

**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 March 31, 2025

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: 001-37879

Cover.jpg

**THE TRADE DESK, INC.**

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of  
incorporation or organization)

27-1887399

(I.R.S. Employer  
Identification No.)

42 N. Chestnut Street  
Ventura, California 93001

(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (805) 585-3434

N/A

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Common Stock, par value \$0.000001 per share	TTD	The Nasdaq Stock Market LLC

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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 30, 2025, the registrant had 448,135,991 shares of Class A common stock and 43,302,678 shares of Class B common stock outstanding.

**THE TRADE DESK, INC.**  
**QUARTERLY REPORT ON FORM 10-Q**

**INDEX**

	<b>Page</b>
Part I.	
<a href="#">FINANCIAL INFORMATION</a>	3
Item 1.	
<a href="#">Condensed Consolidated Financial Statements (Unaudited)</a>	3
<a href="#">Condensed Consolidated Balance Sheets as of March 31, 2025 and December 31, 2024</a>	3
<a href="#">Condensed Consolidated Statements of Operations for the Three Months Ended March 31, 2025 and 2024</a>	4
<a href="#">Condensed Consolidated Statements of Stockholders' Equity for the Three Months Ended March 31, 2025 and 2024</a>	5
<a href="#">Condensed Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2025 and 2024</a>	6
<a href="#">Notes to Condensed Consolidated Financial Statements</a>	7
Item 2.	
<a href="#">Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	17
Item 3.	
<a href="#">Quantitative and Qualitative Disclosures About Market Risk</a>	24
Item 4.	
<a href="#">Controls and Procedures</a>	25
Part II.	
<a href="#">OTHER INFORMATION</a>	26
Item 1.	
<a href="#">Legal Proceedings</a>	26
Item 1A.	
<a href="#">Risk Factors</a>	27
Item 2.	
<a href="#">Unregistered Sales of Equity Securities and Use of Proceeds</a>	54
Item 5.	
<a href="#">Other Information</a>	54
Item 6.	
<a href="#">Exhibits</a>	55
<a href="#">Signatures</a>	56

---

**PART I. FINANCIAL INFORMATION**
**Item 1. Condensed Consolidated Financial Statements**

**THE TRADE DESK, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In thousands, except par values)  
(Unaudited)

	As of March 31, 2025	As of December 31, 2024
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,118,545	\$ 1,369,463
Short-term investments, net	621,826	552,026
Accounts receivable, net of allowance for credit losses of \$11,679 and \$11,244 as of March 31, 2025 and December 31, 2024, respectively	3,051,928	3,330,343
Prepaid expenses and other current assets	64,036	84,626
<b>TOTAL CURRENT ASSETS</b>	<b>4,856,335</b>	<b>5,336,458</b>
Property and equipment, net	251,019	209,332
Operating lease assets	279,039	263,761
Deferred income taxes	228,948	230,214
Other assets, non-current	90,100	72,186
<b>TOTAL ASSETS</b>	<b>\$ 5,705,441</b>	<b>\$ 6,111,951</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 2,398,948	\$ 2,631,213
Accrued expenses and other current liabilities	210,813	177,760
Operating lease liabilities	72,301	64,492
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,682,062</b>	<b>2,873,465</b>
Operating lease liabilities, non-current	262,667	247,723
Other liabilities, non-current	44,028	41,618
<b>TOTAL LIABILITIES</b>	<b>2,988,757</b>	<b>3,162,806</b>
Commitments and contingencies (Note 11)		
<b>STOCKHOLDERS' EQUITY</b>		
Preferred stock, par value \$0.000001; 100,000 shares authorized, zero shares issued and outstanding as of March 31, 2025 and December 31, 2024	—	—
Common stock, par value \$0.000001		
Class A, 1,000,000 shares authorized; 448,016 and 452,182 shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively		
Class B, 95,000 shares authorized; 43,303 and 43,919 shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	—	—
Additional paid-in capital	2,712,166	2,594,896
Retained earnings	4,518	354,249
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>2,716,684</b>	<b>2,949,145</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 5,705,441</b>	<b>\$ 6,111,951</b>

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

**THE TRADE DESK, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except per share amounts)  
(Unaudited)

	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Revenue	\$ 616,021	\$ 491,253
Operating expenses:		
Platform operations	142,839	103,630
Sales and marketing	152,743	121,725
Technology and development	132,402	107,686
General and administrative	133,585	129,555
Total operating expenses	561,569	462,596
Income from operations	54,452	28,657
Other expense (income):		
Interest income, net	(20,132)	(16,661)
Foreign currency exchange gain, net	(1,185)	(715)
Total other income, net	(21,317)	(17,376)
Income before income taxes	75,769	46,033
Provision for income taxes	25,091	14,373
Net income	\$ 50,678	\$ 31,660
Earnings per share:		
Basic	\$ 0.10	\$ 0.06
Diluted	\$ 0.10	\$ 0.06
Weighted-average shares outstanding:		
Basic	494,927	488,551
Diluted	502,944	498,192

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

**THE TRADE DESK, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(In thousands)  
(Unaudited)

	Class A and B Common Stock		Additional Paid-In Capital	Retained Earnings	Total Stockholders' Equity
	Shares	Amount			
Balance as of December 31, 2023	488,916	\$ —	\$ 1,967,265	\$ 196,954	\$ 2,164,219
Exercise of common stock options	719	—	10,804	—	10,804
Issuance of restricted stock, net of forfeitures and shares withheld for taxes	620	—	(26,806)	—	(26,806)
Repurchases of Class A common stock	(1,527)	—	—	(125,370)	(125,370)
Stock-based compensation	—	—	112,048	—	112,048
Net income	—	—	—	31,660	31,660
Balance as of March 31, 2024	488,728	\$ —	\$ 2,063,311	\$ 103,244	\$ 2,166,555
Balance as of December 31, 2024	496,101	\$ —	\$ 2,594,896	\$ 354,249	\$ 2,949,145
Exercise of common stock options	597	—	6,478	—	6,478
Issuance of restricted stock, net of forfeitures and shares withheld for taxes	782	—	(29,457)	—	(29,457)
Issuance of common stock relating to business acquisition	127	—	10,299	—	10,299
Repurchases of Class A common stock	(6,288)	—	—	(400,409)	(400,409)
Stock-based compensation	—	—	129,950	—	129,950
Net income	—	—	—	50,678	50,678
Balance as of March 31, 2025	491,319	\$ —	\$ 2,712,166	\$ 4,518	\$ 2,716,684

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

**THE TRADE DESK, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)  
(Unaudited)

	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>OPERATING ACTIVITIES:</b>		
Net income	\$ 50,678	\$ 31,660
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	23,985	21,742
Stock-based compensation	128,253	110,620
Noncash lease expense	16,962	12,751
Provision for expected credit losses on accounts receivable	492	40
Other	(11,876)	1,125
Changes in operating assets and liabilities:		
Accounts receivable	282,336	238,147
Prepaid expenses and other current and non-current assets	20,018	3,331
Accounts payable	(234,666)	(220,196)
Accrued expenses and other current and non-current liabilities	29,105	(104)
Operating lease liabilities	(13,854)	(13,644)
Net cash provided by operating activities	291,433	185,472
<b>INVESTING ACTIVITIES:</b>		
Purchases of investments	(231,580)	(159,731)
Maturities of investments	165,114	147,794
Purchases of property and equipment	(59,113)	(7,224)
Capitalized software development costs	(2,660)	(1,958)
Business acquisition	(4,350)	—
Net cash used in investing activities	(132,589)	(21,119)
<b>FINANCING ACTIVITIES:</b>		
Repurchases of Class A common stock	(386,250)	(125,280)
Proceeds from exercise of stock options	7,940	10,804
Taxes paid relating to net settlement of restricted stock awards	(31,452)	(26,806)
Net cash used in financing activities	(409,762)	(141,282)
Increase (decrease) in cash and cash equivalents	(250,918)	23,071
Cash and cash equivalents—Beginning of period	1,369,463	895,129
Cash and cash equivalents—End of period	\$ 1,118,545	\$ 918,200
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>		
Cash paid for operating lease liabilities	\$ 16,819	\$ 15,716
Operating lease assets obtained in exchange for operating lease liabilities	\$ 32,304	\$ 16,875
Capitalized assets financed by accounts payable	\$ 22,011	\$ 3,135
Repurchases of Class A common stock in accrued expenses and other current and non-current liabilities	\$ 16,059	\$ 90
Assets acquired in a business combination, included in other assets, non-current, in exchange for Class A common stock	\$ 10,299	\$ —
Tenant improvements paid by lessor	\$ 5,144	\$ —
Stock-based compensation included in capitalized software development costs	\$ 1,697	\$ 1,428

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

**THE TRADE DESK, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**Note 1—Nature of Operations**

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

The Company was originally incorporated in November 2009 and is a Nevada corporation. The Company is headquartered in Ventura, California with offices in various cities in North America, Europe, Asia and Australia.

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

The accompanying condensed consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and are unaudited. Certain information and disclosures normally included in consolidated financial statements prepared in accordance with GAAP have been condensed or omitted. The condensed consolidated balance sheet as of December 31, 2024 was derived from audited financial statements but does not include all disclosures required by GAAP. Accordingly, these condensed consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements and related notes included in its Annual Report on Form 10-K for the year ended December 31, 2024.

There have been no material changes to the Company’s accounting policies from those disclosed in its Annual Report on Form 10-K for the year ended December 31, 2024, and these unaudited interim condensed consolidated financial statements have been prepared on a basis consistent with that used to prepare the Company’s audited annual consolidated financial statements for the year ended December 31, 2024, and include, in the opinion of management, all adjustments, consisting of normal recurring items, necessary for the fair statement of the condensed consolidated financial statements.

The results of operations for the three months ended March 31, 2025 are not necessarily indicative of the results expected for the full year ending December 31, 2025.

***Use of Estimates***

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

Management regularly evaluates its estimates, primarily those relating to: (1) allowances for credit losses, (2) income taxes, including the realizability of deferred tax assets and the recognition of valuation allowances, (3) assumptions used in the option pricing models to determine the fair value of stock-based compensation, (4) operating lease assets and liabilities, including the Company’s incremental borrowing rate and terms and provisions of each lease, (5) the recognition and disclosure of contingent liabilities, (6) the useful lives of long-lived assets and (7) the fair values and recoverable amounts of long-lived assets and any potential impairments. These estimates are based on historical data and experience, as well as various other factors that management believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources.

As of March 31, 2025, the impacts to the Company’s business due to geopolitical developments and macroeconomic factors such as changes in interest rates, foreign currency exchange rates, trade policies and practices, inflation, supply chain disruptions and economic growth continue to evolve. As a result, many of the Company’s estimates and assumptions, including the allowance for credit losses, consider macroeconomic factors in the market, which require increased judgment and carry a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, the Company’s estimates may change materially in future periods.

### Recent Accounting Pronouncements Not Yet Adopted

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires greater disaggregation of information and consistent categories in the effective tax rate reconciliation and income taxes paid disaggregated by jurisdiction. It also includes certain other amendments to improve the effectiveness of income tax disclosures. This guidance will be effective on a prospective basis, with an option to apply it retrospectively, for annual periods beginning with the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2025. Early adoption is permitted. The Company is currently evaluating the impact of the new guidance on its disclosures.

In November 2024, the FASB issued ASU No. 2024-03, Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which requires additional disclosure of specific expense categories included in the expense captions presented on the statements of operations. The new guidance does not change the expense captions on the statements of operations. In January 2025, the FASB issued ASU No. 2025-01, Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40) which clarified the effective date of ASU No. 2024-03. The guidance will be effective on a prospective basis, with an option to apply it retrospectively, for annual periods beginning with the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2027, and for interim periods beginning with the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2028. Early adoption is permitted. The Company is currently evaluating the impact of the new guidance on its disclosures.

