilities and cloud computing and hosting providers could impair the delivery of our services and harm our business.

A significant portion of our business relies upon hardware and services that are hosted, managed and controlled by third-party co-location providers for our data centers, and we are dependent on these third parties to provide continuous power, cooling, Internet connectivity and physical and technological security for our servers. In the event that these third-party providers experience any interruption in operations or cease business for any reason, or if we are unable to agree on satisfactory terms for continued hosting relationships, we would be forced to enter into a relationship with other service providers or assume some hosting responsibilities ourselves. Even a disruption as brief as a few minutes could have a negative impact on marketplace activities and could result in a loss of revenue. These facilities may be located in areas prone to natural disasters and may experience catastrophic events such as earthquakes, fires, floods, power loss, telecommunications failures, public health crises and similar events. They may also be subject to break-ins, sabotage,
intentional acts of vandalism, cyber-attacks and similar misconduct. Although we have made certain disaster recovery and business continuity arrangements, such events could cause damage to, or failure of, our systems generally, or those of the third-party cloud computing and hosting providers, which could result in disruptions to our service.

**We face potential liability and harm to our business based on the human factor of inputting information into our platform.**

Campaigns are set up using several variables available to our clients on our platform. While our platform includes several checks and balances, it is possible for human error to result in significant overspending. The system requires a daily cap at the ad group level. We also provide for the client to input daily and overall caps at the advertising inventory campaign level at their discretion. Additionally, we set a credit limit for each user so that they cannot spend beyond the level of credit risk we are willing to accept. Despite these protections, the ability for overspend exists. For example, campaigns which last for a period of time can be set to pace evenly or as quickly as possible. If a client with a high credit limit enters the wrong daily cap with a campaign set to a rapid pace, it is possible for a campaign to accidently go significantly over budget. While our client contracts state that clients are responsible for media purchased through our platform, we are ultimately responsible for paying the inventory providers, and we may be unable to collect from clients facing such issues, in which case our results of operations would be harmed.

**We have international operations and plan to continue expanding abroad where we have more limited operating experience, which may subject us to additional cost and economic risks that can adversely affect our business, financial condition and results of operations.**

Our international operations and expansion plans create challenges associated with supporting a rapidly growing business across a multitude of cultures, customs, monetary, legal and regulatory systems and commercial infrastructures. We have a limited operating history outside of the United States, and our ability to manage and expand our business and conduct our operations internationally requires considerable attention and resources.

We have personnel in countries within North America, Central America, Europe, Asia and Australia, and we are continuing to expand our international operations. Some of the countries into which we are, or potentially may, expand score unfavorably on the Corruption Perceptions Index (“CPI”) of Transparency International. Our teams in locations outside the United States are substantially smaller than some of our teams in the United States. To the extent we are unable to effectively engage with non-U.S. advertising agencies or international divisions of U.S. agencies due to our limited sales force capacity, or we are unable to secure quality non-U.S. ad inventory and data on reasonable terms due to our limited inventory and data team capacity, we may be unable to effectively grow in international markets.

Our international operations and expansion subject us to a variety of additional risks, including:

- risks related to local advertising markets, where adoption of programmatic ad buying may be slower than in the United States, advertising buyers and inventory and data providers may be less familiar with demand-side platforms and our brand, and business models may not support our value proposition;
- exposure to public health issues and to travel restrictions and other measures undertaken by governments in response to such issues;
- risks related to compliance with local laws and regulations, including those relating to privacy, cybersecurity, data security, antitrust, data localization, anti-bribery, import and export controls, economic sanctions (including to existing and potential partners and clients), tax and withholding (including overlapping of different tax regimes), and varied labor and employment laws (including those relating to termination of employees); corporate formation, partnership, restrictions on foreign ownership or investment and other regulatory limitations or obligations on our operations (such as obtaining requisite licenses or other governmental requirements); and the increased administrative costs and risks associated with such compliance;
- operational and execution risk, and other challenges caused by distance, language and cultural differences, which may burden management, increase travel, infrastructure and legal compliance costs, and add complexity to our enforcement of advertising standards across languages and countries;
- geopolitical and social factors, such as concerns regarding negative, unstable or changing economic conditions in the countries and regions where we operate, recessions, armed conflicts and wars, political instability and trade disputes;
• risks related to pricing structure, payment and currency, including aligning our pricing model and payment terms with local norms, higher levels of credit risk and payment fraud, difficulties in invoicing and collecting in foreign currencies and associated foreign currency exposure, and difficulties in repatriating or transferring funds from or converting currencies; and
• reduced protection for intellectual property rights in some countries and practical difficulties in enforcing contractual and intellectual property rights abroad.

We have a U.K. entity through which we have entered into international client and partner agreements, including with those in the EU, which are governed by English Law, and some of our clients and partners pay us in British Pounds and Euros. We continue to face risks and potential disruptions related to the withdrawal of the U.K. from the EU, commonly referred to as “Brexit.” Although the U.K. and EU have entered into a trade and cooperation agreement, the long-term nature of the U.K.’s relationship with the EU remains unclear. For example, Brexit could affect transborder transactions generally, matters of taxation, transborder data flows, regulators’ jurisdiction over our business, volatility in foreign exchange markets with respect to the British Pound and Euro and other matters related to how we do business in the U.K. and EU. While we continue to monitor these developments, the full effect of Brexit on our operations is uncertain and our business could be harmed by trade disputes or political differences between the U.K. and EU in the future.

We may incur significant operating expenses as a result of our international operations and expansion, and we may not be successful. Our international business also subjects us to the impact of differing regulatory requirements, costs and difficulties in managing a distributed workforce, and potentially adverse tax consequences in the United States and abroad. If our international activities were found to be in violation of any existing or future international laws or regulations or if interpretations of those laws and regulations were to change, our business in those countries could be subject to fines and other financial penalties, have licenses revoked, or be forced to restructure operations or shut down entirely. In addition, advertising markets outside of the United States are not as developed as those within the United States, and we may be unable to grow our business sufficiently. Any failure to successfully manage the risks and challenges related to our international operations could adversely affect our business, financial condition and results of operations.

We have entered into, and may in the future enter into, credit facilities which may contain operating and financial covenants that restrict our business and financing activities.

We have entered into, and may in the future enter into, credit facilities which contain restrictions that limit our flexibility in operating our business. Our credit facility contains, and any future credit facility may contain, various covenants that limit our ability to engage in specified types of transactions. Subject to exceptions, these covenants limit our ability to, among other things:
• sell assets or make changes to the nature of our business;
• engage in mergers or acquisitions;
• incur, assume or permit additional indebtedness and guarantees;
• make restricted payments, including paying dividends on, repurchasing, redeeming or making distributions with respect to our capital stock;
• make specified investments;
• engage in transactions with our affiliates; and
• make payments in respect of subordinated debt.

Our obligations under our credit facility are collateralized by a pledge of substantially all of our assets, including accounts receivable, deposit accounts, intellectual property and investment property and equipment. The covenants in our credit facility may limit our ability to take actions and, in the event that we breach one or more covenants, our lenders may choose to declare an event of default and require that we immediately repay all amounts outstanding, terminate the commitment to extend further credit and foreclose on the collateral granted to them to collateralize such indebtedness, which includes our intellectual property. In addition, if we fail to meet the required covenants, we will not have access to further draw-downs under our credit facility.
If we do not effectively grow and train our sales and client service teams, we may be unable to add new clients or increase sales to our existing clients and our business will be adversely affected.

We are substantially dependent on our sales and client service teams to obtain new clients and to increase spend by our existing clients. We believe that there is significant competition for sales personnel with the skills and technical knowledge that we require. Our ability to achieve revenue growth will depend, in large part, on our success in recruiting, hiring, training, integrating and retaining sufficient numbers of sales personnel to support our growth in the United States and internationally. Due to the complexity of our platform, new hires require significant training, and it may take significant time before they achieve full productivity. Our recent and planned hires may not become productive as quickly as we expect, and we may be unable to hire or retain sufficient numbers of qualified individuals in the markets where we do business or plan to do business. If we are unable to hire and train sufficient numbers of effective sales personnel, or the sales personnel are not successful in obtaining new clients or increasing our existing clients’ spend with us, our business will be adversely affected.

Our corporate culture has contributed to our success, and if we are unable to maintain it as we grow, our business, financial condition and results of operations could be harmed.

We have experienced and may continue to experience rapid expansion of our employee ranks. We believe our corporate culture has been a key element of our success. However, as our organization grows and expands globally, it may be difficult to maintain our culture, which could reduce our ability to innovate and operate effectively. The failure to maintain the key aspects of our culture as our organization grows could result in decreased employee satisfaction, increased difficulty in attracting top talent, increased turnover and could compromise the quality of our client service, all of which are important to our success and to the effective execution of our business strategy. In the event we are unable to maintain our corporate culture as we grow to scale, our business, financial condition and results of operations could be harmed.

Our proprietary rights may be difficult to enforce, which could enable others to copy or use aspects of our technology without compensating us, thereby eroding our competitive advantages and harming our business.

