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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 September 30, 2026

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-36384

MAGNITE, INC.

(Exact name of registrant as specified in its charter)

Delaware	**20-8881738**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1250 Broadway, 9th Floor
New York, New York 10001
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code:
(212) 243-2769

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.00001 per share	**MGNI**	**Nasdaq Global Select Market**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See 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	☒ Accelerated filer	☐
Non-accelerated filer	☐ Smaller reporting company	☐
	Emerging growth company	☐

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 Act). ☐ Yes ☒ No

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Class	Outstanding as of October 28, 2026
Common Stock, $0.00001 par value	**143,559,468**

MAGNITE, INC.
QUARTERLY REPORT ON FORM 10-Q
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PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

MAGNITE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except par values)
(unaudited)

	September 30, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 392,862	$ 553,362
Accounts receivable, net	1,432,233	1,301,955
Prepaid expenses and other current assets	27,123	26,261
TOTAL CURRENT ASSETS	1,852,218	1,881,578
Property and equipment, net	117,466	108,546
Right-of-use lease assets	58,994	66,611
Internal use software development costs, net	33,159	28,799
Intangible assets, net	5,822	12,445
Goodwill	983,902	983,902
Other assets, non-current	85,217	82,494
TOTAL ASSETS	$ 3,136,778	$ 3,164,375
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 1,738,299	$ 1,607,664
Lease liabilities, current	21,558	20,163
Debt, current, net of debt issuance costs	3,632	208,447
Other current liabilities	20,446	5,462
TOTAL CURRENT LIABILITIES	1,783,935	1,841,736
Debt, non-current, net of debt discount and issuance costs	346,318	347,665
Lease liabilities, non-current	40,436	50,085
Other liabilities, non-current	4,404	2,539
TOTAL LIABILITIES	2,175,093	2,242,025
Commitments and contingencies (Note 10)		
STOCKHOLDERS' EQUITY		
Preferred stock, $0.00001 par value, 10,000 shares authorized at September 30, 2026 and December 31, 2025; 0 shares issued and outstanding at September 30, 2026 and December 31, 2025	—	—
Common stock, $0.00001 par value; 500,000 shares authorized at September 30, 2026 and December 31, 2025; 143,559 and 142,964 shares issued and outstanding at September 30, 2026 and December 31, 2025, respectively	2	2
Additional paid-in capital	1,421,637	1,440,358
Accumulated other comprehensive loss	(1,181)	(1,451)
Accumulated deficit	(458,773)	(516,559)
TOTAL STOCKHOLDERS' EQUITY	961,685	922,350
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 3,136,778	$ 3,164,375

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

MAGNITE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Revenue	$ 204,196	$ 179,494	$ 561,390	$ 508,597
Expenses:				
Cost of revenue	64,016	69,356	186,462	197,108
Sales and marketing	42,063	40,348	135,151	130,777
Technology and development	21,366	20,198	70,674	64,073
General and administrative	26,211	24,551	79,622	71,003
Total expenses	153,656	154,453	471,909	462,961
Income from operations	50,540	25,041	89,481	45,636
Other (income) expense:				
Interest expense, net	4,818	4,668	15,689	14,916
Foreign exchange (gain) loss, net	499	(416)	129	6,745
Loss on extinguishment of debt	—	—	—	2,152
Other income	(353)	(154)	(1,191)	(730)
Total other expense, net	4,964	4,098	14,627	23,083
Income before income taxes	45,576	20,943	74,854	22,553
Provision for income taxes	11,571	885	17,068	990
Net income	$ 34,005	$ 20,058	$ 57,786	$ 21,563
Net income per share:				
Basic	$ 0.24	$ 0.14	$ 0.40	$ 0.15
Diluted	$ 0.23	$ 0.13	$ 0.39	$ 0.14
Weighted average shares used to compute net income per share:				
Basic	143,502	143,009	143,355	142,176
Diluted	150,805	153,166	149,554	150,516

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

MAGNITE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Net income	$ 34,005	$ 20,058	$ 57,786	$ 21,563
Other comprehensive income (loss):				
Foreign currency translation adjustments	216	(459)	270	2,888
Other comprehensive income (loss)	216	(459)	270	2,888
Comprehensive income	$ 34,221	$ 19,599	$ 58,056	$ 24,451

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

MAGNITE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)
(unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Treasury Stock		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
Balance at December 31, 2024	141,427	$ 2	$ 1,433,809	$ (4,421)	$ (661,172)	—	$ —	$ 768,218
Exercise of common stock options	49	—	252	—	—	—	—	252
Issuance of common stock related to RSU and PSU vesting	2,522	—	—	—	—	—	—	—
Shares withheld related to net share settlement	(1,022)	—	(20,314)	—	—	—	—	(20,314)
Purchase of treasury stock	—	—	—	—	—	(1,500)	(19,229)	(19,229)
Retirement of common stock	(1,500)	—	(19,229)	—	—	1,500	19,229	—
Stock-based compensation	—	—	21,631	—	—	—	—	21,631
Other comprehensive income	—	—	—	829	—	—	—	829
Net loss	—	—	—	—	(9,634)	—	—	(9,634)
Balance at March 31, 2025	141,476	$ 2	$ 1,416,149	$ (3,592)	$ (670,806)	—	$ —	$ 741,753
Exercise of common stock options	308	—	1,457	—	—	—	—	1,457
Issuance of common stock related to employee stock purchase plan	157	—	2,111	—	—	—	—	2,111
Issuance of common stock related to RSU vesting	1,249	—	—	—	—	—	—	—
Shares withheld related to net share settlement	(437)	—	(6,944)	—	—	—	—	(6,944)
Purchase of treasury stock	—	—	—	—	—	(370)	(3,651)	(3,651)
Retirement of common stock	(370)	—	(3,651)	—	—	370	3,651	—
Stock-based compensation	—	—	20,084	—	—	—	—	20,084
Other comprehensive income	—	—	—	2,518	—	—	—	2,518
Net income	—	—	—	—	11,139	—	—	11,139
Balance at June 30, 2025	142,383	$ 2	$ 1,429,206	$ (1,074)	$ (659,667)	—	$ —	$ 768,467
Exercise of common stock options	150	—	1,263	—	—	—	—	1,263
Issuance of common stock related to RSU vesting	1,111	—	—	—	—	—	—	—
Shares withheld related to net share settlement	(1)	—	(10)	—	—	—	—	(10)
Stock-based compensation	—	—	18,635	—	—	—	—	18,635
Other comprehensive loss	—	—	—	(459)	—	—	—	(459)
Net income	—	—	—	—	20,058	—	—	20,058
Balance at September 30, 2025	143,643	$ 2	$ 1,449,094	$ (1,533)	$ (639,609)	—	$ —	$ 807,954

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

MAGNITE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY—(Continued)
(In thousands)
(unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Treasury Stock		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
Balance at December 31, 2025	142,964	$ 2	$ 1,440,358	$ (1,451)	$ (516,559)	—	$ —	$ 922,350
Exercise of common stock options	5	—	26	—	—	—	—	26
Issuance of common stock related to RSU and PSU vesting	2,568	—	—	—	—	—	—	—
Shares withheld related to net share settlement	(1,139)	—	(14,645)	—	—	—	—	(14,645)
Purchase of treasury stock	—	—	—	—	—	(1,097)	(14,483)	(14,483)
Retirement of common stock	(1,097)	—	(14,483)	—	—	1,097	14,483	—
Stock-based compensation	—	—	20,275	—	—	—	—	20,275
Other comprehensive loss	—	—	—	(28)	—	—	—	(28)
Net income	—	—	—	—	4,412	—	—	4,412
Balance at March 31, 2026	143,301	$ 2	$ 1,431,531	$ (1,479)	$ (512,147)	—	$ —	$ 917,907
Exercise of common stock options	679	—	3,958	—	—	—	—	3,958
Issuance of common stock related to employee stock purchase plan	219	—	2,387	—	—	—	—	2,387
Issuance of common stock related to RSU vesting	1,307	—	—	—	—	—	—	—
Shares withheld related to net share settlement	(519)	—	(6,706)	—	—	—	—	(6,706)
Purchase of treasury stock	—	—	—	—	—	(1,605)	(21,060)	(21,060)
Retirement of common stock	(1,605)	—	(21,060)	—	—	1,605	21,060	—
Stock-based compensation	—	—	20,336	—	—	—	—	20,336
Other comprehensive income	—	—	—	82	—	—	—	82
Net income	—	—	—	—	19,369	—	—	19,369
Balance at June 30, 2026	143,382	$ 2	$ 1,430,446	$ (1,397)	$ (492,778)	—	$ —	$ 936,273
Exercise of common stock options	450	—	2,809	—	—	—	—	2,809
Issuance of common stock related to RSU vesting	901	—	—	—	—	—	—	—
Shares withheld related to net share settlement	(358)	—	(8,852)	—	—	—	—	(8,852)
Purchase of treasury stock	—	—	—	—	—	(816)	(20,016)	(20,016)
Retirement of common stock	(816)	—	(20,016)	—	—	816	20,016	—
Stock-based compensation	—	—	17,250	—	—	—	—	17,250
Other comprehensive income	—	—	—	216	—	—	—	216
Net income	—	—	—	—	34,005	—	—	34,005
Balance at September 30, 2026	143,559	$ 2	$ 1,421,637	$ (1,181)	$ (458,773)	—	$ —	$ 961,685

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

MAGNITE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(unaudited)

	Nine Months Ended	
	September 30, 2026	**September 30, 2025**
OPERATING ACTIVITIES:		
Net income	$ 57,786	$ 21,563
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	42,866	40,119
Stock-based compensation	55,805	58,811
Loss on extinguishment of debt	—	2,152
Amortization of debt discount and issuance costs	2,038	2,752
Non-cash lease expense	(637)	(1,633)
Deferred income taxes	(1,161)	(1,347)
Unrealized foreign currency (gain) loss, net	(3,108)	4,356
Other items, net	(332)	619
Changes in operating assets and liabilities:		
Accounts receivable	(130,611)	(16,319)
Prepaid expenses and other assets	(3,092)	(7,407)
Accounts payable and accrued expenses	131,311	9,880
Other liabilities	17,887	(5,835)
Net cash provided by operating activities	168,752	107,711
INVESTING ACTIVITIES:		
Purchases of property and equipment	(31,444)	(45,131)
Capitalized internal use software development costs	(12,657)	(10,148)
Mergers and acquisitions, net of indemnification claims holdback	—	(8,100)
Other investing activities	—	(362)
Net cash used in investing activities	(44,101)	(63,741)
FINANCING ACTIVITIES:		
Proceeds from the Term Loan B Facility refinancing and repricing activities, net of debt discount	—	92,622
Repayment of the Term Loan B Facility from refinancing and repricing activities	—	(92,622)
Proceeds from the Revolving Credit Facility	60,000	—
Repayment of the Revolving Credit Facility	(60,000)	—
Payment for debt issuance costs	—	(159)
Repayment of the Term Loan B Facility	(2,724)	(1,816)
Repayment of Convertible Senior Notes	(205,067)	—
Proceeds from exercise of stock options	6,793	2,972
Proceeds from issuance of common stock under employee stock purchase plan	2,387	2,111
Purchase of treasury stock	(55,559)	(22,880)
Taxes paid related to net share settlement	(30,203)	(27,268)
Payment of indemnification claims holdback	(1,000)	—
Net cash used in financing activities	(285,373)	(47,040)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	222	1,977
CHANGE IN CASH AND CASH EQUIVALENTS	(160,500)	(1,093)
CASH AND CASH EQUIVALENTS — Beginning of period	553,362	483,220
CASH AND CASH EQUIVALENTS — End of period	$ 392,862	$ 482,127

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

MAGNITE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS—(Continued)
(In thousands)
(unaudited)

	Nine Months Ended	
	September 30, 2026	**September 30, 2025**
SUPPLEMENTAL DISCLOSURES OF OTHER CASH FLOW INFORMATION:		
Cash paid for income taxes	$ 5,409	$ 2,836
Cash paid for interest	$ 19,064	$ 21,674
Capitalized assets financed by accounts payable and accrued expenses and other liabilities	$ 3,306	$ 6,969
Capitalized stock-based compensation	$ 2,056	$ 1,539
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	$ 18,639	$ 31,032
Operating lease right-of-use assets reduction and corresponding non-cash adjustment to operating lease liabilities	$ 8,549	$ 2,140
Non-cash financing activity related to Amendment No. 2 to the 2024 Credit Agreement	$ —	$ 270,555
Purchase consideration - indemnification claims holdback	$ —	$ 2,000

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

MAGNITE, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 1—Organization and Summary of Significant Accounting Policies

Company Overview

Magnite, Inc. ("Magnite" or the "Company") was formed in Delaware and began operations on April 20, 2007. The Company's common stock is listed on the Nasdaq Global Select Market of The Nasdaq Stock Market LLC ("Nasdaq") under the symbol "MGNI." Magnite has its principal offices in New York City, Los Angeles, Denver, London, and Sydney, and additional offices in Europe, Asia, North America, and South America.

The Company provides technology solutions to automate the purchase and sale of digital advertising inventory for buyers and sellers globally, across all channels, formats and auction types. The Company's platform features applications and services for sellers of digital advertising inventory, or publishers, that own and operate connected television ("CTV") channels, applications, websites, and other digital media properties, to manage and monetize their inventory; applications and services for buyers, including advertisers, agencies, agency trading desks, and demand side platforms, to buy digital advertising inventory; and a transparent, independent marketplace that brings buyers and sellers together and facilitates intelligent decision making and automated transaction execution at scale. The Company's clients include many of the world's leading buyers and sellers of digital advertising inventory.

Sellers monetize their inventory through the Company’s platform by seamlessly connecting to a global market of integrated buyers that transact through real-time bidding. These transactions include biddable auctions, where multiple buyers bid against each other in a real-time auction for the right to purchase a publisher's inventory, as well as reserve auctions, where publishers establish direct deals or private marketplaces with select buyers. At the same time, buyers leverage the Company’s platform to reach their target audiences across thousands of sellers.

Basis of Presentation and Summary of Significant Accounting Policies

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair statement of the results for the interim period presented have been included. Operating results for the three and nine months ended September 30, 2026 are not necessarily indicative of the results that may be expected for any future interim period, the year ending December 31, 2026, or for any future year.

The condensed consolidated balance sheet at December 31, 2025 has been derived from the audited financial statements at that date, but does not include all of the disclosures required by GAAP. The accompanying condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the year ended December 31, 2025 included in its 2025 Annual Report on Form 10-K.

There have been no significant changes in the Company's accounting policies from those disclosed in its audited consolidated financial statements and notes thereto for the year ended December 31, 2025 included in its Annual Report on Form 10-K, except for the adoption of Accounting Standards Update ("ASU") 2025-05 as described in "Recently Adopted Accounting Standards" below.