### Note 3—Earnings Per Share

The Company has two classes of common stock, Class A and Class B. Basic and diluted earnings per share attributable to common stockholders for Class A and Class B common stock were the same because they were entitled to the same liquidation and dividend rights.

Basic earnings per share is calculated by dividing net income by the weighted-average number of shares of common stock outstanding. Diluted earnings per share is calculated by dividing net income by the weighted-average number of shares of common stock outstanding adjusted for the potentially dilutive impact of stock options, restricted stock and the Employee Stock Purchase Plan ("ESPP"), using the two-class method required for participating securities. Restricted stock awards are considered to be participating securities due to their non-forfeitable dividend rights.

The computation of basic and diluted earnings per share is as follows (in thousands, except per share amounts):

	Three Months Ended March 31,	
	2025	2024
Numerator:		
Net income	\$ 50,678	\$ 31,660
Denominator:		
Weighted-average shares outstanding—basic	494,927	488,551
Effect of dilutive securities	8,017	9,641
Weighted-average shares outstanding—diluted	502,944	498,192
Basic earnings per share	\$ 0.10	\$ 0.06
Diluted earnings per share	\$ 0.10	\$ 0.06
Anti-dilutive equity awards under stock-based award plans excluded from the determination of diluted earnings per share	4,074	4,799



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

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

As of March 31, 2025			
	Cash and Cash Equivalents	Short-Term Investments, Net	Total
Cash	\$ 226,400	\$ —	\$ 226,400
Level 1:			
Money market funds	768,423	—	768,423
Level 2:			
Commercial paper	118,759	179,640	298,399
Corporate debt securities	—	297,291	297,291
U.S. government and agency securities	4,963	144,895	149,858
Total	\$ 1,118,545	\$ 621,826	\$ 1,740,371

  

As of December 31, 2024			
	Cash and Cash Equivalents	Short-Term Investments, Net	Total
Cash	\$ 218,448	\$ —	\$ 218,448
Level 1:			
Money market funds	1,031,413	—	1,031,413
Level 2:			
Commercial paper	101,163	129,879	231,042
Corporate debt securities	3,498	281,775	285,273
U.S. government and agency securities	14,941	140,372	155,313
Total	\$ 1,369,463	\$ 552,026	\$ 1,921,489

The Company's gross unrealized gains and losses from its short-term investments, recorded at fair value, for the three months ended March 31, 2025 and 2024, were immaterial.

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

	March 31, 2025
Due in one year	\$ 501,688
Due in one to two years	120,138
Total	\$ 621,826

**Note 5—Leases**

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

	Three Months Ended March 31,	
	2025	2024
Operating lease cost	\$ 17,033	\$ 12,711
Short-term lease cost	797	474
Variable lease cost	4,694	3,816
Sublease income	—	(42)
Total lease cost	\$ 22,524	\$ 16,959

**Note 6—Debt**
**Credit Facility**

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

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

Loans under the Amended Credit Facility bear interest at a rate equal to, at the Company’s option, an annual rate of either a Base Rate or an adjusted term SOFR rate (defined as SOFR for a specified term plus a credit spread adjustment of 10 basis points, subject to a 0% floor), plus an applicable margin (“Base Rate Borrowings” and “Term SOFR Borrowings”). The Base Rate is defined as a rate per annum for any day equal to the greatest of (1) the rate of interest last quoted by The Wall Street Journal as the “Prime Rate” in the United States, (2) the New York Federal Reserve Bank Rate in effect on such day plus half of 1%, and (3) the adjusted term SOFR rate for a one-month interest period on such day plus 1%. The applicable margin is between 0.25% to 1.25% for Base Rate Borrowings and between 1.25% and 2.25% for Term SOFR Borrowings based on the Company maintaining certain leverage ratios. The fee for undrawn amounts under the Amended Credit Facility ranges, based on the applicable leverage, from 0.200% to 0.350%. The Company is also required to pay customary letter of credit fees, as necessary.

As of March 31, 2025, the Company did not have an outstanding debt balance under the Amended Credit Facility. Availability under the Amended Credit Facility was \$443 million as of March 31, 2025, which is net of outstanding letters of credit of \$7 million. The Amended Credit Facility matures, and all outstanding amounts become due and payable, on June 15, 2026.

The Amended Credit Facility contains customary conditions to borrowings, events of default and covenants, including covenants that restrict the Company’s ability to sell assets, make changes to the nature of the Company’s business, engage in mergers or acquisitions, incur, assume or permit to exist additional indebtedness and guarantees, create or permit to exist liens, pay dividends, issue equity instruments, make distributions or redeem or repurchase capital stock or make other investments, engage in transactions with affiliates and make payments in respect of subordinated debt. The Amended Credit Facility also requires the Company to maintain compliance with a maximum ratio of consolidated funded debt to consolidated EBITDA of 3.50 to 1.00. As of March 31, 2025, the Company was in compliance with all covenants.

## Note 7—Capitalization

### Share Repurchase Program

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

As of December 31, 2024, \$464 million remained available and authorized for repurchases. At the end of January 2025, an additional \$564 million was authorized under this program, bringing the total amount available for future repurchases to \$1 billion. During the three months ended March 31, 2025, the Company repurchased and subsequently retired 6.3 million shares of its Class A common stock for an aggregate repurchase amount of \$400 million. The repurchase amounts included in the condensed consolidated statements of stockholders' equity include immaterial amounts relating to the 1% excise tax on share repurchases, net of share issuances, as a result of the Inflation Reduction Act of 2022 ("IRA"). As of March 31, 2025, \$631 million remained available and authorized for repurchases. Activity under the share repurchase program was recognized in the condensed consolidated financial statements on a trade-date basis.

## Note 8—Stock-Based Compensation

### Stock-Based Compensation Expense

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

	Three Months Ended March 31,	
	2025	2024
Platform operations	\$ 9,217	\$ 5,555
Sales and marketing	28,936	20,292
Technology and development	40,981	27,974
General and administrative	49,119	56,799
Total	<u>\$ 128,253</u>	<u>\$ 110,620</u>

### Stock Options, Excluding the CEO Performance Option

The following summarizes stock option activity:

	Shares Under Options (in thousands)	Weighted- Average Exercise Price
Outstanding as of December 31, 2024	9,813	\$ 43.31
Granted	176	120.36
Exercised	(597)	10.94
Expired/Forfeited	(226)	72.94
Outstanding as of March 31, 2025	<u>9,166</u>	<u>\$ 46.16</u>
Exercisable as of March 31, 2025	<u>6,066</u>	<u>\$ 30.56</u>

Stock-based compensation expense relating to stock options was \$15 million and \$13 million for the three months ended March 31, 2025 and 2024, respectively. As of March 31, 2025, the Company had unrecognized stock-based

compensation relating to stock options of approximately \$125 million, which is expected to be recognized over a weighted-average period of 2.6 years.

### ***CEO Performance Option***

In October 2021, the Company granted a market-based performance award to the Company's Chief Executive Officer (the "CEO Performance Option") under the Company's 2016 Incentive Award Plan. The CEO Performance Option has an exercise price of \$68.29 per share. As of December 31, 2024, the CEO Performance Option had 17.8 million options outstanding. No options were granted, exercised, forfeited or expired during the three months ended March 31, 2025. As of March 31, 2025, the CEO Performance Option had 17.8 million options outstanding and 3.4 million exercisable options.

Stock-based compensation of \$24 million and \$36 million for the CEO Performance Option was recorded as a component of general and administrative expense during the three months ended March 31, 2025 and 2024, respectively. As of March 31, 2025, the Company had unrecognized stock-based compensation relating to the CEO Performance Option of \$48 million that is expected to be recognized over a weighted-average period of 0.8 years, assuming no acceleration of vesting.

### ***Restricted Stock***

The following summarizes restricted stock activity:

	Shares (in thousands)	Weighted-Average Grant Date Fair Value
Unvested as of December 31, 2024	10,197	\$ 73.62
Granted	521	94.62
Vested	(1,043)	68.28
Forfeited	(287)	73.45
Unvested as of March 31, 2025	9,388	\$ 75.39

Stock-based compensation expense relating to restricted stock was \$71 million and \$57 million for the three months ended March 31, 2025 and 2024, respectively. As of March 31, 2025, the Company had unrecognized stock-based compensation relating to restricted stock of approximately \$649 million, which is expected to be recognized over a weighted-average period of 2.5 years.

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

Stock-based compensation expense relating to the ESPP was \$18 million and \$6 million for the three months ended March 31, 2025 and 2024, respectively. As of March 31, 2025, the Company had unrecognized stock-based compensation relating to ESPP awards of approximately \$12 million, which is expected to be recognized over a weighted-average period of 0.3 years.

## **Note 9—Income Taxes**

In determining the interim provision for income taxes for each of the three months ended March 31, 2025 and 2024, the Company utilized the annual estimated effective tax rate applied to the actual year-to-date income and added the tax effects of any discrete items in the reporting period in which they occur.

For the three months ended March 31, 2025 and 2024, the provision for income taxes included benefits associated with stock-based awards of \$10 million and \$11 million, respectively.

For the three months ended March 31, 2025 and 2024, the Company's effective tax rate differed from the United States federal statutory tax rate of 21% primarily due to nondeductible stock-based compensation and state and foreign taxes, partially offset by research and development tax credits and the impact of tax benefits associated with stock-based awards.

There were no material changes to the Company's unrecognized tax benefits during the three months ended March 31, 2025, and the Company does not expect to have any significant changes to unrecognized tax benefits through the end of the fiscal year.

#### Note 10—Segment and Geographic Information

The Company's chief operating decision maker is its Chief Executive Officer ("CEO"), who manages the Company and reviews financial information on a consolidated basis. The Company has one primary business activity, its advertising technology platform, as described in *Note 1 – Nature of Operations*. Accordingly, the Company operates in one operating segment on a consolidated basis: advertising technology platform. There are no differences in segmentation, the nature of significant expenses or the basis of measurement of segment profit and loss, which is consolidated net income, as compared to the disclosures in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

The CEO is not regularly provided significant expense information at a greater level of disaggregation than those expenses reported on the condensed consolidated statements of operations.

As the Company only has one operating segment, revenue, expenses and net income are disclosed in the condensed consolidated statements of operations, and depreciation and amortization expense is disclosed in the condensed consolidated statements of cash flows. Significant non-cash items and expenditures for long-lived assets are disclosed in the condensed consolidated statements of cash flows and in *Note 8 – Stock-Based Compensation*. Segment assets are reported on the condensed consolidated balance sheets as total assets. The Company does not have intra-entity sales or transfers. The following includes interest expense and interest income (in thousands):

	Three Months Ended March 31,	
	2025	2024
Interest expense	\$ 376	\$ 371
Interest income	(20,508)	(17,032)
Interest income, net	<u>\$ (20,132)</u>	<u>\$ (16,661)</u>

Generally, the Company reports revenue net of amounts it pays suppliers for the cost of advertising inventory, supplier-provided components of value-added services and data (collectively, "Supplier Components"). The Company generally bills clients for their spend on advertising inventory they purchase through the platform and platform fees, value-added services and data, net of allowances ("Gross Billings"). The Company's accounts receivable are recorded at the amount of Gross Billings for the amounts it is responsible to collect, and accounts payable are recorded at the net amount payable to suppliers. Accordingly, both accounts receivable and accounts payable appear large in relation to revenue reported on a net basis.

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

	Three Months Ended March 31,	
	2025	2024
United States	87 %	88 %
International	13 %	12 %
Total	<u>100 %</u>	<u>100 %</u>

#### Note 11—Commitments and Contingencies

##### *Guarantees, Indemnification and Other*

In the ordinary course of business, the Company may provide indemnifications of varying scope and terms to clients, vendors, lessors, business partners and other parties with respect to certain matters, including, but not limited to, losses arising out of breach of such agreements, services to be provided by the Company or from intellectual property infringement claims made by third parties. In addition, the Company has entered into indemnification agreements with directors and certain officers and employees that will require the Company, among other things, to indemnify them against

certain liabilities that may arise by reason of their status or service as directors, officers or employees. In the ordinary course of business, demands have been made upon the Company to provide indemnification under such agreements, but there are no claims of which the Company is aware that could have a material effect on the Company's condensed consolidated balance sheets, statements of operations or statements of cash flows. Accordingly, no material amounts for have been recorded at March 31, 2025 and 2024.