We rely upon a combination of trade secrets, third-party confidentiality and non-disclosure agreements, additional contractual restrictions on disclosure and use, and trademark, copyright, patent and other intellectual property laws to establish and protect our proprietary rights. These laws, procedures and restrictions provide only limited protection. We currently have “theTradeDesk” and variants and other marks registered as trademarks or pending registrations in the United States and certain foreign countries. We also rely on copyright laws to protect computer programs related to our platform and our proprietary technologies, although to date we have not registered for statutory copyright protection. We have registered numerous Internet domain names in the United States and certain foreign countries related to our business. We endeavor to enter into agreements with our employees and contractors in order to limit access to and disclosure of our proprietary information, as well as to clarify rights to intellectual property associated with our business. Protecting our intellectual property is a challenge, especially after our employees or our contractors end their relationship with us, and, in some cases, decide to work for our competitors. Our contracts with our employees and contractors that relate to intellectual property issues generally restrict the use of our confidential information solely in connection with our services, and strictly prohibit reverse engineering. However, reverse engineering our software or the theft or misuse of our proprietary information could occur by employees or other third parties who have access to our technology. Enforceability of the non-compete agreements that we have in place is not guaranteed, and contractual restrictions could be breached without discovery or adequate remedies. Historically, we have prioritized keeping our technology architecture, trade secrets and engineering roadmap private, and as a general matter, have not patented our proprietary technology. As a result, we cannot look to patent enforcement rights to protect much of our proprietary technology. Furthermore, our patent strategy is still in its early stages. We may not be able to obtain any further patents, and our pending applications may not result in the issuance of patents. Any issued patents may be challenged, invalidated or circumvented, and any rights granted under these patents may not actually provide adequate defensive protection or competitive advantages to us. Additionally, the process of obtaining patent protection is expensive and time-consuming, and we may not be able to prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner.

Policing unauthorized use of our technology is difficult. In addition, the laws of some foreign countries may not be as protective of intellectual property rights as those of the United States, and mechanisms for enforcement of our proprietary rights in such countries may be inadequate. If we are unable to protect our proprietary rights (including in particular, the proprietary aspects of our platform) we may find ourselves at a competitive disadvantage to others who have not incurred the same level of expense, time and effort to create and protect their intellectual property.
We may be sued by third parties for alleged infringement of their proprietary rights, which would result in additional expense and potential damages.

There is significant patent and other intellectual property development activity in the digital advertising industry. Third-party intellectual property rights may cover significant aspects of our technologies or business methods or block us from expanding our offerings. Our success depends on the continual development of our platform. From time to time, we may receive claims from third parties that our platform and underlying technology infringe or violate such third parties’ intellectual property rights. To the extent we gain greater public recognition, we may face a higher risk of being the subject of intellectual property claims. The cost of defending against such claims, whether or not the claims have merit, is significant, regardless of whether we are successful in our defense, and could divert the attention of management, technical personnel and other employees from our business operations. Litigation regarding intellectual property rights is inherently uncertain due to the complex issues involved, and we may not be successful in defending ourselves in such matters. Additionally, we have obligations to indemnify our clients or inventory and data suppliers in connection with certain intellectual property claims. If we are found to infringe these rights, we could potentially be required to cease utilizing portions of our platform. We may also be required to develop alternative non-infringing technology, which could require significant time and expense. Additionally, we could be required to pay royalty payments, either as a one-time fee or ongoing, as well as damages for past use that was deemed to be infringing. If we cannot license or develop technology for any allegedly infringing aspect of our business, we would be forced to limit our service and may be unable to compete effectively. Any of these results could harm our business.

We face potential liability and harm to our business based on the nature of our business and the content on our platform.

Advertising often results in litigation relating to misleading or deceptive claims, copyright or trademark infringement, public performance royalties or other claims based on the nature and content of advertising that is distributed through our platform. Though we contractually require clients to generally represent to us that their advertisements comply with our ad standards and our inventory providers’ ad standards and that they have the rights necessary to serve advertisements through our platform, we do not independently verify whether we are permitted to deliver, or review the content of, such advertisements. If any of these representations are untrue, we may be exposed to potential liability and our reputation may be damaged. While our clients are typically obligated to indemnify us, such indemnification may not fully cover us, or we may not be able to collect. In addition to settlement costs, we may be responsible for our own litigation costs, which can be expensive.

We are subject to anti-bribery, anti-corruption and similar laws and non-compliance with such laws can subject us to criminal penalties or significant fines and harm our business and reputation.

We are subject to anti-bribery and similar laws, such as the U.S. Foreign Corrupt Practices Act of 1977, as amended, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the USA PATRIOT Act, U.S. Travel Act, the U.K. Bribery Act 2010 and Proceeds of Crime Act 2002, and possibly other anti-corruption, anti-bribery and anti-money laundering laws in countries in which we conduct business. Anti-corruption laws have been enforced with great rigor in recent years and are interpreted broadly. Such laws prohibit companies and their employees and their agents from making or offering improper payments or other benefits to government officials and others in the private sector. As we increase our international sales and business, particularly in countries with a low score on the CPI by Transparency International, and increase our use of third parties such as sales agents, distributors, resellers or consultants, our risks under these laws will increase. We adopt appropriate policies and procedures and conduct training, but cannot guarantee that improprieties will not occur. Noncompliance with these laws could subject us to investigations, sanctions, settlements, prosecution, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, suspension and/or debarment from contracting with specified persons, the loss of export privileges, reputational harm, adverse media coverage, and other collateral consequences. Any investigations, actions and/or sanctions could have a material negative impact on our business, financial condition and results of operations.

We are subject to governmental economic sanctions requirements and export and import controls that could impair our ability to compete in international markets or subject us to liability if we are not in compliance with applicable laws.

As a U.S. company, we are subject to U.S. export control and economic sanctions laws and regulations, and we are required to export our technology and services in compliance with those laws and regulations, including the U.S. Export Administration Regulations and economic embargo and trade sanctions programs administered by the Treasury Department’s Office of Foreign Assets Control. U.S. economic sanctions and export control laws and regulations prohibit the shipment of specified products and services to countries, governments and persons targeted by U.S. sanctions. While
we take precautions to prevent doing any business, directly or indirectly, with countries, governments and persons targeted by U.S. sanctions and to ensure that our technology and services are not exported or used by countries, governments and persons targeted by U.S. sanctions, such measures may be circumvented. There can be no assurance that we will be in compliance with U.S. export control or economic sanctions laws and regulations in the future. Any such violation could result in significant criminal or civil fines, penalties or other sanctions and repercussions, including reputational harm that could materially adversely impact our business.

Furthermore, if we export our technology, the exports may require authorizations, including a license, a license exception or other appropriate government authorization. Complying with export control and sanctions regulations may be time-consuming and may result in the delay or loss of opportunities.

In addition, various countries regulate the import of encryption technology, including the imposition of import permitting and licensing requirements, and have enacted laws that could limit our ability to offer our platform or could limit our clients’ ability to use our platform in those countries. Changes in our platform or future changes in export and import regulations may create delays in the introduction of our platform in international markets or prevent our clients with international operations from deploying our platform globally. Any change in export or import regulations, economic sanctions or related legislation, or change in the countries, governments, persons, or technologies targeted by such regulations, could result in decreased use of our platform by, or in our decreased ability to export our technology and services to, existing or potential clients with international operations. Any decreased use of our platform or limitation on our ability to export our platform would likely adversely affect our business, financial condition and results of operations.

Risks Related to Ownership of Our Class A Common Stock

The market price of our Class A common stock may be volatile or may decline regardless of our operating performance, and you may not be able to resell your shares at or above your purchase price.

The market price of our stock and of equity securities of technology companies has historically experienced high levels of volatility. If you purchase shares of our Class A common stock, you may not be able to resell those shares at or above your purchase price. The market price of our Class A common stock has fluctuated and may fluctuate significantly in response to numerous factors, some of which are beyond our control and may not be related to our operating performance, including:

- announcements of new offerings, products, services or technologies, commercial relationships, acquisitions, or other events by us or our competitors;
- price and volume fluctuations in the overall stock market from time to time;
- significant volatility in the market price and trading volume of technology companies in general and of companies in the digital advertising industry in particular;
- fluctuations in the trading volume of our shares or the size of our public float;
- trading activity in our share repurchase program;
- actual or anticipated changes or fluctuations in our results of operations;
- whether our results of operations meet the expectations of securities analysts or investors;
- actual or anticipated changes in the expectations of investors or securities analysts;
- litigation involving us, our industry, or both;
- regulatory developments in the United States, foreign countries, or both;
- general economic conditions and trends;
- terrorist attacks, political upheaval, natural disasters, war, public health crises, or other major catastrophic events;
- sales of large blocks of our common stock;
- departures of key employees; or
- an adverse impact on us from any of the other risks cited herein.
In addition, if the stock market for technology companies, or the stock market generally, experiences a loss of investor confidence, the trading price of our Class A common stock could decline for reasons unrelated to our business, financial condition or results of operations. Stock prices of many technology companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. The trading price of our Class A common stock might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. In the past, stockholders have filed securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our core business, and adversely affect our business.

**Substantial future sales of shares of our common stock could cause the market price of our Class A common stock to decline.**

The market price of our Class A common stock could decline as a result of substantial sales of our common stock, particularly sales by our directors, executive officers and significant stockholders, or the perception in the market that holders of a large number of shares intend to sell their shares.

Additionally, our directors, executive officers, employees and, in certain instances, service providers, hold shares of common stock subject to outstanding options, restricted stock awards and restricted stock units under our equity incentive plans. Those shares and the shares reserved for future issuance under our equity incentive plans are and will become eligible for sale in the public market, subject to certain legal and contractual limitations.