Segments

Management has determined that the Company operates as one operating segment and one reportable segment. The Company’s chief operating decision maker ("CODM") is the Chief Executive Officer ("CEO"). The Company has one primary business activity, where it provides a platform to all of its customers, buyers and sellers, that automates the purchase and sale of digital advertising inventory globally, across all channels, formats, and auction types, as described above. The Company’s CODM reviews financial information on a consolidated basis, principally to make decisions about how to allocate resources and to measure the Company’s performance. The CODM reviews consolidated net income, which is the measure of financial profit and loss most closely aligned with generally accepted accounting principles. The CODM considers budget-to-actual variances for this measure, predominantly in the annual budget, forecasting process, and quarterly results assessment. The CODM does not review any balance sheet information at any other level than on a consolidated basis and does not review any income statement information at any other level than on a consolidated basis with the exception of revenue by geography and by channel (refer to Note 3). The significant expense information regularly provided to the CODM is the same as that included in the face of the Company's consolidated statement of operations.

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 and disclosed financial statements and accompanying footnotes. Actual results could differ materially from these estimates.

Recently Adopted Accounting Standards

In July 2025, the Financial Accounting Standards Board ("FASB") issued ASU 2025-05, Financial Instruments - Credit Losses (Topic 326) - Measurement of Credit Losses for Accounts Receivable and Contract Assets ("ASU 2025-05"), which provides a practical expedient to measure credit losses on current accounts receivable and current contract assets. The practical expedient allows companies to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset when measuring credit losses. ASU 2025-05 is effective for annual periods beginning after December 15, 2025 and for interim periods within those annual reporting periods on a prospective basis. Early adoption is permitted. The Company adopted ASU 2025-05 as of January 1, 2026 on a prospective basis. As permitted by ASU 2025-05, the Company elected the practical expedient to assume that current conditions as of the balance sheet date do not change for the remaining life of its current accounts receivable when developing reasonable and supportable forecasts. The adoption of ASU 2025-05 did not have a material impact on the Company's consolidated financial statements and disclosures.

Recent Accounting Pronouncements Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40) - Disaggregation of Income Statement Expenses ("ASU 2024-03"). ASU 2024-03 requires additional disclosures of the nature of expenses included in the income statement and presented in the footnotes. ASU 2024-03 is effective for annual periods beginning after December 15, 2026 and for interim periods beginning after December 15, 2027 on a prospective basis. Early adoption and retrospective application are permitted. The Company is currently evaluating the impact of adopting ASU 2024-03 on its disclosures.

In September 2025, the FASB issued ASU 2025-06, Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40) - Targeted Improvements to the Accounting for Internal-Use Software ("ASU 2025-06"), which modernizes and simplifies the recognition and disclosure framework for internal-use software costs by changing from a project-stage approach to a more judgment-based approach. ASU 2025-06 is effective for annual periods beginning after December 15, 2027 and for interim periods within those annual reporting periods on a prospective basis. Early adoption is permitted. The Company is currently evaluating the impact of adopting ASU 2025-06 on its financial statements and disclosures.

The Company does not believe there are any other recently issued and effective or not yet effective pronouncements that would have or are expected to have a material impact on the Company’s present or future condensed consolidated financial statements.

Note 2—Net Income Per Share

The following table presents the basic and diluted net income per share:

	Three Months Ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	(in thousands, except per share data)			
Basic Net Income Per Share:				
Net income	$ 34,005	$ 20,058	$ 57,786	$ 21,563
Weighted-average common shares outstanding used to compute basic net income per share	143,502	143,009	143,355	142,176
Basic net income per share	$ 0.24	$ 0.14	$ 0.40	$ 0.15
Diluted Net Income Per Share:				
Net income	$ 34,005	$ 20,058	$ 57,786	$ 21,563
Add back:				
Interest expense, Convertible Senior Notes, net of tax	—	—	253	—
Net income used to calculate diluted income per share	$ 34,005	$ 20,058	$ 58,039	$ 21,563
Denominator:				
Weighted-average common shares used to compute basic net income per share	143,502	143,009	143,355	142,176
Dilutive effect of weighted-average restricted stock units	4,415	6,124	2,862	4,887
Dilutive effect of weighted-average common stock options	1,625	2,412	1,635	2,153
Dilutive effect of weighted-average performance stock units	1,166	1,569	783	1,260
Dilutive effect of weighted-average Employee Stock Purchase Plan ("ESPP") shares	97	52	49	40
Dilutive effect of weighted-average Convertible Senior Notes	—	—	870	—
Weighted-average shares used to compute diluted net income per share	150,805	153,166	149,554	150,516
Diluted net income per share	$ 0.23	$ 0.13	$ 0.39	$ 0.14

The following table presents the achievement levels for the performance stock units as of September 30, 2026, using actual achievement levels for the tranches for which the performance period had been completed and expected achievement levels for ongoing performance periods:

	Tranche 1	Tranche 2	Tranche 3
Award Year:			
2021*	0%	0%	0%
2023*	126%	—	—
2024	150%	150%	150%
2025	80%	140%	140%
2026	150%	150%	150%

* The performance stock units granted in 2021 were forfeited in August 2026 and the performance stock units granted in 2023 vested on January 1, 2026 with an achievement of approximately 126%.

The following table presents the achievement levels for the performance stock units as of September 30, 2025, using actual achievement levels for the tranches for which the performance period had been completed and expected achievement levels for ongoing performance periods:

	Tranche 1	Tranche 2	Tranche 3
Award Year:			
2021	0%	0%	0%
2023	150%	—	—
2024	150%	150%	150%
2025	150%	150%	150%

These expected and actual achievement levels as of September 30, 2026 and 2025 are included in the calculation of weighted-average shares in the diluted net income per share tables above. Refer to Note 11 for additional information related to performance stock units.

For the three and nine months ended September 30, 2025, the weighted average number of shares that would be issuable assuming conversion of all of the Convertible Senior Notes (as defined in Note 9) was approximately 3,210,098 and was excluded from the calculation of diluted net income per share because they were anti-dilutive. The Convertible Senior Notes had an initial conversion rate of 15.6539 shares of common stock per $1,000 principal amount of the Convertible Senior Notes, which was subject to anti-dilution adjustments in certain circumstances. On March 15, 2026, the Convertible Senior Notes matured, and no Convertible Senior Notes remained outstanding as of September 30, 2026.

Note 3—Revenue

For the majority of transactions on the Company's platform, the Company reports revenue on a net basis as it does not act as the principal in the purchase and sale of digital advertising inventory because it does not have control of the digital advertising inventory and does not set prices agreed upon within the auction marketplace. For certain advertising campaigns that are transacted through insertion orders, the Company reports revenue on a gross basis, based primarily on its determination that the Company acts as the primary obligor in the delivery of advertising campaigns for buyers with respect to such transactions.

The following table presents the Company's revenue recognized on a net basis and on a gross basis for the three and nine months ended September 30, 2026 and 2025:

	Three Months Ended				Nine Months Ended			
	September 30, 2026		September 30, 2025		September 30, 2026		September 30, 2025	
	(in thousands, except percentages)							
Revenue:								
Net basis	$ 198,340	97 %	$ 160,121	89 %	$ 543,701	97 %	$ 452,713	89 %
Gross basis	5,856	3 %	19,373	11 %	17,689	3 %	55,884	11 %
Total	$ 204,196	100 %	$ 179,494	100 %	$ 561,390	100 %	$ 508,597	100 %

The following table presents the Company's revenue by channel for the three and nine months ended September 30, 2026 and 2025:

	Three Months Ended				Nine Months Ended			
	September 30, 2026		September 30, 2025		September 30, 2026		September 30, 2025	
	(in thousands, except percentages)							
Channel:								
CTV	$ 108,785	53 %	$ 87,799	49 %	$ 294,241	52 %	$ 242,745	48 %
Mobile	67,917	33 %	64,964	36 %	189,498	34 %	187,600	37 %
Desktop	27,494	14 %	26,731	15 %	77,651	14 %	78,252	15 %
Total	$ 204,196	100 %	$ 179,494	100 %	$ 561,390	100 %	$ 508,597	100 %

The following table presents the Company's revenue disaggregated by geographic location, based on the location of the Company's sellers for the three and nine months ended September 30, 2026 and 2025:

	Three Months Ended				Nine Months Ended			
	September 30, 2026		September 30, 2025		September 30, 2026		September 30, 2025	
	(in thousands, except percentages)							
United States	$ 151,702	74 %	$ 134,732	75 %	$ 417,432	74 %	$ 383,927	75 %
International	52,494	26 %	44,762	25 %	143,958	26 %	124,670	25 %
Total	$ 204,196	100 %	$ 179,494	100 %	$ 561,390	100 %	$ 508,597	100 %

Payment terms are specified in agreements between the Company and the buyers and sellers on its platform. The Company generally bills buyers at the end of each month for the full purchase price of impressions filled in that month. The Company recognizes volume discounts as a reduction of revenue as they are incurred. Specific payment terms may vary by agreement, but are generally seventy-five days or less. The Company's accounts receivable are recorded at the amount of gross billings to buyers, net of allowances for the amounts the Company is responsible to collect. The Company's accounts payable related to amounts due to sellers are recorded at the net amount payable to sellers (refer to Note 7). Accordingly, both accounts receivable and accounts payable appear large in relation to revenue reported on a net basis.

Accounts receivable are recorded at the invoiced amount, are unsecured, and do not bear interest. The allowance for credit losses is reviewed quarterly, requires judgment, and is based on the best estimate of the amount of expected credit losses in existing accounts receivable. The Company reviews the status of the then-outstanding accounts receivable on a customer-by-customer basis, taking into consideration the aging schedule of receivables, its historical collection experience, current information regarding the client, subsequent collection history, and other relevant data, in establishing the allowance for credit losses. Accounts receivable are presented net of an allowance for credit losses of $3.6 million at September 30, 2026, and $4.0 million at December 31, 2025. Accounts receivable are written off against the allowance for credit losses when the Company determines amounts are no longer collectible.

The Company reviews the associated payable to sellers for recovery of buyer receivable allowance and write-offs; in some cases, the Company can reduce the payable to sellers. The reduction of seller payables related to recovery of uncollected buyer receivables is netted against allowance expense. The contra seller payables related to recoveries were $2.1 million and $2.2 million as of September 30, 2026 and December 31, 2025, respectively.

The following is a summary of activity in the allowance for credit losses for the three and nine months ended September 30, 2026 and 2025:

	Three Months Ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	(in thousands)			
Allowance for credit losses, beginning balance	$ 3,349	$ 3,130	$ 4,013	$ 2,902
Write-offs	(11)	(1)	(491)	(161)
Increase in provision for expected credit losses	259	1,015	32	1,403
Recoveries of previous write-offs	—	—	43	—
Allowance for credit losses, ending balance	$ 3,597	$ 4,144	$ 3,597	$ 4,144

The change in provision for expected credit losses associated with accounts receivable and the offsetting impact of the change to contra seller payables related to recoveries of uncollected buyer receivables result in the amount of credit loss expense or recoveries the Company recognizes each period. During the three and nine months ended September 30, 2026, both components and the resulting credit loss expense were immaterial. During the three and nine months ended September 30, 2025, the provision for expected credit losses associated with accounts receivable increased by $1.0 million and $1.4 million, respectively, partially offset by increases of contra seller payables related to recoveries of uncollected buy receivables of $0.6 million and $1.0 million, respectively, which resulted in immaterial amounts of credit loss expense.

Note 4—Fair Value Measurements

Recurring Fair Value Measurements

Fair value represents the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Observable inputs are based on market data obtained from independent sources. The fair value hierarchy is based on the following three levels of inputs, of which the first two are considered observable and the last one is considered unobservable:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – Unobservable inputs.

The table below sets forth a summary of financial instruments that are measured at fair value on a recurring basis at September 30, 2026:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(in thousands)			
Cash equivalents	$ 212,120	$ 212,120	$ —	$ —

The table below sets forth a summary of financial instruments that are measured at fair value on a recurring basis at December 31, 2025:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(in thousands)			
Cash equivalents	$ 342,771	$ 342,771	$ —	$ —

At September 30, 2026 and December 31, 2025, cash equivalents of $212.1 million and $342.8 million, respectively, consisted of money market funds with original maturities of three months or less. The carrying amounts of cash equivalents are classified as Level 1 or Level 2 depending on whether or not their fair values are based on quoted market prices for identical securities that are traded in an active market.

At September 30, 2026 and December 31, 2025, the Company had debt outstanding under its 2024 Term Loan B Facility (as defined in Note 9) and at December 31, 2025, the Company also had debt outstanding under its Convertible Senior Notes (as defined in Note 9) included in its balance sheets. On March 15, 2026, the Convertible Senior Notes matured and the Company repaid the outstanding principal balance of $205.1 million in full with cash on hand. No Convertible Senior Notes remained outstanding at September 30, 2026. The estimated fair value of the Company's Convertible Senior Notes was $199.2 million as of December 31, 2025. The estimated fair value of Convertible Senior Notes is based on market rates and the closing trading price of the Convertible Senior Notes as of December 31, 2025 and is classified as Level 2 in the fair value hierarchy. At September 30, 2026 and December 31, 2025, the estimated fair value of the Company's 2024 Term Loan B Facility was $359.1 million and $360.0 million, respectively. The estimated fair value is based on borrowing rates currently available to the Company for financing with similar terms and is classified as Level 2 in the fair value hierarchy.

Note 5—Property and Equipment

Major classes of property and equipment were as follows:

	September 30, 2026	December 31, 2025
	(in thousands)	
Computer equipment and network hardware	$ 248,492	$ 227,762
Furniture, fixtures, and office equipment	2,664	2,639
Leasehold improvements	1,291	1,117
Purchased software	920	1,108
Gross property and equipment	253,367	232,626
Accumulated depreciation	(135,901)	(124,080)
Property and equipment, net	$ 117,466	$ 108,546

Depreciation expense related to property and equipment totaled $9.1 million and $6.5 million for the three months ended September 30, 2026 and 2025, respectively, and $25.9 million and $17.4 million for the nine months ended September 30, 2026 and 2025, respectively.

The Company's property and equipment, net by geographical region was as follows:

	September 30, 2026	December 31, 2025
	(in thousands)	
United States	$ 102,947	$ 95,035
International	14,519	13,511
Total	$ 117,466	$ 108,546

Note 6—Intangible Assets

The Company’s intangible assets as of September 30, 2026 and December 31, 2025 included the following:

	September 30, 2026	December 31, 2025
	(in thousands)	
Amortizable intangible assets:		
Developed technology	$ 112,250	$ 112,250
Customer relationships	—	60
In-process research and development	8,830	8,830
Other intangible assets	1,844	1,844
Non-compete agreements	690	690
Total identifiable intangible assets, gross	123,614	123,674
Accumulated amortization—intangible assets:		
Developed technology	(107,625)	(101,880)
Customer relationships	—	(38)
In-process research and development	(8,830)	(8,273)
Other intangible assets	(1,052)	(954)
Non-compete agreements	(285)	(84)
Total accumulated amortization—intangible assets	(117,792)	(111,229)
Total intangible assets, net	$ 5,822	$ 12,445

Amortization of intangible assets for the three months ended September 30, 2026 and 2025 was $1.5 million and $2.2 million, respectively, and $6.6 million and $12.5 million for the nine months ended September 30, 2026 and 2025, respectively.