The Company is under audit by various domestic and foreign tax authorities. The Company believes that the amount of losses or any estimable range of possible losses with respect to these matters will not, either individually or in the aggregate, have a material adverse effect on its business and condensed consolidated financial statements. Due to the inherent complexity and uncertainty of these matters and judicial process in certain jurisdictions, the final outcome may be materially different from the Company's expectations.

### ***Litigation***

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

#### ***Litigation Related to 2021 CEO Performance Option***

On May 27, 2022, a stockholder filed a derivative lawsuit captioned *Huizenga v. Green*, No. 2022-0461, asserting claims on behalf of the Company against certain members of the Company's board of directors in the Court of Chancery of the State of Delaware. On June 27, 2022, a second derivative lawsuit captioned *Pfeiffer v. Green*, No. 2022-0560, was filed in the Court of Chancery of the State of Delaware alleging substantially similar claims. Those lawsuits were consolidated on August 18, 2022, and a lead plaintiff was appointed on October 7, 2022. The two complaints alleged generally that the defendants breached their fiduciary duties to the Company and its stockholders in connection with the negotiation and approval of the CEO Performance Option. The plaintiffs sought a court order rescinding the CEO Performance Option and monetary damages. On November 10, 2022, the plaintiffs filed a consolidated complaint, and on January 12, 2023, the defendants moved to dismiss the consolidated complaint. On February 14, 2025, the court granted the motions to dismiss under Court of Chancery Rule 23.1 in their entirety and with prejudice, finding that the plaintiffs did not allege facts sufficient to infer that at least half of the Company's board of directors received a material benefit from the CEO Performance Option, lacked independence from Mr. Green, or faced a "substantial likelihood of liability" from having approved the CEO Performance Option. The plaintiffs filed a notice of appeal of the court's decision. On April 29, 2025, the plaintiffs filed their opening brief. The defendants' answering brief is due May 29, 2025.

#### ***Litigation Related to Reincorporation***

On October 4, 2024, a stockholder filed a class action complaint in the Court of Chancery in the State of Delaware alleging claims for breach of contract against the Company and breach of fiduciary duties against the Company's directors, in connection with the Company's reincorporation from Delaware to Nevada. *Gunderson v. The Trade Desk, Inc.*, No. 2024-1029 (Del. Ch.) (the "Gunderson Action"). On October 24, 2024, the plaintiff filed an amended complaint. The complaint sought, among other things, an order declaring that the Company's conversion required approval by a supermajority of the Company's stockholders and an order enjoining the November 14, 2024 stockholder vote on the conversion. On October 28, 2024, the parties completed expedited briefing on cross motions for partial summary judgment regarding the causes of action asserted in the original complaint, and the court heard oral argument on the motions on October 30, 2024. On November 6, 2024, the court granted the defendants' summary judgment motion and denied the plaintiff's cross-motion, finding that the conversion did not require supermajority approval of the Company's stockholders, and that the defendants did not breach their fiduciary duties by disclosing that the conversion required a vote of a simple majority of the Company's stockholders. The plaintiff chose not to appeal. The case is now proceeding as to the plaintiff's remaining claims that the Company's directors breached their fiduciary duties because the reincorporation to Nevada was substantively and procedurally unfair, and that the transaction is not subject to the business judgment rule because it was not subject to approval by a special committee of the board or by a majority of the disinterested stockholders. The defendants have moved to dismiss, but no briefing schedule has been set. On April 28, 2025, the plaintiff in the Scarantino Action (as defined below) moved to intervene and stay the Gunderson Action. The motion remains pending.

On November 15, 2024, a different stockholder filed a complaint in the Court of Chancery of the State of Delaware requesting production of the Company's corporate books and records relating to the Nevada conversion, pursuant to 8 Del. C. § 220. *City of Roseville Employees Retirement System v. The Trade Desk, Inc.*, No. 2024-1173 (Del. Ch.). On

November 27, 2024, the parties agreed to stay the proceeding in exchange for the production of certain documents to the plaintiff; the court granted the stay the same day. On April 18, 2025, the stockholder voluntarily dismissed the complaint without prejudice.

On April 24, 2025, a different stockholder filed a complaint in the Court of Chancery of the State of Delaware requesting production of the Company's corporate books and records relating to the Nevada conversion and the Company's dual class capital structure, among other things, pursuant to 8 Del. C. § 220. *Richard Scarantino v. The Trade Desk, Inc.*, No. 2025-0442 (Del. Ch.) (the "Scarantino Action"). The case is still at an early stage. On April 28, 2025, the plaintiff in the Scarantino Action filed in the Gunderson Action a motion to intervene and to stay that action.

#### *Litigation Related to Securities Class Actions*

On February 19, 2025, plaintiff United Union of Roofers, Waterproofers & Allied Workers Local Union No. 8 WBPA Fund filed a purported federal securities class action complaint in the United States District Court, Central District of California, captioned *United Union of Roofers, Waterproofers, and Allied Workers Local Union No. 8 v. The Trade Desk, Inc. et al.* (No. 2:25-cv-01396), against the Company as well as its Chief Executive Officer and Chief Financial Officer. The complaint alleges that the defendants made false and misleading statements in violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and Rule 10b-5 promulgated thereunder. The action purports to be brought on behalf of those who purchased or otherwise acquired the Company's publicly traded securities between May 9, 2024 and February 12, 2025 and seeks unspecified damages and other relief. On March 20, 2025, the court granted the parties' joint stipulation, ordering that defendants need not respond to the current complaint, pending the appointment of lead plaintiff and lead counsel.

On March 5, 2025, two additional related purported class action lawsuits were filed in the United States District Court, Central District of California, captioned *Savorelli v. The Trade Desk, Inc. et al.* (No. 2:25-cv-01915), bringing claims against the Company as well as its Chief Executive Officer and Chief Financial Officer, and *New England Teamsters Pension Fund v. The Trade Desk, Inc. et al.* (No. 2:25-cv-01936), bringing claims against the Company as well as its Chief Executive Officer, Chief Financial Officer and Chief Strategy Officer. Both complaints allege that the defendants made false and misleading statements, similar to the allegations contained in the *United Union of Roofers* action, in violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and Rule 10b-5 promulgated thereunder. The actions are also purportedly brought on behalf of those who purchased or otherwise acquired the Company's publicly traded securities between May 9, 2024 and February 12, 2025 and seek unspecified damages and other relief. On March 18, 2025, the court entered orders relating the *Savorelli* and *New England* actions to the first-filed *United Union of Roofers* action, 2:25-cv-01396 (CAS). On March 28, 2025, the court granted the parties' joint stipulations in the *Savorelli* and *New England* matters, ordering that defendants need not respond to the current complaints, pending the appointment of lead plaintiff and lead counsel.

#### *Shareholder Derivative Actions*

On March 6, 2025 and March 14, 2025, plaintiffs Nathan C. Silva and Daniel Jong, respectively, filed purported shareholder derivative complaints in the United States District Court, Central District of California, captioned *Silva v. Green et al.* (No. 2:25-cv-01975) and *Jong v. Green et al.* (No. 2:25-cv-02268), against current and former officers and directors of the Company, naming the Company as a nominal defendant. The complaints generally arise out of the same allegations contained in the securities class actions and allege claims for breach of fiduciary duties and related claims. The actions purport to be brought derivatively on behalf of the Company and seek damages and other various forms of relief. On April 9, 2025, the court granted the parties' stipulations consolidating the shareholder derivative actions and appointing Nathan C. Silva and Daniel Jong as Co-Plaintiffs and the Brown Law Firm, P.C. and Rigradsky Law, P.A. as Co-Lead Counsel for Plaintiffs. The April 9, 2025 order also provided that defendants need not respond to the current complaints, and that the parties provide a proposed scheduling order regarding the designation or filing of an operative consolidated complaint and defendants' responses thereto by June 9, 2025.

On April 21, 2025, several purported shareholders filed motions in the related actions seeking to be appointed lead plaintiff and lead counsel. Once lead plaintiff and lead counsel are appointed, parties will confer to set a schedule for the filing of any amended complaint and any responsive briefing. The case is still in its early stages. Management believes these claims to be meritless and intends to vigorously defend against them.

#### *Litigation Related to the Company's Platform and Related Offerings*

On March 28, 2025, two complaints alleging various wiretapping and privacy tort theories were filed against the Company in the United States District Court, Northern District of California, captioned *Michie & Dryer v. The Trade Desk, Inc.*, No. 3:25-cv-2889 (N.D. Cal.) and *Hernandez-Mendoza v. The Trade Desk, Inc.*, No. 4:25-cv-02923 (N.D. Cal.). A

third complaint advancing similar allegations, captioned *Turner v. The Trade Desk, Inc.*, No. 3:25-cv-03136 (N.D. Cal.), was originally filed on March 31, 2025 in the United States District Court, Central District of California, but was voluntarily dismissed and refiled on April 7, 2025 in the United States District Court, Northern District of California. These cases are still in their early stages. Management believes the claims asserted in these complaints to be meritless and intends to vigorously defend against them.

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

#### ***Employment Contracts***

The Company has entered into agreements with severance terms with certain employees and officers, all of whom are employed on an at-will basis, subject to certain severance obligations in the event of certain involuntary terminations. The Company may be required to accelerate the vesting of certain stock options and restricted stock in the event of changes in control, as defined, and involuntary terminations.



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

*This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements generally relate to future events or our future financial or operating performance and may include statements concerning, among other things, our business strategy (including anticipated trends and developments in, and management plans for, our business and the markets in which we operate), financial results, the impact of macroeconomic uncertainty on our business, operations, and the markets and communities in which we, our clients, and partners operate, results of operations, revenues, operating expenses, capital expenditures including share repurchases, sales and marketing initiatives and competition. In some cases, you can identify forward-looking statements because they contain words such as "may," "might," "will," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "suggests," "potential" or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. These statements are not guarantees of future performance; they reflect our current views with respect to future events and are based on assumptions and are subject to known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from expectations or results projected or implied by forward-looking statements.*

*We discuss many of these risks in Part II of this Quarterly Report on Form 10-Q in greater detail under the heading "Risk Factors" and in other filings we make from time to time with the Securities and Exchange Commission (the "SEC"). Also, these forward-looking statements represent our estimates and assumptions only as of the date of this Quarterly Report on Form 10-Q, which are inherently subject to change and involve risks and uncertainties. Unless required by federal securities laws, we assume no obligation to update any of these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated, to reflect circumstances or events that occur after the statements are made. Given these uncertainties, investors should not place undue reliance on these forward-looking statements.*

*Investors should read this Quarterly Report on Form 10-Q and the documents that we reference in this report and have filed with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2024, completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.*

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

### **Overview**

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

Our clients are advertising agencies, advertisers and other service providers for agencies or advertisers, with whom we enter into ongoing MSAs. We generate revenue by charging our clients a platform fee generally based on a percentage of our clients' total spend on our platform and from providing value-added services and data to support their advertising campaigns.

## Executive Summary

### Highlights

	Three Months Ended March 31,			
	Dollars		Change	
	2025	2024	\$	%
(in thousands, except percentages)				
Revenue	\$ 616,021	\$ 491,253	\$ 124,768	25 %
Net income	\$ 50,678	\$ 31,660	\$ 19,018	60 %

### Trends, Opportunities and Challenges

The growing digitization of media and fragmentation of audiences has increased the complexity of advertising and thereby increased the need for automation in ad buying, which we provide on our platform. In order to grow, we will need to continue to develop our platform's programmatic capabilities and expand our advertising inventory, value-added services and data to support our clients' advertising campaigns. We believe that key opportunities include our ongoing global expansion, continuing development of our omnichannel ad inventory (including in channels such as CTV and other video, mobile, audio and others), adoption and utilization of retail data and continuing development and adoption of the data usage, measurement and targeting capabilities provided by our platform.