Certain holders of our common stock have rights, subject to some conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or our stockholders.

**Insiders have substantial control over our company, including as a result of the dual class structure of our common stock, which could limit your ability to influence the outcome of key decisions, including a change of control.**

Our Class B common stock has ten votes per share and our Class A common stock has one vote per share. Because of the ten-to-one voting ratio between our Class B and Class A common stock, the holders of our Class B common stock collectively have substantial control of the combined voting power of our common stock. Our certificate of incorporation provides that all Class B common stock will convert automatically into Class A common stock on December 22, 2025, unless converted prior to such date. As of June 30, 2023, stockholders who held shares of Class B common stock, including our executive officers, employees, and directors and their affiliates, together held approximately 49.7% of the voting power of our outstanding capital stock. This concentrated control limits or precludes your ability to influence corporate matters, as the holders of Class B common stock are able to influence or substantially control matters requiring approval by our stockholders, including the election of the directors, excluding the director we have designated as a Class A director, and the approval of mergers, acquisitions or other extraordinary transactions. Their interests may differ from yours and they may vote in a manner that is adverse to your interests. This ownership concentration may deter, delay or prevent a change of control of our company, deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company and may ultimately affect the market price of our common stock. Furthermore, in connection with the amendments to our certificate of incorporation and related matters voted on at the Special Meeting of Stockholders held on December 22, 2020, we have become subject to legal proceedings and could become involved in additional litigation, including securities class action claims and/or derivative litigation. Any such legal proceedings, regardless of outcome or merit, may divert management’s time and attention and may result in the incurrence of significant expense, including legal fees. For additional information regarding the pending legal proceeding, refer to Legal Proceedings.

Transfers by holders of Class B common stock will generally result in those shares converting to Class A common stock, subject to limited exceptions, such as transfers effected for estate planning or charitable purposes. However, until the conversion of all outstanding shares of Class B common stock, the conversion of Class B common stock to Class A common stock will have the effect, over time, of increasing the voting power of those holders of Class B common stock who retain their shares in the long term.

**Our charter documents and Delaware law could discourage takeover attempts and other corporate governance changes.**

Our certificate of incorporation and bylaws contain provisions that could delay or prevent a change in control of our company. These provisions could also make it difficult for stockholders to elect directors that are not nominated by the
current members of our board of directors or take other corporate actions, including effecting changes in our management. These provisions include the following provisions:

- permit the board of directors to establish the number of directors and fill any vacancies and newly created directorships;
- provide that our board of directors will be classified into three classes with staggered, three-year terms and that directors may only be removed for cause;
- require super-majority voting to amend certain provisions in our certificate of incorporation and bylaws;
- authorize the issuance of “blank check” preferred stock that our board of directors could use to implement a stockholder rights plan;
- specify that special meetings of our stockholders can be called only by our board of directors, the chairman of our board of directors, our chief executive officer, or a stockholder that has held at least 20% of our outstanding shares of common stock continuously for one year;
- provide that the board of directors is expressly authorized to make, alter or repeal our bylaws;
- provide that vacancies on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum;
- prohibit cumulative voting in the election of directors;
- restrict the forum for certain litigation against us to Delaware;
- permit our board of directors to alter our bylaws without obtaining stockholder approval;
- reflect the dual class structure of our common stock, as discussed above; and
- establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at annual stockholder meetings.

In addition, as a Delaware corporation, we are subject to Section 203 of the Delaware General Corporation Law. These provisions may prohibit large stockholders, in particular those owning 15% or more of our outstanding voting stock, from merging or combining with us for a period of time.

Our certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for substantially all disputes between us and our stockholders, which limits our stockholders’ ability to choose other forums for disputes with us or our directors, officers or employees.

Our certificate of incorporation provides that the Court of Chancery of the State of Delaware is the sole and exclusive forum for: (1) any derivative action or proceeding brought on our behalf; (2) any action asserting a claim of breach of a fiduciary duty by any of our directors, officers, employees, or our stockholders owed to us or our stockholders; (3) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or our bylaws, or as to which the Delaware General Corporation Law confers jurisdiction on the Court of Chancery of the State of Delaware; or (4) any action asserting a claim governed by the internal affairs doctrine. This choice of forum provision may limit a stockholder’s ability to bring a claim in other judicial forums for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers and other employees in jurisdictions other than Delaware. Alternatively, if a court were to find the choice of forum provision contained in our certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could have a material adverse effect on our business, financial condition, or results of operations.

We cannot guarantee that our share repurchase program will be fully consummated, that it will enhance long-term stockholder value, or that it will successfully mitigate the dilutive effect of employee equity awards. Share repurchases diminish our cash reserves and could also increase the volatility of the trading price of our Class A common stock.

While our board of directors authorized a share repurchase program that does not have an expiration date, the program does not obligate us to acquire any particular amount of Class A common stock and it may be terminated at any time. We cannot guarantee that the program will be fully consummated, that it will enhance long-term stockholder value, or that it will successfully mitigate the dilutive effect of employee equity awards. Any repurchases will reduce the amount of cash we have available to fund working capital, capital expenditures, strategic acquisitions or business opportunities, and
other general corporate requirements. In addition, the program could affect the trading price of our Class A common stock and increase volatility, and any announcement of a termination of this program may result in a decrease in the trading price of our Class A common stock.

**General Risk Factors**

*If we fail to maintain an effective system of internal control over financial reporting in the future, we may not be able to accurately or timely report our financial condition or results of operations. If our internal control over financial reporting is not effective, it may adversely affect investor confidence in us and the price of our common stock.*

As a public company, we are required to maintain internal control over financial reporting and to report any material weaknesses in such internal control. Section 404 of the Sarbanes-Oxley Act of 2002, as amended (the “Sarbanes-Oxley Act”) requires that we evaluate and determine the effectiveness of our internal control over financial reporting and provide a management report on internal control over financial reporting.

Our platform system applications are complex, multi-faceted and include applications that are highly customized in order to serve and support our clients, advertising inventory and data suppliers, as well as support our financial reporting obligations. We regularly make improvements to our platform to maintain and enhance our competitive position. In the future, we may implement new offerings and engage in business transactions, such as acquisitions, reorganizations or implementation of new information systems.

These factors require us to develop and maintain our internal controls, processes and reporting systems, and we expect to incur ongoing costs in this effort. We may not be successful in developing and maintaining effective internal controls, and any failure to develop or maintain effective controls, or any difficulties encountered in their implementation or improvement, could harm our operating results or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods.

If we identify material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal control over financial reporting is effective. If we are unable to assert that our internal control over financial reporting is effective, if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, or if we are unable to comply with the requirements of the Sarbanes-Oxley Act in a timely manner, then, we may be late with the filing of our periodic reports, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected. Such failures could also subject us to investigations by Nasdaq, the stock exchange on which our securities are listed, the SEC or other regulatory authorities, and to litigation from stockholders, which could harm our reputation, financial condition or divert financial and management resources from our core business.

*The requirements of being a public company may strain our resources, divert our management’s attention and affect our ability to attract and retain qualified board members.*

As a public company, we are subject to the reporting requirements of the Exchange Act, and are required to comply with the applicable requirements of the Sarbanes-Oxley Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of Nasdaq, and other applicable securities rules and regulations. Compliance with these rules and regulations increases our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources. Among other things, the Exchange Act requires that we file annual, quarterly and current reports with respect to our business and results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. Significant resources and management oversight are required to maintain and, if required, improve our disclosure controls and procedures and internal controls over financial reporting to meet this standard. As a result, management’s attention may be diverted from other business concerns, which could harm our business and results of operations.

*Exposure to foreign currency exchange rate fluctuations could negatively impact our results of operations.*

While the majority of the transactions through our platform are denominated in U.S. Dollars, we have transacted in foreign currencies, both for inventory and data and for payments by clients from use of our platform. We also have expenses denominated in currencies other than the U.S. Dollar. Given our anticipated international growth, we expect the number of transactions in a variety of foreign currencies to continue to grow in the future. While we generally require a fee from our clients that pay in non-U.S. currency, this fee may not always cover foreign currency exchange rate fluctuations. In addition, for those clients that pay in non-U.S. currency, we often pay for the advertising inventory and data purchased.
by such clients in U.S. Dollars. As a result, any increase in the value of the U.S. Dollar against these foreign currencies could cause our revenue to decline relative to our costs. Although we currently have a program to hedge exposure to foreign currency fluctuations, the use of hedging instruments may not be available for all currencies or may not always offset losses resulting from foreign currency exchange rate fluctuations. Moreover, the use of hedging instruments can itself result in losses if we are unable to structure effective hedges with such instruments.

Future acquisitions, strategic investments or alliances could disrupt our business and harm our business, financial condition and results of operations.