The estimated remaining amortization expense associated with the Company's intangible assets was as follows as of September 30, 2026:

Fiscal Year	Amount (in thousands)
Remaining 2026	$ 1,472
2027	2,466
2028	1,367
2029	79
2030	79
Thereafter	359
Total	$ 5,822

Note 7—Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses included the following:

	September 30, 2026	December 31, 2025
	(in thousands)	
Accounts payable—seller	$ 1,689,794	$ 1,572,103
Accounts payable—trade	22,396	15,037
Accrued employee-related payables	25,109	19,524
Accrued holdback - indemnification claims	1,000	1,000
Total	$ 1,738,299	$ 1,607,664

Note 8—Lease Obligations

The Company has operating leases for office facilities and data centers. The lease terms of the Company’s operating leases generally range from 1.0 year to 10.0 years. The Company's lease terms include periods under options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. The weighted average remaining lease term of leases included in lease liabilities is 3.5 years and 4.2 years as of September 30, 2026 and December 31, 2025, respectively. As of September 30, 2026 and December 31, 2025, a weighted average discount rate of 5.91% and 6.03%, respectively, has been applied to the remaining lease payments to calculate the lease liabilities included within the condensed consolidated balance sheets.

Operating lease expense was $7.0 million and $5.7 million for the three months ended September 30, 2026 and 2025, respectively, and $20.8 million and $16.4 million for the nine months ended September 30, 2026 and 2025, respectively. The Company recognized variable lease expense of $1.7 million and $1.2 million for the three months ended September 30, 2026 and 2025, respectively, and $4.4 million and $3.0 million for the nine months ended September 30, 2026 and 2025, respectively.

Cash paid for amounts included in lease liabilities was $8.3 million and $6.4 million for the three months ended September 30, 2026 and 2025, respectively, and $21.4 million and $16.7 million for the nine months ended September 30, 2026 and 2025, respectively.

The maturity of the Company's lease liabilities associated with leases included in the lease liabilities and right-of-use ("ROU") assets were as follows as of September 30, 2026 (in thousands):

Fiscal Year	
Remaining 2026	$ 6,307
2027	22,349
2028	15,397
2029	14,798
2030	7,057
Thereafter	2,690
Total lease payments (undiscounted)	68,598
Less: imputed interest	(6,604)
Lease liabilities—total (discounted)	$ 61,994

In addition to the lease liabilities included in these consolidated financial statements, the Company entered into agreements for office space and data centers that had not commenced as of September 30, 2026; therefore, the leases were not included in the lease liabilities and ROU assets balance as of September 30, 2026. The Company has future commitments totaling $54.4 million over a weighted average term of 9.4 years related to these agreements, of which $32.8 million relates to one lease that will commence in 2030 over 8.2 years.

The Company's operating lease right-of-use assets by geographical region were as follows:

	September 30, 2026	December 31, 2025
	(in thousands)	
United States	$ 52,562	$ 59,634
International	6,432	6,977
Total	$ 58,994	$ 66,611

Early Termination of Lease

In May 2026, the Company initiated an early termination of its existing office lease in Los Angeles California, which resulted in the remeasurement of the associated lease components. This remeasurement reduced both ROU assets and lease liabilities by $8.1 million during the nine months ended September 30, 2026.

Note 9—Debt

Current and long term debt as of September 30, 2026 and December 31, 2025 consisted of the following:

	September 30, 2026	December 31, 2025
	(in thousands)	
Convertible Senior Notes	$ —	$ 205,067
Less: Unamortized debt issuance costs	—	(252)
Net carrying value of Convertible Senior Notes	$ —	$ 204,815
2024 Term Loan B Facility	$ 357,730	$ 360,454
Less: Unamortized debt discount and issuance costs	(7,780)	(9,157)
Net carrying value of 2024 Term Loan B Facility	$ 349,950	$ 351,297
Balance Sheet Presentation:		
Debt, current, net of debt issuance costs	$ 3,632	$ 208,447
Debt, non-current, net of debt discount and issuance costs	346,318	347,665
Total debt	$ 349,950	$ 556,112

Maturities of the principal amount of the Company's debt were as follows as of September 30, 2026 (in thousands):

Fiscal Year	
Remaining 2026	$ 908
2027	3,632
2028	3,632
2029	3,632
2030	3,632
Thereafter	342,294
Total	$ 357,730

Amortization of debt discount and debt issuance costs is computed using the effective interest method and is included in interest expense in the condensed consolidated statement of operations. Amortization of the debt discount and debt issuance costs associated with the Company's indebtedness totaled $0.5 million and $1.6 million for the three and nine months ended September 30, 2026 and $0.8 million and $2.3 million for the three and nine months ended September 30, 2025, respectively.

Convertible Senior Notes and Capped Call Transactions

In March 2021, the Company issued $400.0 million aggregate principal amount of 0.25% convertible senior notes in a private placement, including $50.0 million aggregate principal amount of such notes pursuant to the exercise in full of the over-allotment options of the initial purchasers (collectively, the "Convertible Senior Notes").

During the year ended December 31, 2023, the Company repurchased $194.9 million of principal balance of its Convertible Senior Notes in the open market with cash on hand for $165.5 million.

The Convertible Senior Notes matured on March 15, 2026, and the Company repaid the outstanding principal balance of $205.1 million in full with cash on hand. No Convertible Senior Notes remained outstanding as of September 30, 2026.

In connection with the pricing of the Convertible Senior Notes, the Company entered into privately negotiated capped call transactions with various financial institutions (the "Capped Call Transactions"). The cost of the Capped Call Transactions were recorded as a reduction of the Company's additional paid-in capital in the accompanying consolidated financial statements. The Capped Call Transactions expired as of March 15, 2026.

The following table sets forth interest expense related to the Convertible Senior Notes for the three and nine months ended September 30, 2026 and 2025 (in thousands, except interest rates):

	Three Months Ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Contractual interest expense	$ —	$ 129	$ 107	$ 385
Amortization of debt issuance costs	—	292	252	879
Total interest expense	$ —	$ 421	$ 359	$ 1,264
Effective interest rate	— %	0.82 %	0.82 %	0.82 %

2021 and 2024 Credit Agreements

On April 30, 2021, the Company entered into a credit agreement (the "2021 Credit Agreement") with Goldman Sachs Bank USA as administrative agent and collateral agent, and other lender parties thereto. The 2021 Credit Agreement provided for a $360.0 million seven-year senior secured term loan facility ("2021 Term Loan B Facility"), which had a maturity in April 2028, and a $65.0 million senior secured revolving credit facility (as amended in June 2021, the "2021 Revolving Credit Facility"), which had a maturity in December 2025. In June 2023, the Company amended the 2021 Credit Agreement (the "Amended 2021 Credit Agreement") to transition away from a variable interest rate based on the Eurodollar Rate towards a similar variable interest rate based on Adjusted Term SOFR, as defined in the Amended 2021 Credit Agreement, which was based on the secured overnight financing rate ("SOFR").

On February 6, 2024, the Company refinanced the Amended 2021 Credit Agreement and entered into a new credit agreement (the "2024 Credit Agreement") with Morgan Stanley Senior Funding, Inc. as the Company term loan administrative agent and Citibank, N.A. as the Company's revolving facility administrative agent and collateral agent, and other lender parties thereto. The 2024 Credit Agreement includes a $365.0 million seven-year senior secured term loan facility (the "2024 Term Loan B Facility"), which will mature in February 2031 and a $175.0 million five-year senior secured revolving credit facility (the "2024 Revolving Credit Facility"), which will mature in February 2029. The Company primarily used the proceeds from the 2024 Term Loan B Facility to repay in full all outstanding amounts owed under the Company's Amended 2021 Credit Agreement. Accordingly, the Amended 2021 Credit Agreement was terminated and replaced in its entirety. The obligations under the 2024 Credit Agreement are secured by substantially all of the assets of the Company.

On September 18, 2024, the Company entered into Amendment No. 1 to the 2024 Credit Agreement ("Amendment No. 1"), which reduced the interest rate of the 2024 Term Loan B Facility by 75 basis points to Term SOFR (as defined in the 2024 Credit Agreement) plus a margin of 3.75% from the previous rate of Term SOFR plus a margin of 4.50%, and on March 18, 2025, the Company entered into Amendment No. 2 to the 2024 Credit Agreement ("Amendment No. 2"), which reduced the interest rate of the 2024 Term Loan B Facility by an additional 75 basis points to Term SOFR plus a margin of 3.00%. The remaining terms of the 2024 Term Loan B Facility and the 2024 Revolving Credit Facility were substantially unchanged by these amendments.

As of September 30, 2026, the contractual interest rate related to the 2024 Term Loan B Facility was 6.90%. In addition to having to pay contractual interest on the 2024 Term Loan B Facility, the Company is also required to pay certain other fees, primarily to the lenders under the 2024 Revolving Credit Facility, in order to maintain their revolving facility commitments.

The covenants of the 2024 Credit Agreement include customary negative covenants that, among other things, restrict the Company’s ability to incur additional indebtedness, grant liens and make certain acquisitions, investments, asset dispositions and restricted payments. In addition, the 2024 Credit Agreement contains a springing financial covenant that is tested on the last day of any fiscal quarter only if utilization of the 2024 Revolving Credit Facility exceeds 35% of the total revolving commitments, whereby the Company is required to maintain a First Lien Net Leverage Ratio below 3.25 to 1.00. As of September 30, 2026, no amounts were outstanding under the 2024 Revolving Credit Facility and the Company was in compliance with its debt covenants. During the second quarter of 2026, the Company borrowed and subsequently repaid $60.0 million under the 2024 Revolving Credit Facility, incurring $0.6 million of interest expense in connection with the borrowing. At September 30, 2026, amounts available under the 2024 Revolving Credit Facility were $170.9 million, net of letters of credit outstanding in the amount of $4.1 million.

The 2024 Credit Agreement includes customary events of default, and customary rights and remedies upon the occurrence of any event of default thereunder, including rights to accelerate the loans, terminate the commitments thereunder and realize upon the collateral securing the obligations under the 2024 Credit Agreement. The 2024 Credit Agreement calls for customary scheduled loan amortization payments of 0.25% of the initial principal balance, which at the time of Amendment No. 2 was $363.2 million, payable quarterly (i.e. 1% in aggregate per year) as well as a provision that requires the Company to prepay the 2024 Term Loan B Facility based on an annual calculation of free cash flow ("Excess Cash Flow") as defined by the 2024 Credit Agreement. The Company was not required to make any such mandatory prepayment required by the Excess Cash Flow provision for the period ended September 30, 2026.

The following table summarizes the amount outstanding under the Company's 2024 Term Loan B Facility at September 30, 2026 and December 31, 2025:

	September 30, 2026	December 31, 2025
	(in thousands)	
2024 Term Loan B Facility	$ 357,730	$ 360,454
Unamortized debt discount	(3,631)	(4,275)
Unamortized debt issuance costs	(4,149)	(4,882)
2024 Term Loan B Facility, net of debt discount and issuance costs	$ 349,950	$ 351,297

March 18, 2025 Debt Repricing

The Company analyzed the changes of Amendment No. 2 on a lender-by-lender basis and determined that the transaction would primarily be accounted for as a modification, with a portion of it accounted for as debt extinguishment and new debt issuance. As a result, the Company recognized a loss on extinguishment of $2.2 million related to $1.0 million of unamortized debt discount and $1.1 million of unamortized debt issuance costs related to the portion of the 2024 Term Loan B Facility that was extinguished. The Company paid $1.1 million in third-party fees related to Amendment No. 2 of which an immaterial amount was capitalized as debt issuance costs and $1.0 million was included in general and administrative expenses in the Company's condensed consolidated statement of operations for the nine months ended September 30, 2025. As part of Amendment No. 2, most of the 2024 Term Loan B lenders decided to roll their loan balances over from Amendment No. 1 to Amendment No. 2, while some decided to cash out and reassign their loan balances. On March 18, 2025, $270.6 million of the 2024 Term Loan B principal balance from Amendment No. 1 was rolled over to Amendment No. 2 as part of non-cash financing activities while $92.6 million of the 2024 Term Loan B Facility principal balance from Amendment No. 1 was repaid and then reissued as part of Amendment No. 2.

The following table sets forth interest expense related to the 2024 Term Loan B Facility (in thousands, except interest rates):

	Three Months Ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Contractual interest expense	$ 6,198	$ 6,786	$ 18,330	$ 20,738
Amortization of debt discount	215	216	644	688
Amortization of debt issuance costs	243	247	733	776
Total interest expense	$ 6,656	$ 7,249	$ 19,707	$ 22,202
Effective interest rate	7.42 %	8.00 %	7.31 %	8.16 %

The estimated remaining amortization expense for the 2024 Term Loan B Facility debt discount and debt issuance costs was as follows as of September 30, 2026 (in thousands):

Fiscal Year	Debt Discount	Debt Issuance Costs
Remaining 2026	$ 213	$ 244
2027	847	968
2028	839	958
2029	830	948
2030	821	938
Thereafter	81	93
Total	$ 3,631	$ 4,149

Total Interest Expense and Interest Income

Interest expense consists primarily of contractual interest expense and amortization of debt discount, debt issuance costs, and deferred financing costs related to the Company's debt facilities under its 2024 Credit Agreement as well as its Convertible Senior Notes. Interest income primarily consists of interest earned on the Company's cash equivalents. The following includes interest expense and interest income, as presented within interest expense, net in the condensed consolidated statement of operations (in thousands):

	Three Months Ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Interest expense	$ 6,818	$ 7,901	$ 21,421	$ 24,122
Interest income	(2,000)	(3,233)	(5,732)	(9,206)
Interest expense, net	$ 4,818	$ 4,668	$ 15,689	$ 14,916

Note 10—Commitments and Contingencies

Commitments

The Company has commitments under non-cancelable operating leases for facilities and its managed data center facilities (refer to Note 8).

As of September 30, 2026 and December 31, 2025, the Company had $4.1 million and $4.0 million, respectively, of letters of credit associated with office leases available for borrowing, on which there were no outstanding borrowings as of either date.

In the normal course of business, the Company enters into non-cancelable contractual obligations with various parties, primarily related to cloud-managed service agreements, software service agreements, and data center providers. As of September 30, 2026, the Company's outstanding non-cancelable contractual obligations with a remaining term in excess of one year consist of the following (in thousands):

Fiscal Year		
Remaining 2026	$	29,529
2027		78,343
2028		4,193
2029		2,101
2030		1,053
Thereafter		—
Total	$	115,219

The amounts above include commitments under a cloud-managed services agreement, under which the Company has a non-cancelable commitment from July 2025 to June 2028 containing minimum spend amounts for each twelve-month period (i.e. July 2025 to June 2026, July 2026 to June 2027, and July 2027 to June 2028) as well as an additional minimum spend amount over the entire three-year term. The table above approximates the manner in which the Company expects to fulfill the obligation.

