

Magnite

Investor Day

September 15, 2021

Agenda

8:00 am	Welcome & Agenda	Nick Kormeluk
8:05	Opening Remarks & Vision	Michael Barrett
8:20	CTV Market Dynamics	Katie Evans
8:30	What We Build	Adam Soroca
8:55	Dev & Engineering	J. Allen Dove
9:10	CTV Sales & Go to Market	Sean Buckley
9:40	The Other Growth Biz DV+	Joe Prusz
10:05	Power of Financial Model	David Day
10:30	Q&A	Group

FORWARD-LOOKING STATEMENTS

This presentation and management's prepared remarks during this webcast include, and management's answers to questions during this presentation may include, forward-looking statements, including statements based upon or relating to our aspirations, predictions, expectations, assumptions, estimates, and projections. In some cases, you can identify forward-looking statements by terms such as "may," "might," "will," "objective," "intend," "should," "could," "can," "would," "expect," "believe," "design," "anticipate," "estimate," "predict," "potential," "plan" or the negative of these terms, and similar expressions. Forward-looking statements may include, but are not limited to, statements concerning the acquisition of SpotX, Inc. ("SpotX," and such acquisition the "SpotX Acquisition") or SpringServe, LLC ("SpringServe," and such acquisition the "SpringServe Acquisition") or the anticipated benefits thereof; statements concerning potential synergies from the SpotX Acquisition or SpringServe Acquisition; statements concerning the potential impacts of the COVID-19 pandemic on our business operations, financial condition, and results of operations and on the world economy; our anticipated financial performance; anticipated benefits or effects related to our completed merger with Telaria, Inc. in April 2020 ("Telaria" and such merger the "Telaria Merger"); key strategic objectives, industry growth rates for ad-supported CTV and the shift in video consumption from linear TV to CTV; introduction of new offerings; the impact of transparency initiatives we may undertake; the impact of our traffic shaping technology on our business; the effects of our cost reduction initiatives; scope and duration of client relationships; the fees we may charge in the future; business mix; sales growth; client utilization of our offerings; our competitive differentiation; our market share and leadership position in the industry; market conditions, trends, and opportunities; certain statements regarding future operational performance measures; benefits from supply path optimization; and other statements that are not historical facts. These statements are not guarantees of future performance; they reflect our current views with respect to future events and are based on assumptions and estimates and subject to known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from expectations or results projected or implied by forward-looking statements. Risks that our business face include, but are not limited to, the following: our ability to realize the anticipated benefits of the Telaria Merger, SpotX Acquisition, and SpringServe Acquisition; our ability to comply with the terms of our financing arrangements; restrictions in our Credit Agreement may limit our ability to make strategic investments, respond to changing market conditions, or otherwise operate our business, which may place us at a disadvantage compared to competitors; increases in our debt leverage may put us at greater risk of defaulting on our debt obligations, subject us to additional operating restrictions and make it more difficult to obtain future financing on favorable terms; sales of our common stock by the former owner of SpotX, including pursuant to a registered offering, may have an adverse effect on the price of our common stock; conversion of our Convertible Notes will dilute the ownership interest of existing stockholders, or may otherwise depress the price of our common stock; the severity, magnitude, and duration of the COVID-19 pandemic, including impacts of the pandemic and of responses to the pandemic by governments, business and individuals on our operations, personnel, buyers, sellers, and on the global economy and the advertising marketplace; our CTV spend may grow more slowly than we expect if industry growth rates for ad supported CTV are not accurate, if CTV sellers fail to adopt programmatic advertising solutions or if we are unable to maintain or increase access to CTV advertising inventory; we may be unsuccessful in our supply path optimization efforts; our ability to introduce new offerings and bring them to market in a timely manner, and otherwise adapt in response to client demands and industry trends; uncertainty of our estimates and expectations associated with new offerings, including the CTV ad server product that we recently acquired in the SpringServe Acquisition; lack of adoption and market acceptance of our Demand Manager solution; we must increase the scale and efficiency of our technology infrastructure to support our growth; the emergence of header bidding has increased competition from other demand sources and may cause infrastructure strain and added costs; our access to mobile inventory may be limited by third-party technology or lack of direct relationships with mobile sellers; we may experience lower take rates, which may not be offset by increase in the volume of ad requests, improvements in fill-rate, and/or increases in the value of transactions through our platform; the impact of requests for discounts, fee concessions, rebates, refunds or favorable payment terms; our history of losses, and the fact that in the past our operating results have and may in the future fluctuate significantly, be difficult to predict, and fall below analysts' and investors' expectations; the effect on the advertising market and our business from difficult economic conditions or uncertainty; the effects of seasonal trends on our results of operations; we operate in an intensely competitive market that includes companies that have greater financial, technical and marketing resources than we do; the effects of consolidation in the ad tech industry; the growing percentage of digital advertising spend captured by closed "walled gardens" such as Google, Facebook, Comcast, and Amazon; our ability to differentiate our offerings and compete effectively to combat commodification and disintermediation; potential limitations on our ability to collect or use data as a result of consumer tools, regulatory restrictions and technological limitations; the development and use of new identity solutions as a replacement for third-party cookies and other identifiers may disrupt the programmatic ecosystem and cause the performance of our platform to decline; the industry may not adopt or may be slow to adopt the use of first-party publisher segments as an alternative to third-party cookies; our ability to comply with, and the effect on our business of, evolving legal standards and regulations, particularly concerning data protection and privacy; failure by us or our clients to meet advertising and inventory content standards could harm our brand and reputation and those of our partners; the freedom of buyers and sellers to direct their spending and inventory to competing sources of inventory and demand; the ability of buyers and sellers to establish direct relationships and integrations without the use of our platform; our reliance on large aggregators of advertising inventory, and the concentration of CTV among a small number of large sellers that enjoy significant negotiating leverage; our ability to provide value to both buyers and sellers of advertising without being perceived as favoring one over the other or being perceived as competing with them through our service offerings; our reliance on large sources of advertising demand, including demand side platforms ("DSPs") that may have or develop high-risk credit profiles or fail to pay invoices when due; we may be exposed to claims from clients for breach of contracts; errors or failures in the operation of our solution, interruptions in our access to network infrastructure or data, and breaches of our computer systems; our ability to ensure a high level of brand safety for our clients and to detect "bot" traffic and other fraudulent or malicious activity; the use of our net operating losses and tax credit carryforwards may be subject to certain limitations; the possibility of adjustments to the purchase price allocation and valuation relating to the SpotX Acquisition; our ability to raise additional capital if needed; volatility in the price of our common stock; the impact of negative analyst or investor research reports; our ability to attract and retain qualified employees and key personnel; costs associated with enforcing our intellectual property rights or defending intellectual property infringement and other claims; the Capped Call Transactions may affect the value of the Convertible Notes and our common stock; we are subject to counterparty risk with respect to the Capped Call Transactions; the conditional conversion feature of the Convertible Notes, if triggered, may adversely affect our financial condition and operating result; failure to successfully execute our international growth plans; and our ability to identify future acquisitions of or investments in complementary companies or technologies and our ability to consummate the acquisitions and integrate such companies or technologies.

We discuss many of these risks and additional factors that could cause actual results to differ materially from those anticipated by our forward-looking statements under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," and elsewhere in this press release and in other filings we have made and will make from time to time with the Securities and Exchange Commission, or SEC, including our Annual Report on Form 10-K for the year ended December 31, 2020 and subsequent Quarterly Reports on Form 10-Q. These forward-looking statements represent our estimates and assumptions only as of the date of the report in which they are included. Unless required by federal securities laws, we assume no obligation to update any of these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated, to reflect circumstances or events that occur after the statements are made. Without limiting the foregoing, any guidance we may provide will generally be given only in connection with quarterly and annual earnings announcements, without interim updates, and we may appear at industry conferences or make other public statements without disclosing material nonpublic information in our possession. Given these uncertainties, investors should not place undue reliance on these forward-looking statements. Investors should read this press release and the documents that we reference in this press release and have filed or will file with the SEC completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

In addition to our GAAP results, we review certain non-GAAP financial measures to help us evaluate our business, measure our performance, identify trends affecting our business, establish budgets, measure the effectiveness of investments in our technology and development and sales and marketing, and assess our operational efficiencies. These non-GAAP measures include Revenue ex-TAC and Adjusted EBITDA, each of which is discussed below. These non-GAAP financial measures are not intended to be considered in isolation from, as substitutes for, or as superior to, the corresponding financial measures prepared in accordance with GAAP. You are encouraged to evaluate these adjustments, and review the reconciliation of these non-GAAP financial measures to their most comparable GAAP measures, and the reasons we consider them appropriate. It is important to note that the particular items we exclude from, or include in, our non-GAAP financial measures may differ from the items excluded from, or included in, similar non-GAAP financial measures used by other companies. See "Reconciliation of Revenue to Revenue ex-TAC" and "Reconciliation of net income (loss) to Adjusted EBITDA," included in the Appendix. We do not provide a reconciliation of our non-GAAP financial expectations for Revenue ex-TAC and Adjusted EBITDA because the amount and timing of many future charges that impact these measures (such as amortization of future acquired intangible assets, acquisition-related charges, foreign exchange (gain) loss, net, stock-based compensation, impairment charges, and provision or benefit for income taxes), which could be material, are variable, uncertain, or out of our control and therefore cannot be reasonably predicted without unreasonable effort, if at all. In addition, we believe such reconciliations could imply a degree of precision that might be confusing or misleading to investors.

Revenue ex-TAC:

Revenue ex-TAC is revenue excluding traffic acquisition cost ("TAC"). Traffic acquisition cost, a component of Cost of revenue, represents what we must pay sellers for the sale of advertising inventory through our platform for revenue reported on a gross basis. In calculating Revenue ex-TAC, we add back the cost of revenue, excluding TAC, to gross profit, the most comparable GAAP measurement. Revenue ex-TAC is a non-GAAP financial measure. We believe Revenue ex-TAC is a useful measure in assessing the performance of Magnite as a combined company following our acquisition of SpotX and facilitates a consistent comparison against our core business without considering the impact of traffic acquisition costs related to revenue reported on a gross basis.

Adjusted EBITDA:

We define Adjusted EBITDA as net income (loss) adjusted to exclude stock-based compensation expense, depreciation and amortization, amortization of acquired intangible assets, impairment charges, interest income or expense, and other cash and non-cash based income or expenses that we do not consider indicative of our core operating performance, including, but not limited to foreign exchange gains and losses, acquisition and related items, non-operational real estate expense (income), net, and provision (benefit) for income taxes. We also track future expenses on an Adjusted EBITDA basis, and describe them as Adjusted EBITDA operating expenses, which includes total operating expenses. Total operating expenses include cost of revenue. We adjust Adjusted EBITDA operating expenses for the same expense items excluded in Adjusted EBITDA. We believe Adjusted EBITDA is useful to investors in evaluating our performance for the following reasons:

Adjusted EBITDA is widely used by investors and securities analysts to measure a company's performance without regard to items such as those we exclude in calculating this measure, which can vary substantially from company to company depending upon their financing, capital structures, and the method by which assets were acquired.

Our management uses Adjusted EBITDA in conjunction with GAAP financial measures for planning purposes, including the preparation of our annual operating budget, as a measure of performance and the effectiveness of our business strategies, and in communications with our board of directors concerning our performance. Adjusted EBITDA may also be used as a metric for determining payment of cash incentive compensation.

Adjusted EBITDA provides a measure of consistency and comparability with our past performance that many investors find useful, facilitates period-to-period comparisons of operations, and also facilitates comparisons with other peer companies, many of which use similar non-GAAP financial measures to supplement their GAAP results.

Although Adjusted EBITDA is frequently used by investors and securities analysts in their evaluations of companies, Adjusted EBITDA has limitations as an analytical tool, and should not be considered in isolation or as a substitute for analysis of our results of operations as reported under GAAP. These limitations include:

Stock-based compensation is a non-cash charge and will remain an element of our long-term incentive compensation package, although we exclude it as an expense when evaluating our ongoing operating performance for a particular period.

Depreciation and amortization are non-cash charges, and the assets being depreciated or amortized will often have to be replaced in the future, but Adjusted EBITDA does not reflect any cash requirements for these replacements.

Impairment charges are non-cash charges related to goodwill, intangible assets and/or long-lived assets.

Adjusted EBITDA does not reflect non-cash charges related to acquisition and related items, such as amortization of acquired intangible assets, merger related severance costs, and changes in the fair value of contingent consideration.

Adjusted EBITDA does not reflect cash and non-cash charges and changes in, or cash requirements for, acquisition and related items, such as certain transaction expenses and expenses associated with earn-out amounts.

Adjusted EBITDA does not reflect changes in our working capital needs, capital expenditures, non-operational real estate expenses or income, or contractual commitments.

Adjusted EBITDA does not reflect cash requirements for income taxes and the cash impact of other income or expense.

Other companies may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

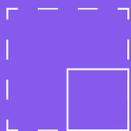
Our Adjusted EBITDA is influenced by fluctuations in our revenue, cost of revenue, and the timing and amounts of the cost of our operations. Adjusted EBITDA should not be considered as an alternative to net income (loss), income (loss) from operations, or any other measure of financial performance calculated and presented in accordance with GAAP.

Opening Remarks

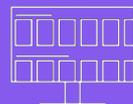
Michael Barrett

Why Magnite Is the Leader

Magnite



Scaled



CTV Focus



Omnichannel



Ad Server



Independent



Proprietary Demand

Well Over
\$500M Rev
in 2022

Global

>400 in
Dev & Eng

32%
AEBITDA
Margin

>\$170M
CTV Rev RR

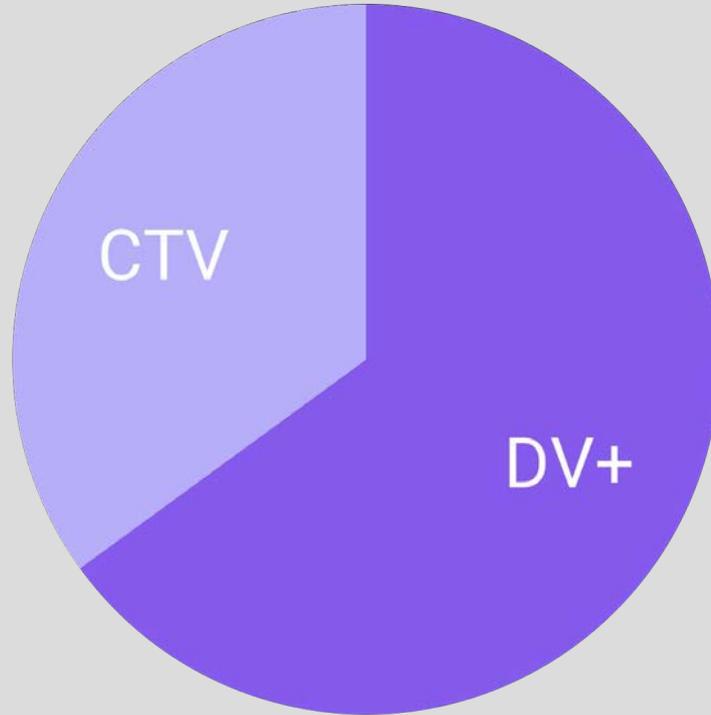
20-25%
CTV Share

>\$2B CTV
Ad Spend

CTV
Ad Server

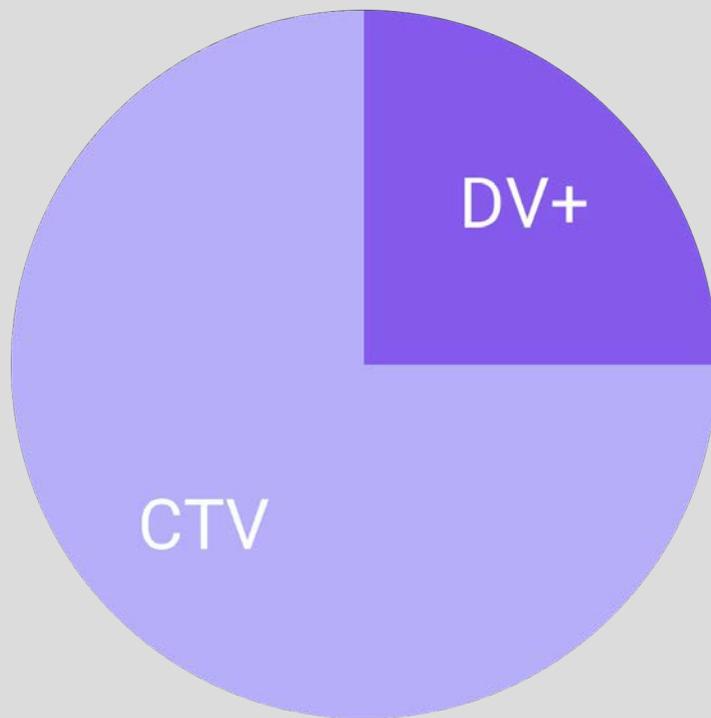
How Magnite Extends Leadership in Next Several Years

Today's Mix
of Programmatic
Ad Spend



How Magnite Extends Leadership in Next Several Years

Tomorrow's Mix
of Programmatic
Ad Spend

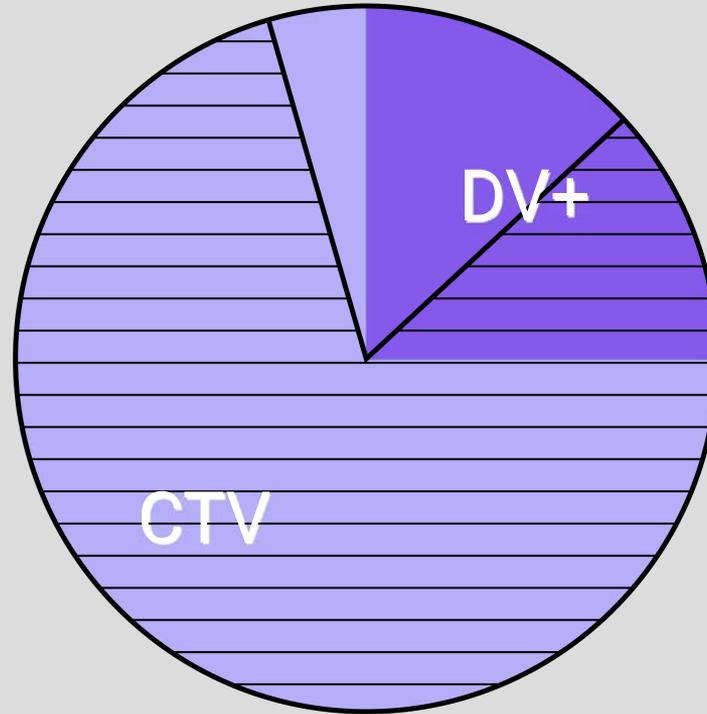


Magnite Focused on Premium Publishers & Premium Inventory



Open Auction

- Will always be multiple SSPs
- Hard to “own” market
- Highest take rates but generally lowest value inventory



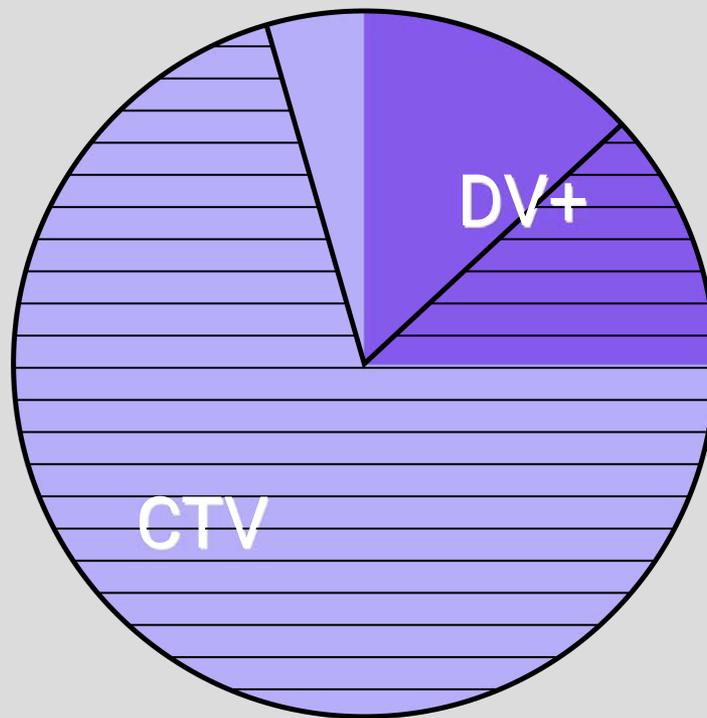
Reserve Auction

- Winner take most
- No need for multiple SSPs
- Highest value inventory
- Lower take rate but higher net revenue