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

Similarly, the adoption of programmatic advertising by inventory owners and content providers allows us to expand the volume and type of advertising inventory we present to our clients. For example, we have expanded our CTV, audio and other advertising offerings through our integrations with supply-side partners and publishers. Even if the programmatic advertising market continues to grow, the future of our business will depend on our ability to position ourselves within the market.

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

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

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

Our business model has allowed us to grow significantly, and we believe that our operating leverage enables us to support future long-term growth profitably.

### Macroeconomic Uncertainty

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

### Results of Operations for the Three Months Ended March 31, 2025 Compared with the Three Months Ended March 31, 2024

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

	Three Months Ended March 31,			
	2025		2024	
	(in thousands)	(% of Revenue)	(in thousands)	(% of Revenue)
Revenue	\$ 616,021	100 %	\$ 491,253	100 %
Operating expenses:				
Platform operations	142,839	23 %	103,630	21 %
Sales and marketing	152,743	25 %	121,725	25 %
Technology and development	132,402	21 %	107,686	22 %
General and administrative	133,585	22 %	129,555	26 %
Total operating expenses	561,569	91 %	462,596	94 %
Income from operations	54,452	9 %	28,657	6 %
Other expense (income):				
Total other income, net	(21,317)	(3) %	(17,376)	(4) %
Income before income taxes	75,769	12 %	46,033	9 %
Provision for income taxes	25,091	4 %	14,373	3 %
Net income	\$ 50,678	8 %	\$ 31,660	6 %

Note: Percentages may not sum due to rounding.

### Revenue

Revenue increased by \$125 million, or 25% for the three months ended March 31, 2025, as compared to the three months ended March 31, 2024. The increase was primarily due to higher gross spend in the current year on our platform, which was primarily driven by higher spend per campaign, new clients and more campaigns executed by existing clients. The increase in revenue was also due to changes in the mix of value-added services and data utilized by clients for their campaigns, which fluctuates from period to period.

### Platform Operations

Platform operations expense increased by \$39 million, or 38%, for the three months ended March 31, 2025, as compared to the three months ended March 31, 2024. The increase was primarily due to increases of \$30 million in hosting costs and \$8 million in personnel costs, which included a \$4 million increase in stock-based compensation. The increase in hosting costs was primarily attributable to support costs relating to the increased use of our platform by our clients, increased use of features by our technical teams in support of our platform and investment in new data centers to support the continued growth of our platform. The increase in personnel costs was primarily due to the increase in stock-based compensation driven by new equity awards and the impact of stock price volatility on our ESPP as well as headcount growth.

We expect platform operations expenses to increase in absolute dollars in future periods as we continue to experience increased volumes of media impressions through our platform, invest in our hosting capabilities, including supporting new technical features and functionality of our platform and related offerings, and hire additional personnel to support our growth.

### ***Sales and Marketing***

Sales and marketing expense increased by \$31 million, or 25%, for the three months ended March 31, 2025, as compared to the three months ended March 31, 2024. The increase was primarily due to increases of \$25 million in personnel costs, which included a \$9 million increase in stock-based compensation, \$4 million in marketing costs and \$3 million in allocated facilities costs. The increase in personnel costs was primarily due to headcount growth to support our sales efforts and to continue to develop and maintain relationships with our clients and an increase in incentive compensation driven by gross spend growth. The increase in stock-based compensation was primarily driven by new equity awards and the impact of stock price volatility on our ESPP. The increase in marketing costs was primarily due to an increase in marketing campaigns, events, creatives, sponsorships and client engagement. The increase in allocated facilities costs was primarily driven by new leases for additional office space to support our future growth as well as office support expenses.

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

### ***Technology and Development***

Technology and development expense increased by \$25 million, or 23%, for the three months ended March 31, 2025, as compared to the three months ended March 31, 2024. The increase was primarily due to increases of \$21 million in personnel costs, which included a \$13 million increase in stock-based compensation, and \$3 million in allocated facilities costs. The increase in stock-based compensation was primarily driven by new equity awards and the impact of stock price volatility on our ESPP. The increase in other personnel costs was primarily attributable to headcount growth to maintain and support further development of our platform. The increase in allocated facilities costs was primarily driven by new leases for additional office space to support our future growth as well as office support expenses.

We expect technology and development expense to increase in absolute dollars as we continue to hire additional personnel, invest in the development of our platform and related offerings to support additional features and functionality, increase the number of advertising inventory and data suppliers and support the anticipated increase in volume of advertising spending by our clients on our platform.

### ***General and Administrative***

General and administrative expense increased by \$4 million, or 3%, for the three months ended March 31, 2025, as compared to the three months ended March 31, 2024, primarily due to increases of \$7 million in administrative costs, \$3 million in personnel costs and \$1 million in allocated facilities costs, partially offset by an \$8 million decrease in stock-based compensation. The increase in administrative costs was primarily driven by increases in external professional fees, including legal expenses for various litigation and regulatory matters. The increase in personnel costs was primarily attributable to increased headcount to support our growth. The decrease in stock-based compensation was primarily due to a \$12 million decrease relating to the CEO Performance Option driven by the graded-vesting attribution method, under which more expense is recognized earlier in the option's life, partially offset by a \$4 million increase primarily driven by new equity awards and the impact of stock price volatility on our ESPP. The increase in allocated facilities costs was primarily driven by new leases for additional office space to support our future growth as well as office support expenses.

Excluding the impact of the CEO Performance Option, we expect general and administrative expenses to increase primarily due to continued investment in corporate infrastructure, headcount to support growth and various litigation and regulatory matters, for which expenses may fluctuate from period to period.

### ***Total Other Income, Net***

Total other income, net, increased by \$4 million for the three months ended March 31, 2025, as compared to the three months ended March 31, 2024. The increase was primarily due to higher interest income on our cash and cash

equivalents and short-term investments driven by higher amounts invested, partially offset by falling portfolio interest rates.

### ***Provision for Income Taxes***

The U.S. federal statutory tax rate was 21% for the three months ended March 31, 2025 and 2024.

The provision for income taxes increased by \$11 million for the three months ended March 31, 2025, as compared to the three months ended March 31, 2024. The increase was primarily due to higher pre-tax profitability and lower tax benefits associated with employee stock-based awards, partially offset by a lower impact attributable to nondeductible stock-based compensation.

### **Liquidity and Capital Resources**

As of March 31, 2025, we had working capital of \$2,174 million, which included \$1,119 million in cash and cash equivalents, \$91 million of which was held by our international subsidiaries, and \$622 million in short-term investments in marketable securities. Additionally, we had \$443 million available under our Amended Credit Facility (refer to the “Credit Facility” section below). For the three months ended March 31, 2025, we generated \$291 million in cash flows from operating activities.

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

In the future, we may attempt to raise additional capital through the sale of equity securities or through equity-linked or debt-financing arrangements. If we raise additional funds by issuing equity or equity-linked securities, the ownership of our existing stockholders will be diluted. If we raise additional financing by incurring additional indebtedness, we may be subject to increased fixed payment obligations and could also be subject to additional restrictive covenants, such as limitations on our ability to incur additional debt, and other operating restrictions that could adversely impact our ability to conduct our business. Any future indebtedness we incur may result in terms that could be unfavorable to equity investors.

There can be no assurance that we will be able to raise additional capital. The inability to raise capital would adversely affect our ability to achieve our business objectives. In addition, if our operating performance during the next 12 months is below our expectations, our liquidity and ability to operate our business could be adversely affected. We are closely monitoring the effect that current macroeconomic factors may have on our working capital requirements.

### ***Credit Facility***

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

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

As of March 31, 2025, we did not have an outstanding debt balance under the Amended Credit Facility. Availability under the Amended Credit Facility was \$443 million as of March 31, 2025, which is net of outstanding letters

of credit of \$7 million. The Amended Credit Facility matures, and all outstanding amounts become due and payable, on June 15, 2026. As of March 31, 2025, we were in compliance with all covenants.

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

### ***Share Repurchase Program***

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

As of December 31, 2024, \$464 million remained available and authorized for repurchases. At the end of January 2025, an additional \$564 million was authorized under this program, bringing the total amount available for future repurchases to \$1 billion. During the three months ended March 31, 2025, we repurchased and subsequently retired 6.3 million shares of our Class A common stock for an aggregate repurchase amount of \$400 million. The repurchase amounts included in the condensed consolidated statements of stockholders' equity include immaterial amounts relating to the 1% excise tax on share repurchases, net of share issuances, as a result of the Inflation Reduction Act of 2022 ("IRA"). As of March 31, 2025, \$631 million remained available and authorized for repurchases.

### ***Cash Flows***

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

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
Net cash provided by operating activities	\$ 291,433	\$ 185,472
Net cash used in investing activities	\$ (132,589)	\$ (21,119)
Net cash used in financing activities	\$ (409,762)	\$ (141,282)

### ***Operating Activities***

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

For the three months ended March 31, 2025, cash provided by operating activities of \$291 million resulted primarily from net income adjusted for noncash items of \$208 million and a net increase from our operating assets and liabilities of \$83 million. The net increase from our operating assets and liabilities was due to a \$282 million decrease in accounts receivable, a \$29 million increase in accrued expenses and other liabilities and a \$20 million decrease in prepaid expenses and other assets, partially offset by a \$235 million decrease in accounts payable and a \$14 million decrease in operating lease liabilities. The decrease in accounts receivable was due to the timing and seasonality of cash receipts from clients. The increase in accrued expenses and other liabilities was primarily due to an increase in income tax liability driven by the current income tax provision, net of tax payments, and an increase in liability relating to ESPP employee contributions toward the upcoming purchase of shares, partially offset by a decrease in incentive compensation liabilities driven by timing and the seasonality of our business. The decrease in prepaid expenses and other assets was primarily due to the timing of payment for employee engagement costs, including for travel and in-person events that occurred in the first

quarter of 2025. The decrease in accounts payable was due to the timing and seasonality of payments to suppliers for Supplier Components. The decrease in operating lease liabilities was due primarily to rent payments.

For the three months ended March 31, 2024, cash provided by operating activities of \$185 million resulted primarily from net income adjusted for noncash items of \$178 million, and a net increase from our operating assets and liabilities of \$8 million. The net increase from our operating assets and liabilities was primarily due to a \$238 million decrease in accounts receivable, partially offset by a \$220 million decrease in accounts payable and a \$14 million decrease in operating lease liabilities. The decrease in accounts receivable was due to the timing and seasonality of cash receipts from clients. The decrease in accounts payable was due to the timing and seasonality of payments to suppliers for Supplier Components. The decrease in operating lease liabilities was due primarily to rent payments.

#### *Investing Activities*

Our primary investing activities consist of investing in short-term marketable securities, capital expenditures for property and equipment for the expansion of facilities to support our hosting capabilities and growing headcount as well as capital expenditures to develop our software in support of enhancing our platform and related offerings. As our business grows, we expect our capital expenditures to increase, and our other investment activity may increase.

For the three months ended March 31, 2025, we used \$133 million of cash in investing activities, consisting of \$66 million of net purchases of short-term investments, \$59 million to purchase property and equipment, \$4 million for the acquisition of certain assets accounted for as a business combination and \$3 million of investments in capitalized software.

For the three months ended March 31, 2024, we used \$21 million of cash in investing activities, consisting of \$12 million of net purchases of short-term investments, \$7 million to purchase property and equipment and \$2 million of investments in capitalized software.

#### *Financing Activities*

For the three months ended March 31, 2025, we used \$410 million of cash in financing activities, consisting of \$386 million of cash paid for repurchases of our Class A common stock and \$31 million of taxes paid for restricted stock award settlements, partially offset by \$8 million of proceeds from stock option exercises.