We explore, on an ongoing basis, potential acquisitions of companies or technologies, strategic investments, or alliances to strengthen our business, however, we have limited experience in acquiring and integrating businesses, products and technologies. Even if we identify an appropriate acquisition candidate, we may not be successful in negotiating the terms or financing of the acquisition, and our due diligence may fail to identify all of the problems, liabilities or other shortcomings or challenges of an acquired business, product or technology, including issues related to intellectual property, product quality or architecture, regulatory compliance practices, revenue recognition or other accounting practices or employee or client issues. Acquisitions involve numerous risks, any of which could harm our business, including:

- regulatory hurdles;
- anticipated benefits may not materialize;
- diversion of management time and focus from operating our business to addressing acquisition integration challenges;
- retention of employees from the acquired company;
- cultural challenges associated with integrating employees from the acquired company into our organization;
- integration of the acquired company’s products and technology;
- integration of the acquired company’s accounting, management information, human resources and other administrative systems;
- the need to implement or improve controls, procedures and policies at a business that, prior to the acquisition, may have lacked effective controls, procedures and policies;
- coordination of product development and sales and marketing functions;
- liability for activities of the acquired company before the acquisition, including relating to privacy and data security, patent and trademark infringement claims, violations of laws, commercial disputes, tax liabilities and other known and unknown liabilities; and
- litigation or other claims in connection with the acquisition, including claims from terminated employees, users, former stockholders or other third parties.

Failure to appropriately mitigate these risks or other issues related to such acquisitions and strategic investments could result in reducing or completely eliminating any anticipated benefits of transactions, and harm our business generally. Future acquisitions could also result in dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities, amortization expenses or the impairment of goodwill, any of which could harm our business, financial condition and results of operations.

We may not be able to secure additional financing on favorable terms, or at all, to meet our future capital needs, which may in turn impair our growth.

We intend to continue to grow our business, which will require additional capital to develop new features or enhance our platform, improve our operating infrastructure, finance working capital requirements, or acquire complementary businesses and technologies. We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available to us under our existing credit facility in an amount sufficient to fund our working capital needs. Accordingly, we may need to engage in additional equity or debt financings to secure additional capital. We cannot assure you that we would be able to locate additional financing on commercially reasonable terms or at all. Any debt financing that we secure in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities. If our cash flows and credit facility borrowings are insufficient to fund our
working capital requirements, we may not be able to grow at the rate we currently expect or at all. In addition, in the absence of sufficient cash flows from operations, we might be unable to meet our obligations under our credit facility, and we may therefore be at risk of default thereunder. If we raise additional funds through future issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our common stock. If we are unable to secure additional funding on favorable terms, or at all, when we require it, our ability to continue to grow our business to react to market conditions could be impaired and our business may be harmed.

Our tax liabilities may be greater than anticipated.

The U.S. and non-U.S. tax laws applicable to our business activities are subject to interpretation and are changing. We are subject to audit by the Internal Revenue Service and by taxing authorities of the state, local and foreign jurisdictions in which we operate. Our tax obligations are based in part on our corporate operating structure, including the manner in which we develop, value, use and hold our intellectual property, the jurisdictions in which we operate, how tax authorities assess revenue-based taxes such as sales and use taxes, the scope of our international operations and the value we ascribe to our intercompany transactions. Taxing authorities may challenge, and have challenged, our tax positions and methodologies for valuing developed technology or intercompany arrangements, positions regarding the collection of sales and use taxes, and the jurisdictions in which we are subject to taxes, which could expose us to additional taxes. Any adverse outcomes of such challenges to our tax positions could result in additional taxes for prior periods, interest and penalties, as well as higher future taxes. In addition, our future tax expense could increase as a result of changes in tax laws, regulations or accounting principles, or as a result of earning income in jurisdictions that have higher tax rates. For example, the European Commission has proposed, and various jurisdictions, including a number of states in the United States, are considering enacting or have enacted laws that impose separate taxes on specified digital services, which may increase our tax obligations in such jurisdictions. Any increase in our tax expense could have a negative effect on our financial condition and results of operations. Moreover, the determination of our provision for income taxes and other tax liabilities requires significant estimates and judgment by management, and the tax treatment of certain transactions is uncertain. Any changes, ambiguity, or uncertainty in taxing jurisdictions’ administrative interpretations, decisions, policies and positions, including, the position of taxing authorities with respect to revenue generated by reference to certain digital services, could also materially impact our income tax liabilities. Although we believe we will make reasonable estimates and judgments, the ultimate outcome of any particular issue may differ from the amounts previously recorded in our financial statements and any such occurrence could materially affect our financial condition and results of operations.
**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

*Sales of Unregistered Securities*

None.

*Issuer Purchases of Equity Securities*

The following table summarizes share repurchase activity for the three months ended June 30, 2023:

<table>
<thead>
<tr>
<th></th>
<th>Total Number of Shares Purchased&lt;sup&gt;(1)&lt;/sup&gt; (in thousands)</th>
<th>Average Price Paid Per Share&lt;sup&gt;(2)&lt;/sup&gt;</th>
<th>Total Number of Shares Purchased as Part of Publicly Announced Programs&lt;sup&gt;(3)&lt;/sup&gt; (in thousands)</th>
<th>Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs&lt;sup&gt;(3)&lt;/sup&gt; (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 1-30</td>
<td>—</td>
<td>$—</td>
<td>—</td>
<td>$407</td>
</tr>
<tr>
<td>May 1-31</td>
<td>—</td>
<td>$—</td>
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<td>$407</td>
</tr>
<tr>
<td>June 1-30</td>
<td>595</td>
<td>$75.58</td>
<td>595</td>
<td>$364</td>
</tr>
</tbody>
</table>

|             | 595                                                           | 595                                      | 595                                                                             | 595                                                                |

<sup>(1)</sup> On February 15, 2023, we announced that our board of directors approved a share repurchase program with authorization to repurchase up to $700 million our Class A common stock, which commenced in February 2023 and has no expiration date. The share repurchase program is designed to help offset the impact of future share dilution from employee stock issuances. Repurchases under the program may be made in the open market, in privately negotiated transactions or otherwise, with the amount and timing of repurchases determined at our discretion, depending on market conditions and corporate needs. Open market repurchases are structured to occur in accordance with applicable federal securities laws, including within the pricing and volume requirements of Rule 10b-18 under the Exchange Act. We may also, from time to time, enter into Rule 10b5-1 plans to facilitate repurchases of its shares under this authorization. The program does not obligate us to acquire a minimum amount of Class A common stock, and may be modified, suspended or terminated at any time at the discretion of our board of directors. See Note 7—Capitalization in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information related to share repurchases.

<sup>(2)</sup> Excludes other costs such as broker commissions and the accrued excise tax imposed by the IRA.

**Item 5. Other Information**

*Rule 10b5-1 Trading Plans*

On June 1, 2023, our Chief Financial Officer, Laura Schenken, adopted a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) for the sale of up to 97,537 shares of our Class A common stock. The plan will terminate at the earlier of the execution of all trading orders in the plan or February 22, 2024.

On June 15, 2023, our Chief Executive Officer, Jeff T. Green, through a personal trust over which he is a trustee, adopted a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) for the sale of up to 1.5 million shares of our Class A common stock. The plan will terminate at the earlier of the execution of all trading orders in the plan or March 15, 2024.

None of our directors or officers adopted or terminated a "non-Rule 10b5-1 trading arrangement" as defined in Item 408 of Regulation S-K.
## Table of Contents

### Item 6. Exhibits

<table>
<thead>
<tr>
<th>Exhibit Number</th>
<th>Exhibit Description</th>
<th>Incorporated by Reference</th>
<th>Filed Herewith</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>Amended and Restated Certificate of Incorporation.</td>
<td>10-K</td>
<td>2/19/2021</td>
</tr>
<tr>
<td>3.2</td>
<td>Amended and Restated Bylaws.</td>
<td>10-K</td>
<td>2/19/2021</td>
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<tr>
<td>4.1</td>
<td>Reference is made to Exhibits 3.1 and 3.2.</td>
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<td></td>
</tr>
<tr>
<td>4.2</td>
<td>Form of Class A Common Stock Certificate.</td>
<td>S-1/A</td>
<td>9/6/2016</td>
</tr>
<tr>
<td>4.3</td>
<td>Form of Class B Common Stock Certificate.</td>
<td>S-8</td>
<td>9/22/2016</td>
</tr>
<tr>
<td>10.1+</td>
<td>Employment Agreement, dated May 24, 2023 between The Trade Desk, Inc. and Laura Schenkein.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>31.1</td>
<td>Certification of Principal 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.</td>
<td></td>
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</tr>
<tr>
<td>31.2</td>
<td>Certification of Principal 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.</td>
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</tr>
<tr>
<td>32.1(1)</td>
<td>Certifications of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</td>
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<td>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.</td>
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<td>101.sch</td>
<td>Inline XBRL Taxonomy Schema Document.</td>
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<td>Inline XBRL Taxonomy Calculation Linkbase Document.</td>
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<td>101.pre</td>
<td>Inline XBRL Taxonomy Presentation Linkbase Document.</td>
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</tr>
<tr>
<td>104</td>
<td>Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

+ Indicates a management contract or compensatory plan or arrangement.

(1) The information in this exhibit is furnished and deemed not filed with the SEC 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 The Trade Desk, 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.

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Pursuant to the requirements 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.

THE TRADE DESK, INC.
(Registrant)

Dated: August 9, 2023

/s/ Laura Schenkein
Laura Schenkein
Chief Financial Officer
(Principal Financial and Accounting Officer)
EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made as of the 24th day of May 2023, between The Trade Desk, Inc., a Delaware corporation (the "Company"), and Laura Schenkein (the "Executive").

WHEREAS, effective as of the June 1, 2023 (the "Effective Date"), the Company desires to employ the Executive and the Executive desires to be employed by the Company on the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Employment.

(a) Term. The term of this Agreement shall commence on the first day of Executive’s employment with the Company and continue until terminated in accordance with the provisions hereof (the "Term").