Magnite Focused on Premium Publishers & Premium Inventory



Open Auction



Reserve Auction



Top Initiatives

Magnite



**Aggressively
grow CTV**



**Grow DV+ share
with scale
& efficiency**



**Win the premium
reserve segment**



**Strategic role
in audience
& targeting**



**Deliver growth
& profitability**

Magnite is a growth & earnings story

25%+ revenue growth
LT margins 40%+

- Process **\$15–\$20 Billion** in ad spend annually (several billion today)
- Grow **CTV share over 30%** (20–25% today) as market grows from \$9B to \$50B
- Grow **DV+ share over 20%** (from high single digits today)
- Invest in new developing programmatic markets
- Reward investors with growth, earnings & cash flow

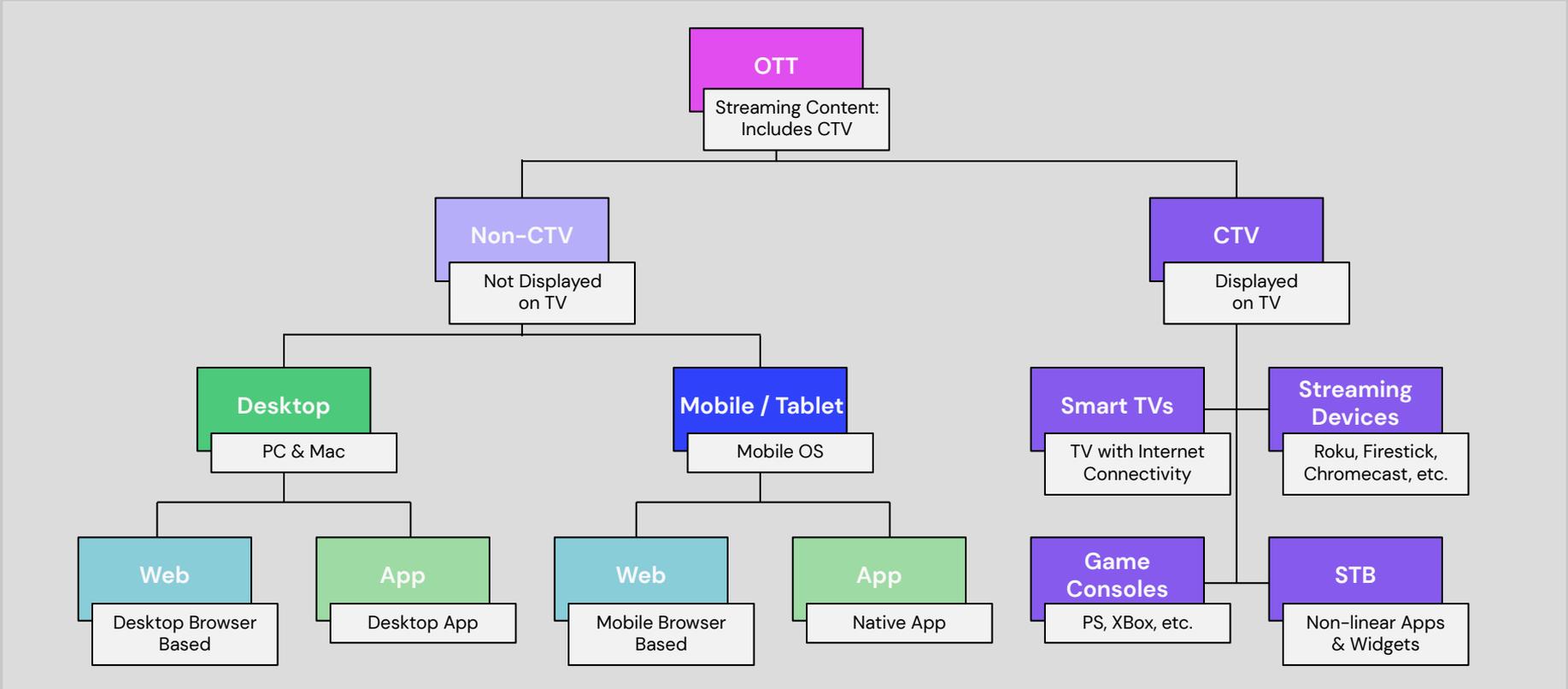
CTV Market Dynamics

Katie Evans

Programmatic will change the future of TV buying

- Traditional TV has reached a vulnerable state
- Content options have created streaming wars
- Cord cutting has created the need for content owners to re-think their distribution
- Audience expectations have changed:
Control, choice, convenience & the ability to binge

OTT vs CTV: Officially Defined by the MRC



All TV will be CTV

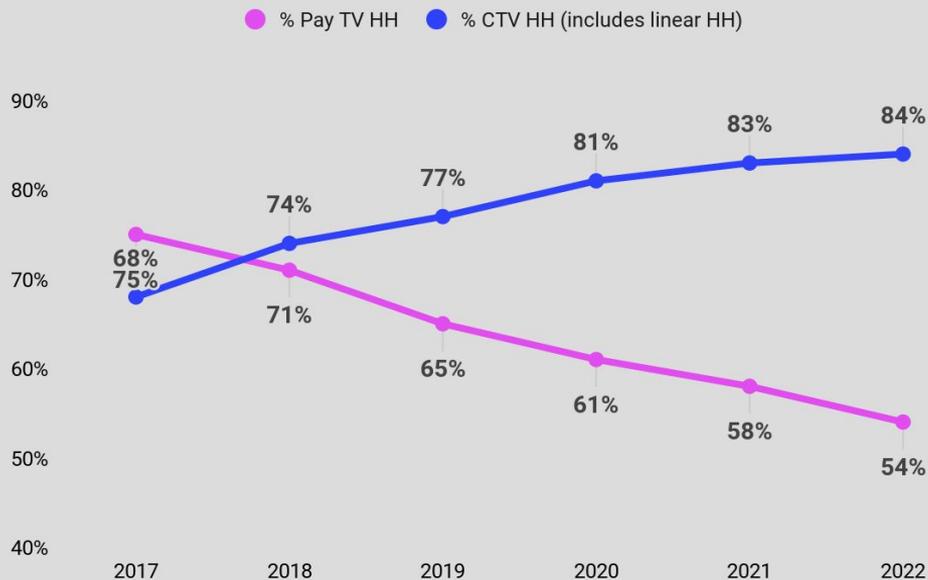
The future of CTV is ad-supported

All CTV will be transacted programmatically

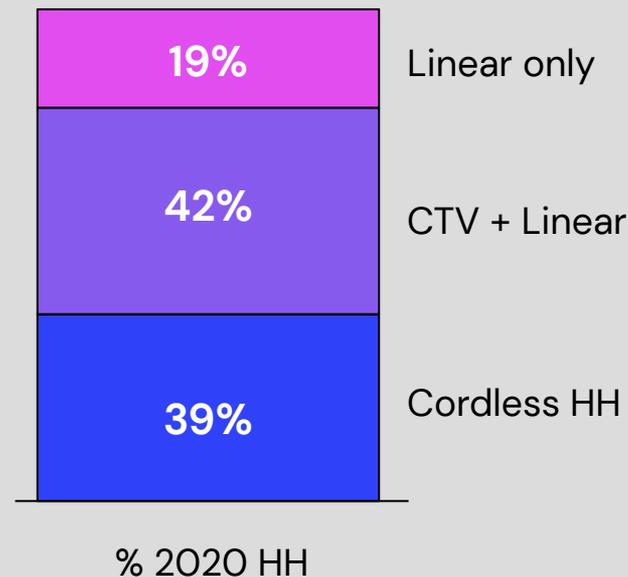
**8 out of 10 households
have a Connected TV**

More US Homes Have a CTV Device than a Cable Box

% US Households



HH Breakdown



Consumers don't hate ads

More U.S. TV viewers report watching streaming content with ads (44 percent) than without ads (33 percent). Indeed, nearly two-thirds of U.S. TV viewers (64 percent) don't want to spend more than \$30 in total per month on streaming services, making free or lower-cost ad-supported services more attractive to consumers

—Research from TTD

Data from Magnite's recent proprietary research study "The Future Forward" found that 83% would rather watch ads in exchange for free or low-cost content than pay for ad-free content (17%). And 74% of SVOD subscribers would switch to an ad-supported tier if it was offered. Results from our LATAM study were similar to these.

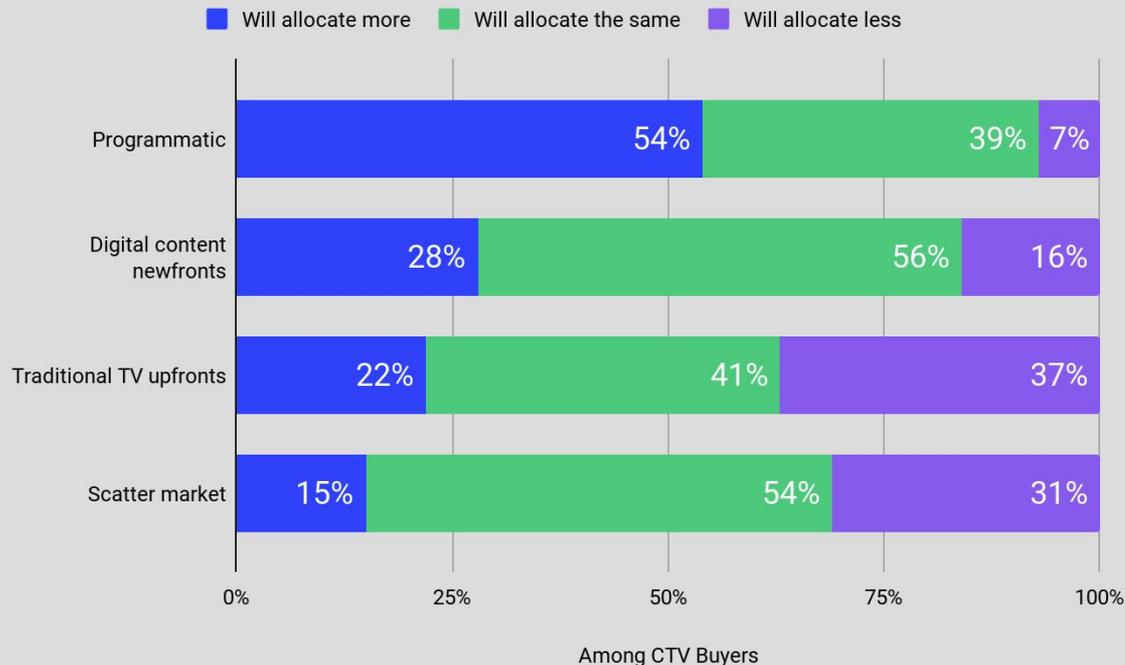
**Marketers like
the ease and efficiency
of programmatic**



54%

of buyers plan to buy more CTV programmatically

2021 Plans for Video Investment vs 2020



**The SSP is essential for
publishers to monetize
their content
programmatically**

Publishers need SSP tech to solve for their complex ecosystem

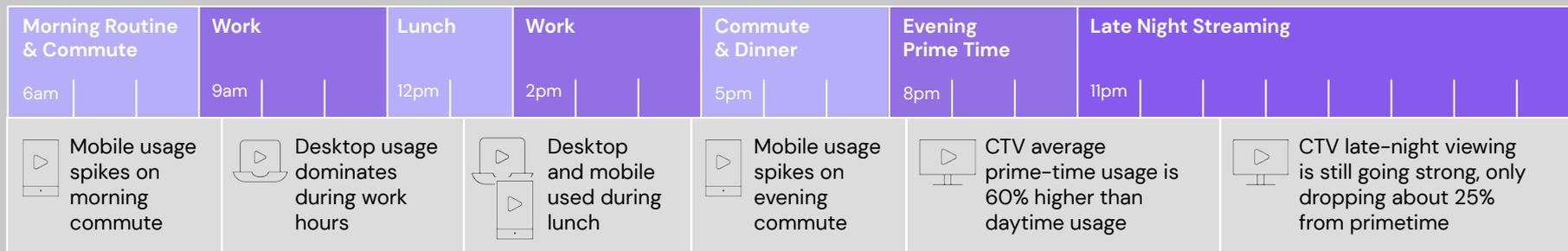
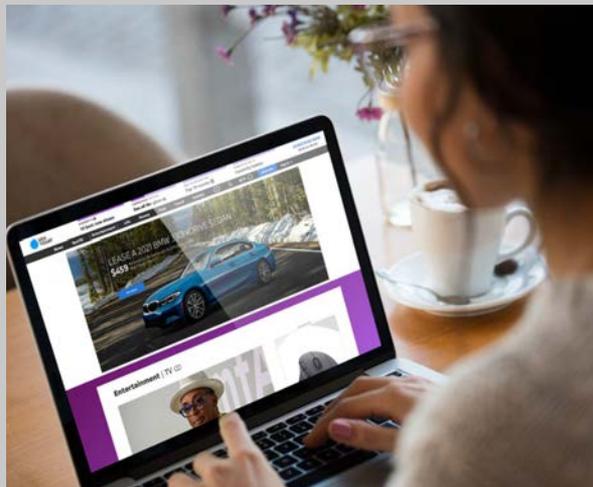
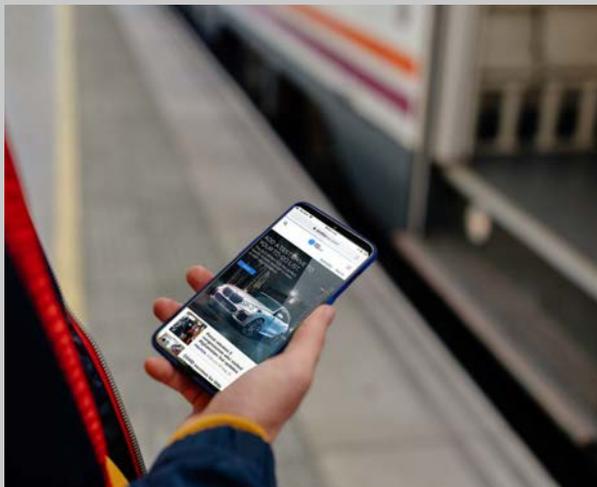
- Centralization: Unified audiences across disparate quality sources
- Automation
- Advanced reporting: R/F management
- Tailored targeting across ALL content including live sports
- Control
- Real-time functionality

Product and What's Ahead

Adam Soroca

- Vision
- Programmatic primer / Where value is created
- CTV platform
- DV+ platform
- Audience targeting & addressability
- Overall product initiatives

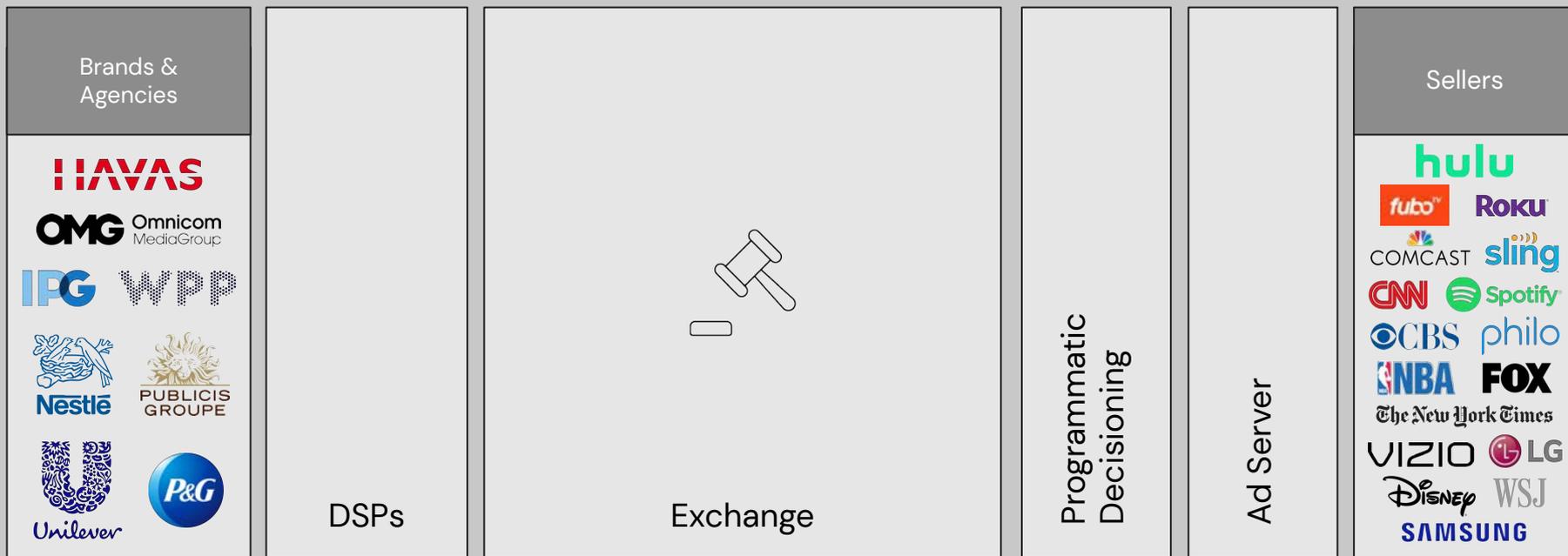
Vision: One Platform Across the Customer Journey Magnite



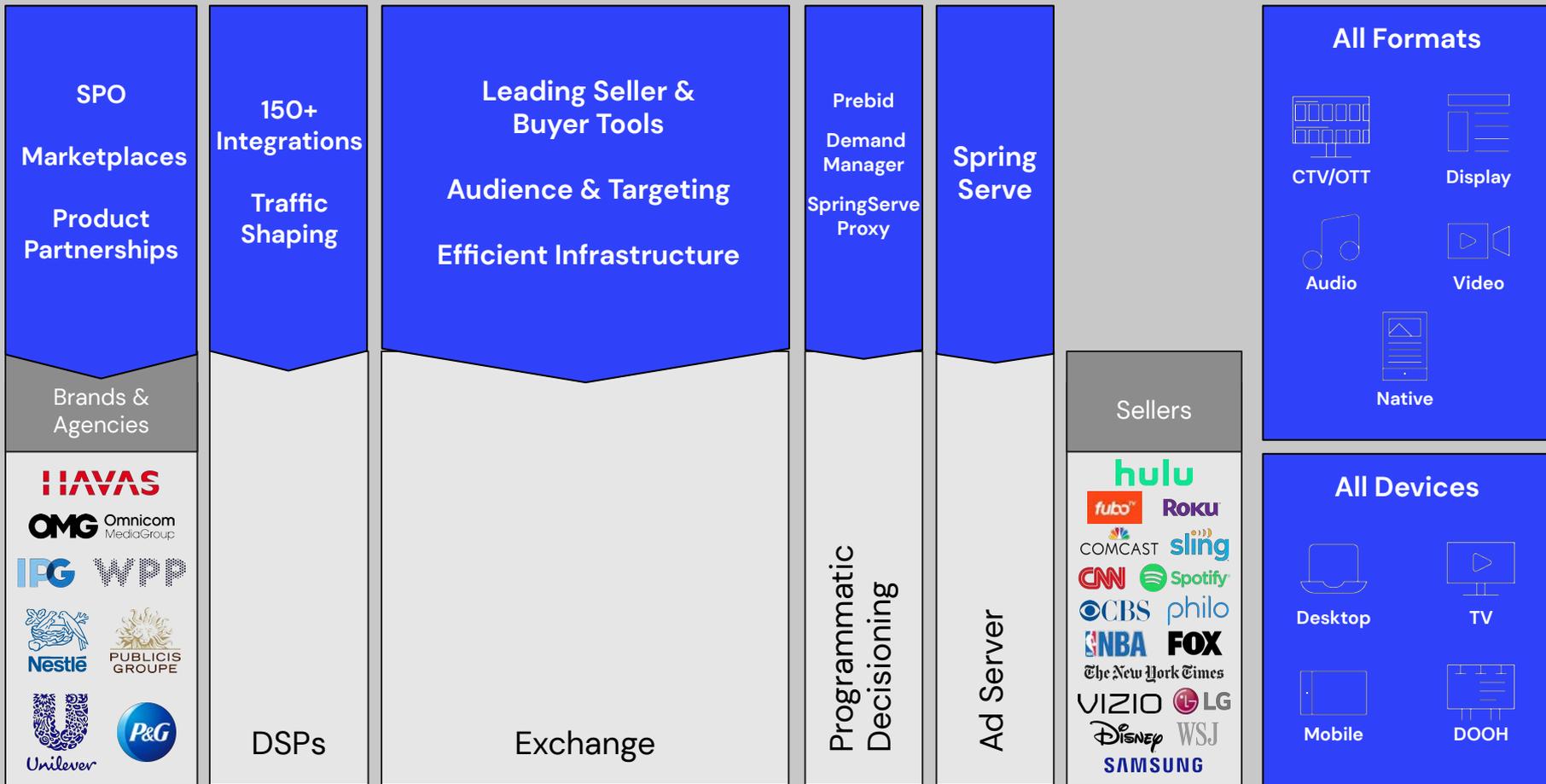
Programmatic Primer

What Goes into Serving a Programmatic Ad

Magnite



Where the Value Is Created



Sellers



Maximize Revenue

Intelligently manage yield

Enforce rules, protect user experience

New data and formats

Buyers



Maximize Spend Efficiency

Achieve pricing advantages

Make smarter buying decisions

Consolidate through best channels

CTV: Deliver Highly-Tailored Programmatic Capabilities

- Empower sellers to monetize viewership & protect consumer relationships
- Provide buyers with access & tools for better outcomes on long-form video