For the three months ended March 31, 2024, we used \$141 million of cash in financing activities, consisting of \$125 million of cash paid for repurchases of Class A common stock and \$27 million of taxes paid for restricted stock award settlements, partially offset by \$11 million of proceeds from stock option exercises.

#### **Off-Balance Sheet Arrangements**

We do not have any relationships with other entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities that have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. We did not have any other off-balance sheet arrangements at March 31, 2025 other than the indemnification agreements described below.

#### **Contractual Obligations**

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

The following table summarizes our non-cancelable contractual obligations as of March 31, 2025 (in thousands):

	Payments Due by Period		
	Remainder of 2025	2026 and Thereafter	Total
Operating lease commitments	\$ 33,872	\$ 690,505	\$ 724,377
Other contractual commitments	162,039	165,144	327,183
Total	\$ 195,911	\$ 855,649	\$ 1,051,560

In the ordinary course of business, we enter into agreements in which we may agree to indemnify clients, suppliers, vendors, lessors, business partners, lenders, stockholders and other parties with respect to certain matters, including losses resulting from claims of intellectual property infringement, damages to property or persons, business losses or other liabilities. Generally, these indemnity and defense obligations relate to our own business operations, obligations and acts or omissions. However, under some circumstances, we agree to indemnify and defend contract counterparties against losses resulting from their own business operations, obligations and acts or omissions, or the business operations, obligations and acts or omissions of third parties. These indemnity provisions generally survive termination or expiration of the agreements in which they appear. In addition, we have entered into indemnification agreements with our directors, executive officers and other officers that will require us to indemnify them against liabilities that may arise by reason of their status or service as directors, officers or employees. In the ordinary course of business, demands have been made upon us to provide indemnification under such agreements, but we are not aware of any claims that could have a material effect on our condensed consolidated financial statements. Accordingly, no material amounts have been recorded at March 31, 2025.

#### **Critical Accounting Policies and Estimates**

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

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

#### **Recently Issued Accounting Pronouncements**

Refer to *Note 2—Basis of Presentation and Summary of Significant Accounting Policies* of our condensed consolidated financial statements.

#### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

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

##### ***Interest Rate Risk***

We are exposed to market risk from changes in interest rates under our Amended Credit Facility, which accrues interest at a variable rate. No amount was owed on our Amended Credit Facility as of March 31, 2025. We have not used any derivative financial instruments to manage our interest rate risk exposure. Based upon the short-term investments amount as of March 31, 2025, a hypothetical one percentage point increase or decrease in the interest rate would result in a corresponding increase or decrease in investment income of approximately \$6 million annually.

##### ***Foreign Currency Exchange Risk***

We have foreign currency exchange risk relating to transactions denominated in currencies other than the U.S. Dollar, principally the Euro, British Pound, Canadian Dollar, Australian Dollar, Japanese Yen, Indian Rupee, Indonesian Rupiah, Hong Kong Dollar and Singapore Dollar. The volatility of exchange rates depends on many factors that we cannot forecast with reliable accuracy. As of March 31, 2025, an immediate 10% adverse change in foreign exchange rates on foreign-denominated accounts would result in a foreign currency loss of approximately \$31 million. In the event our non-U.S. Dollar denominated sales and expenses increase, our operating results may be more greatly affected by exchange rate fluctuations.



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

#### **Item 4. Controls and Procedures**

##### ***Evaluation of Disclosure Controls and Procedures***

Our management, with the participation of our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act as of March 31, 2025. Our disclosure controls and procedures are designed to provide reasonable assurance that information we are required to disclose in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosures, and is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Based on this evaluation, our CEO and CFO have concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of March 31, 2025.

##### ***Changes in Internal Control over Financial Reporting***

There have been no significant changes in our internal control over financial reporting during the quarter ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

##### ***Inherent Limitations on Effectiveness of Controls***

Management recognizes that a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud or error, if any, have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

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

#### *Litigation Related to 2021 CEO Performance Option*

On May 27, 2022, a stockholder filed a derivative lawsuit captioned *Huizenga v. Green*, No. 2022-0461, asserting claims on our behalf against certain members of our board of directors in the Court of Chancery of the State of Delaware. On June 27, 2022, a second derivative lawsuit captioned *Pfeiffer v. Green*, No. 2022-0560, was filed in the Court of Chancery of the State of Delaware alleging substantially similar claims. Those lawsuits were consolidated on August 18, 2022, and a lead plaintiff was appointed on October 7, 2022. The two complaints alleged generally that the defendants breached their fiduciary duties to us and our stockholders in connection with the negotiation and approval of a market-based performance award to our Chief Executive Officer (the “CEO Performance Option”). The plaintiffs sought a court order rescinding the CEO Performance Option and monetary damages. On November 10, 2022, the plaintiffs filed a consolidated complaint, and on January 12, 2023, the defendants moved to dismiss the consolidated complaint. On February 14, 2025, the court granted the motions to dismiss under Court of Chancery Rule 23.1 in their entirety with prejudice, finding that the plaintiffs did not allege facts sufficient to infer that at least half of our board of directors received a material benefit from the CEO Performance Option, lacked independence from Mr. Green, or faced a “substantial likelihood of liability” from having approved the CEO Performance Option. The plaintiffs filed a notice of appeal of the court’s decision. On April 29, 2025, the plaintiffs filed their opening brief. The defendants’ answering brief is due May 29, 2025.

#### *Litigation Related to Reincorporation*

On October 4, 2024, a stockholder filed a class action complaint in the Court of Chancery in the State of Delaware alleging claims for breach of contract against us and breach of fiduciary duties against our directors, in connection with our reincorporation from Delaware to Nevada. *Gunderson v. The Trade Desk, Inc.*, No. 2024-1029 (Del. Ch.) (the “Gunderson Action”). On October 24, 2024, the plaintiff filed an amended complaint. The complaint sought, among other things, an order declaring that our conversion required approval by a supermajority of our stockholders and an order enjoining the November 14, 2024 stockholder vote on the conversion. On October 28, 2024, the parties completed expedited briefing on cross motions for partial summary judgment regarding the causes of action asserted in the original complaint, and the court heard oral argument on the motions on October 30, 2024. On November 6, 2024, the court granted the defendants’ summary judgment motion and denied the plaintiff’s cross-motion, finding that the conversion did not require supermajority approval of our stockholders, and that the defendants did not breach their fiduciary duties by disclosing that the conversion required a vote of a simple majority of our stockholders. The plaintiff chose not to appeal. The case is now proceeding as to the plaintiff’s remaining claims that our directors breached their fiduciary duties because our reincorporation to Nevada was substantively and procedurally unfair, and that the transaction is not subject to the business judgment rule because it was not subject to approval by a special committee of the board or by a majority of the disinterested stockholders. The defendants have moved to dismiss, but no briefing schedule has been set. On April 28, 2025, the plaintiff in the Scarantino Action (as defined below) moved to intervene and stay the Gunderson Action. The motion remains pending.

On November 15, 2024, a different stockholder filed a complaint in the Court of Chancery of the State of Delaware requesting production of our corporate books and records relating to the Nevada conversion, pursuant to 8 Del. C. § 220. *City of Roseville Employees Retirement System v. The Trade Desk, Inc.*, No. 2024-1173 (Del. Ch.). On November 27, 2024, the parties agreed to stay the proceeding in exchange for the production of certain documents to the plaintiff; the court granted the stay the same day. On April 18, 2025, the stockholder voluntarily dismissed the complaint without prejudice.

On April 24, 2025, a different stockholder filed a complaint in the Court of Chancery of the State of Delaware requesting production of the Company’s corporate books and records relating to the Nevada conversion and the Company’s dual class capital structure, among other things, pursuant to 8 Del. C. § 220. *Richard Scarantino v. The Trade Desk, Inc.*, No. 2025-0442 (Del. Ch.) (the “Scarantino Action”). The case is still at an early stage. On April 28, 2025, the plaintiff in the Scarantino Action filed in the Gunderson Action a motion to intervene and to stay that action.

#### *Litigation Related to Securities Class Actions*

On February 19, 2025, plaintiff United Union of Roofers, Waterproofers & Allied Workers Local Union No. 8 WBPA Fund filed a purported federal securities class action complaint in the United States District Court, Central District of California, captioned *United Union of Roofers, Waterproofers, and Allied Workers Local Union No. 8 v. The Trade Desk, Inc. et al.* (No. 2:25-cv-01396), against us as well as our Chief Executive Officer and Chief Financial Officer. The complaint alleges that the defendants made false and misleading statements in violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and Rule 10b-5 promulgated thereunder. The action purports to be brought on behalf of those who purchased or otherwise acquired our publicly traded securities between May 9, 2024 and February 12, 2025 and seeks unspecified damages and other relief. On March 20, 2025, the court granted the parties' joint stipulation, ordering that defendants need not respond to the current complaint, pending the appointment of lead plaintiff and lead counsel.

On March 5, 2025, two additional related purported class action lawsuits were filed in the United States District Court, Central District of California, captioned *Savorelli v. The Trade Desk, Inc. et al.* (No. 2:25-cv-01915), bringing claims against us as well as our Chief Executive Officer and Chief Financial Officer, and *New England Teamsters Pension Fund v. The Trade Desk, Inc. et al.* (No. 2:25-cv-01936), bringing claims against us as well as our Chief Executive Officer, Chief Financial Officer and Chief Strategy Officer. Both complaints allege that the defendants made false and misleading statements, similar to the allegations contained in the *United Union of Roofers* action, in violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and Rule 10b-5 promulgated thereunder. The actions are also purportedly brought on behalf of those who purchased or otherwise acquired our publicly traded securities between May 9, 2024 and February 12, 2025 and seek unspecified damages and other relief. On March 18, 2025, the court entered orders relating the *Savorelli* and *New England* actions to the first-filed *United Union of Roofers* action, 2:25-cv-01396 (CAS). On March 28, 2025, the court granted the parties' joint stipulations in the *Savorelli* and *New England* matters, ordering that defendants need not respond to the current complaints, pending the appointment of lead plaintiff and lead counsel.

#### *Shareholder Derivative Actions*

On March 6, 2025 and March 14, 2025, plaintiffs Nathan C. Silva and Daniel Jong, respectively, filed purported shareholder derivative complaints in the United States District Court, Central District of California, captioned *Silva v. Green et al.* (No. 2:25-cv-01975) and *Jong v. Green et al.* (No. 2:25-cv-02268), against current and former officers and directors of the Company, naming us as a nominal defendant. The complaints generally arise out of the same allegations contained in the securities class actions and allege claims for breach of fiduciary duties and related claims. The actions purport to be brought derivatively on our behalf and seek damages and other various forms of relief. On April 9, 2025, the court granted the parties' stipulations consolidating the shareholder derivative actions and appointing Nathan C. Silva and Daniel Jong as Co-Plaintiffs and the Brown Law Firm, P.C. and Rigradsky Law, P.A. as Co-Lead Counsel for Plaintiffs. The April 9, 2025 order also provided that defendants need not respond to the current complaints, and that the parties provide a proposed scheduling order regarding the designation or filing of an operative consolidated complaint and defendants' responses thereto by June 9, 2025.

On April 21, 2025, several purported shareholders filed motions in the related actions seeking to be appointed lead plaintiff and lead counsel. Once lead plaintiff and lead counsel are appointed, parties will confer to set a schedule for the filing of any amended complaint and any responsive briefing. The case is still in its early stages. Management believes these claims to be meritless and intends to vigorously defend against them.

#### *Litigation Related to Our Platform and Related Offerings*

On March 28, 2025, two complaints alleging various wiretapping and privacy tort theories were filed against us in the United States District Court, Northern District of California, captioned *Michie & Dryer v. The Trade Desk, Inc.*, No. 3:25-cv-2889 (N.D. Cal.) and *Hernandez-Mendoza v. The Trade Desk, Inc.*, No. 4:25-cv-02923 (N.D. Cal.). A third complaint advancing similar allegations, captioned *Turner v. The Trade Desk, Inc.*, No. 3:25-cv-03136 (N.D. Cal.), was originally filed on March 31, 2025 in the United States District Court, Central District of California, but was voluntarily dismissed and refiled on April 7, 2025 in the United States District Court, Northern District of California. These cases are still in their early stages. Management believes the claims asserted in these complaints to be meritless and intends to vigorously defend against them.