(b) Position and Duties. During the Term, the Executive shall serve as the Chief Financial Officer of the Company, reporting to the Chief Executive Officer of the Company, and shall serve in such other or additional positions as the Company may determine from time to time be prescribed by the Board of Directors (the "Board") or the Chief Executive Officer (the "CEO"), provided that such duties are consistent with the Executive’s position or other positions that she may hold from time to time. The Executive shall devote substantially all of her full working time and efforts to the business and affairs of the Company. Notwithstanding the foregoing, the Executive may (i) serve on other boards of directors, with the approval of the Board, or (ii) engage in religious, charitable or other community activities, or fulfill limited teaching, speaking and writing engagements, in each case, as long as such services and activities do not, individually or in the aggregate, materially interfere with the Executive’s performance of her duties to the Company as provided in this Agreement.

2. Compensation and Related Matters.

(a) Base Salary. The Executive’s initial annual base salary shall be $575,000. The Executive’s base salary shall be reviewed annually by the Board or designated committee thereof. The base salary in effect at any given time is referred to herein as “Base Salary.” The Base Salary shall be payable in a manner that is consistent with the Company’s usual payroll practices for executive officers, but no less often than monthly.

(b) Incentive Compensation. The Executive shall be eligible to receive cash incentive compensation as determined by the Board or designated committee thereof from time to time. The Executive’s initial target annual incentive compensation is $575,000, prorated from the Executive’s actual start date. Cash incentive compensation will be paid to the Executive in quarterly installments no later than sixty (60) days after the end of each relevant calendar quarter, subject to the Executive’s continued employment by the Company through the end of such calendar quarter.
(c) **Expenses.** The Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by her during the Term in performing services hereunder, in accordance with the policies and procedures then in effect and established by the Company for its executive officers.

(d) **Other Benefits.** During the Term, the Executive shall be eligible to participate in or receive benefits under the Company’s employee benefit plans in effect from time to time, subject to the terms of such plans.

(e) **Vacations.** During the Term, the Executive shall be entitled to participate in any Company paid-time-off program applicable to its senior executives, as in effect from time to time. The Executive shall also be entitled to all paid holidays given by the Company to its executive officers.

3. **Termination.** During the Term, the Executive’s employment hereunder may be terminated without any breach of this Agreement under the following circumstances:

(a) **Death.** The Executive’s employment hereunder shall terminate upon her death.

(b) **Disability.** The Company may terminate the Executive’s employment if she is disabled and unable to perform the essential functions of the Executive’s then existing position or positions under this Agreement with or without reasonable accommodation for a period of 180 days (which need not be consecutive) in any 12-month period. If any question shall arise as to whether during any period the Executive is disabled so as to be unable to perform the essential functions of the Executive’s then existing position or positions with or without reasonable accommodation, the Executive may, and at the request of the Company shall, submit to the Company a certification in reasonable detail by a physician selected by the Company to whom the Executive or the Executive’s guardian has no reasonable objection as to whether the Executive is so disabled or how long such disability is expected to continue, and such certification shall for the purposes of this Agreement be conclusive of the issue. The Executive shall cooperate with any reasonable request of the physician in connection with such certification. If such question shall arise and the Executive shall fail to submit such certification, the Company’s determination of such issue shall be binding on the Executive. Nothing in this Section 3(b) shall be construed to waive the Executive’s rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 et seq. and the Americans with Disabilities Act, 42 U.S.C. §12101 et seq.

(c) **Termination by Company for Cause.** The Company may terminate the Executive’s employment hereunder for Cause. For purposes of this Agreement, “Cause” shall mean: (i) the Executive’s conviction of or plea of no contest to a felony or a crime involving any financial dishonesty against the Company; (ii) the Executive’s willful misconduct that causes material harm or loss to the Company, including, but not limited to, misappropriation or conversion of Company assets; (iii) the Executive’s gross negligence or refusal or willful failure to act in accordance with any specific lawful direction or order of the Company (or a parent or subsidiary of the Company) which causes material harm or loss to the Company (and the Executive’s failure to cure the same, to the extent capable of cure, within 30 days of receiving written notice from the Company (or any acquirer or successor)); (iv) the Executive’s material breach of any agreement with the Company (or a parent or subsidiary of the Company) which causes material harm or loss to the Company (and the Executive’s failure to cure the same, to the extent capable of cure, within 30 days of receiving written notice from the Company (or any acquirer or successor)); (v) the Executive’s unauthorized use or disclosure of the Company’s confidential information or trade secrets, which use or disclosure causes material harm to the Company; or (vi) the Executive’s failure to cooperate with a bona fide internal investigation or an
investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful
destruction or failure to preserve documents or other materials known to be relevant to such investigation or the inducement of
others to fail to cooperate or to produce documents or other materials in connection with such investigation.

(d) Termination Without Cause. The Company may terminate the Executive’s employment hereunder at any time without Cause.
Any termination by the Company of the Executive’s employment under this Agreement which does not constitute a termination for
Cause under Section 3(c) and does not result from the death or disability of the Executive under Section 3(a) or (b) shall be deemed
a termination without Cause.

(e) Termination by the Executive. The Executive may terminate her employment hereunder at any time for any reason, including but
not limited to, Good Reason. For purposes of this Agreement, “Good Reason” shall mean that the Executive has complied with the
“Good Reason Process” (hereinafter defined) following the occurrence of any of the following events: (i) a material diminution in
the Executive’s responsibilities, authority or duties; (ii) a material diminution in the Executive’s Base Salary except for across-the-
board salary reductions based on the Company’s financial performance similarly affecting all or substantially all senior management
employees of the Company; (iii) a material change in the geographic location at which the Executive provides services to the
Company; or (iv) the material breach of this Agreement by the Company. “Good Reason Process” shall mean that (i) the Executive
reasonably determines in good faith that a “Good Reason” condition has occurred; (ii) the Executive notifies the Company in writing
of the first occurrence of the Good Reason condition within 60 days of the first occurrence of such condition; (iii) the Executive
cooperates in good faith with the Company’s efforts, for a period not less than 30 days following such notice (the “Cure Period”), to
remedy the condition; (iv) notwithstanding such efforts, the Good Reason condition continues to exist; and (v) the Executive
terminates her employment within 60 days after the end of the Cure Period. If the Company cures the Good Reason condition during
the Cure Period, Good Reason shall be deemed not to have occurred.

(f) Notice of Termination. Except for termination as specified in Section 3(a), any termination of the Executive’s employment by the
Company or any such termination by the Executive shall be communicated by written Notice of Termination to the other party
hereto. For purposes of this Agreement, a “Notice of Termination” shall mean a notice which shall indicate the specific termination
 provision in this Agreement relied upon.

(g) Date of Termination. “Date of Termination” shall mean: (i) if the Executive’s employment is terminated by her death, the date of
her death; (ii) if the Executive’s employment is terminated on account of disability under Section 3(b) or by the Company for Cause
under Section 3(c), the date on which Notice of Termination is given; (iii) if the Executive’s employment is terminated by the
Company under Section 3(d), the date on which a Notice of Termination is given; (iv) if the Executive’s employment is terminated
by the Executive under Section 3(e) without Good Reason, 30 days after the date on which a Notice of Termination is given, and (v)
if the Executive’s employment is terminated by the Executive under Section 3(e) with Good Reason, the date on which a Notice of
Termination is given after the end of the Cure Period. Notwithstanding the foregoing, in the event that the Executive gives a Notice
of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not
result in a termination by the Company for purposes of this Agreement.


(a) Termination Generally. If the Executive’s employment with the Company is terminated for any reason, the Company shall pay or
provide to the Executive (or to her authorized
representative or estate) (i) any Base Salary earned through the Date of Termination, unpaid expense reimbursements (subject to, and in accordance with, Section 2(c) of this Agreement) and unused vacation that accrued through the Date of Termination on or before the time required by law but in no event more than 30 days after the Executive’s Date of Termination; and (ii) any vested benefits the Executive may have under any employee benefit plan of the Company through the Date of Termination, which vested benefits shall be paid and/or provided in accordance with the terms of such employee benefit plans (collectively, the “Accrued Benefit”).

(b) Termination by the Company Without Cause or by the Executive with Good Reason. During the Term, if the Executive’s employment is terminated by the Company without Cause as provided in Section 3(d), or the Executive terminates her employment for Good Reason as provided in Section 3(e), then the Company shall pay the Executive her Accrued Benefit. In addition, subject to the Executive signing a separation agreement containing, among other provisions, a general release of claims in favor of the Company and related persons and entities, confidentiality, return of property and non-disparagement, in a form and manner satisfactory to the Company (the “Separation Agreement and Release”) and the Separation Agreement and Release becoming fully effective, all within the time frame set forth in the Separation Agreement and Release:

(i) the Company shall pay the Executive an amount equal to: (A) the sum of (1) the Executive’s then current Base Salary plus (2) the Executive’s target annual incentive compensation for the then-current year (the “Cash Severance”); and (B) a prorated portion of the annual incentive compensation based on actual achievement of performance objectives for the quarter of termination which shall be pro-rated as set forth in the Executive Bonus Plan (the “Incentive Amount”). The Incentive Amount shall not include, and Executive shall not be entitled to, any payment for subsequent quarters of the year, true-up payment, or payment of uncapped amounts for past quarters, regardless of achievement of performance objectives in subsequent quarters. Notwithstanding the foregoing, if the Executive breaches any of the provisions contained in the Confidentiality Agreement (as defined below), all payments of each of the Cash Severance and Incentive Amount shall immediately cease; and

(ii) upon the Date of Termination, all stock options and other stock-based awards that are subject to time-based vesting in which the Executive would have vested if she had remained employed for an additional 12 months following the Date of Termination shall vest and become exercisable or nonforfeitable as of the Date of Termination; provided, however that accelerated vesting of any such equity awards that are subject to performance-based vesting shall be subject to the terms and conditions of the award agreement governing a particular equity award; and

(iii) if the Executive was participating in the Company’s group health plan immediately prior to the Date of Termination and elects COBRA health continuation, then the Company shall pay to the Executive a monthly cash payment for 12 months or the Executive’s COBRA health continuation period, whichever ends earlier, in an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company (the “COBRA Amount”); and

(iv) the Cash Severance and the COBRA Amount shall be paid out in substantially equal installments in accordance with the Company’s payroll practice over 12 months commencing within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the Cash Severance and the COBRA Amount shall begin to be paid in the second calendar year by the last day of such 60-day period; provided, further, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination. The Incentive Amount
shall be paid at the same time such annual incentive compensation is otherwise paid by the Company.