Our CTV Opportunity

- Fragmentation created a challenging technical landscape
- User experience & control are crucial

CTV

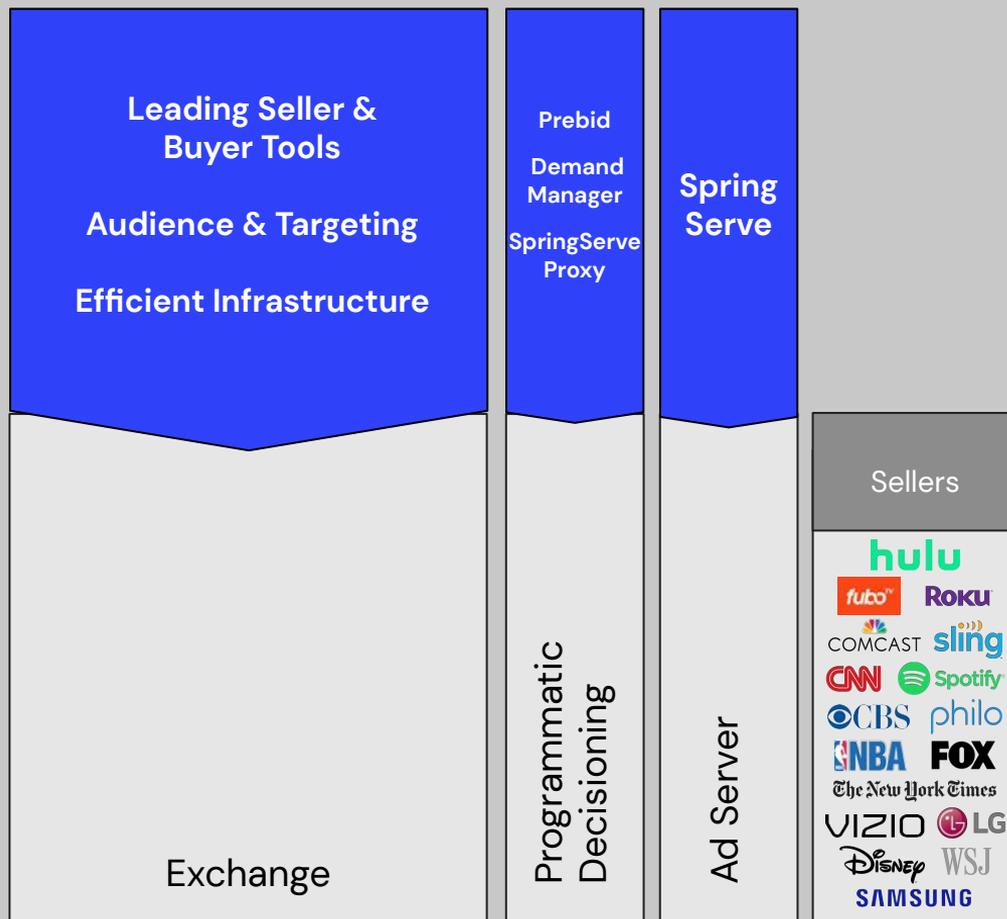


MGNI CTV Market Position: SpotX + TLRA

CTV

Magnite

- Full flexible CTV stack
- Comprehensive inventory
 - > All hardware manufacturers
 - > All vMPDs
 - > Programmers & broadcasters
 - > Digital first / FAST services
 - > Hulu, Roku
- Leading tools & targeting
- Preferred SSP for major buyers



Provides sellers with control & choice

The SpringServe Platform

Designed by ad tech experts,
for cutting edge OTT/CTV businesses



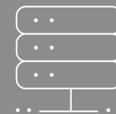
**Achieve the
Optimal
Ad Break**



**Manage
Inventory
with Ease**



**Access
Actionable
Insights**



Benefits

- Closest to supply
- Option for programmatic layer
- Sticky with high switching costs

Sellers: The Long-Form Video Platform



- Superior Yield:** Total pod optimization / competitive separation, handling television live sports
- Control:** Programmatic decisioning options, robust tools & workflows, real time reporting
- New Revenue:** Audience/data opportunities and private label marketplaces

Buyers: The Access Choice

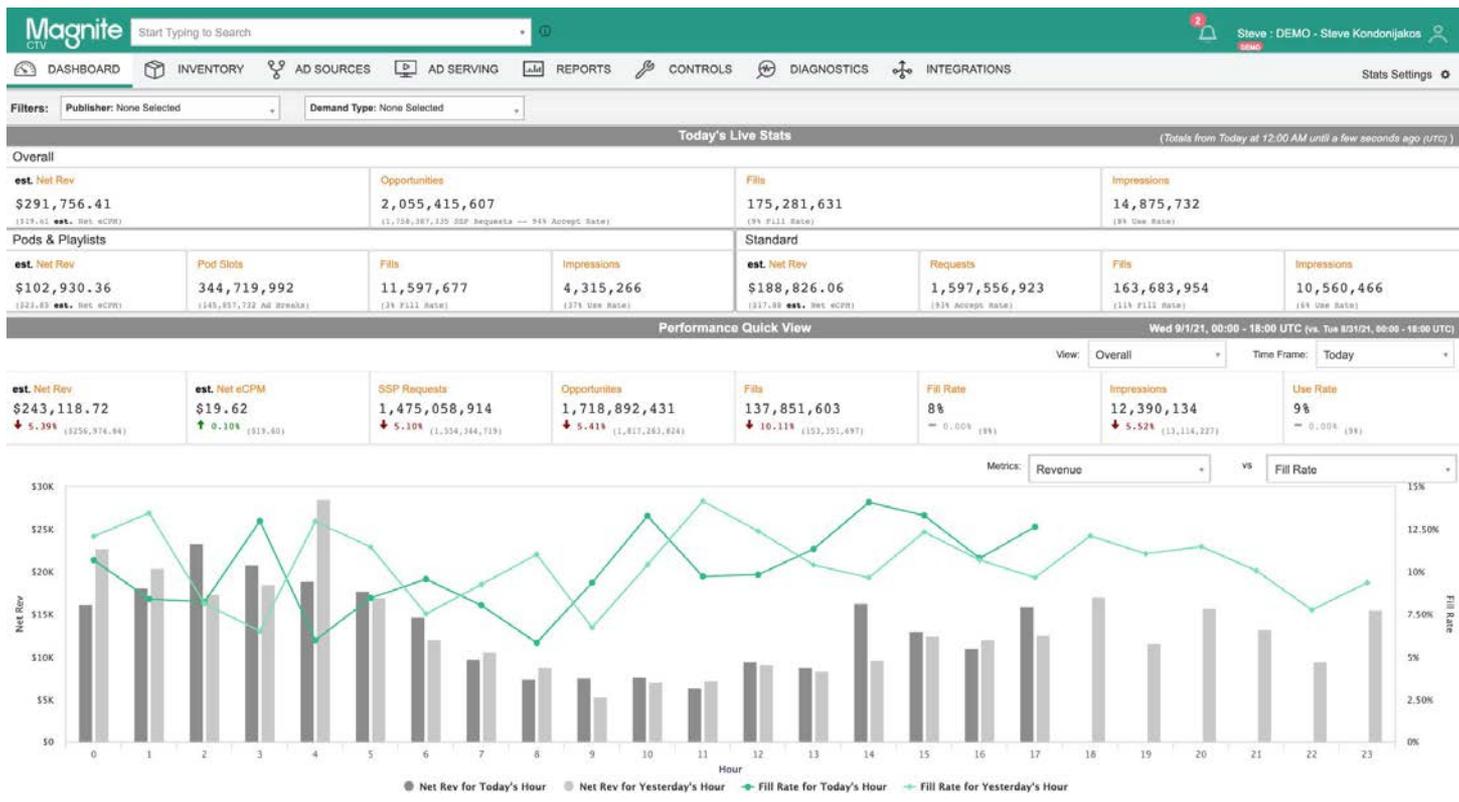


- Results:** Audiences packaged w/ unique targeting
- Pricing Power:** Private label marketplaces, automated media discounts
- Efficiency:** Superior scaled premium supply, real time reporting, traffic shaping

Service & insights connecting buy / sell side by world class operations team

Real Time Delivery & Troubleshooting Tools

Critical for premium CTV publishers



Seller Tools: Maximize Revenue with Control

Exchange

- Live TV enhancements
- Advanced pod optimization algorithms
- Deep ad server and advanced integrations

Ad Server

- Programmatic decisioning
- Booking / reservations / PG

Buyer Tools: Maximize Spend Efficiency

- Volume agreements
- Marketplaces
- Traffic shaping

Audience Enablement

Platform Consolidation

Magnite DV+

Our Platform for Display, Online Video, Audio (Everything But CTV)

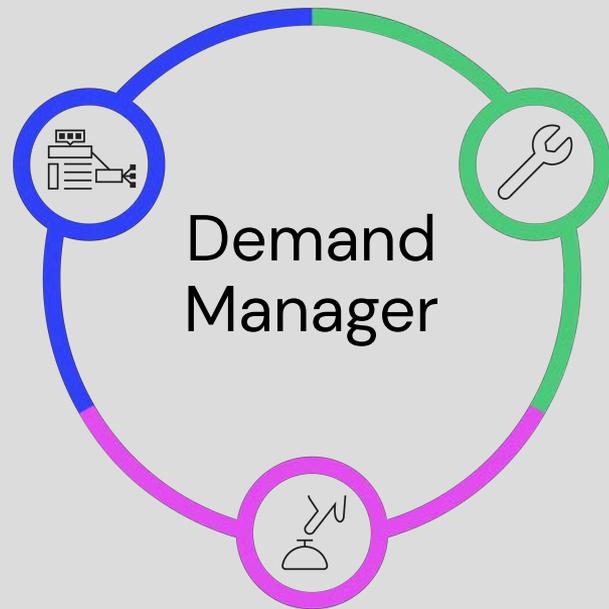
- Clear all other media formats
- Sellers and buyers transact transparently
- Proven industry leading tools drive outcomes

Prebid & Demand Manager

Programmatic decision layer that complements incumbent ad server

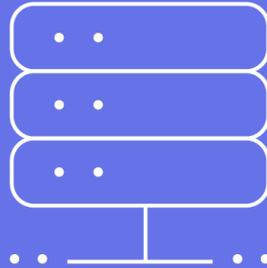
- Co-founded Prebid.org in Sept '17
- Launched Demand Manager in Q1 '19
- Acquired RTK in Oct '19 to accelerate Demand Manager innovation

DV+





Unlocks PMP SOW &
elevates relationships to
trusted advisor



Protects Magnite's
revenue



Channel to sell
publishers software

Sellers: Omnichannel Excellence



- Yield:** Access to virtually all market demand, writing amongst largest checks to pubs
- Control:** Programmatic decisioning, robust supply management and reserved auction tools
- New Revenue:** Private label marketplaces

Buyers: The Access Choice



- Results:** Price optimization algos, deal libraries, curation tools
- Pricing Power:** Private label marketplaces, automated media discounts
- Efficiency:** Access to all virtually all programmatic supply, traffic shaping

Service & insights connecting buy / sell side by world class operations team

Audience On-Boarding, Deal Creation

The screenshot shows the Magnite Deal Health dashboard. At the top, there are tabs for Deal Health, My Deals, Deal Requests, Operational Settings, and Alerts. The Deal Health section displays summary metrics: Deal Revenue (US \$473,374.12), eCPM (US \$9.25), Paid Impressions (51,163,300), Bid Requests (577,361,333), Win Rate (8.86%), and Bidder Rate (20.41%). Below this is a table of deal details with columns for Deal Name, Bid Requests, Bid Responses, Floor Price, Bid CPM, Ad Requests, Paid Impressions, eCPM, and Revenue. Each row includes a small line chart for Bid Requests and Bid Responses.

Deal Name	Bid Requests	Bid Responses	Floor Price	Bid CPM	Ad Requests	Paid Impressions	eCPM	Revenue
...	81.64M	97.87M	US \$7.00	US \$11.86	3.840M	1.296M	US \$9.54	US \$12,386.04
...	72.63M	27.72M	US \$9.00	US \$9.98	8.507M	1.533M	US \$10.18	US \$15,625.86
...	84.29M	18.57M	US \$10.00	US \$15.00	8.740M	316.7K	US \$15.00	US \$4,790.16
...	86.37M	14.96M	US \$10.00	US \$19.85	3.361M	1.288M	US \$12.34	US \$15,874.83
...	86.83M	13.09M	US \$8.00	US \$9.42	824.9K	130.9K	US \$9.53	US \$1,241.42
...	44.51M	12.50M	US \$14.00	US \$14.27	12.46M	186.3K	US \$14.00	US \$2,149.56
...	37.29M	11.53M	US \$10.00	US \$19.14	11.04M	346.0K	US \$19.11	US \$2,236.28
...	97.05M	11.19M	US \$8.00	US \$9.88	1.384M	425.7K	US \$16.55	US \$4,226.19
...	100.0M	11.05M	US \$8.00	US \$8.88	964.7K	392.4K	US \$8.88	US \$2,423.92

Curation & Control Tools

The screenshot shows the Magnite Create Auction Package interface. It includes a 'Select Inventory' step and a 'Bulk Add' section with an 'Account ID' field. Below this is a search bar and a list of sellers with checkboxes. A 'Last 7 Days Summary' box on the right displays: Impressions (288), Uniques (5.1M), and Viewability (57% - 67%). The summary is based on MCAT scores from 87% of inventory (248 impressions across 3 sellers).

Last 7 Days Summary

- Impressions: 288
- Uniques: 5.1M
- Viewability: 57% - 67%

Based on MCAT scores from 87% of inventory (248 impressions across 3 sellers).

Seller Tools: Maximize Revenue with Control

- Revamped Reserved Auction Tools
- Demand Manager Automation
- New Format Introductions

Buyer Tools: Maximize Spend Efficiency

- Curation and Targeting
- API Demand Integrations
- Private Label Marketplace Tools

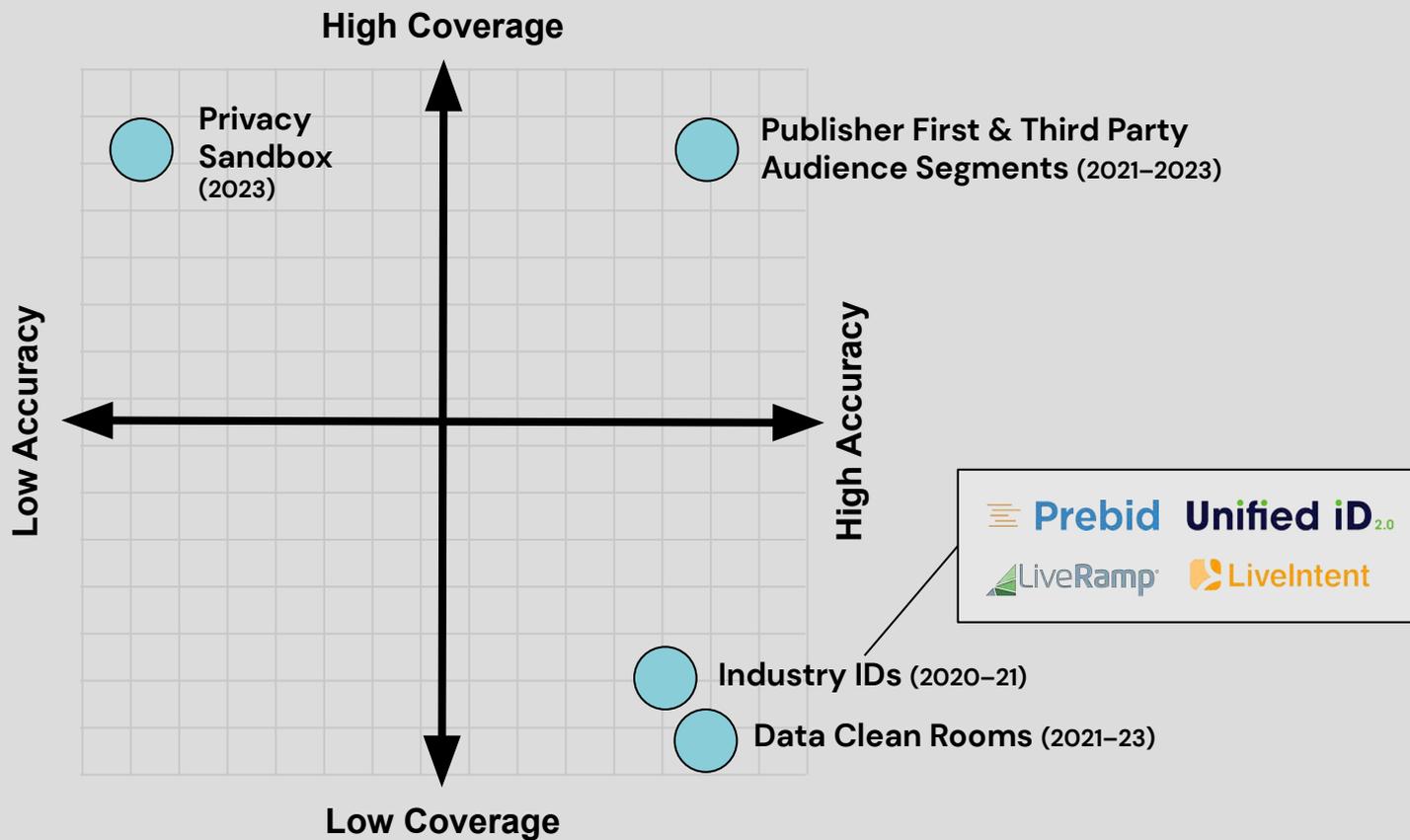
Audience Enablement

Platform Advantages

Audience & Targeting

Building a Cookieless Platform

- Anchor in CTV's unique needs
- Activate across all formats
- Create new value for sellers



CTV Audience Provides Significant Value Creation to Sell Side

- Identifiers heavily guarded
- Exchange must obfuscate signal, while offering buyers meaningful data

Targeting CTV offers a view into the cookieless future

Aud

Audience Lock

1st & 3rd Party Data: Activated on Supply Side

Aud

Magnite

Publishers user obfuscation requires a new approach

FIRST-PARTY DATA



THIRD-PARTY DATA



ADVERTISER DATA



Investments

- Stronger on-boarding signal
- Other data sources
- Segment creation tools
- Business line

Magnite Data Clean Room

Aud

Magnite

Builds publisher value as on-ramp to 1st & 3rd party data sets



Benefits

- **Secure:** No sharing of customer data
- **Easy:** Fits in existing buying & attribution processes
- **Scaled:** Activate advertiser's large CRM data across all screens

Publisher First-Party Audience Segments

Aud

Magnite

Machine learned Pub-specific segments or Magnite-assembled groups

Today:

Buyer leverages first-party data to activate non-standardized pub segment(s)

The New York Times

Age Groups, Geographic Groups,
Sports Section Readers

Sports Fans

THE WALL STREET JOURNAL.

Income groups, Stock Investors,
People from Large Cities

Sport Enthusiasts

Daily Mail

Gender/Age Groups,
People Who Go to Ibiza

Sport Section
Reader



Tomorrow:

Buyer activates Publisher-specific segment, or Magnite-assembled, federated across many pubs

The New York Times

THE WALL STREET JOURNAL.