Guarantees and Indemnification

The Company’s agreements with sellers, buyers, and other third parties typically obligate the Company to provide indemnity and defense for 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 the Company’s own business operations, obligations, and acts or omissions. However, under some circumstances, the Company agrees 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. For example, because the Company’s business interposes the Company between buyers and sellers in various ways, buyers often require the Company to indemnify them against acts and omissions of sellers, and sellers often require the Company to indemnify them against acts and omissions of buyers. In addition, the Company’s agreements with sellers, buyers, and other third parties typically include provisions limiting the Company’s liability to the counterparty, and the counterparty’s liability to the Company. These limits sometimes do not apply to certain liabilities, including indemnity obligations. These indemnity and limitation of liability provisions generally survive termination or expiration of the agreements in which they appear. The Company has also entered into indemnification agreements with its directors, executive officers, and certain other officers 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 material demands have been made upon the Company to provide indemnification under such agreements and there are no claims that the Company is aware of that could have a material effect on the Company’s condensed consolidated financial statements.

Litigation

The Company and its subsidiaries may from time to time be parties to legal or regulatory proceedings, lawsuits and other claims incident to their business activities and to the Company's status as a public company. Such routine matters may include, among other things, assertions of contract breach or intellectual property infringement, claims for indemnity arising in the course of the Company's business, claims relating to our collection or use of data, regulatory investigations, audits by taxing authorities, or enforcement proceedings, and claims by persons whose employment has been terminated. For example, the Company has been subject to class action lawsuits alleging violations of various privacy statutes. Additionally, on September 16, 2025, the Company filed a lawsuit against Google LLC ("Google") in the U.S. District Court of the Eastern District of Virginia. The complaint alleges that Google has engaged in anticompetitive conduct in the ad exchange and ad server markets in violation of federal antitrust laws, including actions that restrict publishers' ability to use competing services and favor Google's own advertising exchange. Magnite seeks monetary damages, an injunction, structural relief, and reimbursement of reasonable costs and expenses. Magnite intends to pursue its claims vigorously, but cannot predict the outcome of this matter.

Such matters are subject to many uncertainties, and outcomes are not predictable with assurance. Consequently, management is unable to ascertain the ultimate aggregate amount of monetary liability or awards, amounts which may be covered by insurance or recoverable from third parties, or the financial impact with respect to such matters as of September 30, 2026. However, based on management's knowledge as of September 30, 2026, management believes that the final resolution of these matters known at such date, individually and in the aggregate, will not have a material adverse effect upon the Company's condensed consolidated financial position, results of operations or cash flows.

Employment Contracts

The Company has entered into severance agreements with certain employees and officers. The Company may be required to pay severance and accelerate the vesting of certain equity awards in the event of involuntary terminations.

Note 11—Stock-Based Compensation

Stock Options

A summary of stock option activity for the nine months ended September 30, 2026 was as follows:

	Shares Under Option	Weighted-Average Exercise Price	Weighted- Average Contractual Life	Aggregate Intrinsic Value
	(in thousands)			(in thousands)
Outstanding at December 31, 2025	3,687	$ 9.07		
Granted	91	$ 16.23		
Exercised	(1,134)	$ 5.99		
Expired	(13)	$ 14.18		
Outstanding at September 30, 2026	2,631	$ 10.62	3.5 years	$ 41,693
Exercisable at September 30, 2026	2,439	$ 10.32	3.1 years	$ 39,601

The total intrinsic value of options exercised during the nine months ended September 30, 2026 was $16.2 million, based on their respective exercise dates. At September 30, 2026, the Company had unrecognized stock-based compensation expense relating to unvested stock options of approximately $1.6 million, which is expected to be recognized over a weighted-average period of 2.4 years.

The Company estimates the fair value of stock options that contain service conditions using the Black-Scholes option pricing model. The grant date fair value of options granted during the nine months ended September 30, 2026 and 2025 was $10.64 and $11.40, respectively, per share. The weighted-average input assumptions used by the Company were as follows:

	Nine Months Ended	
	September 30, 2026	September 30, 2025
Expected term (in years)	5.0	5.0
Risk-free interest rate	3.73 %	4.45 %
Expected volatility	78 %	84 %
Dividend yield	— %	— %

Restricted Stock Units

A summary of restricted stock unit ("RSU") activity for the nine months ended September 30, 2026 was as follows:

	Number of Shares (in thousands)	Weighted-Average Grant Date Fair Value
Restricted stock units outstanding at December 31, 2025	9,518	$ 12.86
Granted	4,637	$ 16.06
Canceled	(868)	$ 13.92
Vested and released	(4,177)	$ 12.60
Restricted stock units outstanding and unvested at September 30, 2026	9,110	$ 14.51

The weighted-average grant date fair value per share of restricted stock units granted during the nine months ended September 30, 2026 and 2025 was $16.06 and $16.54, respectively.

The fair value of restricted stock units that vested and were released during the nine months ended September 30, 2026 and 2025 was $62.3 million and $94.5 million, respectively, based on their respective vesting dates. At September 30, 2026, the intrinsic value of unvested restricted stock units was $230.1 million. At September 30, 2026, the Company had unrecognized stock-based compensation expense relating to unvested restricted stock units of approximately $112.3 million, which is expected to be recognized over a weighted-average period of 2.5 years.

Performance Stock Units

The Company grants performance stock units ("PSU") to select executive employees that vest based on share price metrics tied to total shareholder return ("TSR") relative to a peer group, subject to a time-based service component. Between 0% and 150% of the performance stock units will vest at the end of the performance period, which is generally on the third anniversary of the PSU grant date.

Stock-based compensation expense for PSUs is based on the grant date fair value and the number of shares assuming a performance measurement of 100%. The compensation expense will not be reversed if the performance metrics are not met.

During the nine months ended September 30, 2026, the Company granted PSUs with an aggregate target of 373,653 shares, assuming a performance measurement of 100%. The amount of shares that will ultimately vest will be determined based on the Company's TSR relative to the TSRs of a peer group for the three year-period beginning January 1, 2026, as well as certain interim measurements based on relative TSR for the one-year and two-year periods beginning on January 1, 2026.

A summary of PSU activity for the nine months ended September 30, 2026 was as follows:

	Number of Shares (in thousands)	Weighted-Average Grant Date Fair Value
Outstanding at December 31, 2025	1,687	$ 16.40
Granted *	498	$ 18.59
Vested and released *	(599)	$ 13.32
Forfeited	(491)	$ 21.34
Outstanding at September 30, 2026	1,095	$ 16.86

* PSUs granted and weighted-average grant date fair value include 125 shares issued above the target shares for a PSU that vested and was released during the nine months ended September 30, 2026.

The grant date fair value for the PSUs was estimated using a Monte-Carlo simulation model. The grant date fair value of PSUs granted during the nine months ended September 30, 2026 and 2025 was $20.35 and $20.93, respectively, per share. The weighted-average input assumptions used by the Company were as follows:

	Nine Months Ended	
	September 30, 2026	September 30, 2025
Performance period (in years)	3.0	3.0
Risk-free interest rate	3.52 %	4.26 %
Expected volatility of Magnite	66 %	78 %
Expected volatility of selected peer companies	54 %	56 %
Expected correlation coefficients of Magnite	0.48	0.57
Expected correlation coefficients of selected peer companies	0.45	0.47
Dividend yield	— %	— %

During the nine months ended September 30, 2026 and 2025, the fair value of PSUs that vested and were released was $9.7 million and $1.9 million, respectively, based on their respective vesting dates. At September 30, 2026, the intrinsic value of unvested performance stock units based on expected achievement levels was $39.5 million. As of September 30, 2026, the Company had unrecognized stock-based compensation expense relating to unvested PSUs of approximately $7.8 million, which will be recognized over a weighted-average period of 1.1 years.

Stock-Based Compensation Expense

Total stock-based compensation expense recorded in the condensed consolidated statements of operations was as follows:

	Three Months Ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	(in thousands)		(in thousands)	
Cost of revenue	$ 612	$ 479	$ 1,900	$ 1,586
Sales and marketing	7,637	7,777	24,448	25,369
Technology and development	3,086	3,959	12,351	12,801
General and administrative	5,159	5,829	17,106	19,055
Total stock-based compensation expense	$ 16,494	$ 18,044	$ 55,805	$ 58,811

As of September 30, 2026, an aggregate of 14,738,074 shares remained available for future grants under the Magnite, Inc. Amended and Restated 2014 Equity Incentive Plan (the "Amended and Restated 2014 Equity Incentive Plan").

As of September 30, 2026, the Company has reserved 3,740,063 shares of its common stock for issuance under the Magnite, Inc. Amended and Restated 2014 Employee Stock Purchase Plan (the "Amended and Restated 2014 Employee Stock Purchase Plan").

Note 12—Income Taxes

In determining quarterly provisions for income taxes, the Company uses the annual estimated effective tax rate applied to the actual year-to-date income. The Company's annual estimated effective tax rate differs from the statutory rate primarily as a result of state taxes, foreign taxes, deductible stock option expenses, and nondeductible executive compensation.

The Company recorded an income tax provision of $11.6 million and $0.9 million for the three months ended September 30, 2026, and 2025, respectively and an income tax provision of $17.1 million and $1.0 million for the nine months ended September 30, 2026, and 2025, respectively. The tax provision for the three and nine months ended September 30, 2026 was primarily the result of federal, state and foreign income tax provisions. The tax provision for the three and nine months ended September 30, 2025 was primarily the result of the Company's ability to recognize deferred tax assets ("DTAs") subject to the domestic valuation allowance and the federal, state, and foreign income tax provisions. The Company continues to maintain a partial valuation allowance against certain state and foreign DTAs where it is not more likely than not that such assets will be realized.

The Company released a majority of the domestic and foreign valuation allowances during the quarter ended December 31, 2025. The Company continues to maintain a partial valuation allowance on certain DTAs until there is sufficient evidence to support the reversal of all or some additional portion of these allowances. The exact timing and amount of future valuation allowance releases are dependent upon when sufficient evidence exists to support their realization.

Due to the net operating loss ("NOL") carryforwards, all of the Company's United States federal and a majority of its state returns are open to examination by the Internal Revenue Service ("IRS") and state jurisdictions for all years since inception. The IRS is currently examining the year ended December 31, 2024. For India, Netherlands, Sweden, and the United Kingdom, all tax years remain open for examination by the local country tax authorities, for France, only 2023 and forward are open, for Australia and Singapore, only 2022 and forward are open for examination, for Brazil, Canada, Germany, Malaysia and New Zealand, only 2021 and forward are open for examination, for Italy, only 2020 and forward are open for examination, and for Japan, only 2019 and forward remain open for examination.

Pursuant to Section 382 of the Internal Revenue Code (the "Code"), the Company and Telaria, Inc. both underwent ownership changes for tax purposes (i.e. a more than 50% change in stock ownership in aggregated 5% shareholders) on April 1, 2020 due to the merger with Telaria Inc. As a result, the use of the Company's total domestic NOL carryforwards and tax credits generated prior to the ownership change will be subject to annual use limitations under Section 382 and Section 383 of the Code and comparable state income tax laws. The Company believes that the ownership change will not impact its ability to utilize substantially all of its NOLs and state research and development carryforward tax credits to the extent it will generate taxable income that can be offset by such losses. The Company reasonably expects some of its federal research and development carryforward tax credits will not be recovered prior to expiration.

There was no material change to the Company's unrecognized tax benefits in the nine months ended September 30, 2026 and the Company does not expect to have any material changes to unrecognized tax benefits through the end of the fiscal year.

On July 4, 2025, the President of the United States signed H.R. 1, commonly referred to as the "One Big Beautiful Bill Act" ("OBBBA") into law. The legislation includes several changes to federal tax law that generally allow for more favorable deductibility of certain business expenses beginning in 2025, including the restoration of immediate expensing of domestic R&D expenditures, reinstatement of 100% bonus depreciation, and more favorable rules for determining the limitation on business interest expense. OBBBA also includes certain changes to the U.S. taxation of foreign activity, including changes to foreign tax credits, Global Intangible Low-Taxed Income, Foreign-Derived Intangible Income, and Base Erosion and Anti-Abuse Tax amongst other changes. These changes are generally effective for tax years beginning after December 31, 2025. OBBBA changes effective for 2025 were reflected in the income tax provision for the year ended December 31, 2025, and the OBBBA changes effective for 2026 are reflected in the Company's estimated effective tax rate for the nine months ended September 30, 2026. Based on current projections, the continuing impact is expected to be a deferral of the payment of current income taxes over multiple years; however, the Company expects the net impact to its effective tax rate for 2026 to be immaterial.

Note 13—Subsequent Events

On October 7, 2026, the Company entered into Amendment No. 3 of the 2024 Credit Agreement. The amendment reduced the interest rate of the 2024 Term Loan B Facility by 50 basis points to Term SOFR plus a margin of 2.50% from the previous rate of Term SOFR plus a margin of 3.00% and reduced the interest rate of the 2024 Revolving Credit Facility to Term SOFR plus a margin range of 2.50% to 3.00% from the previous rate of Term SOFR plus a margin range of 3.50% to 4.00%. The remaining terms of the 2024 Credit Agreement were substantially unchanged.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Quarterly Report on Form 10-Q and related statements by the Company contain forward-looking statements, including statements based upon or relating to our expectations, assumptions, estimates, and projections. In some cases, you can identify forward-looking statements by terms such as "may," "might," "will," "objective," "intend," "should," "could," "can," "would," "expect," "believe," "design," "anticipate," "estimate," "predict," "potential," "plan" or the negative of these terms, and similar expressions. Forward-looking statements may include, but are not limited to, statements concerning the Company's guidance or expectations with respect to future financial performance; acquisitions by the Company, or the anticipated benefits thereof; macroeconomic conditions or concerns related thereto; the growth of ad-supported programmatic connected television ("CTV"); our ability to use and collect data to provide our offerings; the scope and duration of client relationships; the fees we may charge in the future; key strategic objectives; anticipated benefits of new offerings; business mix; sales growth; benefits from supply path optimization; our ability to adapt to advancements in artificial intelligence ("AI"); the development of identity solutions; client utilization of our offerings; the impact of requests for discounts, rebates, or other fee concessions; our competitive differentiation; our market share and leadership position in the industry; market conditions, trends, and opportunities; the effects of regulatory developments or antitrust rulings on competitive dynamics in our industry; our litigation against Google LLC, or the anticipated benefits thereof; certain statements regarding future operational performance measures; 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, outcomes, performance or achievements, or the timing thereof, to be materially different from expectations or results projected or implied by forward-looking statements.

We discuss many of these risks, uncertainties, and additional factors that could cause actual results, outcomes, or timing thereof, 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 report 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, 2025, and subsequent filings. 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 or outcomes 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 Quarterly Report on Form 10-Q and the documents that we reference in this report 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.

The following discussion should be read in conjunction with our unaudited condensed consolidated financial statements and notes thereto appearing elsewhere in this Quarterly Report on Form 10-Q.