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

### **Item 1A. Risk Factors**

*Investing in our Class A common stock involves a high degree of risk. You should consider carefully the risks and uncertainties described below, together with all of the other information contained in this Quarterly Report on Form 10-Q.*

*including the condensed consolidated financial statements and the related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations, before making investment decisions related to our Class A common stock. If any of the following risks are realized, our business, financial condition, results of operations and prospects could be materially and adversely affected. In that event, the market price of our Class A common stock could decline and you could lose part or all of your investment.*

#### **Risks Related to Our Business and Industry**

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

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

***The loss of advertising agencies, advertisers or holding companies as clients could significantly harm our business, financial condition and results of operations.***

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

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

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

Our clients include advertising agencies, many of which are owned by holding companies, where decision making is decentralized such that purchasing decisions are made, and relationships with advertisers are located, at the agency, local branch or division level. If all of our individual client contractual relationships were aggregated at the holding company level, one holding company would have represented more than 10% of our gross billings for 2024.

In most cases, we enter into separate contracts and billing relationships with the individual agencies and account for them as separate clients. However, some holding companies for these agencies may choose to exert control over the individual agencies in the future. Additionally, a holding company may be acquired by, or consolidate with, another holding company that does not utilize our platform, or may otherwise reduce overall spend on our platform as a result of an acquisition or consolidation. If so, any consolidation of, or loss of relationships with such holding companies and

consequently, of their agencies, local branches or divisions, as clients could significantly harm our business, financial condition and results of operations.

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

The substantial majority of our revenue has been derived from clients that programmatically purchase advertising through our platform. We expect that spend on programmatic ad buying will continue to be our primary source of revenue for the foreseeable future and that our revenue growth will largely depend on increasing spend through our platform. The market for programmatic ad buying is a relatively new market, and our current and potential clients may not shift to programmatic ad buying from other buying methods as quickly as we expect, which would reduce our growth potential. If the market for programmatic ad buying deteriorates or develops more slowly than we expect, it could reduce demand for our platform, and our business, growth prospects and financial condition would be adversely affected.

In addition, our revenue may not necessarily grow at the same rate as spend on our platform. As the market for programmatic buying for advertising matures, growth in spend may outpace growth in our revenue due to a number of factors, including pricing competition, volume discounts and shifts in media, client and channel mix, and the composition of offerings provided to our clients. A significant change in revenue as a percentage of spend could reflect an adverse change in our business and growth prospects. In addition, any such fluctuations, even if they reflect our strategic decisions, could cause our performance to fall below the expectations of securities analysts and investors, and adversely affect the price of our common stock.

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

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

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

***Macroeconomic conditions beyond our control could harm the overall demand for advertising and the economic health of agencies and advertisers, which could adversely affect our business, financial condition and results of operations.***

Our business depends on the overall demand for advertising and on the economic health of the agencies and advertisers that use our platform. Market uncertainties or downturns, whether global, local or industry or sector specific, and any associated macroeconomic conditions, such as growing inflation, concerns around a potential recession, changes in interest rates, changes in foreign currency exchange rates, changes in trade policies and practices, supply chain disruptions, the impact of global instability in many parts of the world, and public health crises, may disrupt the operations of our clients and partners and cause agencies and advertisers to decrease or pause their advertising budgets, which could reduce spend through our platform and adversely affect our business, financial condition and results of operations. As we explore

new countries to expand our business, economic downturns or unstable market conditions in any of those countries could also result in our investments not yielding the returns we anticipate.

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

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

Inventory suppliers control the bidding process, rules and procedures for the inventory they supply. Such processes may not always work in our favor or for the benefit of our clients and may create inefficiencies in the supply chain for advertising inventory. Although we have in the past and may in the future undertake efforts to address these supply chain inefficiencies, we may not be successful in such efforts. Given the importance of ensuring access to quality inventory for our advertisers, we launched our OpenPath offering in order to give clients a simplified, direct connection to publishers. We have been investing in this offering and plan to continue to grow the amount of OpenPath inventory and publishers available through our platform, but we cannot guarantee that this or future offerings will prove attractive to our clients or otherwise be successful.

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

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

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

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

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

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

***If we fail to innovate or make the right investment decisions in our platform and related offerings, we may fail to attract and retain advertisers and advertising agencies and our revenue and results of operations may decline.***

Our industry is subject to rapid and frequent changes in technology and laws governing our activities, evolving client needs and expectations and the frequent introduction by our competitors of new and enhanced offerings. If new or existing competitors have more attractive offerings, we may lose clients or clients may decrease their use of our platform. New client demands, superior competitive offerings or new industry standards could require us to make unanticipated and costly changes to our platform or business model. We must constantly make investment decisions regarding offerings and technology to meet client demand and evolving industry and legal standards. We may make bad decisions regarding these investments. Furthermore, even if we believe that our investments improve upon our platform and related offerings, such as updates to our various platform features and user interface, they may nevertheless fail to meet new or existing client expectations or preferences, which could result in decreased client adoption or use of our platform.

In addition, as we develop and introduce new offerings, including those incorporating or utilizing artificial intelligence and machine learning and new processing of personal information, including identifiable information, they may raise new, or heighten existing, technological, security, legal and other risks and challenges, which may cause unintended consequences, and they may not function properly or may be misused by our clients. If we fail to adapt to our rapidly changing industry or to evolving client needs or expectations, or we provide new or updated offerings that exacerbate technological, security, legal or other challenges, the reputation of and demand for our platform or related offerings could decrease and our business, financial condition and operations may be adversely affected.

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

We face various and evolving cybersecurity risks that threaten the confidentiality, integrity and availability of our systems and the data that we process. Our offerings involve the storage and transmission of significant amounts of data from users, clients, and inventory and data providers, a large volume of which is hosted by third-party service providers. Our services and the data on our platform, related offerings and in our systems could be exposed to unauthorized access due to activities that breach or undermine security measures, including: negligence or malfeasance by internal or external actors; attempts by outside parties to fraudulently induce employees, clients or vendors to disclose information or data, including personal information; or errors or vulnerabilities in our systems, offerings or processes or in those of our service providers, clients, and vendors.

For example, from time to time, we experience cyberattacks of varying degrees and other attempts to obtain unauthorized access to our systems, including to employee mailboxes. We have dedicated and expect to continue to dedicate resources toward security protections that shield data from these activities, including worldwide incident response teams and dedicated resources to incident response processes. However, such measures cannot provide absolute security and could, among other issues, fail to be adequate or accurately assess the incident severity, not proceed quickly enough, or fail to sufficiently remediate an incident. Further, we can expect that the deployment of techniques to circumvent our security measures may occur with more frequency and sophistication and may not be recognized until launched against a target. Accordingly, we may be unable to anticipate or detect these techniques or to implement adequate preventative measures.

Many of our employees now have a hybrid work schedule consisting of both in-person work and working from home. Although we have implemented work-from-home protocols and provide work-issued devices to employees, the actions of our employees while working from home may have a greater effect on the security of our systems, platform, related offerings and the data we process, including by increasing the risk of compromise to our systems, confidential



information or data arising from employees' combined personal and private use of devices, accessing our systems or data using wireless networks that we do not control or the ability to transmit or store company-controlled data outside of our secured network.

A breach of our security, a flawed design, and/or our failure to respond sufficiently to a security incident could disrupt our services and result in theft, misuse, loss, corruption, or improper use or disclosure of data. This could result in government investigations, lawsuits (including class actions), enforcement actions and other legal and financial liability, and/or loss of confidence in the availability and security of our offerings, all of which could seriously harm our reputation and brand and impair our ability to attract and retain clients. As some of our newer offerings involve the receipt and processing of identifiable information, the risks associated with data, including risks to breach of our systems increases, and we could be subject to contractual breach and indemnification claims from other clients and partners and otherwise suffer damage to our reputation, brand, and business. We could also be required to notify regulators, customers or other third parties. Our platform may also receive data in aggregated or pseudonymized form, and if our systems are breached and such data or information is compromised, it could be damaging to our brand, reputation, and business. Cyberattacks could also compromise our own trade secrets and other confidential information and result in such information being disclosed to others and becoming less valuable, which could negatively affect our business. Although we maintain errors or omissions and cyber liability insurance, the costs related to an incident or other security threats or disruptions may not be fully insured or indemnified by other means and insurance and other safeguards might only partially reimburse us for our losses, if at all. We also cannot guarantee that applicable insurance will be available to us in the future on economically reasonable terms or at all.

***Privacy and data protection laws to which we and our clients, inventory partners, and third-party data providers are subject may cause us to incur additional or unexpected costs, subject us to investigations or enforcement actions for alleged compliance failures, result in less demand for our offerings, or cause us to change our platform, related offerings or business model, which may have a material adverse effect on our business.***

Information relating to individuals and their devices (commonly called "personal information" or "personal data") is regulated under a wide variety of local, state, national and international laws and regulations that apply to its collection, use, retention, protection, disclosure, transfer (including transfer across national boundaries) and other processing. We typically collect and store IP addresses and other device identifiers (such as unique cookie identifiers and mobile advertising identifiers), which are or may be considered personal data or personal information in many jurisdictions or otherwise subject to regulation. In connection with certain of our offerings, including Unified ID 2.0, EUID and OpenPass, we receive information that directly identifies individuals, such as email addresses and phone numbers, both directly from consumers and from our clients or others. We deploy technical and security measures, internal policy controls, and contractual measures to limit how such identifying information is used and shared. Nevertheless, we cannot guarantee any such measures or controls will be effective and handling identifying information increases our exposure under privacy and data protection laws. Some of our offerings, including those that entail some use of directly identifying information, may also increase our exposure to potential claims by plaintiffs' attorneys, including by attempting to apply various legal theories – such as alleging violations of wiretapping statutes – to certain our activities. For example, in March 2025, suits alleging various wiretapping and privacy tort theories were filed against us in the Northern District of California. For additional information regarding the pending legal proceedings, refer to "Item 1. Legal Proceedings."

The global regulatory landscape regarding the privacy and protection of personal information is evolving, and U.S. (state, federal and local) and foreign governments continue to consider and enact additional legislation and rulemaking related to privacy and data protection, often with a particular focus on intermediaries in the online advertising ecosystem, including those that engage in targeted advertising, "sell" or "share" personal data, and act as "data brokers." We expect to see an increase in, or changes to, privacy and data protection legislation and regulation in this area for the foreseeable future. For example, the FTC uses its enforcement powers under Section 5 of the Federal Trade Commission Act (the "FTC Act") (which prohibits "unfair" and "deceptive" trade practices) to investigate companies engaging in online tracking. For example, in the preceding few years, the FTC has been very active in bringing enforcement actions against companies that handle personal data it views as sensitive for advertising purposes, including location data brokers and companies that process health-related data. The Commission could continue to build on this trend under its authority to enforce a relatively new federal law focused on disclosures of certain "sensitive" information by companies operating as data brokers to certain restricted countries or entities "controlled" by such countries, and the Department of Justice could act on authority granted under an executive order restricting similar practices, for which regulations and guidance have recently been issued. Other companies in the advertising technology space have been subject to government investigation by regulatory bodies; advocacy organizations have also filed complaints with data protection authorities against advertising technology companies, arguing that certain of these companies' practices do not comply with data privacy laws, or consumer



protection laws such as the FTC Act. As noted above, plaintiffs' attorneys are also increasingly exploring theories under which to pursue claims against advertising technology companies related to their data collection, use and disclosure practices, as well as advertisers and publishers that rely on services provided by these companies. For example, in March 2025, suits alleging various privacy tort theories were filed against us in the Northern District of California. For additional information regarding the pending legal proceedings, refer to "*Item 1. Legal Proceedings*." We cannot avoid the possibility that one of these investigations or enforcement actions will require us to alter our practices. In addition, a potential federal omnibus privacy law remains a possibility. If ultimately passed, such a law would likely substantially impact the online advertising ecosystem.