Daily Mail

Magnite

Sports Fans



CTV

- Cross-platform frequency capping

DV+

- First party machine learned segment creation & pub tools

Platform Enablement

- CTV & DV+ Platforms
- Integrate programmatic decisioning & ad server

Audience enablement as shared component

Stronger data on-boarding signals

Cross platform reach and frequency management

Device graph to map across consumer touch points

Product Investment Summary



Seller Tools:

Provide greater programmatic control & reserved auctions



Buyer Tools:

Drive spend consolidation



Audience Platform:

Build cookieless audience / targeting platform



Platform Consolidation:

MGNI CTV 2.0, Launch shared components

Dev Roadmap: CTV, Ad Serving, Other

J. Allen Dove

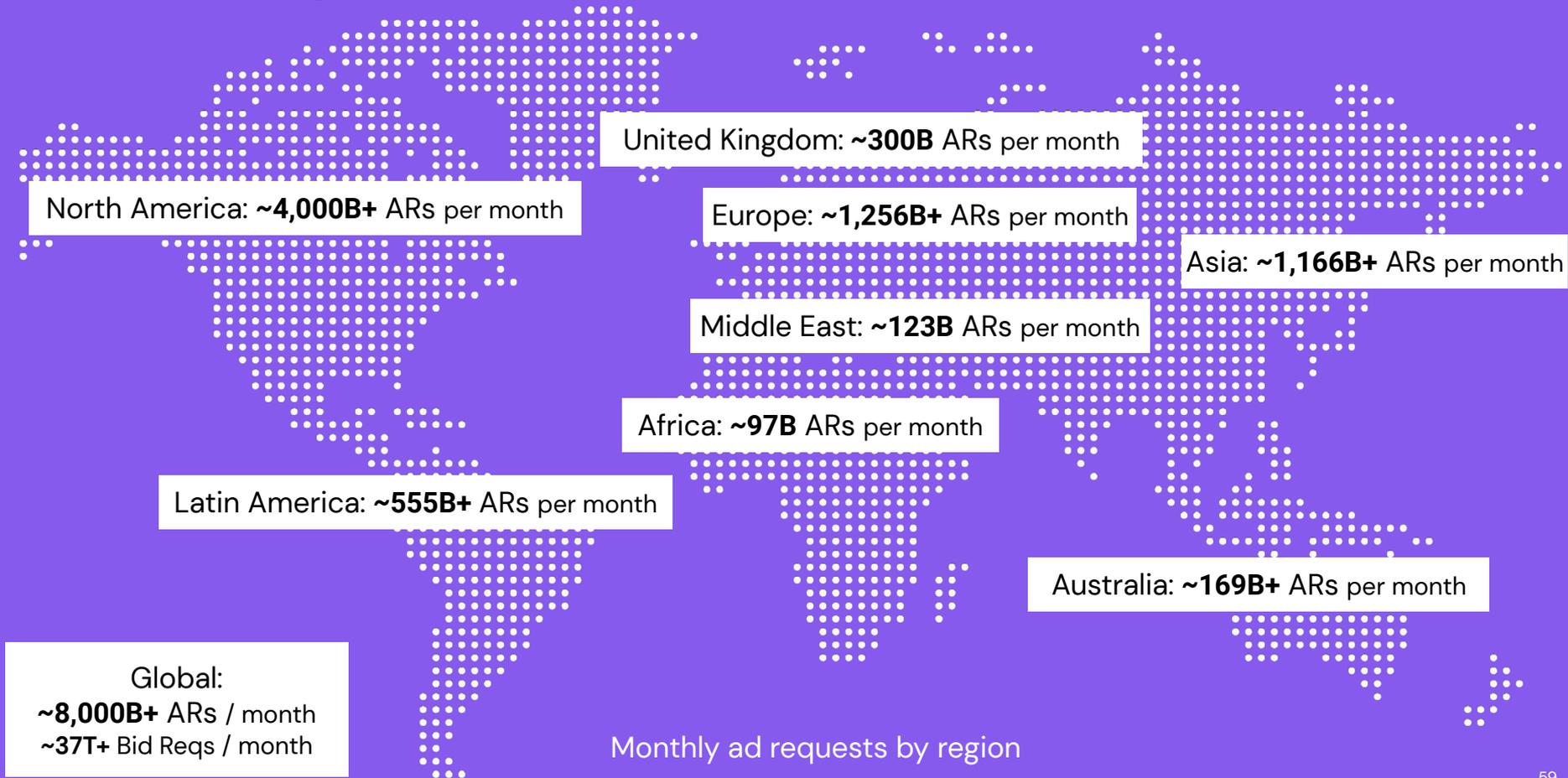
Technology Scale & Advantage

- Globally distributed and fault tolerant footprint
- Hybrid on-prem + cloud = best of both worlds
- Expertise in cloud auto scaling for cost constraints
- Market-leading engineering resources no longer competitive
- Industry-leading ad tech platforms unified to take market share
- MGNI is built to fight—unique tech capability

Magnite



Scale Everywhere, Wherever You Are



Monthly ad requests by region

Traffic Shaping: Unmatched Scale & Efficiency

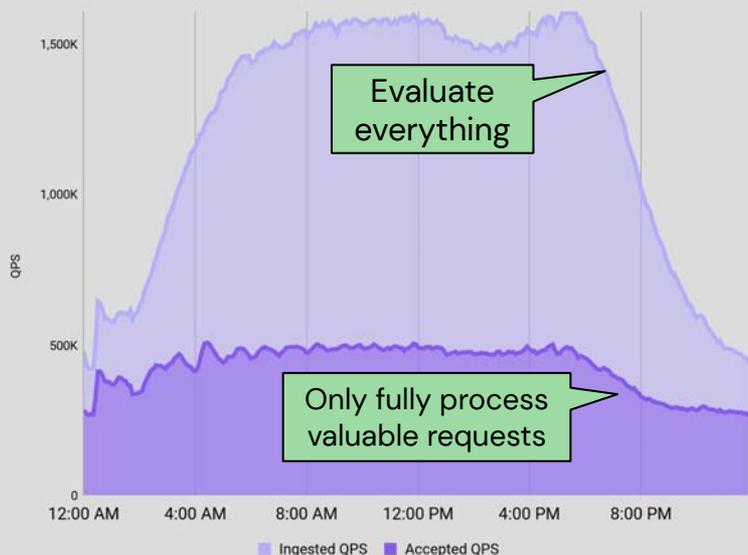
DV+

Magnite

Machine learning lightens infrastructure burden and maximizes DSP performance

Hybrid Compute: Virtually Infinite Scale

- Only fully process valuable requests
- Optimal capital resource expenditure

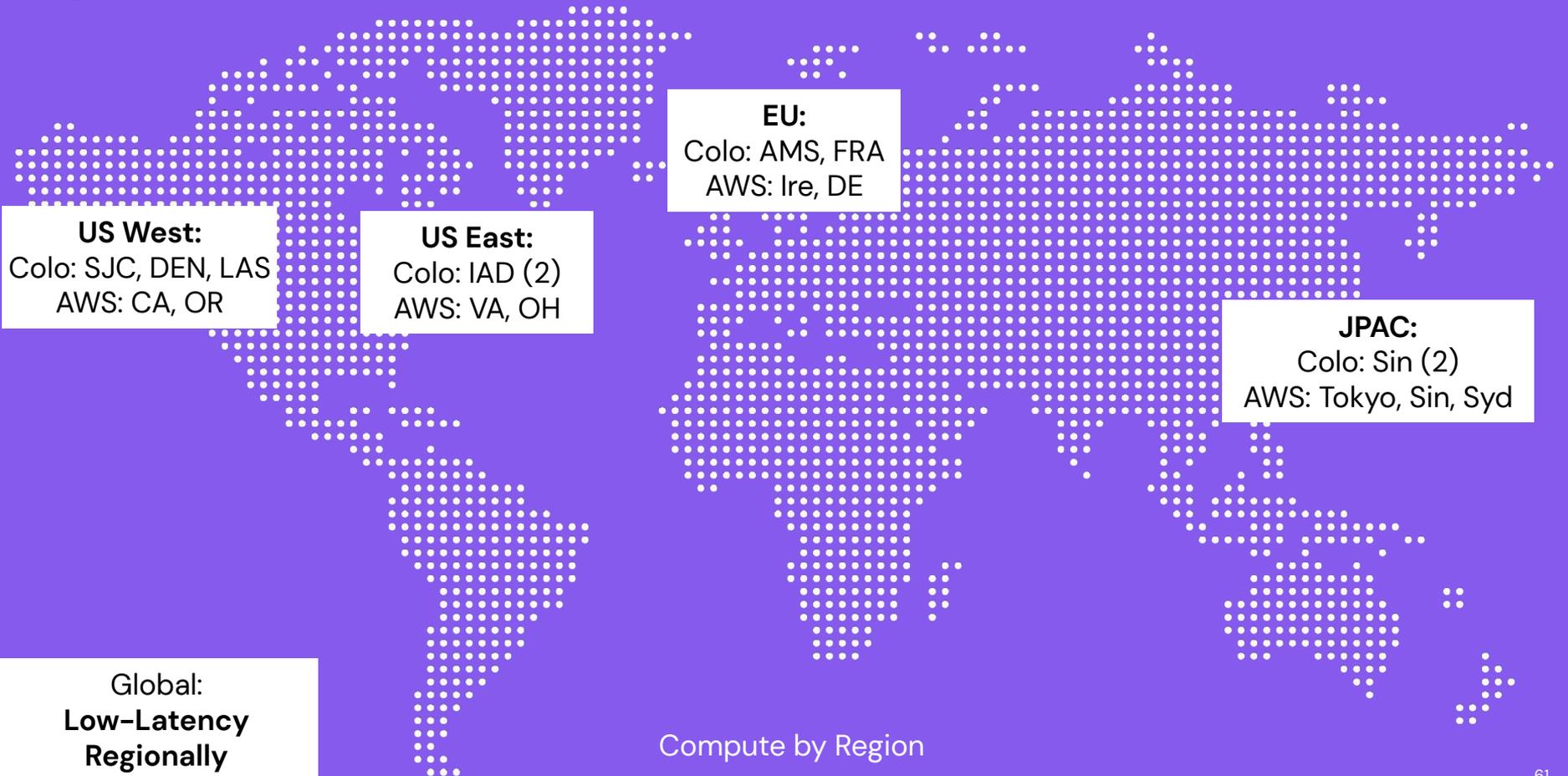


High Value Traffic for DSPs

- Optimized traffic mix yields more spend
- Scaled buying for DSPs of all shapes & sizes



Hybrid Points of Presence (POP)



Engineering Resources



Market-Leading
Experience, Expertise & Talent

Global: **400+**
Engineering & Product

Engineers by region

Tactical Advantages

Omnichannel

True Omnichannel Marketplace

- Proven global extreme scale
- Sellers + buyers
- Inventory reach
- Audience everywhere

Unified Insights

- All inventory types
- Real time capability
- Find pockets of extreme value
- Scarcity + behaviors

Actionable Intelligence

- Unified data processing
- Machine learning
- Wholistic inventory modeling
- Direct + programmatic



Tactical Advantages

CTV / OTT

Not Just a Scale Game

- Complex ecosystem
- Ad server insights
- Audience sells

“Live” / High Concurrency

- Abrupt concurrency
- Millions per *instant*
- Protect the ecosystem
- Maximize the audience

Ad Server + Programmatic Decisioning

- Model direct + programmatic
- Advanced insights
- Market making



Tactical Advantages

Audience

Intrinsic Capability

- Audience, context & content
- Agnostic to source
- Core to markets and intelligence
- Identity agnostic

Enforce Provider Control

- Obfuscate but monetize
- Trusted provider
- Authorized source = Value

Privacy & Security

- Respect all privacy signals
- Clean room
- Control access

Aud



Tactical Advantages

Data Intelligence

Unified Machine Learning

- All telemetry across ALL inventory
- One model rules them all
- Real time posture
- Forecasting across ALL inventory

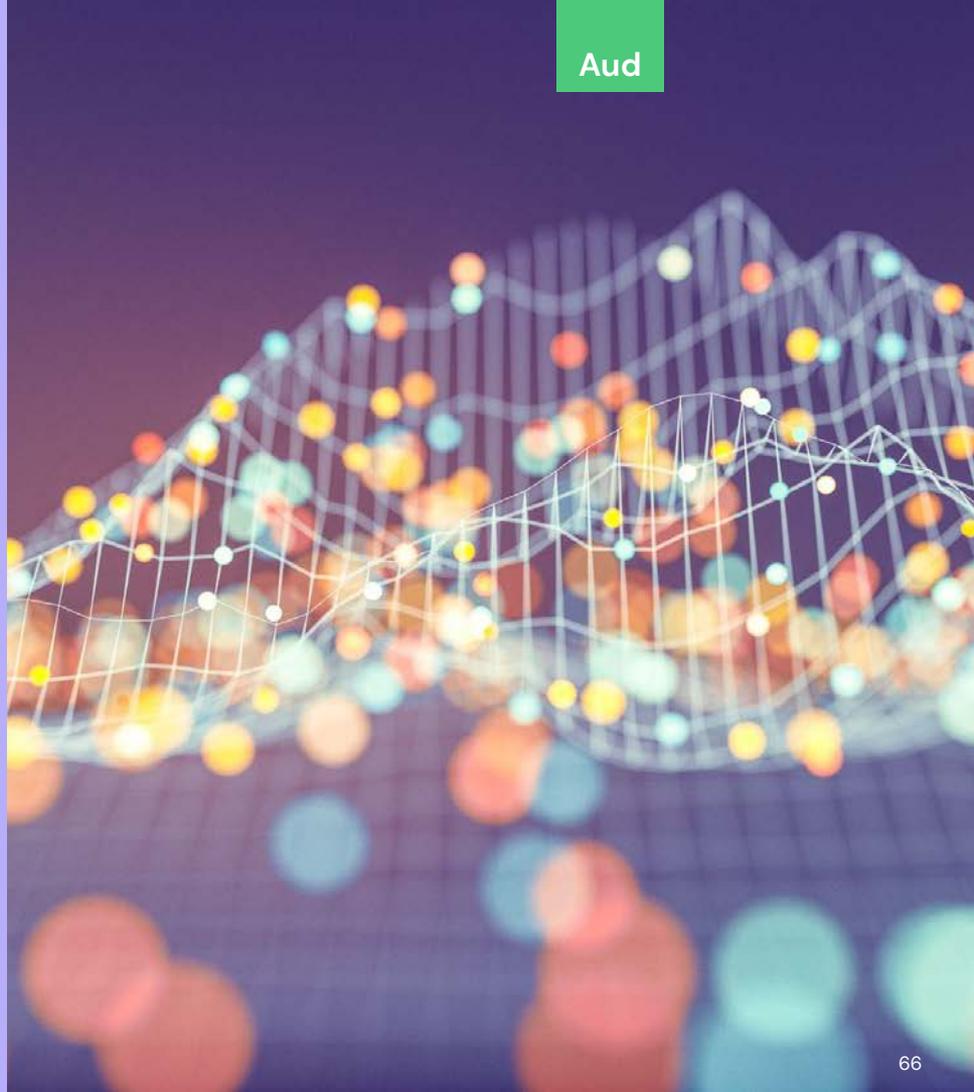
Wholistic Intelligence

- Market dynamics
- Audience correlation
- Demand-drive

Revenue Insights

- Automated capability
- Just-in-time monetization
- Programmatic potential

Aud



Tactical Advantages

Trusted Partner

Inventory Assurance

- Constant focus
- Custom and 3rd party tech
- Trusted omnichannel marketplace

Integral Positioning

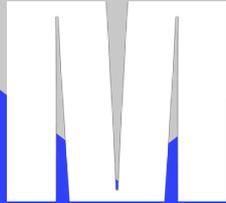
- Demand Manager, Prebid Server, SpringServe Proxy
- Leverage any ad server
- Top of publisher monetization stack

Thought Leadership

- Leading industry initiatives
- AdCOM, ORTB, Ads.*, Prebid
- Broadcast stack converging



Magnite + SPOTX



Our central focus is
unification of knowledge,
effort and technology

- Two industry-leading CTV Platforms to integrate form and function effectively
- Providing Publishers and easy way short and long term to leverage all platform technologies
- Unified audience capabilities across inventory and identity gardens
- Bringing omnichannel data and models together to create powerful intelligence
- Rapidly merging core data flows for science and machine learning