Overview

Magnite, Inc. ("we," or "us"), provides technology solutions to automate the purchase and sale of digital advertising inventory.

We believe that we are the world's largest independent omni-channel sell-side advertising platform ("SSP"), offering a single partner for transacting globally across all channels, formats and auction types, and the largest independent programmatic CTV marketplace, making it easier for buyers to reach CTV audiences at scale from industry-leading streaming content providers, broadcasters, platforms and device manufacturers.

Our platform features applications and services for sellers of digital advertising inventory, or publishers, that own and operate CTV channels, applications, websites and other digital media properties, to manage and monetize their inventory; applications and services for buyers, including advertisers, agencies, agency trading desks, and demand side platforms ("DSPs"), to buy digital advertising inventory; and a transparent, independent marketplace that brings buyers and sellers together and facilitates intelligent decision making and automated transaction execution at scale. Our clients include many of the world's leading buyers and sellers of digital advertising inventory. Our platform processes trillions of ad requests per month, allowing buyers access to a global, scaled, independent alternative to "walled gardens," who both own and sell inventory and maintain control on the demand side.

In April 2025, we announced the introduction of our next generation SpringServe CTV platform, which combines the features and functionalities of our streaming SSP and ad server. Our SpringServe platform offers CTV sellers a holistic solution to manage and monetize their entire portfolio of CTV ad inventory, across both programmatic and direct-sold video inventory, while providing a more efficient connection for buyers to premium CTV supply. We provide sellers with a full suite of tools to protect the consumer viewing experience and brand safety expectations, while increasing revenue opportunities, including tools for mediation and yield optimization, forecasting and planning, customized ad experiences and formats, dynamic ad insertion to serve live streaming events and advanced podding logic to manage competitive separation. These tools are particularly important to CTV sellers who need to provide a TV-like viewing and advertising experience for consumers.

Buyers leverage our platform to reach their target audiences across thousands of sellers in a premium brand-safe environment. We offer a suite of tools designed to help buyers discover and curate inventory, simplify workflow and execute on their campaign objectives in a cost effective manner. For instance, our ClearLine product provides buyers with direct access to premium CTV inventory and integrated curation capabilities, enabling buyers to build custom deal packages that can be enriched with high-fidelity first-party or third-party data. We believe that our scale, platform features, and omni-channel offering makes us an essential partner for buyers.

We operate our business on a worldwide basis, with an established operating presence in North America, Australia and Europe, and a developing presence in Asia and South America. Our non-U.S. subsidiaries and operations perform primarily sales, marketing, and service functions.

Industry and Company Trends

Continued Shift Toward Digital Advertising

Consumers are rapidly shifting their viewing habits towards digital mediums and expect to be able to consume content seamlessly across multiple devices, including computers, tablets, smartphones, and CTVs whenever and wherever they want. As digital content consumption continues to proliferate, we believe the percentage of advertising dollars spent through digital channels will continue to grow.

Automation of Buying and Selling

Due to the size and complexity of the digital advertising ecosystem and purchasing process, manual processes cannot effectively manage digital advertising inventory at scale. In addition, both buyers and sellers are demanding more transparency, better controls and more relevant insights from their advertising inventory purchases and sales. This has created a need for software solutions, known as programmatic advertising, that automate the process for planning, buying, selling and measuring digital advertising across screens. Programmatic transactions include biddable auctions, where multiple buyers bid against each other in a real-time auction for the right to purchase a publisher's inventory, as well as reserve auctions, where publishers establish direct deals or private marketplaces with select buyers. These reserve auctions may also be guaranteed, where a buyer has negotiated a pre-established price and volume with a seller.

Convergence of TV and Digital

CTV viewership is growing rapidly and the pace of adoption is accelerating the transition of linear television to CTV programming. Initially, many streaming services were subscription based, but as the market has matured, the largest streaming publishers have adopted ad-supported models or hybrid models that rely on a combination of subscription fees and advertising. With the proliferation of CTV advertising inventory, we believe that brand advertisers looking to engage with streaming viewers will continue to shift their budgets from linear to CTV. Moreover, we believe that as the amount of CTV inventory continues to scale, it will become increasingly more accessible to small and medium sized businesses, many of whom have no experience advertising on linear TV. We believe this transition is likely to be accelerated by advancements in AI, and in September 2025 we completed the acquisition of Streamrai, Inc. ("Streamr.ai"), a self-service platform that leverages generative AI to automate the creation of broadcast-quality video ads and streamline campaign setup, allowing advertisers to launch CTV campaigns in significantly less time and at significantly less cost than traditional methods.

As the advertiser base for CTV expands and diversifies, we believe CTV sellers will make a greater percentage of inventory available through biddable auction environments with multiple buyers rather than programmatic guaranteed. We believe that this shift, if it were to occur, would likely be beneficial to our CTV growth as biddable transactions tend to require a higher level of service and therefore carry a higher take-rate compared to reserve auctions.

We have made and plan to continue to make significant investments in technology, sales and support related to our CTV growth initiatives, and believe CTV will be the most significant driver of our revenue growth for the foreseeable future.

Artificial Intelligence

Advancements in AI present both opportunities and risks to our business. AI is changing the way in which users access information and content on the open internet, in particular with respect to search referral traffic, which has and is expected to continue to decline. This shift could reduce the volume of open web display inventory monetized through our platform. At the same time, AI has the potential to create new digital advertising opportunities through emerging formats such as advertising units that appear within outputs generated by AI models.

In addition, the emergence of AI-driven protocols and transaction frameworks has the potential to simplify programmatic activation and execution, improve advertising outcomes, and increase the value of advertising inventory by surfacing valuable real-time insights. To capitalize on these opportunities, we have made significant investments building AI capabilities into our platform for both publishers and buyers. Our seller agent allows publishers to seamlessly create custom inventory and audience packages that are discoverable and purchasable by buyer agents, while our buyer agent enables buyers to create custom media plans from simple RFIs, generate ad creatives, and activate and discover audience opportunities. In June 2026, we announced Magnite Orchestration, a coordination layer that connects agents within a shared environment, allowing buyers to connect their preferred agentic buying tools with Magnite seller agents.

Identity Solutions

One of the advantages of programmatic advertising is that it enables more precise audience targeting, which is generally more effective and valuable for buyers than other types of advertising, resulting in better performance for buyers and more revenue for sellers. Historically, in desktop and mobile, one of the primary methods for delivering targeted advertisements was through the use of third-party cookies. However, in recent years the use of third-party cookies and other tracking technologies that collect user information have come under greater scrutiny due to privacy concerns, and a number of participants in the advertising technology ecosystem have taken steps to eliminate or restrict the use of these technologies.

In the long term, we believe that a decreased reliance on third-party cookies and other non-transparent tracking methods would be a positive for the industry, and offer the potential to shift the programmatic ecosystem from an identity model powered by buyers that are able to aggregate and target audiences through cookies to one enabled by sellers that have direct relationships with consumers and are therefore better positioned to obtain user data and consent for implementing first party identifiers. In CTV, where third-party cookies do not exist, this identity model already largely exists with publishers more tightly controlling access to identifiers and user data, while offering proprietary first party data segments for reaching desired audiences.

We believe that our scale and expertise in CTV position us well to take a leadership position in advancing this shift to a first-party identity model and creating additional value opportunities for our clients. Accordingly, we have invested and intend to further invest in the development and enhancement of industry leading identity and audience solutions, such as our Magnite Curator Marketplace, a self-service solution integrated within ClearLine. The Magnite Curator Marketplace allows the creation of custom deal packages for buyers that include curated pools of premium inventory that can be enriched with the curator's first-party or third-party data.

Supply Path Optimization

Supply Path Optimization ("SPO") refers to efforts by buyers to consolidate the number of vendors with which they work to find the most effective and cost-efficient paths to procure media.

Our SPO efforts with buyers are important because they allow us to build deeper relationships with buyers and potentially attract unique advertising demand, which, in turn, increase revenue opportunities for our seller clients. We typically enter into SPO agreements directly with agencies or agency holding companies, as well as brands and DSPs, which may provide for custom integrations, data flows or volume-based discounts. Under these SPO agreements, we may be designated as a preferred partner or otherwise enter into terms intended to increase the overall spend on our platform.

We believe we are well positioned to benefit from SPO in the long run as a result of our transparency, our broad and unique inventory supply across all channels and formats, buyer tools, traffic filtering technology that reduces the cost of working with us, and brand safety measures.

Header Bidding and Data Processing

Header bidding is a programmatic technique by which sellers offer inventory to multiple ad exchanges and supply side platforms, such as our platform, simultaneously. Header bidding has been adopted in the desktop and mobile channels, largely as a counterweight to Google's dominance in the display ad server market. The adoption of header bidding in desktop and mobile display has created a number of challenges and technical complexities for both sellers and buyers, which require sophisticated tools to manage.

In addition, header bidding has led to a significant increase in the number of ad impressions to be processed through our platform as well as by DSPs, which can lead to increased costs if not properly addressed. Our platform analyzes large repositories of data and utilizes machine learning to continuously increase the operational efficiency of our platform, so as to enable buyers and sellers to achieve their objectives in a cost-effective manner, including through the use of traffic optimization and bid filtering technology.

Regulatory Developments and Google Litigation

On April 17, 2025, the United States District Court for the Eastern District of Virginia (the "Court") ruled that Google LLC ("Google") had violated federal antitrust laws by willfully acquiring and maintaining monopoly power in the display publisher ad server market and display ad exchange (also called an SSP) market, and had unlawfully tied its display ad server and ad exchange. Having found Google liable, in September 2026, the Court issued its remedies opinion mandating that Google undertake certain behavioral remedies and appointing a six-year independent compliance monitor. While the specific timing and nature of these remedies remains subject to the Court's final judgment, and Google has indicated its intent to appeal the decision, we expect this ruling to have a significant positive impact on our industry and business prospects.

Our mobile and desktop SSP competes directly with Google's ad exchange for the placement of display ads within the Google display ad server, which is estimated to be used by approximately 90% of open-web publishers. We believe that the conduct found to be unlawful by the Court provided Google's ad exchange with an unfair advantage relative to rival exchanges, such as our SSP, and artificially depressed our ability to win impressions within the Google display ad server. Moreover, we believe that Google's illegal conduct foreclosed the ability of publishers to freely choose what SSPs or exchanges they worked with to monetize inventory. As such, any remedy that creates a more level playing field and increases publisher choice is likely to improve our ability to monetize a greater share of display inventory while growing our market share in open-web display.

On September 16, 2025, in light of the Court's decision, we filed a lawsuit against Google in the U.S. District Court of the Eastern District of Virginia, seeking damages and other remedies (the "Google Action"). Our complaint alleges that Google engaged in anticompetitive conduct in the ad exchange and ad server markets in violation of federal antitrust laws, including actions that restrict publishers' ability to use competing services and favor Google's own advertising exchange, which caused us substantial harm and lost opportunity.

Macroeconomic Developments

Macroeconomic challenges such as inflation, tariffs and trade wars, the interest rate environment, global conflicts, the risk of a recession, labor strikes, and significant volatility in commodity prices, including the price of oil, generally have a negative impact on ad budgets, which in turn may lead to slower ad spend growth through our platform. Any worsening of macroeconomic conditions in future periods would likely have a negative effect on our financial results, the magnitude of which is difficult to predict. In addition, inflation, supply chain disruptions and tariffs could result in an increase in our cost base relative to our revenue, and increased cost or difficulty procuring items associated with our infrastructure investments. Moreover, in response to U.S. tariffs, foreign countries in which we operate may enact additional or new taxes that are applicable to our business.

Refer to Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025 for additional information related to risks associated with macroeconomic challenges.

Components of Our Results of Operations

We report our financial results as one operating segment. Our consolidated operating results are regularly reviewed by our chief operating decision maker, principally to make decisions about how we allocate our resources and to measure our operating performance.

Revenue

We generate revenue from the use of our platform for the purchase and sale of digital advertising inventory. Generally, our revenue is based on a percentage of the ad spend that runs through our platform, although for certain clients, services, or transaction types, we may receive a fixed CPM for each impression sold, and for advertising campaigns that are transacted through insertion orders, we earn revenue based on the full amount of ad spend that runs through our platform. In addition, we may receive certain fixed monthly fees for the use of our platform or products. We recognize revenue upon the fulfillment of our contractual obligations in connection with a completed transaction, subject to satisfying all other revenue recognition criteria. For the majority of transactions executed through our platform, we act as an agent on behalf of the publisher that is monetizing its inventory, and revenue is recognized net of any advertising inventory costs that we remit to sellers. With respect to managed advertising campaigns that are transacted through insertion orders, we report revenue on a gross basis, based primarily on our determination that the Company acts as the primary obligor in the delivery of advertising campaigns for our buyer clients with respect to such transactions.

For the three and nine months ended September 30, 2026, our revenue reported on a gross basis was 3% of total revenue and for the three and nine months ended September 30, 2025, our revenue reported on a gross basis was 11% of total revenue. The decline in our revenue reported on a gross basis as a percentage of our revenue is primarily due to declines in our managed service business, which is accounted for on a gross basis, as advertisers continue to shift budgets towards more automated solutions.

Our revenue recognition policies are discussed in more detail in our audited consolidated financial statements and Note 2 thereto included in our Annual Report on Form 10-K for the year ended December 31, 2025.

Expenses

We classify our expenses into the following categories:

Cost of Revenue. Our cost of revenue primarily consists of technology fees, including cloud hosting, data center, and bandwidth costs, ad verification costs, depreciation and maintenance expense of hardware supporting our revenue-producing platform, amortization of internally-developed software costs for the development of our revenue-producing platform, amortization expense associated with acquired developed technologies, personnel costs, and software license expenses. In addition, for revenue booked on a gross basis, cost of revenue includes traffic acquisition costs. Personnel costs included in cost of revenue include salaries, bonuses, and stock-based compensation, and are primarily attributable to personnel in our network operations group who support our platform. We capitalize costs associated with software that is developed or obtained for internal use and amortize the costs associated with our revenue-producing platform in cost of revenue over their estimated useful lives. We amortize acquired developed technologies over their estimated useful lives.

Sales and Marketing. Our sales and marketing expenses primarily consist of personnel costs, including salaries, bonuses, and stock-based compensation, as well as marketing expenses such as brand marketing, travel expenses, trade shows and marketing materials, amortization expense associated with client relationships, and non-compete agreements from our business acquisitions, professional services, facilities-related costs, and depreciation expense. Our sales and support organization focuses on increasing the adoption of our solution by existing and new buyers and sellers and supports ongoing client relationships. We amortize acquired intangibles associated with client relationships from our business acquisitions over their estimated useful lives.