State lawmakers are also actively addressing consumer data privacy issues. Many states have adopted omnibus consumer privacy laws, a host of which are already enforceable, while others will take effect over the coming years. These state laws define "personal information" broadly enough to include many online identifiers provided by individuals' devices, applications, and protocols (such as IP addresses, mobile advertising identifiers and unique cookie identifiers), individuals' location data, and hashed versions of email addresses and phone numbers. These laws generally require covered businesses to meet numerous data privacy-related obligations and establish data privacy rights for consumers in such states (including rights to opt out of certain processing of their personal data and to request correction, deletion of and access to personal data), imposing special rules on the collection of personal data from minors and other personal data deemed "sensitive" under the laws, and creating new notice obligations. Many also impose data minimization requirements, mandating that companies only collect and process data for certain purposes. Most significant for the advertising industry, however, these laws require businesses that engage in certain advertising uses of personal data to offer and honor an opt-out of such activities, including, in some states, through browser or device-based preference signals. (Terminology varies slightly among some of the state laws, tying the opt-out requirement to "targeted advertising," "sales" or "sharing" of personal data.) Because of these obligations, the availability of data within our platform, our related offerings and the advertising ecosystem more broadly may decline, potentially making our platform and related offerings less valuable to our clients.

The requirement under certain states' laws to honor users' requests to opt out of certain disclosures and uses of data for advertising purposes through preference signals, such as the Global Privacy Control ("GPC") or similar signals, reflects a broader attention that privacy advocates, the media and some government regulators, such as the FTC, have devoted to digital advertising in recent years. If the use of the GPC or similar technical signals is adopted by many Internet users, is imposed by additional states or by federal or foreign legislation or is agreed upon by standard setting groups, we may have to change our business practices, our clients may reduce their use of our platform and related offerings, and our business could be harmed.

These laws and their implementing regulations will likely also increase compliance costs and obligations on us, our clients, and other companies in the advertising industry. Although we have attempted to mitigate certain risks posed by these laws through contractual, platform and offering changes, we cannot predict with certainty the effect of these laws and their implementing regulations, some of which are not yet finalized, on our business, nor the share of consumers who will carry out their opt-out and other rights and how these actions will impact us, our clients, inventory sources, and our industry. Further, enforcement activity under such laws already in effect, particularly in California, reflects an ongoing focus on online advertising activities and signals regulators' willingness to pursue in-depth investigations and impose substantial penalties on entities allegedly operating in violation of the statute. Thus, we expect that continuing to maintain compliance with states' varying legal requirements, including monitoring and adjusting to new regulations and interpretations that emerge through enforcement actions, will require significant time, resources, and expense, as will the effort to monitor whether additional changes to our business practices and our backend configuration are needed, all of which may increase operating costs, or limit our ability to operate or expand our business.

In addition to these broad-based consumer privacy laws, lawmakers and regulators continue to focus on activities that involve use of categories of personal data perceived as especially sensitive, such as health data and children's data. For example, the FTC has recently finalized an update to rules adopted pursuant to the Children Online Privacy Protection Act, modifying some requirements relating to the use of children's data for targeted advertising and several states have enacted laws that would substantially impact activities that involve showing targeted advertisements to individuals under 18 years of age through a variety of new restrictions, or in some cases prohibit it altogether. Further, several states have enacted laws, updated existing laws or have introduced bills to impose new privacy obligations related to health-related personal information beyond that governed by federal and state laws governing medical records and similar information, such as HIPAA. For example, Washington's My Health, My Data Act ("MHMD") introduced a host of requirements related to a very broadly-defined notion of consumer health data that impacts the advertising industry in part because MHMD is subject to a private right of action (unlike other state privacy laws), so plaintiffs' attorneys could explore claims that stretch

the bounds of the law's text. A somewhat similar law recently enacted in Virginia also contains a privacy right of action. These laws and the heightened scrutiny associated with the enforcement of such laws may, in turn, ultimately lead to increased compliance and defense costs, and more obligations on us, our clients and other companies in the advertising industry.

Laws governing the processing of personal data in Europe (including the U.K. and EEA) also continue to impact us and continue to evolve. For example, the GDPR defines "personal data" broadly and enhances data protection obligations for controllers of such data and for service providers processing the data. It also provides certain rights, such as access and deletion, to the individuals about whom the personal data relates. IAB Europe previously collaborated with the digital advertising industry to create a user-facing framework (the Transparency and Control Framework, or "TCF") for establishing and managing legal bases under the GDPR and other U.K. and EU privacy laws including the ePrivacy Directive. Although the TCF is actively in use, its viability as a compliance mechanism remains under review by European authorities and we cannot predict its effectiveness over the long term. Because we are under the supervision of relevant data protection authorities in both the EEA and the U.K., we may be fined under both the EU GDPR and the UK GDPR for the same breach, with penalties up to the greater of €20 million/BP 17.5 million or 4% of total worldwide annual turnover. In addition to fines, breach of the GDPR can also result in regulatory investigations, enforcement notices, and civil claims. Continuing to maintain compliance with the requirements of the GDPR, including monitoring and adjusting to rulings and interpretations that affect our approach to compliance, requires significant time, resources and expense, as will the effort to monitor whether additional changes to our business practices and our backend configuration are needed, all of which may increase operating costs, or limit our ability to operate or expand our business.

Data residency and cross-border transfer restrictions also impact our operations. For the transfer of personal data from Europe to the U.S., we rely upon, and are certified under, the EU-U.S. and Swiss-U.S. Data Privacy Frameworks ("DPF") and the U.K. extension to the EU-U.S. DPF. The DPF replaced the Privacy Shield Framework as an adequate mechanism by which EU companies may pass personal data to the U.S. However, the DPF is already subject to legal challenge in Europe. Relatedly, whether and how other transfer mechanisms, such as standard contractual clauses, can be used to transfer personal data to the U.S. is in question. While the adequacy decision for the DPF helps to reduce the legal uncertainty of cross-border transfers of personal data, the long-term validity of these transfer mechanisms remains uncertain. If all or some jurisdictions within the EU or the U.K. determine that the latest standard contractual clauses also cannot be used to transfer personal data to the U.S. and if the DPF is ultimately struck down in a manner similar to the Privacy Shield Framework, we could be left with no reasonable option for the lawful cross-border transfer of personal data. In such circumstances, continuing to transfer personal data from the EU to the U.S. could lead to governmental enforcement actions, litigation, fines and penalties or adverse publicity. As the regulatory guidance and enforcement landscape in relation to data transfers continue to develop, we could suffer additional costs, complaints or regulatory investigations or fines; we may have to stop using certain tools and vendors and make other operational changes; we may have to implement alternative data transfer mechanisms under the GDPR or take additional compliance and operational measures, such as establishing systems to maintain certain data in the EEA, potentially involving substantial expense and causing us to divert resources from other aspects of our operations, all of which may adversely affect our business. Other jurisdictions have adopted or are considering cross-border or data residency restrictions, which could reduce the amount of data we can collect or process and, as a result, significantly impact our business.

Further, our legal risk depends in part on our clients' or other third parties' adherence to data privacy laws and regulations and their use of our services in ways consistent with end user expectations. There can be no assurances that the privacy and security-related measures and safeguards we have put into place in relation to these third parties will be effective to protect us and/or the relevant personal information from the risks associated with the third-party processing of such data. We rely on representations made to us by clients, partners and providers that they will comply with all applicable laws, including all relevant data privacy and data protection regulations. Although we make reasonable efforts to enforce such representations and contractual requirements, we do not fully audit our clients' compliance with our recommended disclosures or their adherence to data privacy laws and regulations. If our clients, partners or providers fail to adhere to our expectations or contracts in this regard, we and our clients could be subject to adverse publicity, damages and related possible investigation or other regulatory activity.

Adapting our business to enhanced and evolving privacy obligations across relevant jurisdictions could continue to involve substantial expense and may cause us to divert resources from other aspects of our operations, all of which may adversely affect our business. Additionally, as the advertising industry evolves, and new ways of collecting, combining and using data are created, governments may enact legislation and plaintiffs may explore novel legal theories that could result in us deciding to re-design features or functions of our platform and related offerings, therefore incurring unexpected compliance costs. Further, adaptation of the digital advertising marketplace requires increasingly significant collaboration

between participants in the market, such as publishers and advertisers. Failure of the industry to adapt to changes required for operating under existing and future data privacy laws, industry approaches that disfavor our platform and related offerings, and user response to such changes could negatively impact inventory, data, and demand. We cannot control or predict the pace or effectiveness of such adaptation, and we cannot currently predict the impact such changes may have on our business.

In addition to laws regulating the processing of personal data, we, our advertisers, and publishers are also subject to regulation with respect to political advertising activities, which are governed by various federal and state laws in the United States, and national and provincial laws worldwide. Online political advertising laws are rapidly evolving and, in certain jurisdictions, impose varying substantive transparency and disclosure requirements on advertisers, publishers, and/or others in the ecosystem. Concerns about political advertising or other advertising in areas deemed sensitive, whether or not valid and whether or not driven by applicable laws and regulations, industry standards, client or inventory provider expectations, or public perception, may harm our reputation, result in loss of goodwill, and inhibit use of our platform by current and future clients.

We deploy technical and organizational measures, internal policy controls, and contractual measures to limit how identifying information is used and shared and to help honor consumer choices. Nevertheless, we cannot guarantee any such measures or controls will be effective and handling identifying information increases our exposure under privacy and data protection laws. These laws and other obligations may be interpreted and applied in a manner that is inconsistent with our existing data management practices or the features of our platform and related offerings. If so, in addition to the possibility of fines, lawsuits and other claims, we could be required to fundamentally change our business activities and practices or modify our offerings, which could have an adverse effect on our business. In addition, public perception regarding data protection and privacy are significant in the programmatic advertising buying industry. Concerns about industry practices regarding the collection, use, and disclosure of personal data, whether or not valid and whether driven by applicable laws and regulations, industry standards, client or inventory provider expectations, or the broader public, may harm our reputation, result in loss of goodwill, and inhibit use of our platform or related offerings by current and future clients. For example, perception that our practices involve an invasion of privacy or are designed with insufficient protections, whether or not such practices are consistent with current or future laws, regulations, or industry practices, may subject us to public criticism, additional private class actions, reputational harm, or claims by regulators, which could disrupt our business and expose us to increased liability. We may be unable to make changes and modifications to our business and offerings in a commercially reasonable manner or at all, and our ability to develop new offerings or certain features could be limited. All of this could impair our or our clients' ability to collect, use, or disclose information relating to consumers, which could decrease demand for our platform and related offerings, increase our costs, and impair our ability to maintain and grow our client base and increase our revenue.

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

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

Digital advertising mostly relies on the ability to uniquely identify devices or users across websites and applications, and to collect data about user interactions for purposes such as serving relevant ads and measuring the effectiveness of ads. Devices are identified through unique identifiers stored in cookies (and similar technologies), provided by device operating systems for advertising purposes, or are generated based on statistical algorithms applied to information about a device, such as the IP address and device type. We use device and other identifiers to record information such as when an Internet user views an ad, clicks on an ad, or visits one of our advertiser's websites or applications. We also use device and other identifiers to help us achieve our advertisers' campaign goals, including to limit

the instances that an Internet user sees the same advertisement, report information to our advertisers regarding the performance of their advertising campaigns, and detect and prevent malicious behavior and invalid traffic throughout our network of inventory. We also use data associated with device and other identifiers to help our clients decide whether to bid on, and how to price, an opportunity to place an advertisement in a specific location, at a given time, in front of a particular Internet user. Additionally, our clients rely on device and other identifiers to add information they have collected or acquired about users into our platform. Without such data, our clients may not have sufficient insight into an Internet user's activity, which may compromise their and our ability to determine which inventory to purchase for a specific campaign and may undermine the effectiveness of our platform or our ability to improve our platform and remain competitive.