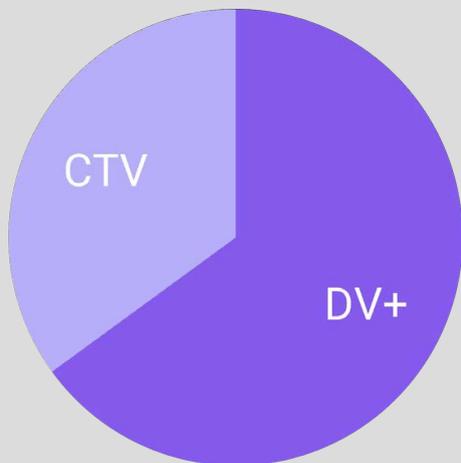
Year 2 synergies and savings on track

CTV Sales & Go to Market

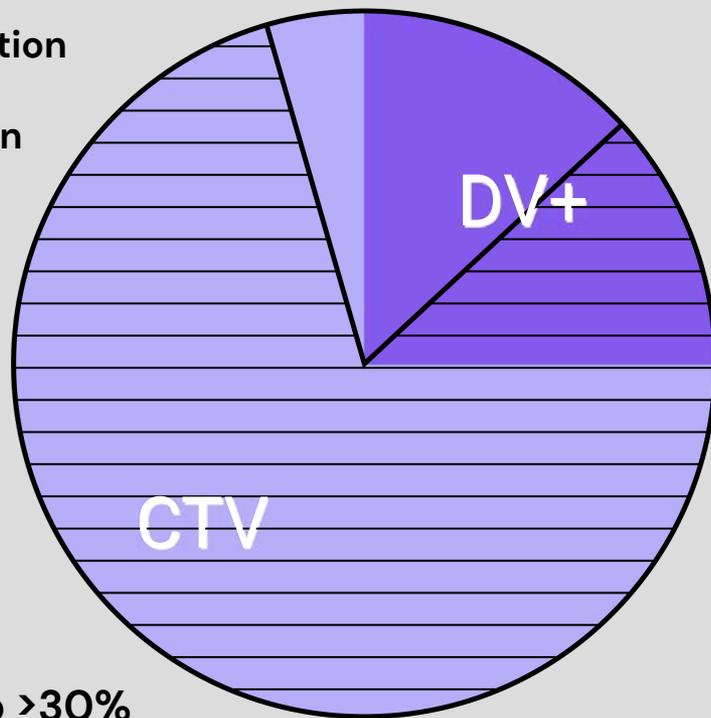
Sean Buckley

Unique Needs

- ⊘ Reserve Auction
- Open Auction



Growing CTV Share to >30%

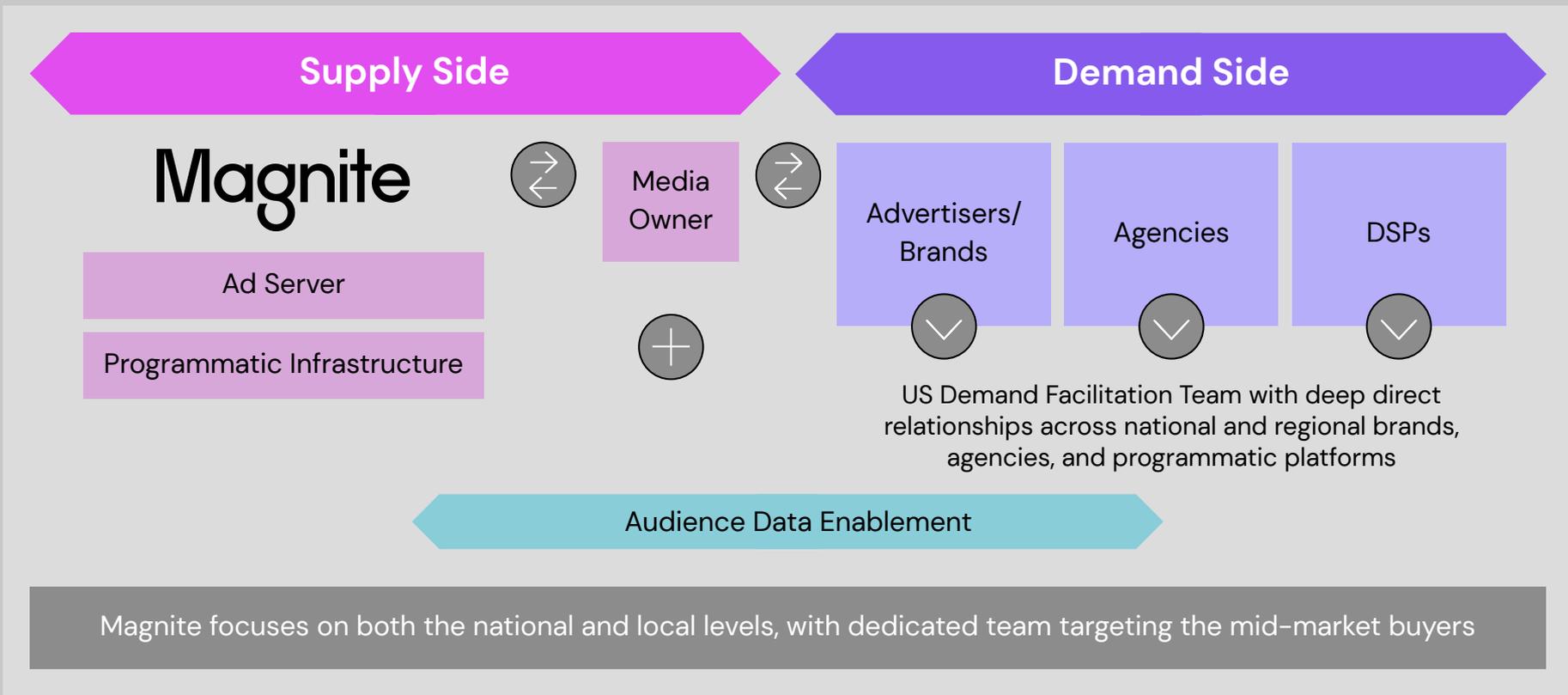


Magnite's Position in the Ecosystem

CTV

Magnite

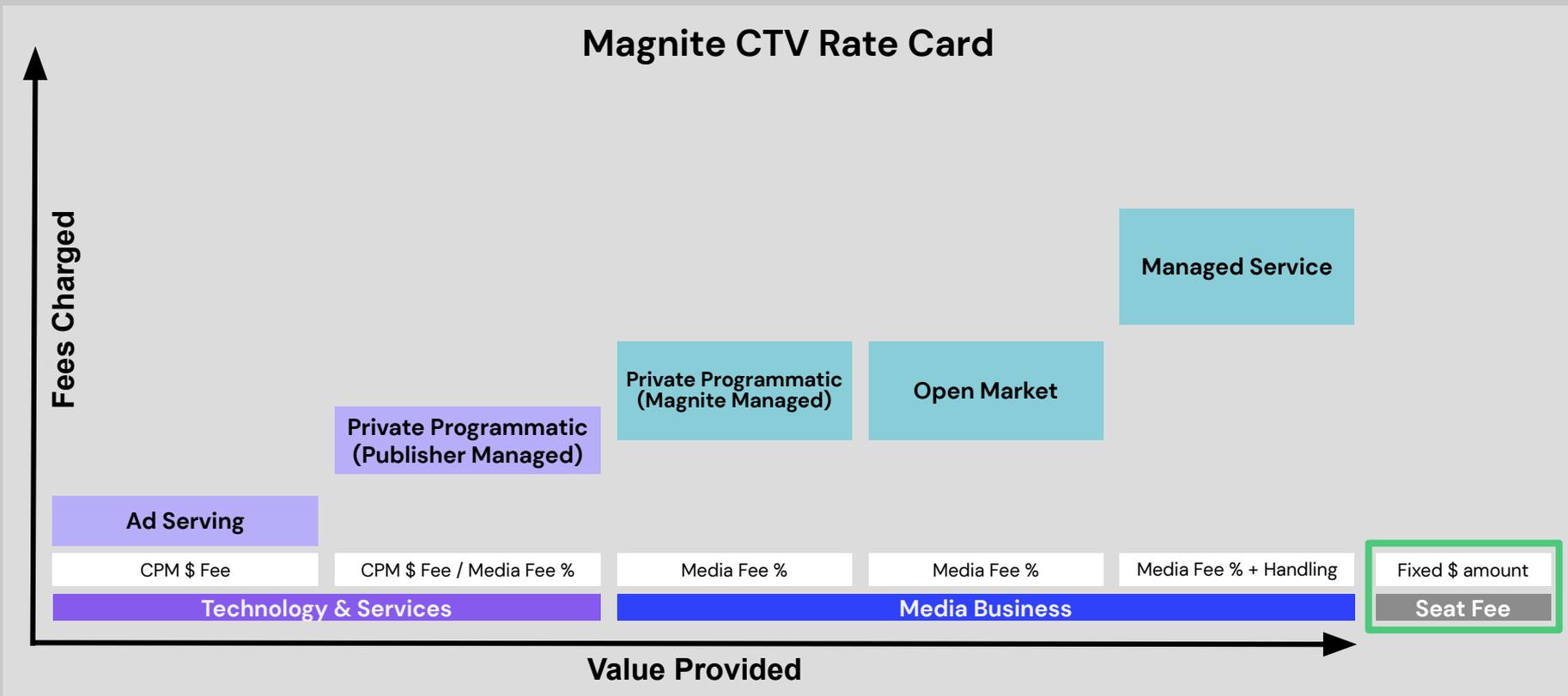
Cutting-edge technology and services for media owners and buyers



Magnite focuses on both the national and local levels, with dedicated team targeting the mid-market buyers

Device Manufacturers / OEMs	vMVPDs	Digital First / FAST Services	Programmers & Broadcasters
<p>ROKU SAMSUNG VIZIO LG</p>	<p>fuboTV hulu philo sling hotstar DIRECTV</p>	<p>PLEX xumo CRACKLE tubi pluto tv</p>	<p>Disney Nine FOX tvnz ENTERTAINMENT Discovery A&E</p>

Magnite Has a Transparent and Flexible Business Model



Demand Facilitation

SpringServe & Advanced Integrations

Audience Management

Demand Facilitation

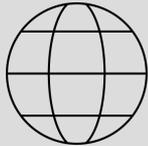
- Established team with 50+ US employees and 30+ internationally, across 4 distinct groups
- Trained to operate across all formats and transaction models within each buyer cohort



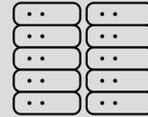
Brand Partnerships



Mid-Market



Agency Development



DSP Partnerships

National & Global Brands

Recognized household names moving programmatic buying operations in-house

- Inventory Partner Consolidation

DTC & Niche Brands

- Apps and products for enthusiast audiences
- Specialty retailers
- Increase in brands planning CTV campaigns using data

OceanSpray Cranberries

- CTV allows for better consumer reach across the new generations of buyers
- Studies are demonstrating 6%+ brand awareness increase over industry benchmarks

“Magnite is our preferred inventory partner due to their expertise in Connected TV and ability to consolidate access for OSC to the largest overall audience reach.”

Mid-Market Pod

- Reaching a large footprint of independent agencies across the United States
- Strong coverage of local/regional buyers preferencing managed service executions

Performance Pod

- Performance marketing brands/agencies
- Offering performance marketers, DTC & DR brands access to DR CTV inventory at scale
- Aiding the shift from DR TV to DR CTV

Travel Texas

- Beginning in 2018, TX shifted 100% away from TV
- Moved all their TV budgets into digital mediums with a focus on CTV. All screens, all streams across addressable linear, OTT/CTV, OLV and social video
- Targeting nationally as well as drivable markets near TX

Quigley Simpson

- Partnered with the agency over the past year+ to prove out our exclusive Performance Marketplace as a viable vehicle for their Performance and DR clients to achieve success in CTV transacting programmatically
- Culminated in the first of its kind upfront style preferred partnership inclusive of a minimum of \$35M in spending from July'21–July'22
- Omnichannel with \$25M allocated to CTV and \$10M allocated across our DV+ platform

Agency Development

GroupM—Magnite Partnership

Initial problem and ask of Magnite

- How can the Holding Company consolidate their programmatic CTV & OTT activations to ensure advantageous access, directly and transparently, to premium supply partners?

Framework

- GroupM negotiates rates with media owners directly
- Activation centralized and streamlined with Magnite through a custom library of CTV & OTT Private Marketplaces
- Magnite DF team works with agency brand teams to evangelize the partnership and work with buyers to activate through the Magnite platform
- Commercial benefits to GroupM for reaching spend thresholds

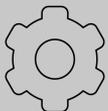
Outcome

- Over 5x growth YOY (1H 2021) spend with Magnite CTV & OTT

The logo for WPP, consisting of the letters 'WPP' in a black, serif font.The logo for IPG, consisting of the letters 'IPG' in a blue, sans-serif font.The logo for Omnicom Media Group, featuring the letters 'OMG' in a large, bold, black, sans-serif font, with 'OmnicomMediaGroup' in a smaller, black, sans-serif font below it.The logo for Havas, consisting of the letters 'HAVAS' in a red, sans-serif font.The logo for Publicis Groupe, featuring a golden sunburst icon above the text 'PUBLICIS GROUPE' in a black, sans-serif font.The logo for dentsu, consisting of the word 'dentsu' in a black, sans-serif font.



- Develop and implement roadmap innovations
- Adoption and activation of Magnite capabilities
- Optimize existing integrations and onboard new DSPs
- Cooperation on key industry initiatives



Unified Inventory Management

Manage direct-sold, house ads, and programmatic demand, with the controls needed to maximize revenue per second.



Distribution Rights Management

Fulfill obligations to hardware manufacturers, content aggregators, and vMVPDs.



Smart Ad Breaks

Deliver ad breaks without repetitive ads including competitively separated advertisers.



Real-time Data

Visualizations throughout the platform make operations a breeze.

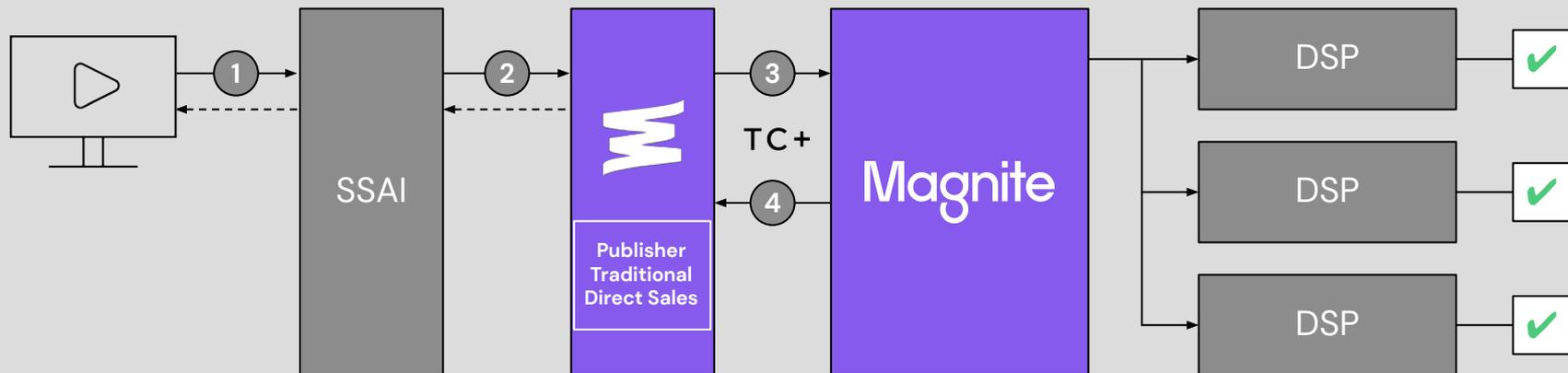
Implementations



Ad Server



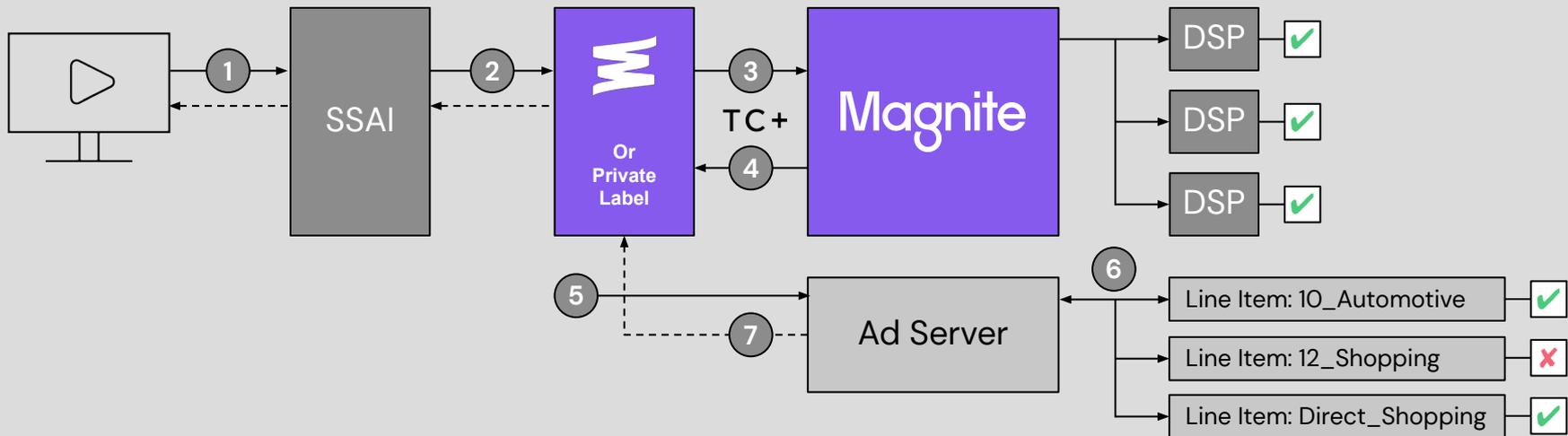
Ad Proxy



Select Ad Server Clients

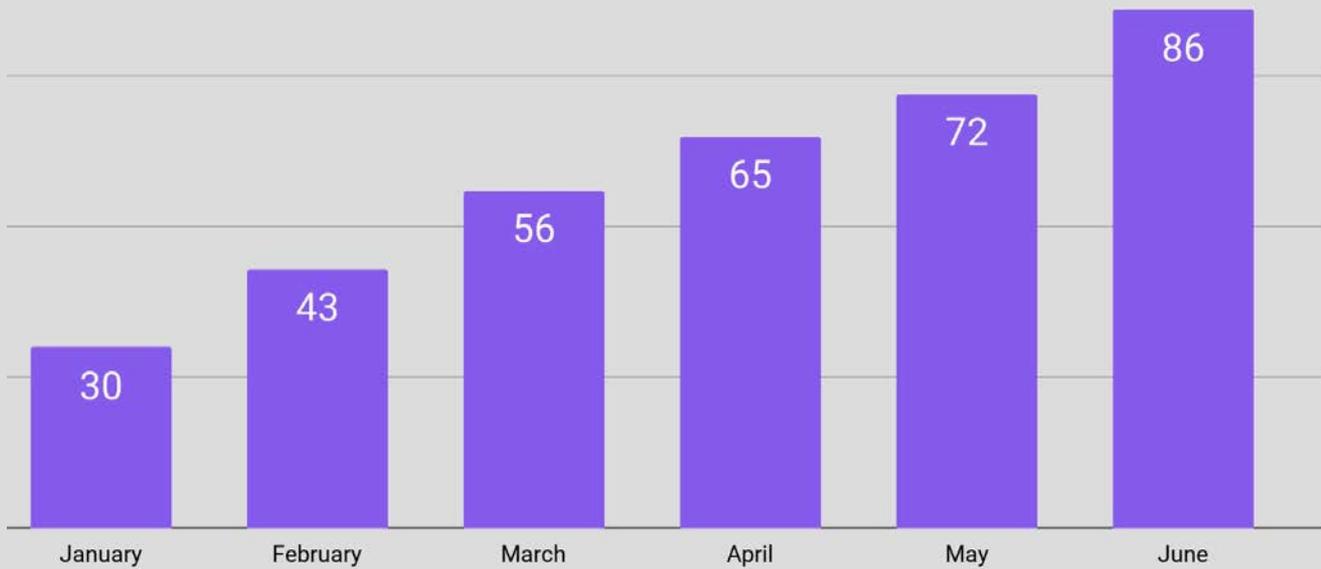
VIZIO LG PLEX TASTEMADE

SpringServe or Private Label Ad Proxy

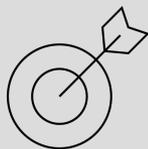


Select Ad Proxy Clients

The block contains the logos for three ad proxy clients: pluto tv, UNIVISION, and CRACKLE.



Audience Management



Target

Target using 1st Party Media Owner Data, 3rd Party Data and 1st Party Advertiser Data



Forecast

Forecast inventory against audience segments

Aud



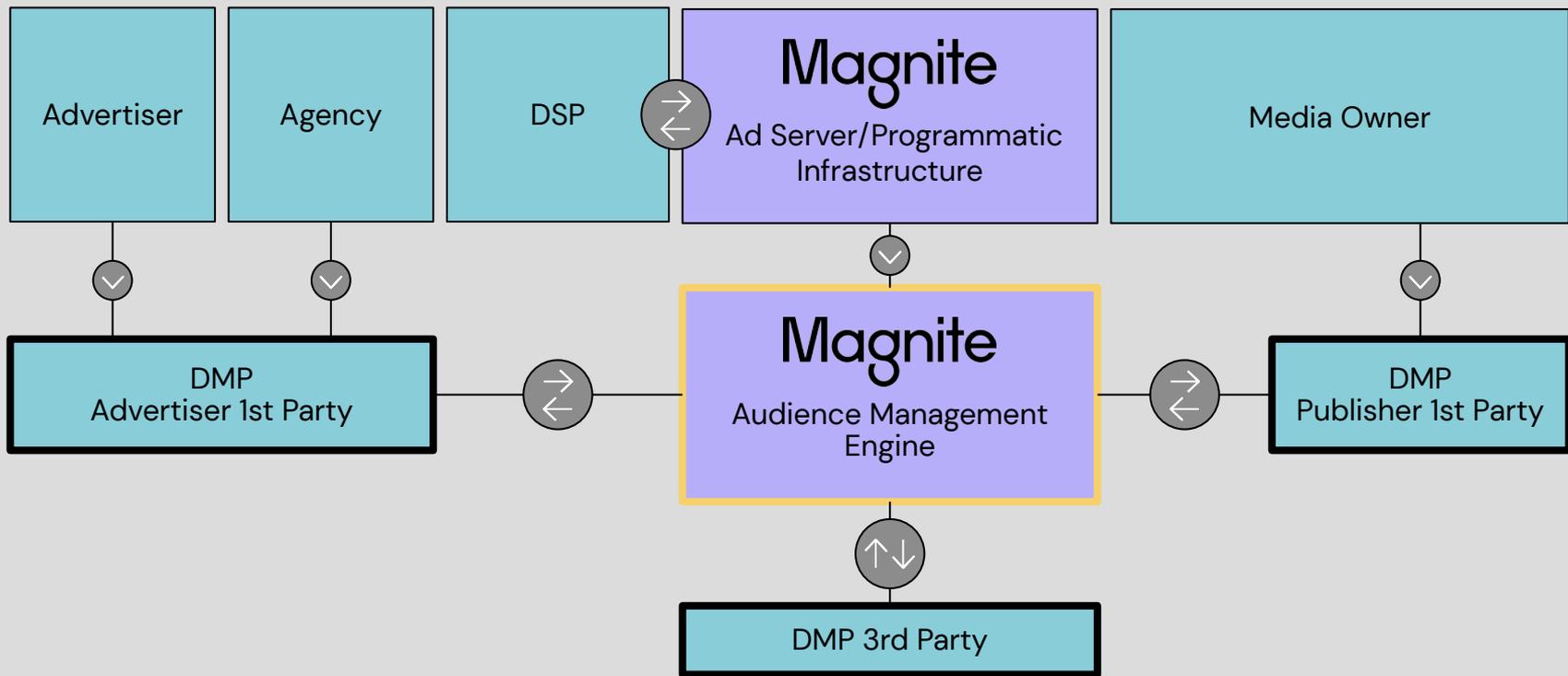
Execute

Enrich Programmatic Guaranteed and PMPs with audience data



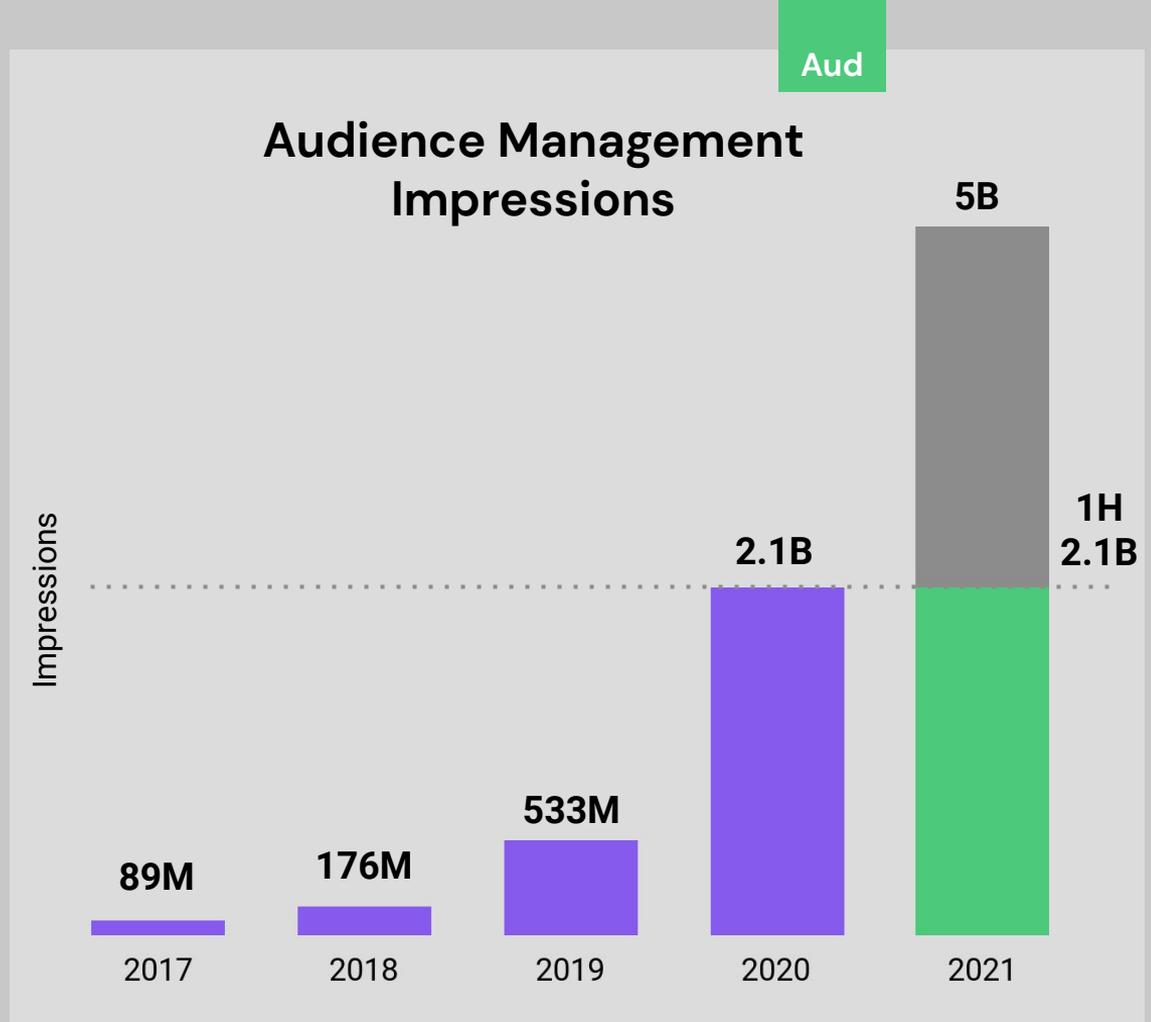
Privacy

Pre-filter supply, refine bid requests, and proxy beacons to eliminate data leakage