Technology and Development. Our technology and development expenses primarily consist of personnel costs, including salaries, bonuses, and stock-based compensation, as well as professional services associated with the ongoing development and maintenance of our solution, software license expenses, facilities-related costs, and depreciation and amortization expense. These expenses include costs incurred in the development, implementation, and maintenance of internal use software, including platform and related infrastructure. Technology and development costs are expensed as incurred, except to the extent that such costs are associated with internal use software development that qualifies for capitalization, which are then recorded as internal use software development costs, net, on our condensed consolidated balance sheets. We amortize internal use software development costs that relate to our revenue-producing activities on our platform to cost of revenue and amortize other internal use software development costs to technology and development costs or general and administrative expenses, depending on the nature of the related project. We amortize acquired intangibles associated with technology and development functions from our business acquisitions over their estimated useful lives.

General and Administrative. Our general and administrative expenses primarily consist of personnel costs, including salaries, bonuses, and stock-based compensation, associated with our executive, finance, legal, human resources, compliance, and other administrative personnel, as well as accounting and legal professional services fees, facilities-related costs, depreciation expense, bad debt expense, and other corporate-related expenses.

Other (Income) Expense

Interest (Income) Expense, Net. Interest expense primarily consists of interest expense associated with our 2024 Term Loan B Facility (defined below), 2024 Revolving Credit Facility (defined below), and Convertible Senior Notes (defined below), and their related amortization of debt issuance costs and debt discount. Interest income primarily consists of interest earned on our cash equivalents.

Foreign Currency Exchange (Gain) Loss, Net. Foreign currency exchange (gain) loss, net consists of gains and losses on foreign currency transactions and remeasurement of monetary assets and liabilities on our balance sheet denominated in foreign currencies. Foreign currency monetary assets and liabilities primarily consists of cash and cash equivalents, accounts receivable, accounts payable, and various intercompany balances held between our subsidiaries. Our primary foreign currency exposures are currencies other than the U.S. Dollar, principally the Australian Dollar, British Pound, Euro, Japanese Yen, and New Zealand Dollar.

Loss on Extinguishment of Debt. Loss on extinguishment of debt consists of losses associated with the refinancing of our debt facilities, including the extinguishment of unamortized debt discount, debt issuance costs, and deferred financing costs.

Other Income. Other income primarily consists of rental income from commercial office space we hold under lease and have sublet to other tenants.

Provision (Benefit) for Income Taxes

We are subject to income taxes in the U.S. (federal and state) and numerous foreign jurisdictions. Tax laws, regulations, administrative practices, principles, and interpretations in various jurisdictions may be subject to significant change, with or without notice, due to economic, political, and other conditions, and significant judgment is required in evaluating and estimating our provision and accruals for these taxes. There are many transactions that occur during the ordinary course of business for which the ultimate tax determination is uncertain. Our effective tax rates could be affected by numerous factors, such as changes in our business operations, acquisitions, investments, entry into new businesses and geographies, intercompany transactions, the relative amount of our foreign earnings, including earnings being lower than anticipated in jurisdictions where we have lower statutory rates and higher than anticipated in jurisdictions where we have higher statutory rates, losses incurred in jurisdictions for which we are not able to realize related income tax benefits, the applicability of special tax regimes, changes in foreign currency exchange rates, changes in our stock price, changes in our deferred tax assets ("DTAs") and liabilities and their valuation, changes in the laws, regulations, administrative practices, principles, and interpretations related to tax, including changes to the global tax framework, competition, and other laws and accounting rules in various jurisdictions.

Results of Operations

The following table sets forth our condensed consolidated results of operations:

	Three Months Ended			Nine Months Ended		
	September 30, 2026	September 30, 2025	Change %	September 30, 2026	September 30, 2025	Change %
	(in thousands)			(in thousands)		
Revenue	$ 204,196	$ 179,494	14 %	$ 561,390	$ 508,597	10 %
Expenses:						
Cost of revenue	64,016	69,356	(8)%	186,462	197,108	(5)%
Sales and marketing	42,063	40,348	4 %	135,151	130,777	3 %
Technology and development	21,366	20,198	6 %	70,674	64,073	10 %
General and administrative	26,211	24,551	7 %	79,622	71,003	12 %
Total expenses	153,656	154,453	(1)%	471,909	462,961	2 %
Income from operations	50,540	25,041	102 %	89,481	45,636	96 %
Other expense, net	4,964	4,098	21 %	14,627	23,083	(37)%
Income before income taxes	45,576	20,943	118 %	74,854	22,553	232 %
Provision for income taxes	11,571	885	NM	17,068	990	NM
Net income	$ 34,005	$ 20,058	70 %	$ 57,786	$ 21,563	168 %

NM - Not meaningful

The following table sets forth our condensed consolidated results of operations for the specified periods as a percentage of our revenue for those periods presented:

	Three Months Ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Revenue	100 %	100 %	100 %	100 %
Cost of revenue	31	39	33	39
Sales and marketing	21	22	24	26
Technology and development	10	11	13	13
General and administrative	13	14	14	14
Total expenses	75	86	84	91
Income from operations	25	14	16	9
Other expense, net	2	2	3	5
Income before income taxes	22	12	13	4
Provision for income taxes	6	—	3	—
Net income	17 %	11 %	10 %	4 %

Note: Percentages may not sum due to rounding.

Comparison of the Three and Nine Months Ended September 30, 2026 and 2025

Revenue

Revenue increased $24.7 million, or 14%, for the three months ended September 30, 2026 compared to the prior year period, primarily due to growth in CTV and mobile revenue of $21.0 million, or 24%, and $3.0 million, or 5%, respectively, including increased contributions from political advertising.

Revenue increased $52.8 million, or 10%, for the nine months ended September 30, 2026 compared to the prior year period, primarily due to growth in CTV and mobile revenue of $51.5 million, or 21%, and $1.9 million, or 1%, respectively, including increased contributions from political advertising.

Our CTV revenue growth for the nine months ended September 30, 2026 compared to the prior year period was negatively impacted by a decline in the relative percentage of transactions reported on a gross basis, compared to on a net basis. Transactions reported on a gross basis generally result in a higher revenue contribution with an associated increase in our traffic acquisition costs. See "Key Operating and Financial Performance Metrics" below for a discussion of Contribution ex-TAC, which presents a year-over-year comparison of our CTV growth, without considering the impact of traffic acquisition costs related to revenue reported on a gross basis.

Our revenue is largely a function of the number of advertising transactions and the price, or CPM, at which the inventory is sold, which results in total advertising spend on our platform, and, with respect to our revenue reported on a net basis, the take rate we charge for our services. Because pricing and take rate vary across publisher, channel, and transaction type, our revenue is subject to changes in publisher-specific take rates, and shifts in the mix of advertising spend on our platform among publishers and transaction types.

For the full year 2026, we believe our revenue should increase compared to the prior year period and we expect CTV to be our biggest growth driver.

Cost of Revenue

Cost of revenue expenses decreased $5.3 million, or 8%, for the three months ended September 30, 2026 compared to the prior year period, primarily due to a decrease of $9.1 million in traffic acquisition costs due to a decrease in revenue reported on a gross basis, which was partially offset by increases of $1.6 million in depreciation and amortization expenses and $1.4 million in software license expenses.

Cost of revenue decreased $10.6 million, or 5%, for the nine months ended September 30, 2026 compared to the prior year period, primarily due to a decrease of $23.8 million in traffic acquisition costs due to a decrease in revenue reported on a gross basis, which was partially offset by increases of $5.7 million in depreciation and amortization expenses, $3.1 million in technology fees, $2.6 million in software license expenses, and $2.4 million in personnel costs.

Cost of revenue may fluctuate from quarter to quarter and period to period, on an absolute dollar basis and as a percentage of revenue, depending on revenue levels and the volume of transactions we process supporting those revenues, whether transactions are reported on a gross or net basis, and the timing and amounts of depreciation and amortization of equipment and software.

Sales and Marketing

Sales and marketing expenses increased $1.7 million, or 4%, for the three months ended September 30, 2026 compared to the prior year period, primarily due to an increase of $1.4 million in personnel costs.

Sales and marketing expenses increased $4.4 million, or 3%, for the nine months ended September 30, 2026 compared to the prior year period, primarily due to an increase of $6.5 million in personnel costs, which was partially offset by a decrease of $3.1 million in depreciation and amortization expenses, which was driven by certain acquired intangible assets becoming fully amortized in 2025.

Sales and marketing expenses may fluctuate quarter to quarter and period to period, based on the timing of our investments and seasonality in our industry and business. Such fluctuations may not be directly proportional to changes in revenue.

Technology and Development

Technology and development expenses increased $1.2 million, or 6%, for the three months ended September 30, 2026 compared to the prior year period, primarily due to an increase of $0.8 million in personnel costs.

Technology and development expenses increased $6.6 million, or 10%, for the nine months ended September 30, 2026 compared to the prior year period, primarily due to increases of $4.1 million in personnel costs and $1.8 million in event and travel-related expenses.

Technology and development expenses may fluctuate from quarter to quarter and period to period based on the timing and amounts of technology and development efforts, the timing and the rate of the amortization of internally-developed capitalized projects and the timing and amounts of future capitalized internally-developed software costs. Such fluctuations may not be directly proportional to changes in revenue.

General and Administrative

General and administrative expenses increased $1.7 million, or 7%, for the three months ended September 30, 2026 compared to the prior year period, primarily due to an increase of $1.8 million in professional fees, including legal costs.

General and administrative expenses increased $8.6 million, or 12%, for the nine months ended September 30, 2026 compared to the prior year period, primarily due to increases of $6.9 million in professional fees, including legal costs, $1.2 million in software license fees, and $1.0 million in event and travel-related expenses. The increases were partially offset by a decrease of $1.0 million in refinancing expenses associated with our 2024 Term Loan B Facility (defined below) in March 2025.

General and administrative expenses may fluctuate from quarter to quarter and period to period based on the timing and amounts of expenditures in our general and administrative functions as they vary in scope and scale over periods. Such fluctuations may not be directly proportional to changes in revenue.

Other (Income) Expense, Net

	Three Months Ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	(in thousands)			
Interest expense, net	$ 4,818	$ 4,668	$ 15,689	$ 14,916
Foreign exchange (gain) loss, net	499	(416)	129	6,745
Loss on extinguishment of debt	—	—	—	2,152
Other income	(353)	(154)	(1,191)	(730)
Total other expense, net	$ 4,964	$ 4,098	$ 14,627	$ 23,083

Interest expense, net remained relatively flat for the three and nine months ended September 30, 2026 compared to the prior year periods.

Foreign exchange (gain) loss, net changed by $0.9 million and $6.6 million for the three and nine months ended September 30, 2026, respectively, compared to the prior year periods due to movements in foreign currency exchange rates and the amount of foreign currency-denominated cash, receivables, and payables, which were impacted by our billings to buyers, payments to sellers, and intercompany balances.

The loss on extinguishment of debt of $2.2 million in the nine months ended September 30, 2025, was due to the March 2025 repricing of our 2024 Term Loan B Facility (defined below).

Other income was relatively flat for the three and nine months ended September 30, 2026 compared to the prior year periods as we had similar levels of sublease activity in both periods.

Provision For Income Taxes

We recorded an income tax provision of $11.6 million and $0.9 million for the three months ended September 30, 2026 and 2025, respectively, and $17.1 million and $1.0 million for the nine months ended September 30, 2026 and 2025, respectively. The tax provision for the three and nine months ended September 30, 2026 was primarily the result of federal, state and foreign income tax provisions. The tax provision for the three and nine months ended September 30, 2025 was primarily the result of the Company's ability to recognize deferred tax assets subject to the domestic valuation allowance and the federal, state, and foreign income tax provisions.

Our income tax provision for the three and nine months ended September 30, 2026 reflects the impacts of the "One Big Beautiful Bill Act," which became effective on July 4, 2025. We have evaluated the tax law as it relates to our financials and determined there is no material impact on the periods presented above. Based on current projections, the continuing impact will be a deferral of the payment of current income taxes over multiple years; however, we expect the net impact to our effective tax rate for 2026 to be immaterial. We will continue to monitor for any impact of future guidance.

Key Operating and Financial Performance Metrics

In addition to our GAAP results, we review non-GAAP financial measures, including Contribution ex-TAC and Adjusted EBITDA, to help us evaluate our business on a consistent basis, 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. Our non-GAAP financial measures are discussed below. Revenue, cost of revenue, and net income are discussed above under the headings "Components of Our Results of Operations" and "Results of Operations."

	Three Months Ended			Nine Months Ended		
	September 30, 2026	September 30, 2025	Change %	September 30, 2026	September 30, 2025	Change %
	(in thousands)			(in thousands)		
Financial Measures and non-GAAP Financial Measures:						
Revenue	$ 204,196	$ 179,494	14 %	$ 561,390	$ 508,597	10 %
Gross profit	$ 140,180	$ 110,138	27 %	$ 374,928	$ 311,489	20 %
Contribution ex-TAC	$ 200,628	$ 166,779	20 %	$ 551,127	$ 474,583	16 %
Net income	$ 34,005	$ 20,058	70 %	$ 57,786	$ 21,563	168 %
Adjusted EBITDA	$ 83,356	$ 57,171	46 %	$ 196,817	$ 148,362	33 %

Contribution ex-TAC

Contribution ex-TAC is calculated as gross profit plus cost of 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. Contribution ex-TAC is a non-GAAP financial measure that is most comparable to gross profit. Our management believes Contribution ex-TAC is a useful measure in facilitating a consistent comparison against our core business without considering the impact of traffic acquisition costs related to revenue reported on a gross basis.

Our use of Contribution ex-TAC has limitations as an analytical tool and you should not consider it in isolation or as a substitute for analysis of our financial results as reported under GAAP. A potential limitation of this non-GAAP financial measure is that other companies, including companies in our industry which have similar business arrangements, may define Contribution ex-TAC differently, which may make comparisons difficult. Because of these and other limitations, you should consider our non-GAAP measures only as supplemental to GAAP-based financial performance measures, including revenue, gross profit, net income and cash flows.

The following table presents the calculation of gross profit and reconciliation of gross profit to Contribution ex-TAC for the three and nine months ended September 30, 2026 and 2025:

	Three Months Ended			Nine Months Ended		
	September 30, 2026	September 30, 2025	Change %	September 30, 2026	September 30, 2025	Change %
	(in thousands)			(in thousands)		
Revenue	$ 204,196	$ 179,494	14 %	$ 561,390	$ 508,597	10 %
Less: Cost of revenue	64,016	69,356	(8)%	186,462	197,108	(5)%
Gross profit	140,180	110,138	27 %	374,928	311,489	20 %
Add back: Cost of revenue, excluding TAC	60,448	56,641	7 %	176,199	163,094	8 %
Contribution ex-TAC	$ 200,628	$ 166,779	20 %	$ 551,127	$ 474,583	16 %

Sellers use our technology to monetize their content across all digital channels, including CTV, mobile, and desktop. We track the breakdown of Contribution ex-TAC across channels to better understand how our clients are transacting on our platform.