5. Change in Control Payment. The provisions of this Section 5 set forth certain terms of an agreement reached between the Executive and the Company regarding the Executive’s rights and obligations upon the occurrence of a Change in Control of the Company. These provisions are intended to assure and encourage in advance the Executive’s continued attention and dedication to her assigned duties and her objectivity during the pendency and after the occurrence of any such event. These provisions shall apply in lieu of, and expressly supersede, the provisions of Section 4(b) regarding severance pay and benefits upon a termination of employment, if such termination of employment occurs within three months prior to the occurrence of the first event constituting a Change in Control through 24 months following a Change in Control. These provisions shall terminate and be of no further force or effect beginning 24 months after the occurrence of a Change in Control.

(a) Change in Control. During the Term, if within three months prior to a Change in Control through 24 months after a Change in Control, the Executive’s employment is terminated by the Company without Cause as provided in Section 3(d) or the Executive terminates her employment for Good Reason as provided in Section 3(e), then, subject to the signing of the Separation Agreement and Release by the Executive and the Separation Agreement and Release becoming fully effective, all within the time frame set forth in the Separation Agreement and Release,

(i) the Company shall pay the Executive a lump sum in cash in an amount equal to: (A) 2.0 times the sum of (1) the Executive’s then current Base Salary (or the Executive’s Base Salary in effect immediately prior to the Change in Control, if higher) plus (2) the Executive’s target annual incentive compensation for the then-current year; and (B) the Incentive Amount; and

(ii) except as otherwise expressly provided in any applicable option agreement or other stock-based award agreement, all stock options and other stock-based awards that are subject to time-based vesting shall immediately accelerate and become fully exercisable or nonforfeitable as of the Date of Termination; provided, however, accelerated vesting of any such equity awards that are subject to performance-based vesting shall be subject to the terms and conditions of the award agreement governing a particular equity award; and

(iii) if the Executive was participating in the Company’s group health plan immediately prior to the Date of Termination, a lump sum in cash in an amount equal to 24 months of the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company; and

(iv) the amounts payable under this Section 5(a) shall be paid or commence to be paid within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payment shall be paid or commence to be paid in the second calendar year by the last day of such 60-day period.

(b) Additional Limitation.

(i) Anything in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Internal Revenue Code of 1986, as amended (the “Code”), and the applicable regulations thereunder (the “Aggregate Payments”), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all
of the Aggregate Payments shall be $1.00 less than the amount at which the Executive becomes subject to the excise tax imposed by Section 4999 of the Code; provided that such reduction shall only occur if it would result in the Executive receiving a higher After Tax Amount (as defined below) than the Executive would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits; provided that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A24(b) or (c).

(ii) For purposes of this Section 5(b), the “After Tax Amount” means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on the Executive as a result of the Executive’s receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(iii) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Section 5(b)(i) shall be made by a nationally recognized accounting firm selected by the Company (the “Accounting Firm”), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

(b) Definitions. For purposes of this Section 5, the following terms shall have the following meanings:

“Change in Control” shall mean any of the following:

(i) any “person,” as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the “Act”) (other than the Company, any of its subsidiaries, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan or trust of the Company or any of its subsidiaries), together with all “affiliates” and “associates” (as such terms are defined in Rule 12b-2 under the Act) of such person, shall become the “beneficial owner” (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Company representing 50 percent or more of the combined voting power of the Company’s then outstanding securities having the right to vote in an election of the Board (“Voting Securities”) (in such case other than as a result of an acquisition of securities directly from the Company); or

(ii) the date a majority of the members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of the appointment or election; or
(iii) the consummation of (A) any consolidation or merger of the Company where the stockholders of the Company, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, shares representing in the aggregate more than 50 percent of the voting shares of the Company issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any), or (B) any sale or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Company.

Notwithstanding the foregoing, a “Change in Control” shall not be deemed to have occurred for purposes of the foregoing clause (i) solely as the result of an acquisition of securities by the Company which, by reducing the number of shares of Voting Securities outstanding, increases the proportionate number of Voting Securities beneficially owned by any person to 50 percent or more of the combined voting power of all of the then outstanding Voting Securities; provided, however, that if any person referred to in this sentence shall thereafter become the beneficial owner of any additional shares of Voting Securities (other than pursuant to a stock split, stock dividend, or similar transaction or as a result of an acquisition of securities directly from the Company) and immediately thereafter beneficially owns 50 percent or more of the combined voting power of all of the then outstanding Voting Securities, then a “Change in Control” shall be deemed to have occurred for purposes of the foregoing clause (i).

6. Section 409A.

(a) Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive’s separation from service within the meaning of Section 409A of the Code, the Company determines that the Executive is a “specified employee” within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement on account of the Executive’s separation from service would be considered deferred compensation otherwise subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after the Executive’s separation from service, or (B) the Executive’s death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(b) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) To the extent that any payment or benefit described in this Agreement constitutes “non-qualified deferred compensation” under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive’s termination of employment, then such payments or benefits shall be payable only upon the Executive’s “separation from service.” The
determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(d) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(e) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

7. Confidential Information, Noncompetition and Cooperation.

(a) Confidentiality Agreement. The terms of the Employee Confidentiality, Inventions and Use of Likeness Agreement, dated January 30, 2014 (the “Confidentiality Agreement”), between the Company and the Executive, attached hereto as Exhibit A, continue to be in full force and effect and are incorporated by reference in this Agreement. The Executive hereby reaffirms the terms of the Confidentiality Agreement as material terms of this Agreement.

(b) Third-Party Agreements and Rights. The Executive hereby confirms that the Executive is not bound by the terms of any agreement with any previous employer or other party which restricts in any way the Executive’s use or disclosure of information or the Executive’s engagement in any business. The Executive represents to the Company that the Executive’s execution of this Agreement, the Executive’s employment with the Company and the performance of the Executive’s proposed duties for the Company will not violate any obligations the Executive may have to any such previous employer or other party. In the Executive’s work for the Company, the Executive will not disclose or make use of any information in violation of any agreements with or rights of any such previous employer or other party, and the Executive will not bring to the premises of the Company any copies or other tangible embodiments of non-public information belonging to or obtained from any such previous employment or other party.

(c) Litigation and Regulatory Cooperation. During and after the Executive’s employment, the Executive shall cooperate fully with the Company in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while the Executive was employed by the Company. The Executive’s full cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after the Executive’s employment, the Executive also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Executive was employed by the Company. The Company shall reimburse the Executive for any reasonable out-of-pocket expenses incurred in connection with the Executive’s performance of obligations pursuant to this Section 7(c).
(d) Relief. The Executive agrees that it would be difficult to measure any damages caused to the Company which might result from any breach by the Executive of the promises set forth in the Confidentiality Agreement or this Section 7, and that in any event money damages would be an inadequate remedy for any such breach. Accordingly, subject to Section 8 of this Agreement, the Executive agrees that if the Executive breaches, or proposes to breach, any portion of this Agreement, the Company shall be entitled, in addition to all other remedies that it may have, to an injunction or other appropriate equitable relief to restrain any such breach without showing or proving any actual damage to the Company. In addition, in the event the Executive breaches the Confidentiality Agreement or this Section 7 during a period when she is receiving severance payments pursuant to Section 4 or Section 5, the Company shall have the right to suspend or terminate such severance payments. Such suspension or termination shall not limit the Company’s other options with respect to relief for such breach and shall not relieve the Executive of her duties under this Agreement.

(e) Protected Disclosures and Other Protected Action. Nothing contained in this Agreement limits the Executive’s ability to file a charge or complaint with any federal, state or local governmental agency or commission (a “Government Agency”). In addition, nothing contained in this Agreement limits the Executive’s ability to communicate with any Government Agency, including the Executive’s ability to provide documents or other information, without notice to the Company, or do any of the provisions of the Confidentiality Agreement apply to truthful testimony in litigation. If the Executive files any charge or complaint with any Government Agency and if the Government Agency pursues any claim on the Executive’s behalf, or if any other third party pursues any claim on the Executive’s behalf, the Executive waives any right to monetary or other individualized relief (either individually, or as part of any collective or class action); provided that nothing in this Agreement limits any right the Executive may have to receive a whistleblower award or bounty for information provided to the Securities and Exchange Commission. Further, notwithstanding anything herein to the contrary, to the extent required under applicable law, nothing in this Agreement limits the ability of the Executive to share compensation information concerning the Executive or others, except that the Executive may not disclose compensation information concerning others obtained because the Executive’s job responsibilities require or allow access to such information.