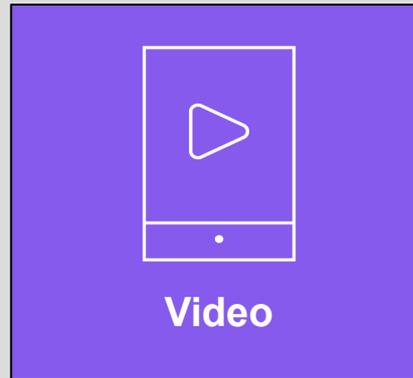
Audience Data Usage

Through improvements to our infrastructure, expansion of third-party data usage, and integrations with new data providers Audience Management capabilities continue to rapidly scale

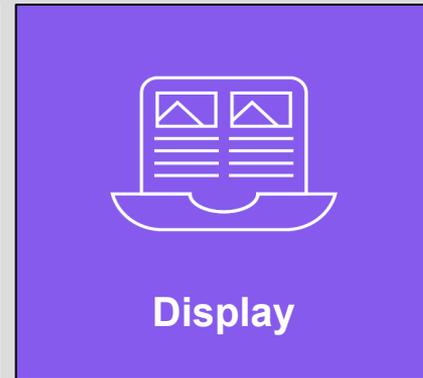


DV+ The Other Growth Story

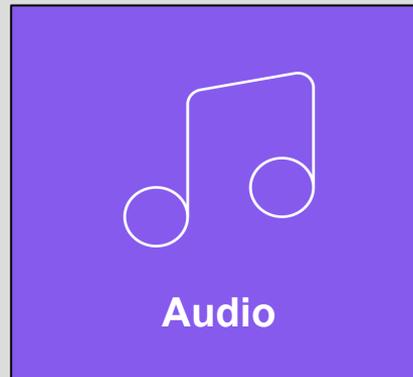
Joe Prusz



Video



Display



Audio



Digital Out of Home

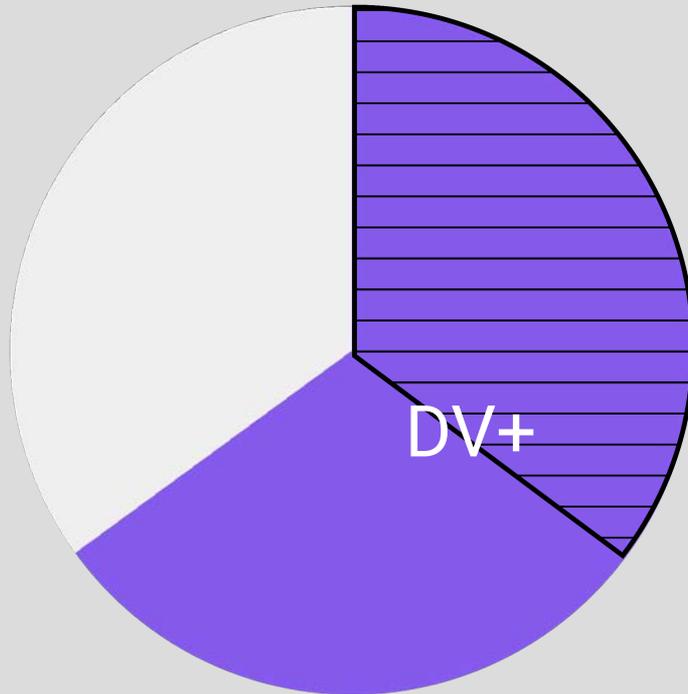
DV+: The Other Growth Story

The path from 9% to 20% Market Share



Open Auction

- Will always be multiple SSPs
- Hard to “own” market
- Highest take rates but generally lowest value inventory
- **Growing from \$34B to \$50B by 2024***

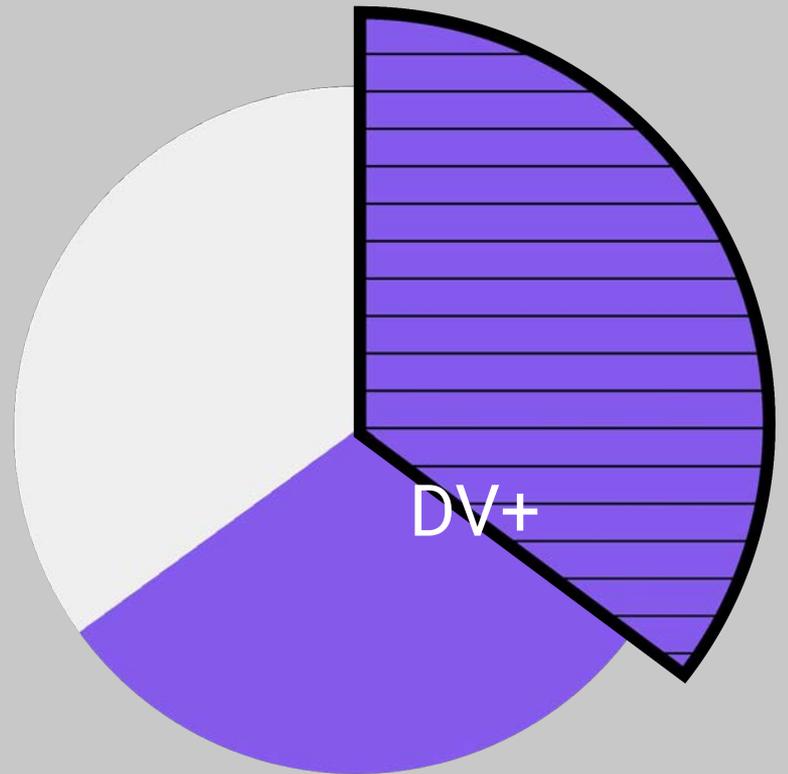


Reserve Auction

- Winner take most
- No need for multiple SSPs
- Highest value inventory
- Lower take rate but higher net revenue
- **Growing from \$8B to \$13B by 2024***

Reserve Auction

Building the Easy
Button for the
Open Internet



The Past:



=



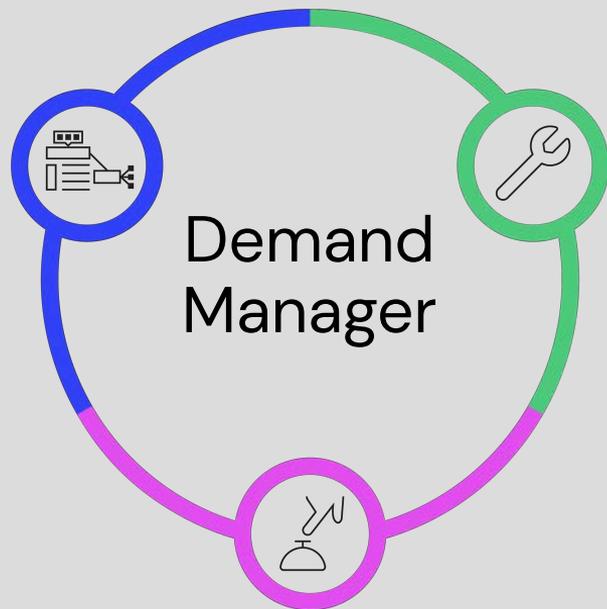


Prebid

The Here and Now:



=



Prebid.org is an independent organization to promote fair, transparent, and efficient header bidding. Open to companies in the programmatic ecosystem to standardize unified auction tools, systems and technologies.

Open Source Projects

Magnite holds Chair

Magnite on Committee

Prebid.js

Prebid Mobile

Prebid Server

Prebid Video

Prebid Native

Prebid CTV

Prebid Tools

Prebid Identity

Prebid Taxonomy

Prebid Leadership

Prebid Marketing



Prebid.org is an independent organization to promote fair, transparent, and efficient header bidding. Open to companies in the programmatic advertising ecosystem, Prebid is the standard for open source header bidding systems.

Open Source Projects

Magnite holds Chair

Magnite on Committee

Prebid.is

Prebid Mobile

Prebid Service

Prebid

Prebid

Prebid

Good News:

95%

Bad News: (Opportunity)



GANNETT

The Weather Channel

goodway group

dentsu

TAPAD

triplelift

GRANITE

Browsi

SPOTX

LiveRamp

marfeel

FREESTAR

OCM DIGITAL MEDIA AGENCY

smaato

Chegg

adomik

cpeX

Demand Manager: Software Layer on Top of Prebid

Wrapper Management

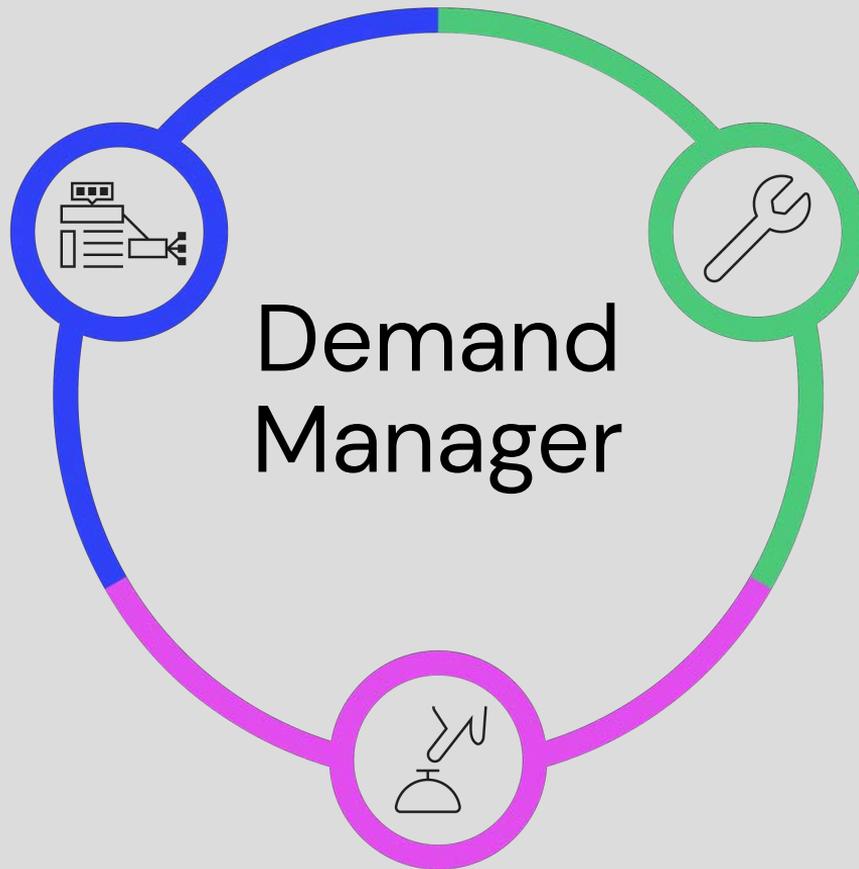
- SasS mgmt layer on top of Prebid
- Easy to manage & optimize via UIs

Business Intelligence

- Measurement
- Analytics
- Optimize

Multivariate Testing Framework

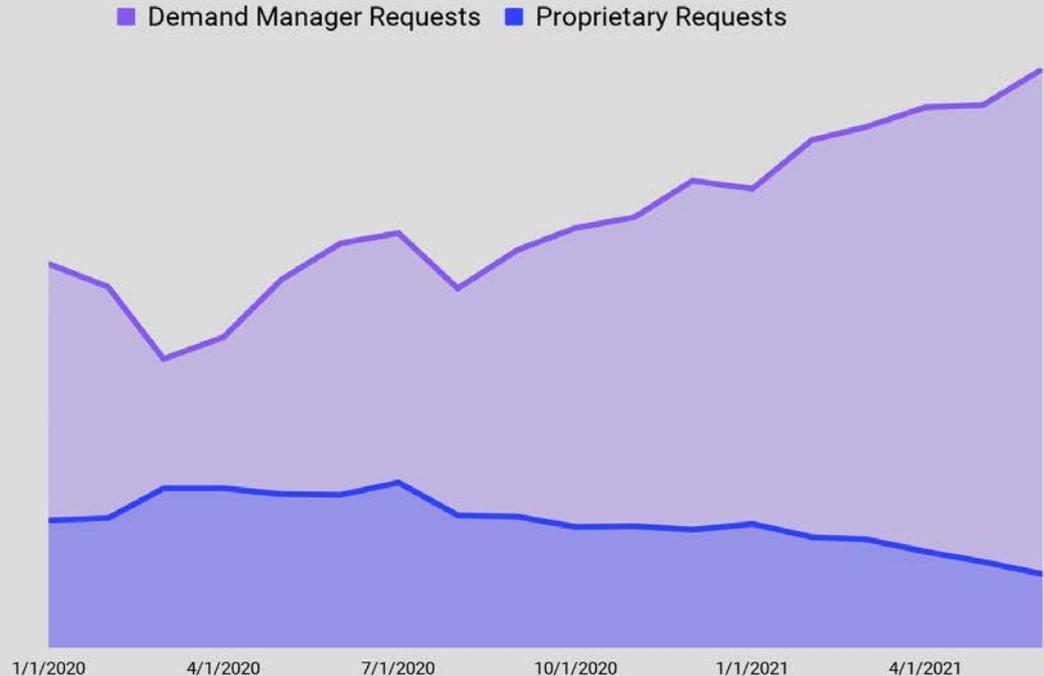
- Enhanced monetization
- Multivariate testing



Demand Manager Is Growing Fast

Winning against self-hosted, competitive, and free options

- Over 200 signed customers
- Proprietary is shrinking
- **Greenfield: Demand Manager is 20% of Prebid requests and growing**

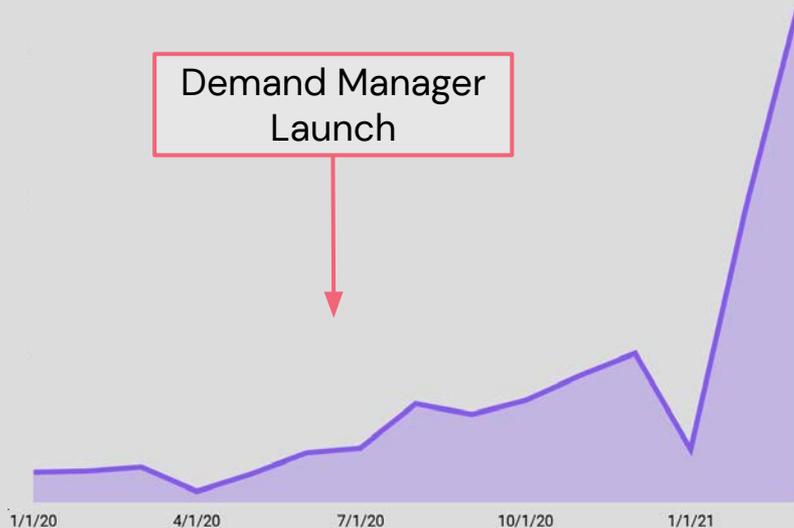


Software Position Unlocks Reserve Auction

Magnite is taking share in PMP post Demand Manager launch

PMP Spend: Q1'21 vs Q1'20

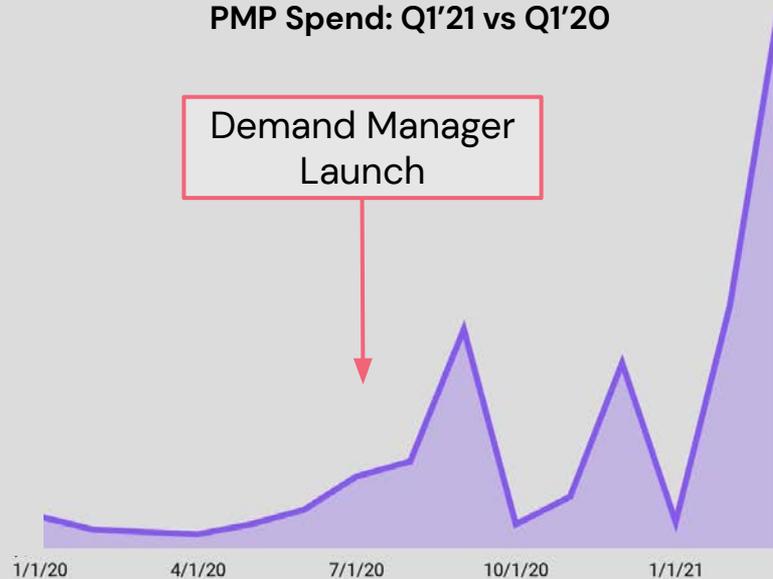
Demand Manager
Launch



8.5X ↑

PMP Spend: Q1'21 vs Q1'20

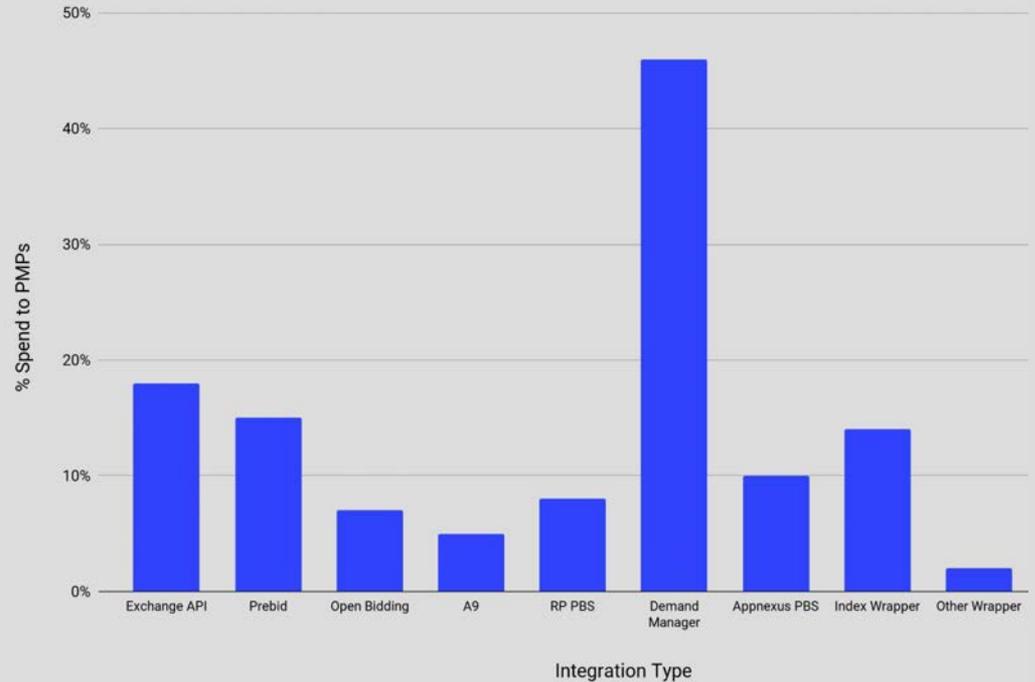
Demand Manager
Launch



12X ↑

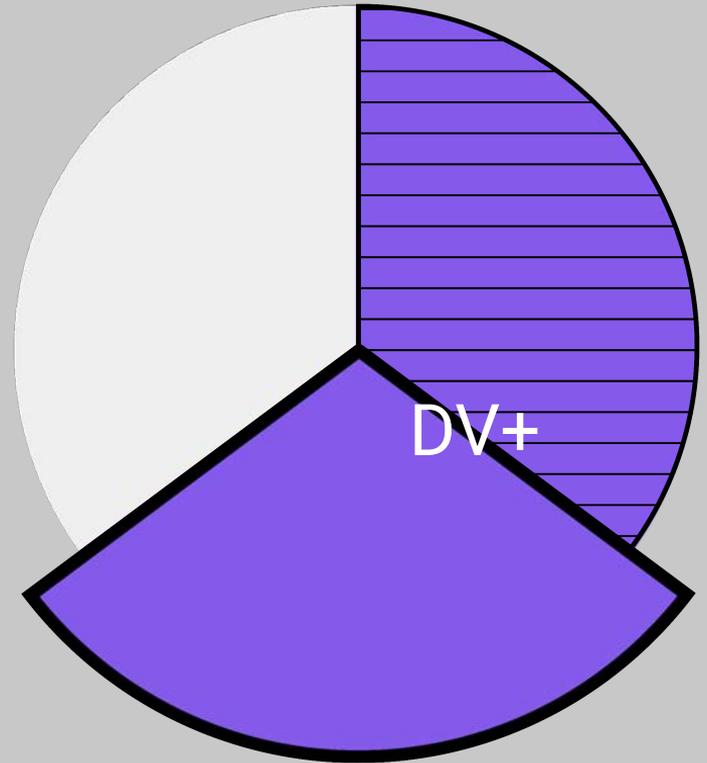
4.5X ↑

Demand Manager Clients drive \$4.5 for every \$1 of non-Demand Manager DV+ PMP Spend