The following table presents Contribution ex-TAC by channel for the three and nine months ended September 30, 2026 and 2025:

	Contribution ex-TAC					
	Three Months Ended			Nine Months Ended		
	September 30, 2026	September 30, 2025	Change %	September 30, 2026	September 30, 2025	Change %
	(in thousands)			(in thousands)		
Channel:						
CTV	$ 105,368	$ 75,847	39 %	$ 284,770	$ 210,615	35 %
Mobile	67,807	64,428	5 %	188,929	186,208	1 %
Desktop	27,453	26,504	4 %	77,428	77,760	— %
Total	$ 200,628	$ 166,779	20 %	$ 551,127	$ 474,583	16 %

Contribution ex-TAC increased $33.8 million, or 20%, for the three months ended September 30, 2026 compared to the prior year period. The increase in Contribution ex-TAC was primarily due to the growth in CTV.

Contribution ex-TAC increased $76.5 million, or 16%, for the nine months ended September 30, 2026 compared to the prior year period. The increase in Contribution ex-TAC was primarily due to the growth in CTV.

For the remainder of 2026, we expect Contribution ex-TAC will increase compared to the prior year period and we expect CTV will be our biggest growth driver.

Adjusted EBITDA

We define Adjusted EBITDA as net income adjusted to exclude stock-based compensation expense, depreciation and amortization, including amortization of acquired intangible assets, impairment charges, interest income or expense, provision for income taxes, and certain 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, severance costs and other related items, gains or losses on extinguishment of debt, other debt refinancing expenses, certain litigation expenses, and non-operational real estate and other expenses (income), net. 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 is also 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 certain cash and non-cash charges related to acquisition and related items, such as amortization of acquired intangible assets, merger, acquisition, or restructuring related severance costs, certain transaction expenses, and changes in the fair value of contingent consideration.
- Adjusted EBITDA does not reflect cash and non-cash charges related to interest income and interest expense and certain financing transactions such as gains or losses on extinguishment of debt or other debt refinancing expenses.
- Adjusted EBITDA does not reflect cash requirements for income taxes and the cash impact of other income or expense.
- Adjusted EBITDA does not reflect litigation expenses for specific proceedings.
- Adjusted EBITDA does not reflect certain non-operational real estate and other (income) and expense, net.
- Adjusted EBITDA does not reflect changes in our working capital needs, capital expenditures, or contractual commitments.
- 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, income from operations, or any other measure of financial performance calculated and presented in accordance with GAAP.

The following table presents a reconciliation of net income, the most comparable GAAP measure, to Adjusted EBITDA for the three and nine months ended September 30, 2026 and 2025:

	Three Months Ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	(in thousands)		(in thousands)	
Net income	$ 34,005	$ 20,058	$ 57,786	$ 21,563
Add back (deduct):				
Stock-based compensation expense	16,494	18,044	55,805	58,811
Depreciation and amortization expense, excluding amortization of acquired intangible assets	12,446	10,067	36,243	27,605
Amortization of acquired intangibles	1,498	2,241	6,623	12,514
Merger, acquisition, and restructuring costs, excluding stock-based compensation expense	—	162	1,755	162
Interest expense, net	4,818	4,668	15,689	14,916
Provision for income taxes	11,571	885	17,068	990
Foreign exchange (gain) loss, net	499	(416)	129	6,745
Loss on extinguishment of debt	—	—	—	2,152
Other debt refinancing expense	—	—	—	967
Litigation expense [1]	1,999	527	3,815	1,043
Non-operational real estate and other expense, net	26	935	1,904	894
Adjusted EBITDA	$ 83,356	$ 57,171	$ 196,817	$ 148,362

[1] Litigation expense includes professional and legal expenses related to the Google Action and defense costs relating to class action privacy litigation. For additional information, see the "Regulatory Developments and Google Litigation" section and Part II, Item 1. "Legal Proceedings."

Adjusted EBITDA increased by $26.2 million, or 46%, during the three months ended September 30, 2026 compared to the prior year period and increased by $48.5 million, or 33%, during the nine months ended September 30, 2026 compared to the prior year period.

Liquidity and Capital Resources

Liquidity

As of September 30, 2026, we had cash and cash equivalents of $392.9 million, of which $78.1 million was held in foreign currency denominated cash and cash equivalents accounts, and an aggregate gross principal amount of $357.7 million of indebtedness outstanding under our 2024 Term Loan B Facility (as defined below). In addition, we were party to a $175.0 million 2024 Revolving Credit Facility (as defined below), of which approximately $4.1 million was assigned to outstanding but undrawn letters of credit. See "Capital Resources" below for further information about our outstanding debt.

Our known principal cash requirements for the twelve-month period following this report primarily consist of personnel costs, contractual payment obligations, including office leases, cloud hosting, data center, and bandwidth expenses, capital expenditures, payment of interest, required principal payments on our 2024 Term Loan B Facility, cash outlays for income taxes, and cash requirements to fund working capital. In the longer term, we would expect to have similar cash requirements with increases in absolute dollars associated with the continued growth of our business and expansion of operations. See "Contractual Obligations and Known Future Cash Requirements" for a further discussion of our known material contractual obligations.

On February 1, 2024, the Board of Directors approved a repurchase plan (the "2024 Repurchase Plan"), pursuant to which we were authorized to repurchase common stock or Convertible Senior Notes, with an aggregate market value of up to $125.0 million, through February 1, 2026. From January 1, 2026 to February 1, 2026, we repurchased 33,800 shares of the Company's common stock for an aggregate amount of $0.5 million pursuant to the 2024 Repurchase Plan.

On February 23, 2026, the Board of Directors approved a new repurchase plan (the "2026 Repurchase Plan"), which authorized the repurchase of common stock with an aggregate market value of up to $200.0 million, through February 29, 2028. During the nine months ended September 30, 2026, we repurchased 3,484,112 shares of the Company's common stock for an aggregate amount of $55.1 million pursuant to the 2026 Repurchase Plan. As of September 30, 2026, $144.9 million was available under the 2026 Repurchase Plan.

Our working capital needs and cash conversion cycle, which is influenced by seasonality and by the mix of terms among our buyers and sellers and which may be negatively impacted as a result of pandemics, inflationary, recessionary and other macroeconomic challenges, can have large fluctuations due to the timing of receipts from buyers and timing of disbursements to sellers. In addition, in the event a buyer defaults on payment, we may still be required to pay sellers for the inventory purchased. The impacts from changes in working capital and capital expenditures can significantly impact our cash flows and therefore, our liquidity during any period presented.

We have historically relied upon cash and cash equivalents, cash generated from operations, borrowings under credit facilities and issuance of debt for our liquidity needs. Our ability to meet our cash requirements depends on, among other things, our operating performance, competitive developments, and financial market conditions, all of which are significantly affected by business, financial, economic, political, global health-related and other factors, many of which we may not be able to control or influence.

We believe our existing cash and cash equivalents, cash generated from operating activities, and amounts available to borrow under our 2024 Revolving Credit Facility will be sufficient to meet our liquidity requirements for at least the next twelve months from the issuance of our financial statements. However, there are multiple factors that could impact our cash balances in the future, including the factors described above with respect to working capital and cash conversion cycles, as well as the duration and severity of events beyond our control, macroeconomic factors, and other factors set forth in Part I, Item 1A: "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2025.

Capital Resources

In March 2021, we sold convertible senior notes ("Convertible Senior Notes") for gross proceeds of $400.0 million. On March 15, 2026, the Convertible Senior Notes matured, and we repaid the outstanding principal balance of $205.1 million in full with cash on hand. No Convertible Senior Notes remained outstanding as of September 30, 2026.

On February 6, 2024, we entered into a credit agreement (the "2024 Credit Agreement") with Morgan Stanley Senior Funding, Inc. as our term loan administrative agent and Citibank, N.A. as our revolving facility administrative agent and collateral agent, and other lender parties thereto. The 2024 Credit Agreement provided for a $365.0 million seven-year senior secured term loan facility (the "2024 Term Loan B Facility") and a $175.0 million five-year senior secured revolving credit facility (the "2024 Revolving Credit Facility"). The proceeds from the 2024 Term Loan B Facility were used, among other things, to terminate and to repay in full the outstanding facilities under the prior credit agreement entered into in April 2021, which included a term loan facility and a revolving facility.

On September 18, 2024, we entered into Amendment No. 1 to the 2024 Credit Agreement ("Amendment No. 1"), which reduced the interest rate of the 2024 Term Loan B Facility by 75 basis points to Term SOFR plus a margin of 3.75% from the previous rate of Term SOFR plus a margin of 4.50%, and on March 18, 2025, we entered into Amendment No. 2 to the 2024 Credit Agreement ("Amendment No. 2"), which reduced the interest rate of the 2024 Term Loan B Facility by an additional 75 basis points to Term SOFR plus a margin of 3.00%. The remaining terms of the 2024 Term Loan B Facility and the 2024 Revolving Credit Facility were substantially unchanged by these amendments.

As of September 30, 2026, the balance of the 2024 Term Loan B Facility was $350.0 million, net of unamortized debt discount and debt issuance costs of $7.8 million, and amounts available under the 2024 Revolving Credit Facility were $170.9 million, net of letters of credit outstanding in the amount of $4.1 million.

On October 7, 2026, we entered into Amendment No. 3 of the 2024 Credit Agreement ("Amendment No. 3"). The amendment reduced the interest rate of the 2024 Term Loan B Facility by 50 basis points to Term SOFR plus a margin of 2.50% from the previous rate of Term SOFR plus a margin of 3.00% and reduced the interest rate of the 2024 Revolving Credit Facility to Term SOFR plus a margin range of 2.50% to 3.00% from the previous rate of Term SOFR plus a margin range of 3.50% to 4.00%. The remaining terms of the 2024 Credit Agreement were substantially unchanged.

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 may be diluted. If we raise additional financing by incurring indebtedness, we will be subject to increased fixed payment obligations and could also be subject to financial maintenance covenants, or 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. An inability to raise additional capital could adversely affect our ability to achieve our business objectives.

Our cash and cash equivalents balance is affected by our results of operations, the timing of capital expenditures and by changes in our working capital, particularly changes in accounts receivable and accounts payable. The timing of cash receipts from buyers and payments to sellers can significantly impact our cash flows from operating activities and our liquidity for, and within, any period presented. Our collection and payment cycle can vary from period to period depending upon various circumstances, including seasonality, and may be negatively impacted by certain macroeconomic challenges, such as capital market disruptions and instability of financial institutions.

Cash Flows

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

	Nine Months Ended	
	September 30, 2026	September 30, 2025
	(in thousands)	
Cash flows provided by operating activities	$ 168,752	$ 107,711
Cash flows used in investing activities	(44,101)	(63,741)
Cash flows used in financing activities	(285,373)	(47,040)
Effects of exchange rate changes on cash and cash equivalents	222	1,977
Change in cash and cash equivalents	$ (160,500)	$ (1,093)

Operating Activities

Our cash flows from operating activities are primarily driven by revenue generated by our business, offset by the cash costs of operations, and are significantly influenced by the timing of and fluctuations in receipts from buyers and related payments to sellers. Our future cash flows will be diminished if we cannot increase our revenue levels and manage costs and timing of fluctuations of receipts and payments appropriately.

For the nine months ended September 30, 2026, net cash provided by operating activities was $168.8 million compared to $107.7 million for the nine months ended September 30, 2025. Our operating activities included our net income of $57.8 million and non-cash adjustments of $95.5 million for the nine months ended September 30, 2026 and net income of $21.6 million and non-cash adjustments of $105.8 million for the nine months ended September 30, 2025. Net changes in our working capital resulted in $15.5 million of cash provided by operating activities and $19.7 million of cash used in operating activities for the nine months ended September 30, 2026 and 2025, respectively. The net changes in working capital for both periods presented were primarily due to the timing of cash receipts from buyers and the timing of payments to sellers.

Investing Activities

Our primary investing activities have consisted of purchases of property and equipment, and capital expenditures in support of creating and enhancing our technology infrastructure. Purchases of property and equipment and investments in internal use software development may vary from period-to-period due to the timing of the expansion of our operations, changes to headcount, and the cycles of our internal use software development.

During the nine months ended September 30, 2026 and 2025, our investing activities used net cash of $44.1 million and $63.7 million, respectively. During the nine months ended September 30, 2026 and 2025, we used cash for purchases of property and equipment of $31.4 million and $45.1 million, respectively, and used cash for investments in our internally developed software of $12.7 million and $10.1 million, respectively. During the nine months ended September 30, 2025, we also used cash of $8.1 million to acquire Streamrai, Inc. (the "Streamr.ai Acquisition").

Financing Activities

Our financing activities consisted of repayment of amounts borrowed under our Term Loan B Facility, repayment of our Convertible Senior Notes and transactions related to our share repurchases and equity plans.

For the nine months ended September 30, 2026 and 2025, net cash used in financing activities was $285.4 million and $47.0 million, respectively. Cash outflows from financing activities for the nine months ended September 30, 2026 primarily included a $205.1 million payment to settle matured Convertible Senior Notes, $55.6 million of payments related to share repurchases, $30.2 million for taxes paid related to net share settlement of stock-based awards, and $2.7 million of payments on our Term Loan B Facility. Additionally, during the nine months ended September 30, 2026, we borrowed $60.0 million under our 2024 Revolving Credit Facility to fund short-term operating requirements. The borrowings of $60.0 million were repaid during the same period, and no amounts were outstanding under the 2024 Revolving Credit Facility as of September 30, 2026.

Cash outflows from financing activities for the nine months ended September 30, 2025 primarily included a $92.6 million payment to certain 2024 Term Loan B Facility lenders related to our Amendment No. 2 repricing activity, $27.3 million for taxes paid related to net share settlement of stock-based awards, and $22.9 million of payments related to share repurchases. The outflows were partially offset by cash proceeds primarily consisting of $92.6 million from certain 2024 Term Loan B Facility lenders related to our Amendment No. 2 repricing activity, cash proceeds from stock options exercises of $3.0 million, and cash proceeds from the employee stock purchase plan of $2.1 million. In connection with Amendment No. 2, $270.6 million of principal debt balance from Amendment No. 1 was rolled over as part of non-cash financing activities while the remaining $92.6 million principal balance from Amendment No. 1 was repaid and then reissued under Amendment No. 2 as mentioned above.

Contractual Obligations and Known Future Cash Requirements

Our principal commitments as of September 30, 2026 consist of obligations under our 2024 Term Loan B Facility, 2024 Revolving Credit Facility, leases for our various office facilities, including our corporate headquarters in New York, New York and offices in Los Angeles, California, and operating lease agreements, including data centers and cloud hosting services that expire at various times through 2038, and the indemnification holdback associated with the Streamr.ai Acquisition. In certain cases, the terms of the lease agreements provide for rental payments on a graduated basis.