8. Arbitration of Disputes. Any controversy or claim arising out of or relating to this Agreement or the breach thereof or otherwise arising out of the Executive’s employment or the termination of that employment (including, without limitation, any claims of unlawful employment discrimination whether based on age or otherwise) shall, to the fullest extent permitted by law, be settled by arbitration in any forum and form agreed upon by the parties or, in the absence of such an agreement, under the auspices of the American Arbitration Association (“AAA”) in Los Angeles, California, in accordance with the Employment Dispute Resolution Rules of the AAA, including, but not limited to, the rules and procedures applicable to the selection of arbitrators. In the event that any person or entity other than the Executive or the Company may be a party with regard to any such controversy or claim, such controversy or claim shall be submitted to arbitration subject to such other person or entity’s agreement. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. This Section 8 shall be specifically enforceable. Notwithstanding the foregoing, this Section 8 shall not preclude either party from pursuing a court action for the sole purpose of obtaining a temporary restraining order or a preliminary injunction in circumstances in which such relief is appropriate; provided that any other relief shall be pursued through an arbitration proceeding pursuant to this Section 8.

9. Consent to Jurisdiction. To the extent that any court action is permitted consistent with or to enforce Section 8 of this Agreement, the parties hereby consent to the jurisdiction of the state and federal courts of the State of California. Accordingly, with respect to any such court action, the
Executive (a) submits to the personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process.

10. Integration. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter, provided that the Confidentiality Agreement remains in full force and effect.

11. Withholding. All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law.

12. Successor to the Executive. This Agreement shall inure to the benefit of and be enforceable by the Executive’s personal representatives, executors, administrators, heirs, distributees, devisees and legatees. In the event of the Executive’s death after her termination of employment but prior to the completion by the Company of all payments due her under this Agreement, the Company shall continue such payments to the Executive’s beneficiary designated in writing to the Company prior to her death (or to her estate, if the Executive fails to make such designation).

13. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

14. Survival. The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Executive’s employment to the extent necessary to effectuate the terms contained herein.

15. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

16. Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company or, in the case of the Company, at its main offices, attention of the Board.

17. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company.

18. Governing Law. This is a California contract and shall be construed under and be governed in all respects by the laws of the State of California, without giving effect to the conflict of laws principles thereof.

19. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.
20. **Successor to Company.** The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform this Agreement to the same extent that the Company would be required to perform it if no succession had taken place. Failure of the Company to obtain an assumption of this Agreement at or prior to the effectiveness of any succession shall be a material breach of this Agreement.

21. **Gender Neutral.** Wherever used herein, a pronoun in the masculine gender shall be considered as including the feminine gender unless the context clearly indicates otherwise.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the date and year first above written.
THE TRADE DESK, INC.

/s/ Jeff Green

By: Jeff Green
Its: Chief Executive Officer

EXECUTIVE

/s/ Laura Schenkein

Laura Schenkein
Exhibit A

Confidentiality Agreement
THE TRADE DESK, INC.

EMPLOYEE CONFIDENTIALITY & INVENTIONS AGREEMENT

This Agreement is entered by and between The Trade Desk, Inc. (the "Company"), and the undersigned employee ("Employee") effective as of the first date on which the Employee provides services for the Company.

In consideration of the promises and mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is mutually covenanted and agreed by and between the parties as follows:

1. Confidential Information.
   
   (a) Company Information. Employee shall at all times during the term of Employee's employment with the Company and thereafter, hold in strictest confidence, and not use, except for the benefit of the Company, or disclose to any person, firm or corporation without written authorization of the Board, any Confidential Information of the Company. As used herein, "Confidential Information" means any Company proprietary information, technical data, trade secrets or know-how, including, but not limited to, research, product plans, products, services, investors, business partners, customer lists and customers (including, but not limited to, those of the Company on whom Employee has called or with whom Employee became acquainted during the term of Employee's employment), markets, technology, developments, inventions, processes, methods of operation, formulas, designs, drawings, engineering, marketing, finances or other business information disclosed to Employee by the Company either directly or indirectly in writing, orally or by drawings or observation of parts or equipment. "Confidential Information" does not include any of the foregoing items which has become publicly known and made generally available through no wrongful act of Employee or of others who were under confidentiality obligations as to the item or items involved or improvements or new versions thereof.

   (b) Former Employer Information. Employee shall not, during Employee's employment with the Company, improperly use or disclose any proprietary information or trade secrets of any former or concurrent employer or other person or entity and Employee shall not bring onto the premises of the Company any unpublished document or proprietary information belonging to any such employer, person or entity unless consented to in writing by such employer, person or entity.

   (c) Third Party Information. Employee shall hold all confidential or proprietary information that the Company has received from any third party to which it is the Company's obligation to maintain the confidentiality of such information and to use it only for certain limited purposes in the strictest confidence and not to disclose it to any person, firm or corporation or to use it except as necessary in carrying out Employee's work for the Company consistent with the Company's agreement with such third party.

2. Inventions. Employee hereby represents, warrants and covenants with respect to Prior Inventions or Inventions (each, as defined below), as the case may be, as follows:

   (a) Inventions Retained and Licensed. Employee hereby represents that there are no inventions, original works of authorship, developments, improvements, and trade secrets which were made by Employee prior to Employee's employment with the Company (collectively referred to as "Prior Inventions"), which belong to Employee (and not to any prior employer), which relate to the Company's business, proposed business, products or research and development, and which are not assigned to the Company hereunder. If in the course of Employee's employment with the Company, Employee incorporates into a product, process or machine for the benefit of the Company or any of its wholly owned subsidiaries a Prior Invention owned by Employee or in which the Employee has an interest, the Company is hereby granted and shall have a nonexclusive, royalty-free,
irrevocable, perpetual, worldwide license to make, have made, modify, use and sell such Prior Invention as part of or in
connection with such product, process or machine.

(b) **Assignment of Inventions.** Employee shall make, or will promptly make, full written disclosure to the Company, will hold in trust
for the sole right and benefit of the Company, and hereby assign to the Company, or its designee, all of Employee’s right, title,
and interest in and to any and all inventions, original works of authorship, developments, concepts, improvements, designs,
discoveries, ideas, trademarks or trade secrets, whether or not patentable or registrable under copyright or similar laws, which
Employee may solely or jointly conceive or develop or reduce to practice, or cause to be conceived or developed or reduced to
practice, during the period of time Employee is employed by the Company (collectively referred to as “Inventions”), except as
specifically provided in Section 2(f) below. Employee hereby acknowledges that all original works of authorship that are made by
Employee (solely or jointly with others) within the scope of and during the period of Employee’s employment with the Company
are (i) “works made for hire,” as that term is defined in the United States Copyright Act (to the extent protectable by copyright);
and (ii) together with all related intellectual property rights of any sort anywhere in the world, the sole property of the Company.
Employee hereby understands and agrees that the decision whether or not to commercialize or market any Inventions
developed by Employee solely or jointly with others is within the Company’s sole discretion and for the Company’s sole benefit
and that no royalty will be due to Employee as a result of the Company’s efforts to commercialize or market any such Inventions.

(c) **Inventions Assigned to the United States.** Employee shall assign to the United States government all Employee’s right, title, and
interest in and to any and all Inventions whenever such full title is required to be in the United States by a contract between the
Company and the United States or any of its agencies.

(d) **Maintenance of Records.** Employee shall keep and maintain adequate and current written records of all Inventions made solely
or jointly with others during the term of Employee’s employment with the Company. The records will be in the form of notes,
sketches, drawings, and any other format that may be specified by the Company. The records will be available to and remain the
sole property of the Company at all times.

(e) **Patent and Copyright Registrations.** Employee shall assist the Company, or its designee, at the Company’s expense, in every
proper way to secure the Company’s rights in the Inventions and any copyrights, patents, mask work rights or other intellectual
property rights relating thereto in any and all countries, including the disclosure to the Company of all pertinent information and
data with respect thereto, the execution of all applications, specifications, oaths, assignments and all other instruments which
the Company shall deem necessary in order to apply for and obtain such rights and in order to assign and convey to the
Company, its successors, assigns, and nominees the sole and exclusive rights, title and interest in and to such Inventions, and
any copyrights, patents, mask work rights or other intellectual property rights relating thereto. Employee agrees that it is
Employee’s obligation to execute or cause to be executed, when it is in Employee’s power to do so, any such instrument or
papers after the termination of this Agreement. If the Company is unable because of the Employee’s mental or physical
incapacity or for any other reason to secure Employee’s signature to apply for or to pursue any application for any United States
or foreign patents or copyright registrations covering Inventions or original works of authorship assigned to the Company as
above, then Employee hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as
Employee’s agent and attorney in fact, to act for and in Employee’s behalf and stead to execute and file any such applications
and to do all other lawfully permitted acts to further the prosecution and issuance of letters patent or copyright registrations
thereon with the same legal force and effect as if executed by Employee.

(f) **Exception to Assignments.** It is agreed and acknowledged that the provisions of this Agreement requiring assignment of
Inventions to the Company do not apply to any Inventions which qualifies fully under the provisions of California Labor Code
Section 2870 (attached hereto as Exhibit A). Employee will advise the Company
promptly in writing of any Inventions that the Employee believes meet the criteria in California Labor Code Section 2870.