Open Auction

Grabbing the
Low-Hanging Fruit



Six Initiatives To Increase Magnite Open Auction Revenue

Magnite



FOCUS



Filtering Advancements (ML)



Advanced Bidding Algorithms (ML)



Data Center Enhancements



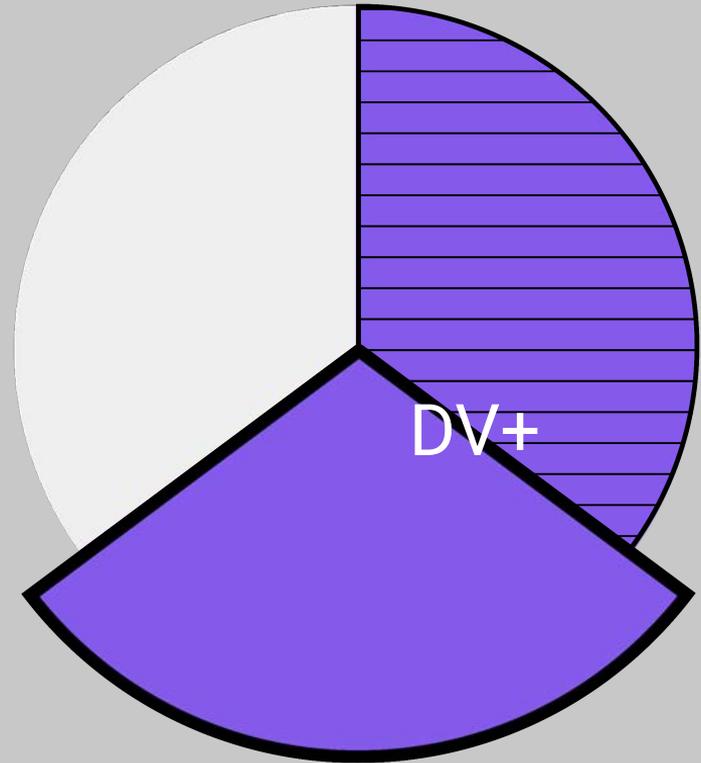
Increase Supply Aperture



SPO

Winning with Buyers

Becoming the preferred partner



MGNI: The New Easy Button for Buyers

Magnite

Empowering buyers to switch from walled gardens to open internet

- Walled gardens are threats to agencies
- HoldCos are looking for:
 - > Supply & spend diversification
 - > Value-creating technologies
 - > Strategic access vs transactional
- Magnite's technology enables HoldCos to:
 - > Curate own supply partnerships
 - > Create custom bidding algorithms
 - > Build technology differentiation vs peer set
 - > Manage exposure across audiences



HoldCo Deals

|| AVAS

OMG
OmnicomMediaGroup

MGNI: Significant Momentum with Buyers

Preferred and prioritized for commercial and product initiatives

Brands



WILLIAMS
SONOMA



HoldCos

! IAVAS



WPP



dentsu



DSPs



MediaMath



adform

verizon
media



Scale, Audience, and Omnichannel Are a Must To Win the Marketing Dollar of the New Cookieless World

Magnite

Magnite is ideally positioned for this new landscape:



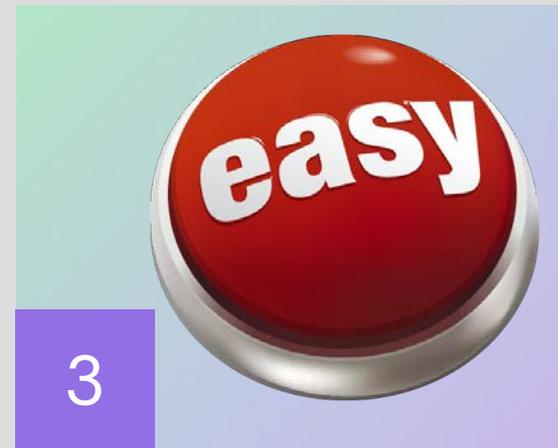
1

Largest independent SSP in the world across all formats (CTV, Display, Audio, DOOH, etc)



2

Massive scale to connect audiences together seamlessly in a cookieless world



3

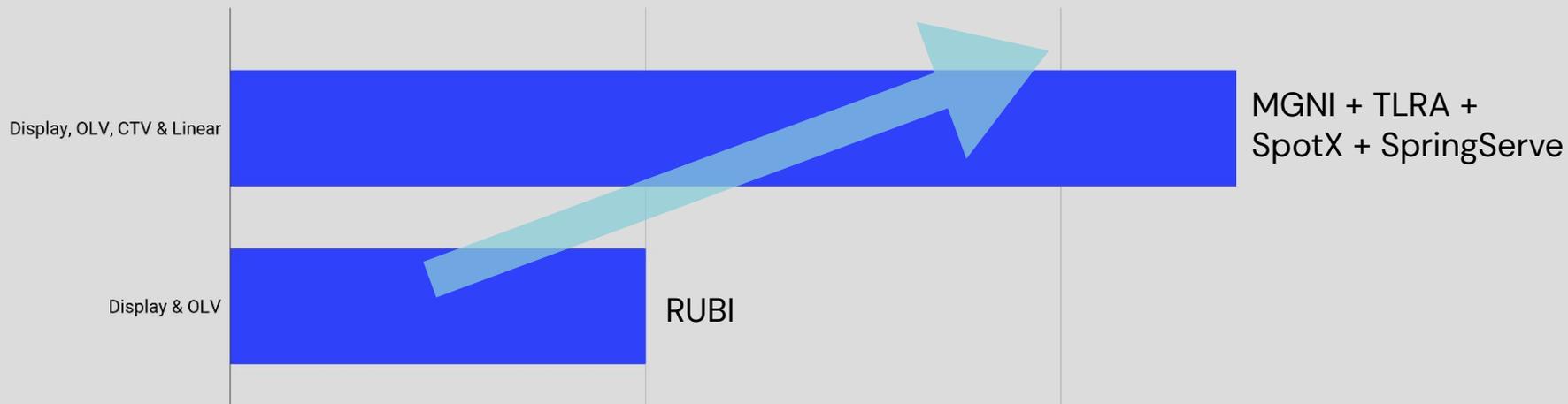
Building the easy button for the open internet to compete against the walled gardens

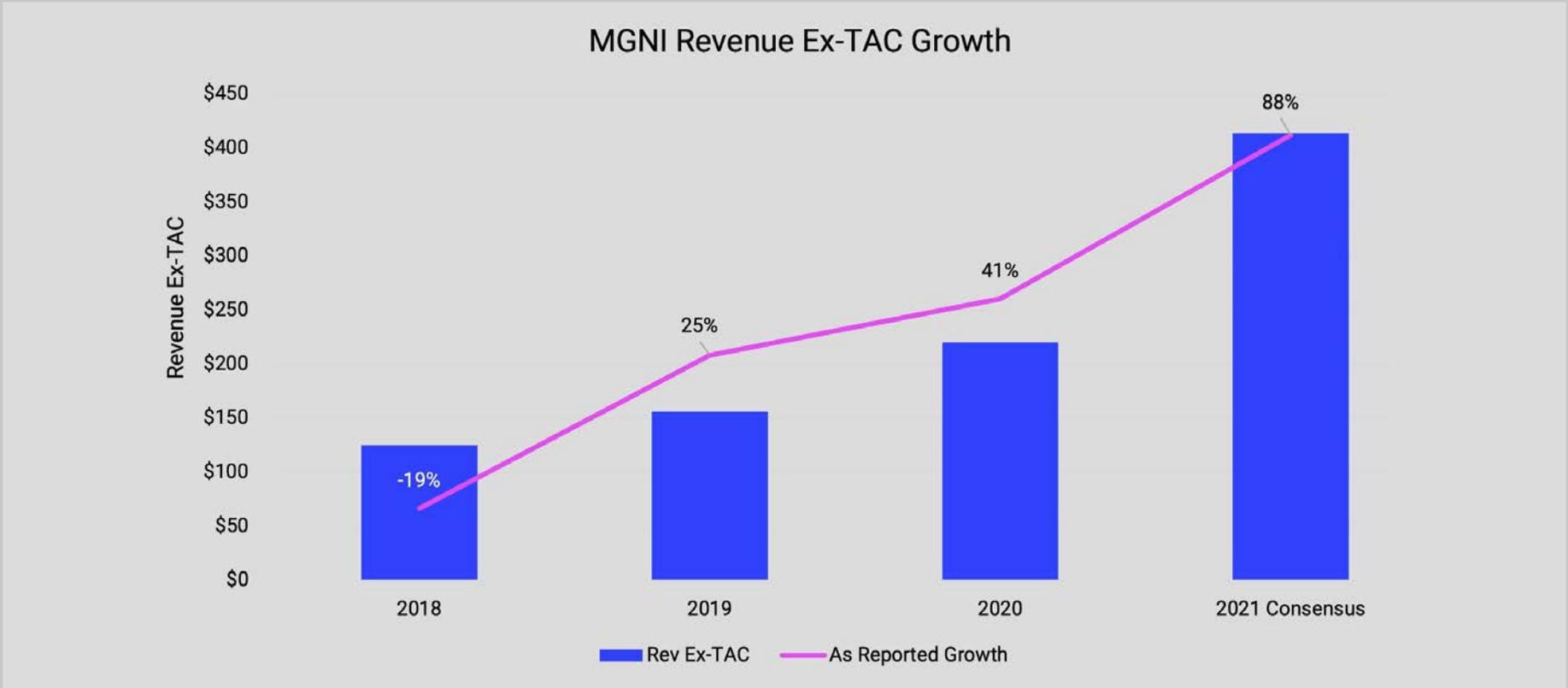
Market Opportunity & Power of Financial Model

David Day

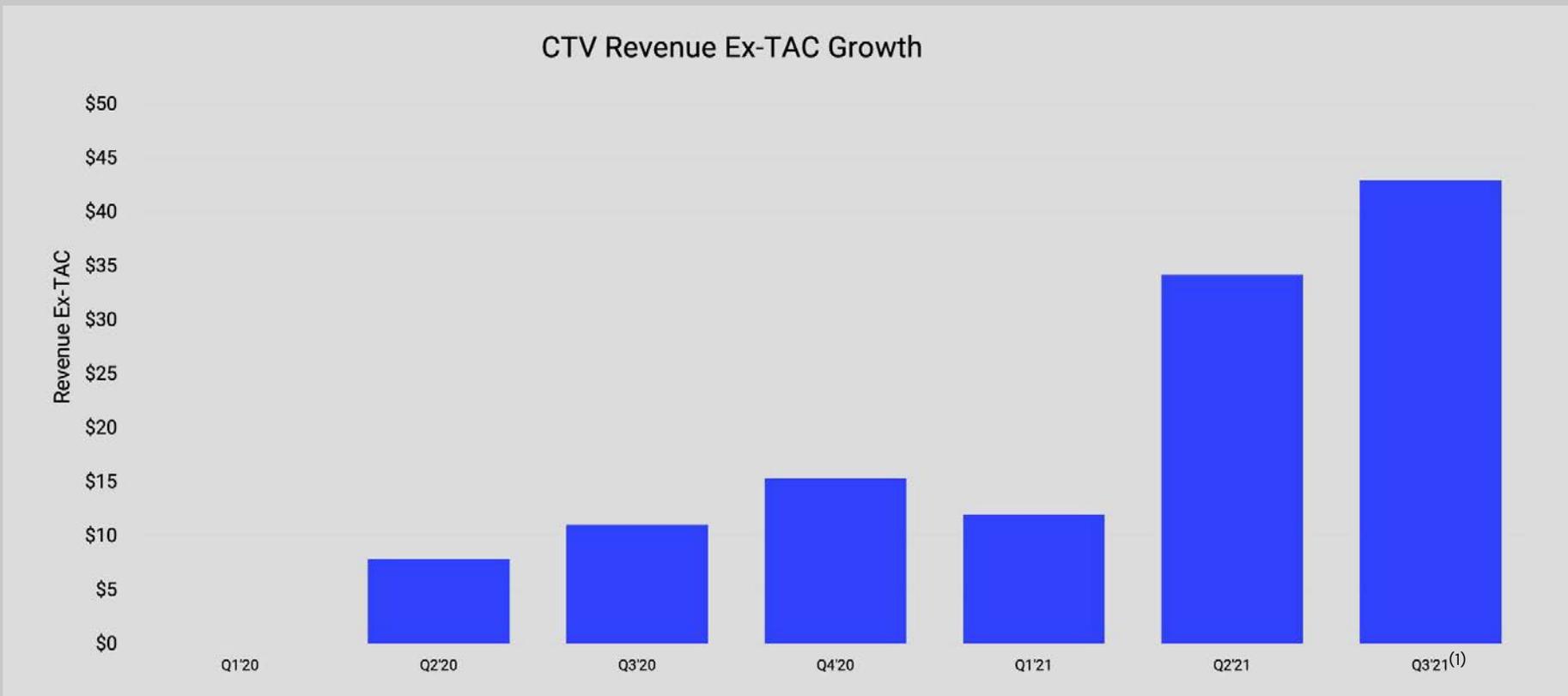
- Addressable market expansion
- Revenue growth—total & CTV
- Efficiency & scale
- Fixed vs variable costs & model leverage
- Profitability & cash flow
- Debt, capital allocation & leverage reduction

2021 MGNI Addressable Market Expansion





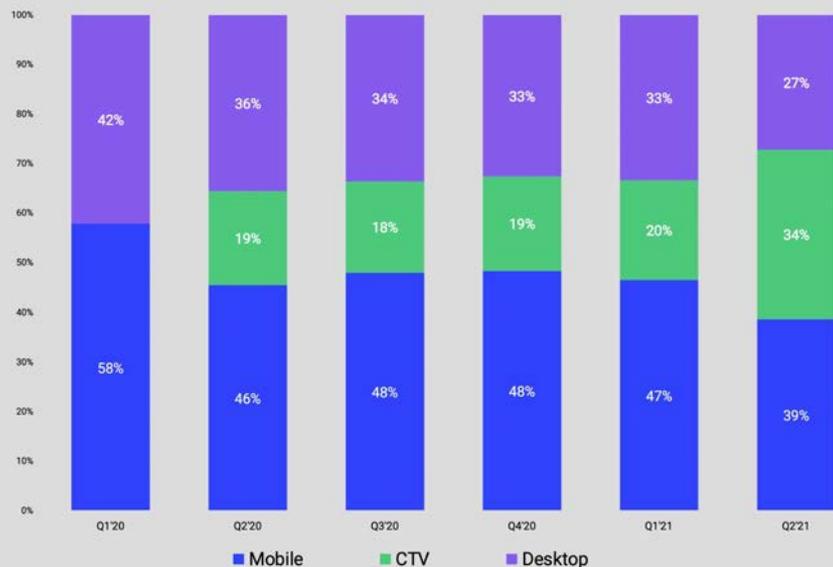
CTV—From 0% in Q1'20 to over 35% Share of Revenue Ex-TAC in Q3'21



Well Positioned for Sustained >25% Annual Revenue Growth

Channel

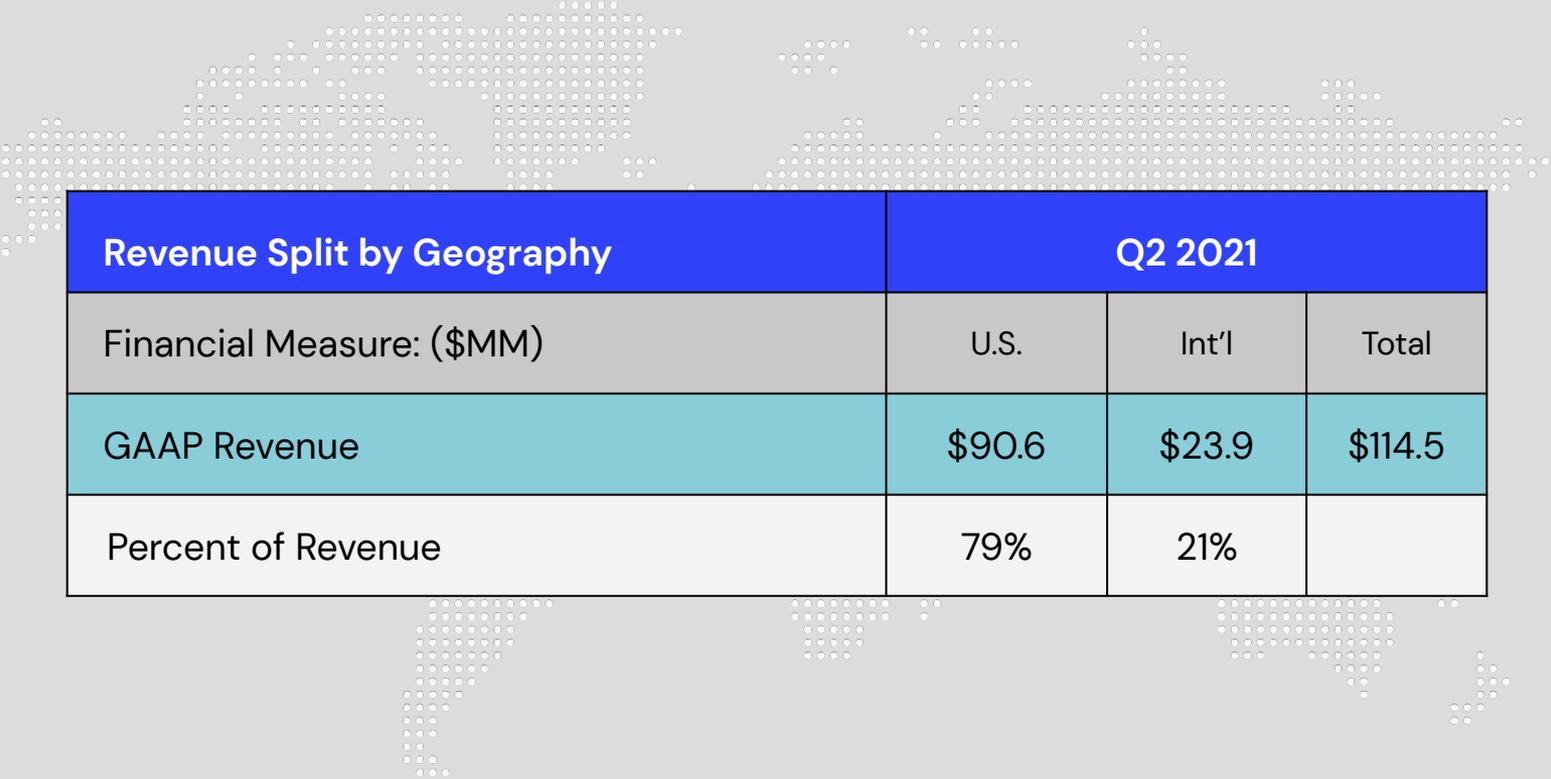
REVENUE EX-TAC CONTRIBUTION



Channel CAGR

Channel	CTV	Mobile	Desktop
3 Year CAGR ⁽¹⁾	44%	20%	0%

Applying channel growth to current mix, implies 23% annual growth even with no share gain—**well positioned to exceed 25% growth targets**