The following table summarizes our future lease obligations, payments of principal and interest under our debt agreements, and other future payments due under non-cancelable agreements at September 30, 2026 (in thousands):

	Remaining 2026	2027	2028	2029	2030	Thereafter	Total
Lease liabilities associated with leases included in right-of-use lease assets as of September 30, 2026	$ 6,307	$ 22,349	$ 15,397	$ 14,798	$ 7,057	$ 2,690	$ 68,598
Obligations for leases not included in Lease Liabilities as of September 30, 2026	—	—	1,501	1,933	1,992	48,954	54,380
2024 Term Loan B Facility [1]	908	3,632	3,632	3,632	3,632	342,294	357,730
Interest, 2024 Term Loan B Facility [2]	6,511	24,870	24,684	24,362	24,108	2,427	106,962
Contractual fees related to the 2024 Term Loan B Facility and the 2024 Revolving Credit Facility [3]	153	639	639	240	38	—	1,709
Indemnification claims holdback	—	1,000	—	—	—	—	1,000
Other non-cancelable obligations	29,529	78,343	4,193	2,101	1,053	—	115,219
Total	$ 43,408	$ 130,833	$ 50,046	$ 47,066	$ 37,880	$ 396,365	$ 705,598

[1] Includes only customary scheduled loan amortization payments and excludes currently unknown prepayment amounts that may be required, per terms of the 2024 Credit Agreement.

[2] Interest payments are based on an assumed rate of 6.90%, which was the rate as of September 30, 2026 for the associated 2024 Term Loan B Facility.

[3] Includes estimated fees based on current available amounts under our 2024 Revolving Credit Facility and using the current commitment rate as of September 30, 2026, fees based on outstanding but undrawn letters of credit as of September 30, 2026, and fees owed to our administrative agents for both facilities under the 2024 Credit Agreement.

Obligations for leases not included in the lease liabilities as of September 30, 2026 include commitments under agreements for office space and data centers that have not commenced as of September 30, 2026.

Payments associated with our 2024 Term Loan B and 2024 Revolving Credit Facility are based on contractual terms and intended timing of repayments of current and long-term debt and associated interest and required fees as of September 30, 2026. The amounts above do not reflect the updated terms from Amendment No. 3.

Other non-cancelable obligations above consist of agreements in the normal course of business that are in excess of one year as of September 30, 2026. The amounts above include commitments under a cloud-managed services agreement, under which we have a non-cancelable commitment from July 2025 to June 2028 containing minimum spend amounts for each twelve-month period (i.e. July 2025 to June 2026, July 2026 to June 2027, and July 2027 to June 2028) as well as an additional minimum spend amount over the entire three-year term. The table above approximates the manner in which we expect to fulfill the obligation.

In the ordinary course of business, we enter into agreements with sellers, buyers, and other third parties pursuant to which we agree to indemnify buyers, sellers, vendors, lessors, business partners, lenders, stockholders, and other parties with respect to certain matters, including, but not limited to, 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 certain other officers that will require us, 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 for indemnification have been made as of September 30, 2026.

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 following assumptions and estimates have the greatest potential impact on our condensed consolidated financial statements: (i) the determination of revenue recognition as net versus gross in our revenue arrangements and (ii) the determination of amounts to capitalize and the estimated useful lives of internal-use software development costs. There have been no significant changes in our accounting policies or estimates from those disclosed in our audited consolidated financial statements and notes thereto for the year ended December 31, 2025 included in our Annual Report on Form 10-K.

Recently Issued Accounting Pronouncements

For information regarding recent accounting pronouncements, refer to Note 1 to our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We have operations both in 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, foreign currency exchange, and inflation risks. The risks below may be further exacerbated by the effects of certain global macroeconomic challenges and market conditions.

Interest Rate Fluctuation Risk

Our cash and cash equivalents consist of cash and money market funds, but may from time to time also include other money market instruments such as commercial paper or U.S. treasury bills, with original maturities of three months or less. Our investments may consist of repurchase agreements, U.S. government agency debt, and U.S. treasury debt. The primary objective of our investment activities is to preserve the value of our cash without significantly increasing risk. Because our cash, cash equivalents, and investments have a short maturity, our portfolio's fair value is relatively insensitive to interest rate changes, however, interest income earned will vary as interest rates change.

Our 2024 Term Loan B Facility bears a floating rate of interest that resets periodically, subject to a 0% floor on that floating rate, according to the terms of the agreement (the "SOFR Floor"). Our financial results have been exposed to changes in the underlying base interest rate on that debt because the underlying base interest rate resets above the floor on such underlying interest rate. The fair value of the 2024 Term Loan B Facility may fluctuate when the underlying base interest rate fluctuates below the floor or when the rate of return demanded by our loan investors changes relative to when the loans were issued. As of September 30, 2026, we had no outstanding borrowings under the 2024 Revolving Credit Facility. Should we borrow under the 2024 Revolving Credit Facility at any point in the future, any associated borrowings would have a floating underlying base rate of interest that would expose us to interest rate risk.

We do not believe that an increase or decrease in interest rates of 100 basis points would have a material effect on our operating results or financial condition. The annualized impact to interest expense for each 100 basis points increase above the SOFR Floor on our 2024 Term Loan B Facility is approximately $3.6 million. The actual impact to our financial results of the same increase in interest rates is expected to be lower depending on the timing and magnitude of such rate changes relative to our SOFR Floor, and will be partially offset by higher interest income earned on our cash and cash equivalent balances over the same period. In future periods, we will continue to evaluate our investment opportunities and policy relative to our overall objectives.

With regard to all debt currently outstanding, we are potentially exposed to refinancing risk in the future, should we seek to refinance our debt or raise new debt. As such, the type, cost, and terms of any new debt potentially raised in the future may differ from that of our existing debt agreements.

Foreign Currency Exchange Risk

As a U.S. based company that does business around the globe, we have foreign currency risks related to our revenue and expenses denominated in currencies other than the U.S. Dollar, principally the Australian Dollar, British Pound, Euro, Japanese Yen, and New Zealand Dollar. Foreign exchange rate volatility is influenced by many factors that we cannot forecast with reliable accuracy. In the event our non-U.S. Dollar denominated revenue and expenses increase, or the volatility of the foreign currencies that we transact in increases, our operating results may be more greatly affected by fluctuations in the exchange rates of those foreign currencies. In addition, we have experienced and will continue to experience fluctuations in our net income as a result of transaction gains and losses related to translating certain cash balances, trade accounts receivable and payable balances and intercompany balances that are denominated in currencies other than the U.S. Dollar. The effect of an immediate 10% adverse change in foreign exchange rates on foreign currency-denominated monetary assets and liabilities at September 30, 2026 and December 31, 2025, including intercompany balances, would result in a foreign currency loss of approximately $9.7 million and $7.7 million, respectively. At this time we do not, but we may in the future, enter into derivatives or other financial instruments in an attempt to hedge our foreign currency exchange risk.

Inflation Risk

We do not believe that cost inflation has had a material effect on our business, financial condition, or results of operations. If our costs were to become subject to significant inflationary pressures, we might not be able to fully offset such higher costs

through price increases. Our inability or failure to do so could harm our business, financial condition, and results of operations. This risk of cost inflation is distinct from the risk that inflation throughout the broader economy could lead to reduced ad spend and indirectly harm our business, financial condition, and results of operations. For a discussion of the indirect results of inflation on our business, see "Macroeconomic Developments."

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) under the Exchange Act. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives of ensuring 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 Chief Executive Officer and Chief Financial Officer, 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. There is no assurance that our disclosure controls and procedures will operate effectively under all circumstances. Based upon the evaluation described above, our Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2026, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the three months ended September 30, 2026 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 designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures 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

We and our subsidiaries may from time to time be parties to legal or regulatory proceedings, lawsuits and other claims incident to our business activities and to our status as a public company. Such routine matters may include, among other things, assertions of contract breach or intellectual property infringement, claims for indemnity arising in the course of our business, claims relating to our collection or use of data, regulatory investigations, audits by taxing authorities, or enforcement proceedings, and claims by persons whose employment has been terminated. For example, we have been subject to class action lawsuits alleging violations of various privacy statutes. Additionally, on September 16, 2025, we filed the Google Action. For additional information, refer to the "Regulatory Developments and Google Litigation" section in Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Such matters are subject to many uncertainties, and outcomes are not predictable with assurance. Consequently, we are unable to ascertain the ultimate aggregate amount of monetary liability or awards, amounts which may be covered by insurance or recoverable from third parties, or the financial impact with respect to such matters as of September 30, 2026. However, based on our knowledge as of September 30, 2026, we believe that the final resolution of such matters pending at the time of this report, individually and in the aggregate, will not have a material adverse effect upon our condensed consolidated financial position, results of operations or cash flows.

Refer to Note 10 to our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for additional information related to legal proceedings.

Item 1A. Risk Factors

Investing in our common stock involves a high degree of risk. We describe risks associated with our business in Part I, Item 1A: "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2025. Each of the risks described in our Risk Factors may be relevant to decisions regarding an investment in or ownership of our stock. The occurrence of any such risks could have a significant adverse effect on our reputation, business, financial condition, revenue, results of operations, growth, or ability to accomplish our strategic objectives, and could cause the trading price of our common stock to decline. You should carefully consider such risks and the other information contained in this report, including our condensed consolidated financial statements and related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations, before making investment decisions related to our common stock.

During the three and nine months ended September 30, 2026, there have been no material changes to the Risk Factors of which we are currently aware; but our Risk Factors cannot anticipate and fully address all possible risks of investing in our common stock, the risks of investing in our common stock may change over time, and additional risks and uncertainties that we are not aware of, or that we do not consider to be material, may emerge. In addition, the economic impact of macroeconomic challenges, such as inflation, global conflict, capital market disruptions, the instability of financial institutions, the risk of a recession, significant volatility in commodity prices, including the price of oil, and their macroeconomic factors may amplify many of the risks described in our Risk Factors. Accordingly, you are advised to consider additional sources of information and exercise your own judgment in addition to the information we provide.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) Recent Sales of Unregistered Securities

None.

(b) Use of Proceeds

Not Applicable.

(c) Purchases of Equity Securities by the Company and Affiliated Purchasers

Common stock repurchases during the quarter ended September 30, 2026 were as follows (in thousands, except per share amounts):

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of a Publicly Announced Program	Approximate Dollar Value of Shares that May Yet be Purchased Under the Program
July 1 - July 31, 2026				
Equity withholding[(1)]	—	$ —	—	$ —
Repurchase program[(2)]	—	$ —	—	$ 164,931
August 1 - August 31, 2026				
Equity withholding[(1)]	358	$ 24.73	—	$ —
Repurchase program[(2)]	816	$ 24.52	816	$ 144,915
September 1 - September 30, 2026				
Equity withholding[(1)]	—	$ —	—	$ —
Repurchase program[(2)]	—	$ —	—	$ 144,915
	1,174		816	

[(1)] Upon vesting of most restricted stock units or stock awards, we are required to deposit minimum statutory employee withholding taxes on behalf of the holders of the vested awards. As reimbursement for these tax deposits, we have the option to withhold from shares otherwise issuable upon vesting a portion of those shares with a fair market value equal to the amount of the deposits we paid. Withholding of shares in this manner is accounted for as a repurchase of common stock.

[(2)] On February 23, 2026, our Board of Directors approved a new repurchase plan (the "2026 Repurchase Plan") under which the Company is authorized to repurchase common stock, with an aggregate market value of up to $200.0 million, through February 29, 2028. Shares repurchased under the 2026 Repurchase Plan in the quarter ended September 30, 2026 have been subsequently retired, which was recorded as a reduction in additional paid in capital. The average price per share purchased under the 2026 Repurchase Plan includes broker commission costs. As of September 30, 2026, $144.9 million remains available under the 2026 Repurchase Plan. The amounts above do not include the 1% excise tax on stock repurchases enacted by the Inflation Reduction Act of 2022.

Item 5. Other Information

Trading Plans

In the third quarter of 2026, the following trading plans were adopted or terminated by our Section 16 officers or directors:

Officer Name	Officer Title	Date Plan Adopted/Terminated	Duration of Plan	Shares to be Purchased or Sold	Intended to Satisfy Rule 10b5-1(c)?
David Day	Former Chief Financial Officer	Adopted August 17, 2026	November 16, 2026 - March 3, 2027	Sell up to 75,601, subject to certain conditions	Yes
Sean Buckley	President, Revenue & Market Strategy	Adopted September 11, 2026	December 11, 2026 - December 9, 2027	Sell up to 357,727*, subject to certain conditions	Yes
Michael Barrett	Chief Executive Officer and Director	Adopted September 15, 2026	December 15, 2026 - March 15, 2028	Sell up to 600,000, subject to certain conditions	Yes
Aaron Saltz	Chief Legal Officer	Terminated September 15, 2026	September 10, 2026 - June 11, 2027	Sell up to 100,000, subject to certain conditions	Yes

*Represents a combination of previously vested shares and gross amounts of shares that will vest over the duration of the plan (shares that will actually be sold under the plan are net of tax withholding).

Item 6. Exhibits

Number	Description
10.1	Amendment No. 3, dated as of October 7, 2026 among Magnite, Inc., as the borrower, Morgan Stanley Senior Funding, Inc., as the term facility administrative agent, and Citibank, N.A., as revolving facility administrative agent, collateral agent and swingline lender and each Issuing Bank and Lender party thereto (each as defined therein), which amended that certain Credit Agreement, dated as of February 6, 2024 (incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed with the Commission on October 7, 2026).
31.1*	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.
31.2*	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.
32*[(1)]	Certification of the 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.
101.ins *	Instance Document- the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.sch *	XBRL Taxonomy Schema Linkbase Document
101.cal *	XBRL Taxonomy Calculation Linkbase Document
101.def *	XBRL Taxonomy Definition Linkbase Document
101.lab *	XBRL Taxonomy Label Linkbase Document
101.pre *	XBRL Taxonomy Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith

(1) The information in this exhibit is furnished and deemed not filed with the Securities and Exchange Commission for purposes of section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is not to be incorporated by reference into any filing of Magnite, Inc. under the Securities Act of 1933, as amended (the "Securities Act"), 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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SIGNATURES

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.

MAGNITE, INC. (Registrant)

/s/ Brian Gephart

Brian Gephart

Chief Financial Officer
(Principal Financial Officer and Duly Authorized Officer)

Date November 4, 2026

Exhibit 31.1

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

I, Michael Barrett, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Magnite, 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(s) 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(s) 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.

Signature: /s/ Michael Barrett

Michael Barrett
Chief Executive Officer
(Principal Executive Officer)

Date November 4, 2026

Exhibit 31.2

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, Brian Gephart, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Magnite, 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(s) 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(s) 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.

Signature: /s/ Brian Gephart

Brian Gephart
Chief Financial Officer
(Principal Financial Officer)

Date November 4, 2026

Exhibit 32

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 Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), Michael Barrett, Chief Executive Officer (Principal Executive Officer) of Magnite, Inc. (the "Company"), and Brian Gephart, Chief Financial Officer (Principal Financial Officer) of the Company, each hereby certifies that, to the best of his knowledge:

1. Our Quarterly Report on Form 10-Q for the quarter ended September 30, 2026, to which this certification is attached as Exhibit 32 (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 November 4, 2026

/s/ Michael Barrett

Michael Barrett
Chief Executive Officer
(Principal Executive Officer)

/s/ Brian Gephart

Brian Gephart
Chief Financial Officer
(Principal Financial Officer)

The foregoing certifications are being furnished pursuant to 13 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.