3. **Conflicting Employment.** Employee shall perform Employee's duties faithfully and to the best of Employee's ability and shall devote Employee's full business time and effort to the performance of Employee's duties hereunder. Employee shall not, during the term of Employee's employment with the Company, engage in any other employment, occupation, consulting or other business activity directly related to the business in which the Company, or its subsidiaries are now involved or become involved during the term of Employee's employment, nor will Employee engage in any other activities that conflict with Employee's obligations to the Company.

4. **Returning Company Documents.** At the time of leaving the employ of the Company, Employee covenants that Employee shall deliver to the Company (and will not keep in Employee's possession, recreate or deliver to anyone else) any and all devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, materials, equipment, other documents or property, or reproductions of any aforementioned items developed by Employee pursuant to Employee's employment with the Company or otherwise belonging to the Company, its successors or assigns, including, without limitation, those records maintained pursuant to paragraph 2(d).

5. **Notification of New Employer.** In the event that Employee leaves the employ of the Company, Employee agrees to grant consent to notification by the Company to Employee's new employer about Employee's rights and obligations under this Agreement.

6. **Solicitation of Employees.** Employee covenants that, for a period of twelve months immediately following the termination of Employee's relationship with the Company for any reason, whether with or without cause, Employee shall not either directly or indirectly solicit, induce, recruit or encourage any of the Company's employees or employees of any Company subsidiaries to leave their employment, or take away such employees, or attempt to solicit, induce, recruit, encourage or take away their employees, either for Employee or for any other person or entity.

7. **Right to Advice of Counsel.** Employee acknowledges that Employee has had the right to consult with counsel and is fully aware of Employee's rights and obligations under this Agreement.

8. **Successors.**

   (a) **Company's Successors.** Any successor to the Company (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets shall assume the obligations under this Agreement and agree expressly to perform the obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term “Company,” shall include any successor to the Company's business and/or assets which executes and delivers the assumption agreement described in this subsection (a) or which becomes bound by the terms of this Agreement by operation of law.

   (b) **Employee's Successors.** Without the written consent of the Company, Employee shall not assign or transfer this Agreement or any right or obligation under this Agreement to any other person or entity. Notwithstanding the foregoing, the terms of this Agreement and all rights of Employee hereunder shall inure to the benefit of, and be enforceable by, Employee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

9. **Notice Clause.** Any notice hereby required or permitted to be given shall be sufficiently given if in writing and delivered in person or sent by facsimile, electronic mail, overnight courier or First Class mail, postage prepaid, to either party at the address of such party or such other address as shall have been designated by written notice by such party to the other party. Any notice or other communication required or permitted to be given under this Agreement will be deemed given (i) upon personal delivery to the party to be notified (ii) on the day when delivered by electronic mail to the proper electronic mail address, (iii) when sent by confirmed facsimile if sent during normal business hours of the recipient, if not, then on the next business day, (iv) the first business day
after deposit with a nationally recognized overnight courier, specifying next day delivery, or (v) the third business day after the day on which such notice was mailed in accordance with this Section.

10. **Arbitration.**

(a) Except as provided in Section 10(e) below, this Agreement shall be governed by the Federal Arbitration Act and the California Arbitration Act. The parties hereby agree that a neutral arbitrator from the American Arbitration Association ("AAA") will administer any such arbitration(s) under the AAA’s National Rules for the Resolution of Employee Disputes. The arbitration shall take place in Los Angeles, California.

(b) The parties may conduct only essential discovery (i.e., discovery sufficient to arbitrate the claim at issue) prior to the hearing, as defined by the AAA arbitrator. Following the hearing, the AAA arbitrator shall issue a written decision, which contains the essential findings and conclusions on which the decision is based. The parties agree that the result of arbitration hereunder shall be final and binding upon the parties, and judgment upon the award may be entered in any court having jurisdiction. The arbitration ruling may be subject to limited judicial review as provided by applicable law.

(c) Employee shall bear only those costs of arbitration he or she would otherwise bear had Employee brought a claim covered by this Agreement in court. The Company shall pay for the costs that are unique to the arbitration. Each party will be responsible for payment of its own attorneys’ fees. However, if any party prevails on a statutory claim that affords the prevailing party attorneys’ fees, the arbitrator may award reasonable attorneys’ fees to the prevailing party.

(d) The arbitrator shall not have any power, authority or jurisdiction to change or modify any provision of this Agreement.

(e) The parties may apply to any court of competent jurisdiction for a temporary restraining order, preliminary injunction, or other interim or a conservatory relief, as necessary, without breach of this arbitration agreement and without abridgement of the powers of the arbitrator.

(f) EMPLOYEE HAS READ AND UNDERSTANDS THIS SECTION, WHICH DISCUSSES ARBITRATION. EMPLOYEE UNDERSTANDS THAT BY SIGNING THIS AGREEMENT, EMPLOYEE AGREES TO SUBMIT ANY CLAIMS ARISING OUT OF, RELATING TO, OR IN CONNECTION WITH THIS AGREEMENT, OR THE INTERPRETATION, VALIDITY, CONSTRUCTION, PERFORMANCE, BREACH OR TERMINATION THEREOF TO BINDING ARBITRATION, UNLESS OTHERWISE REQUIRED BY LAW, AND THAT THIS ARBITRATION CLAUSE CONSTITUTES A WAIVER OF EMPLOYEE’S RIGHT TO A JURY TRIAL AND RELATES TO THE RESOLUTION OF ALL DISPUTES RELATING TO EMPLOYEE’S RELATIONSHIP WITH THE COMPANY, INCLUDING, BUT NOT LIMITED TO, CLAIMS OF HARASSMENT, DISCRIMINATION, WRONGFUL TERMINATION AND ANY STATUTORY CLAIMS.

11. **Severability.** The invalidity or unenforceability of any provision of this Agreement, or any terms hereof, shall not affect the validity or enforceability of any other provision or term of this Agreement.

12. **Integration.** This Agreement, together with the offer letter executed on or about the date hereof, represents the entire agreement and understanding between the parties as to the subject matter herein and supersedes all prior or contemporaneous agreements whether written or oral. No
waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by duly authorized representatives of the parties hereto.

13. Governing Law. This Agreement shall be governed by and construed in accordance with the internal substantive laws, but not the choice of law rules, of the state of California.

14. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by their duly authorized officers, as of the day and year first above written.

The Trade Desk, Inc.

/s/ Barry Marshall
Barry Marshall, VP People and Culture

EMPLOYEE

/s/ Laura Schenkein
Laura Schenkein
"(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of employee’s rights in an invention to employee’s employer shall not apply to an invention that the employee developed entirely on employee’s own time without using the employer’s equipment, supplies, facilities, or trade secret information except for those inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to the employer’s business, or actual or demonstrably anticipated research or development of the employer; or

(2) Result from any work performed by the employee for the employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision, the provision is against the public policy of this state and is unenforceable."
The Trade Desk, Inc.

TERMINATION CERTIFICATION

This is to certify that I do not have in my possession, nor have I failed to return, any devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, materials, equipment, other documents or property, or reproductions of any aforementioned items belonging to The Trade Desk, Inc., its subsidiaries, affiliates, successors or assigns (together, the “Company”).

I further certify that I have complied with all the terms of the Employee Confidentiality, Inventions and Use of Likeness Agreement signed by me, including the reporting of any inventions and original works of authorship (as defined therein), conceived or made by me (solely or jointly with others) covered by that agreement.

I further agree that, in compliance with the Employee Confidentiality, Inventions and Use of Likeness Agreement, I will preserve as confidential all trade secrets, confidential knowledge, data or other proprietary information relating to products, processes, know-how, designs, formulas, developmental or experimental work, computer programs, data bases, other original works of authorship, customer lists, business plans, financial information or other subject matter pertaining to any business of the Company or any of its employees, clients, consultants or licensees.

I further agree that for twelve months from this date, I will not solicit, induce, recruit or encourage any of the Company’s employees or employees of any Company subsidiaries to leave their employment.

Date: ____________________

[TO BE SIGNED ONLY UPON TERMINATION OF EMPLOYMENT.]

_______________________
I, Jeff T. Green, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Trade Desk, 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.

Date: August 9, 2023

/s/ Jeff T. Green
Jeff T. Green
Chief Executive Officer
(Principal Executive Officer)
Certification of Principal 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, Laura Schenkein, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Trade Desk, 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.

Date: August 9, 2023

/s/ Laura Schenkein
Laura Schenkein
Chief Financial Officer
(Principal Financial Officer)
Certifications of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, Jeff T. Green, Chief Executive Officer (Principal Executive Officer) of The Trade Desk, Inc. (the “Company”), and Laura Schenkein, Chief Financial Officer (Principal Financial Officer) of the Company, each hereby certifies that, to the best of his or her knowledge:

1) The Company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, to which this certification is attached as Exhibit 32.1 (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.

Date: August 9, 2023

/s/ Jeff T. Green
Jeff T. Green
Chief Executive Officer
(Principal Executive Officer)

/s/ Laura Schenkein
Laura Schenkein
Chief Financial Officer
(Principal Financial Officer)

The foregoing certifications are being furnished pursuant to 18 U.S.C. Section 1350. They are not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any filing of the Company, regardless of any general incorporation language in such filing.