Revenue Split by Geography	Q2 2021		
Financial Measure: (\$MM)	U.S.	Int'l	Total
GAAP Revenue	\$90.6	\$23.9	\$114.5
Percent of Revenue	79%	21%	

Revenue Growth Driven by Strong Customer Relationships and Retention

Magnite

>150,000
Marketers
Served

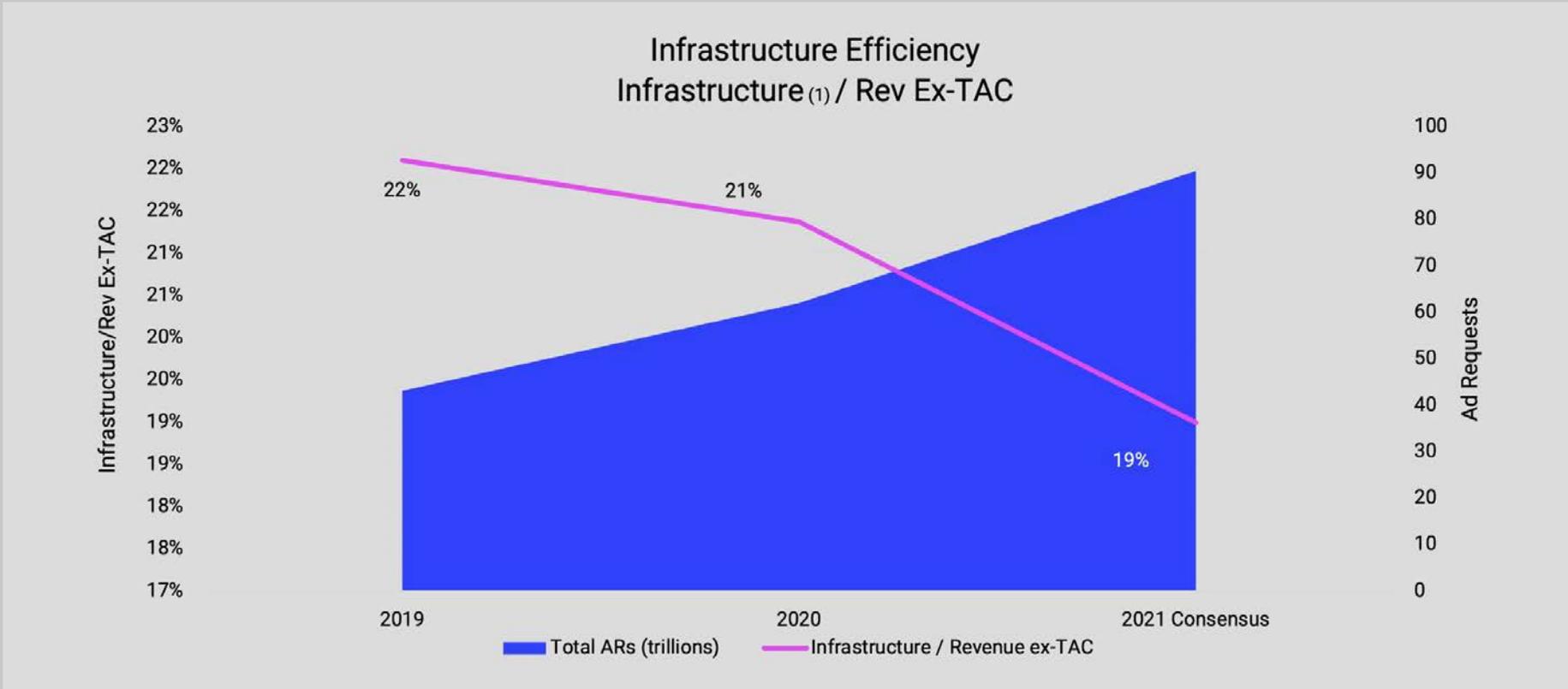
>150
DSPs
Served

>2,100
Publisher
Clients

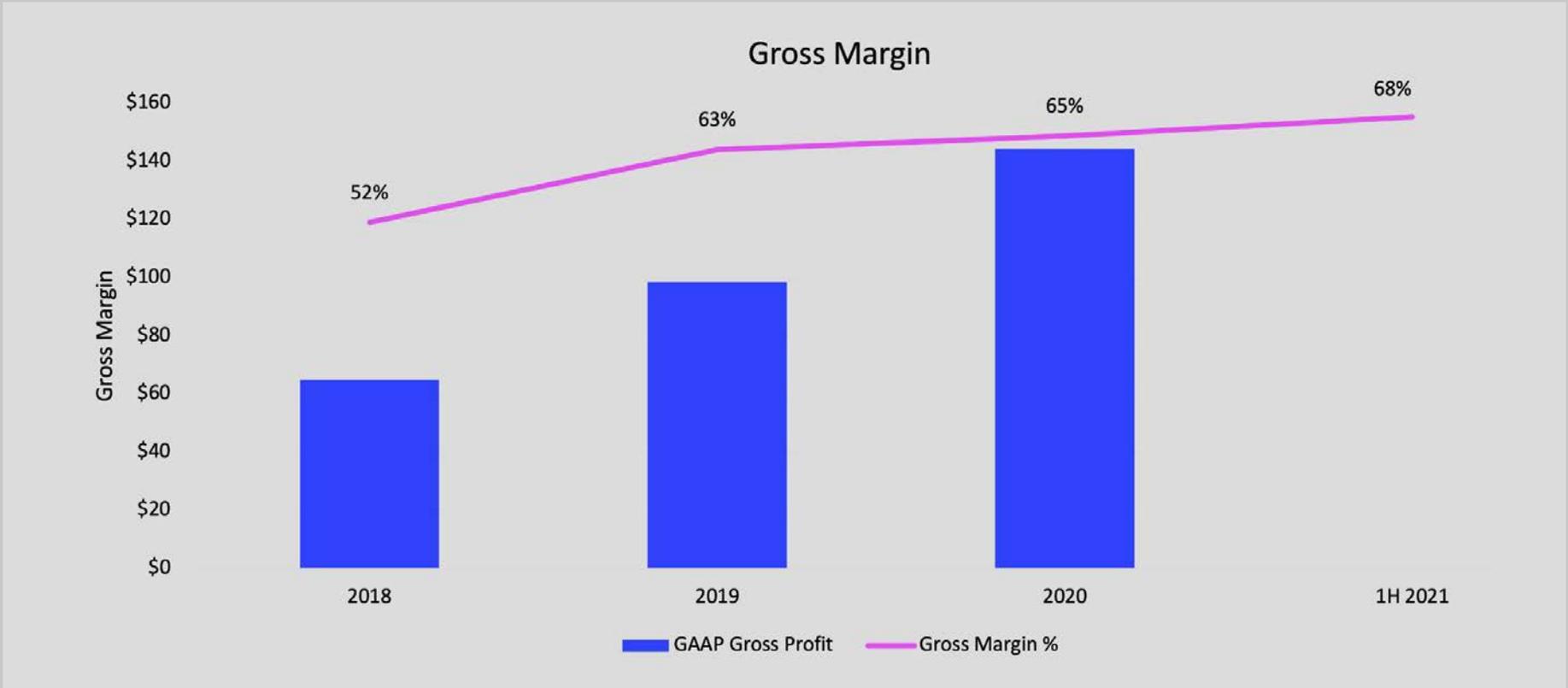
~0%
Voluntary
Attrition

134%
Q2'21 Net \$
Retention⁽¹⁾

Scale and Efficiency Driving Down Unit Costs >90 Trillion Ad Requests in 2021

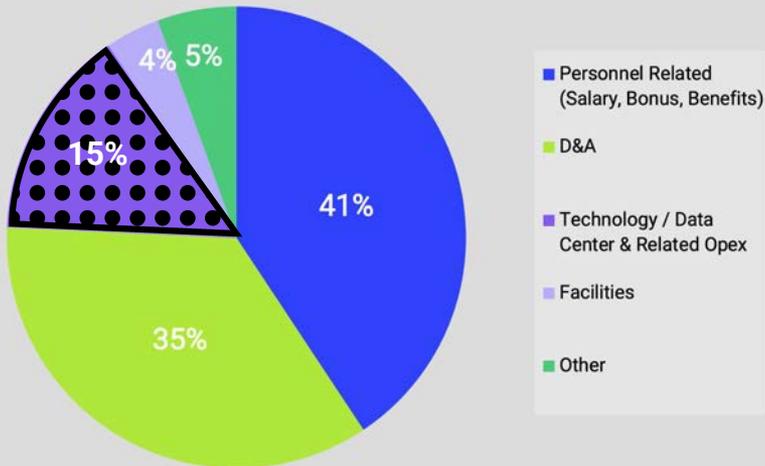


Gross Margin Trends



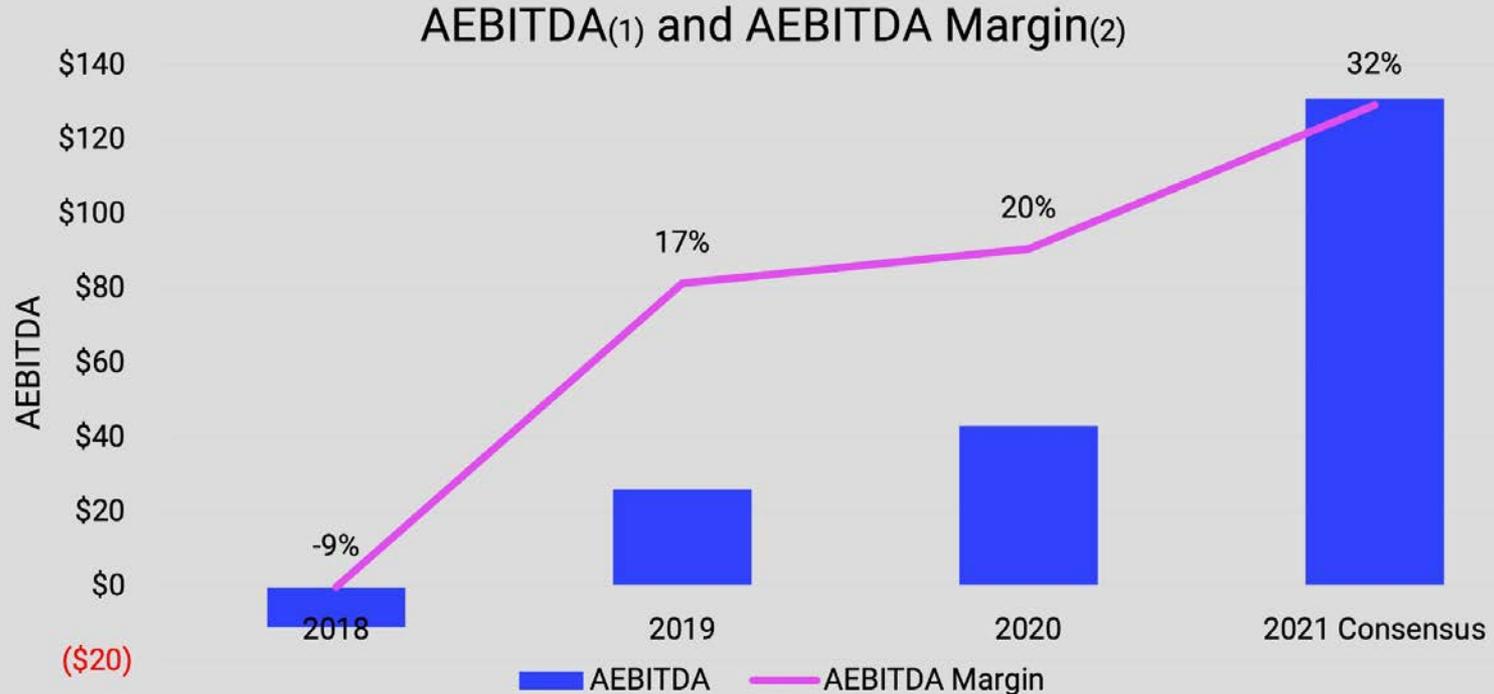
Only ~ 15% of expenses are directly variable
(more than 40% is people related)
Providing very high leverage

MGNI OPEX SHARE



Expect future
flow through
> 50%

2021 Flow through of 45%⁽¹⁾

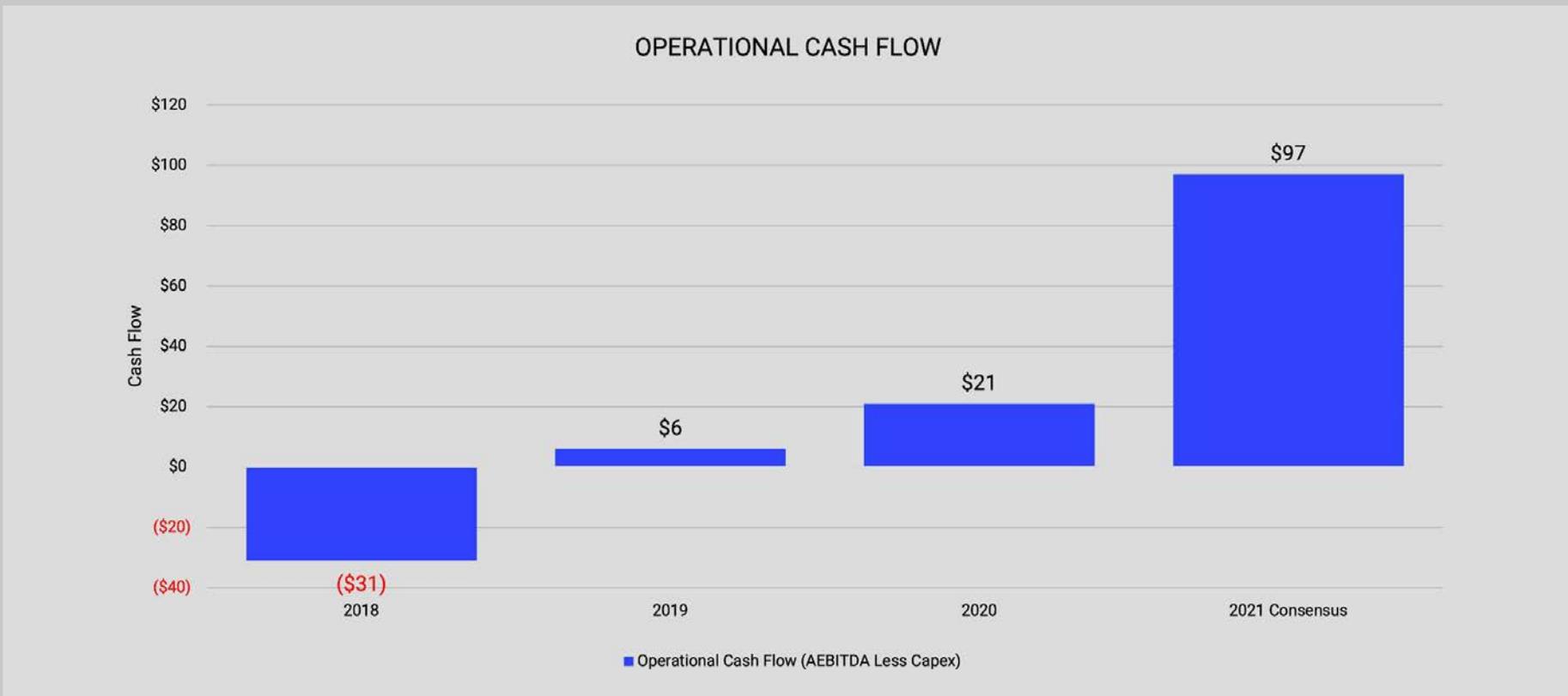


(1) AEBITDA is a non-GAAP financial measure. See slide 125 in the appendix for a reconciliation to Net Income (loss).

(2) AEBITDA margin is based on Revenue ex-TAC. See slide 124 for a reconciliation to gross margin.

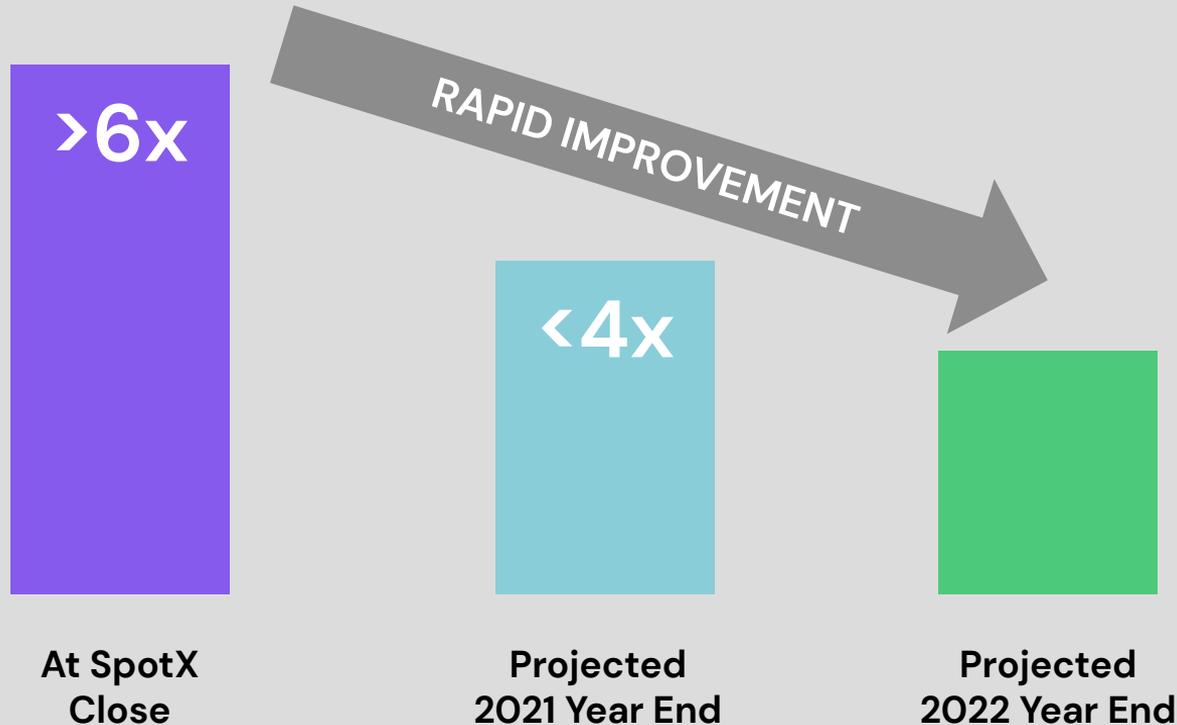
**Raising AEBITDA
margin target to
35-40%**

Accelerating Cash Generation



Net Debt to LTM AEBITDA

Total nominal debt of \$760 M (Convert: \$400 M, TLB: \$360 M)



Large and Expanding Total
Addressable Market

Revenue Growth > Market Growth

→ 25%+ Long Term Target

Prudent Financial Discipline

→ Strong Financial Leverage and
Growing Cash Flow

Expanding AEBITDA Margins

→ 35-40% Target

Debt to AEBITDA leverage expected
to be under 4x by end of 2021

Beneficial Cash Conversion Cycle
Q2'21 TTM—DSO (69) less DPO (88)

Q&A

Appendix

MGNI GAAP Revenue to Revenue Ex-TAC Reconciliation

(\$ in thousands)	Year Ended (2018)	Year Ended (2019)	Year Ended (2020)
GAAP Revenue	\$124,685	\$156,414	\$221,628
Less: Cost of Revenue	\$60,003	\$57,391	\$77,747
Gross Profit	\$64,682	\$99,023	\$143,881
Add back: Cost of revenue, excluding TAC	\$60,003	\$57,391	\$75,721
Revenue Ex-TAC	\$124,685	\$156,414	\$219,602

MGNI Reconciliation of Net Income (Loss) to Adjusted EBITDA

Reconciliation of Net Income to Adjusted EBITDA (\$MM)	2018	2019	2020
Net income (loss)	\$(61.8)	\$(25.5)	\$(53.4)
Add back (deduct):			
Depreciation and amortization, excluding amortization of acquired intangible assets	31.7	28.3	24.3
Amortization of acquired intangibles	3.6	3.9	24.9
Stock-based compensation expense	16.3	18.8	28.5
Acquisition & Non Recurring Related Party Revenue	0.0	2.0	15.7
Rent expense (income), net (vacant building/sublease)	0.0	0.0	0.2
Interest income, net	(1.0)	(0.8)	(0.1)
Foreign currency (gain) loss, net	(0.4)	0.5	2.2
Other non-operating (income) expense, net	0.0	0.0	0.0
Provision (benefit) for income taxes	0.4	(1.5)	0.7
Adjusted EBITDA	\$(11.2)	\$25.7	\$43.1