Today, digital advertising, including our platform, makes significant use of cookies to store device identifiers for the advertising activities described above. When we use cookies, they are generally considered third-party cookies, which are cookies owned and used by parties other than the owners of the website visited by the Internet user. The most commonly used Internet browsers—Chrome, Firefox, Internet Explorer and Safari—allow Internet users to modify their browser settings to prevent some or all cookies from being accepted by their browsers. Internet users can delete cookies from their computers at any time. Additionally, some browsers currently, or may in the future, block or limit some third-party cookies by default or may implement user control settings that algorithmically block or limit some cookies. Today, three major web browsers—Apple's Safari, Mozilla's Firefox and Microsoft's Edge—block third-party cookies by default. Google's web browser, Chrome, has introduced, and is likely to continue to introduce, controls over third-party cookies. However, on April 22, 2025, Google announced that it would maintain its current approach to offering users third-party cookie choice in Chrome (thus, presumably, ending its efforts to deprecate third-party cookies in the Chrome browser), and will not be rolling out a new standalone prompt for third-party cookies in Chrome. Although we believe our platform is well-positioned to adapt to such changes, particularly with our Unified ID 2.0 offering, the impact of such changes—and broader scrutiny on the advertising technology ecosystem—remains uncertain and could be more disruptive than we anticipate, including to the display advertising ecosystem in particular, where such changes could adversely impact our growth in that channel.

Some Internet users also download free or paid ad-blocking software that not only prevents third-party cookies from being stored on a user's computer, but also blocks all interaction with a third-party ad server. In addition, Google has introduced ad-blocking software in its Chrome web browser that will block certain ads based on quality standards established under a multi-stakeholder coalition. If such a feature inadvertently or mistakenly blocks ads that are not within the established blocking standards, or if such capabilities become widely adopted and the advertising technology industry does not collaboratively develop alternative technologies, our business could be harmed. The Interactive Advertising Bureau and Digital Advertising Alliance have also developed frameworks that allow users to opt out of the "sale" or use of their personal data for targeted advertising purposes under U.S. state privacy laws in ways that stop or severely limit the ability to show targeted ads. Because many state privacy laws require businesses to permit end users to opt out of processing their personal data for purposes of targeted advertising, including, in some states, through automated signals, we expect that more opt-out solutions will become available that may ultimately be used by end users, which may reduce our clients' use of our platform and related offerings, and our business, financial condition, and results of operations could be adversely affected.

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

In addition, in the EU, Directive 2002/58/EC (as amended by Directive 2009/136/EC), commonly referred to as the ePrivacy or Cookie Directive, directs EU member states to ensure that accessing information on an Internet user's computer, such as through a cookie and other similar technologies, is allowed only if the Internet user has been informed about such access and given his or her consent. A replacement for the ePrivacy Directive is currently under discussion by EU member states to complement and bring electronic communication services in line with the GDPR and force a harmonized approach across EU member states. Like the GDPR, the proposed ePrivacy Regulation applies extra-

territorially to businesses established outside the EU who provide publicly available electronic communications services to, or gather data from the devices of, users in the EU. Though still subject to debate, the proposed ePrivacy Regulation may further raise the bar for the use of cookies and the fines and penalties for breach may be significant. We may be required to, or otherwise may determine that it is advisable to, make significant changes in our business operations and offerings to obtain user opt-in for cookies and use of cookie data, or develop or obtain additional tools and technologies to compensate for a lack of cookie data.

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

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

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

- changes in demand for programmatic advertising and for our platform, including those related to the seasonal nature of our clients’ spend on digital advertising campaigns;
- changes to availability of and pricing of competitive products and services, and their effects on our pricing;
- changes in the pricing, cost or availability of supplier-provided components of value-added services and data, including pricing structure changes and the alignment of our pricing model with our data partners;
- changes in our platform or related offerings, their features, and the mix of offerings that are adopted by our clients;
- the addition or loss of advertising agencies and advertisers as clients and other changes in our client base;
- changes in advertising budget allocations, agency affiliations or marketing strategies;
- changes to our media, client or channel mix;
- changes and uncertainty in the regulatory environment for us, advertisers, inventory providers, or others in the advertising industry, and the effects of our efforts and those of our clients and partners to address changes and uncertainty in the regulatory environment;
- changes in the economic prospects of advertisers or the economy generally, which could alter advertisers’ budgets or spend priorities, or could increase the time or costs required to complete advertising inventory sales;
- changes in the pricing and availability of advertising inventory, including through real-time advertising exchanges or in the cost of reaching end consumers through digital advertising;
- disruptions, outages, vulnerabilities or technological issues uncovered on our platform or related offerings;
- factors beyond our control, such as natural disasters, terrorism, war and public health crises;
- the introduction of new technologies or offerings by our competitors or others in the advertising marketplace;
- changes in our capital expenditures as we acquire the hardware, equipment and other assets required to support our business;

- timing differences between our payments for advertising inventory and our collection of related advertising revenue;
- the length and unpredictability of our sales cycle;
- costs related to acquisitions of businesses or technologies and development of new offerings;
- cost of employee recruiting and retention; and
- changes to the cost of infrastructure, including real estate and information technology.

Based upon the factors above and others beyond our control, we have a limited ability to forecast our future revenue, costs and expenses. If we fail to meet or exceed the operating results expectations of analysts and investors or if analysts and investors have estimates and forecasts of our future performance that are unrealistic or that we do not meet, the market price of our common stock could decline. In addition, if one or more of the analysts who cover us adversely change their recommendation regarding our stock, the market price of our common stock could decline. In the past, companies that have experienced volatility in the market price of their stock have been subject to securities litigation. We may be the target of this type of litigation in the future, which could result in substantial costs and divert our management's attention from other business concerns.

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

Our platform and related offerings are complex and proprietary, and we rely on the expertise of members of our engineering, operations and software development teams for their continued performance. Operational, performance and internal control issues may arise due to a variety of factors, including infrastructure changes, introductions of new functionality, human or software errors and other internal and external variables. Such issues have caused errors, failures, design flaws, vulnerabilities and bugs in the past and may again in the future. We also rely on third-party technology and systems to perform properly, which are often used in connection with computing environments utilizing different operating systems, system management software, equipment and networking configurations, which may cause errors in, or failures of, our platform and related offerings or such other computing environments. Operational, performance and internal control issues with our platform and related offerings, which we may experience and have experienced in the past, could include the failure of our user interface, outages, errors, discrepancies in costs billed versus costs paid, unauthorized bidding, cessation of our ability to bid or deliver impressions, deletion of our reporting information, unanticipated volume overwhelming our databases, server failure or catastrophic events affecting one or more server farms.

Operational, performance, design, and internal control issues with our platform and related offerings, whether real or perceived, could also result in negative publicity, damage to our brand and reputation, government investigations, loss of clients, loss of data, loss of or delay in market acceptance or market share of our platform or related offerings, increased costs or loss of revenue, loss of the ability to access our platform or related offerings, loss of competitive position, claims by clients for losses sustained by them and loss of stockholder confidence in the accuracy and completeness of our financial reports. Alleviating problems resulting from such issues could require significant expenditures of capital and other resources and could cause interruptions, delays or the cessation of our business, any of which may adversely affect our business, financial condition and results of operations.

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

As we expand our offerings, which in some instances involves ingesting more identifiable information, the consequences of potential security vulnerabilities become more significant for our business. We expect to continue to invest in technology and security services, equipment, and expertise, including engineers, data centers, network services and database technologies, as well as potentially increase our reliance on open source software. Without these improvements, our operations might suffer from security vulnerabilities or misuse, system disruptions, data loss, slow transaction processing, unreliable service levels, impaired quality or delays in reporting accurate information regarding transactions in our platform, any of which could negatively affect our financial condition, reputation and ability to attract and retain clients. In addition, the expansion and improvement of our systems and infrastructure may require us to commit substantial financial, operational and technical resources, with no assurance our business will increase. If we fail to respond to technological change or to adequately maintain, protect, expand, upgrade and develop our systems and infrastructure in a timely fashion, our growth prospects and results of operations could be adversely affected. The steps we take to increase

the reliability, integrity and security of our platform and related offerings as they scale are expensive and complex, and our execution could result in operational failures and increased vulnerability to cyberattacks. Such cyberattacks could include denial-of-service attacks impacting service availability (including the ability to deliver ads) and reliability, tricking company employees into releasing control of their systems to a hacker, or the introduction of computer viruses or malware into our systems with a view to steal confidential or proprietary data. Cyberattacks of increasing sophistication may be difficult to detect and could result in the theft of our intellectual property and data, including personal information. We are also vulnerable to unintentional errors or malicious or improper actions by persons with authorized access to our systems that exceed the scope of their access rights, distribute data erroneously, or, unintentionally or intentionally, interfere with the intended operations and functioning of our platform and related offerings. Moreover, we could be adversely impacted by outages and disruptions in the online platforms of our inventory and data suppliers, such as real-time advertising exchanges. Misuse, vulnerabilities, outages and disruptions of our platform and related offerings, including due to cyberattacks, may require engagement with regulators or lead to legal actions, and may harm our reputation and negatively impact our business, financial condition and results of operations.

***Advertising technology industry self-regulation may lead to investigation by government or self-regulatory bodies, government or private litigation, and operational costs or harm to reputation or brand.***

In addition to laws, the online advertising ecosystem is subject to best practices and self-regulatory standards, such as those promulgated by the Network Advertising Initiative and the Digital Advertising Alliance, and similar organizations in Europe and Canada. If we or our clients or partners make mistakes in the implementation of these principles, if self-regulatory bodies expand these guidelines, if government authorities issue different guidelines regarding targeted advertising, if litigation results in changes to industry practices, if opt out mechanisms fail to work as designed, or if Internet users misunderstand our technology or our commitments with respect to these principles, we could be subject to negative publicity, government investigation, government or private litigation or investigation by self-regulatory bodies or other accountability groups. Any such action against us, or investigations, even if meritless, could be costly and time consuming, require us to change our business practices, cause us to divert management's attention and our resources and be damaging to our brand, reputation and business. In addition, privacy advocates, plaintiffs' attorneys and industry groups may advance new and different standards that either legally or contractually apply to us. We cannot yet determine the impact such future standards may have on our business.

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

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

The market for talent in many of our areas of operations, including California and New York, is intensely competitive, as technology companies like ours compete to attract the best talent. As a business-to-business company, we do not have the same level of name recognition among potential recruits as business-to-consumer companies. Additionally, we have less experience with recruiting and less name recognition in geographies outside of the United States and may face additional challenges in attracting and retaining international employees. In addition, many companies now offer a remote or hybrid work environment, which may increase the competition for employees from employers outside of our traditional office locations. As a result, we may incur increasingly significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and we may lose new employees to our competitors or other companies before we realize the benefit of our investment in recruiting and training them.

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



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

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

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

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

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

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

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

We have experienced and continue to experience significant growth in a short period of time. To manage our growth effectively, we must continually evaluate and evolve our organization. We must also manage our employees, operations, finances, technology and development and capital investments efficiently. Our efficiency, productivity and the quality of our platform and client service may be adversely impacted if we do not train our new personnel, particularly our



sales and support personnel, quickly and effectively, or if we fail to appropriately coordinate across our organization. Additionally, our rapid growth may place a strain on our resources, infrastructure and ability to maintain the quality of our platform and related offerings. Our revenue growth and levels of profitability in recent periods should not be considered as indicative of future performance. In future periods, our revenue or profitability could decline or grow more slowly than we expect. Failure to manage our growth effectively could cause our business to suffer and have an adverse effect on our financial condition and results of operations.

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

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

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

Investing in the foregoing, however, may not yield anticipated returns. Consequently, as our costs increase, we may not be able to generate sufficient revenue to sustain profitability.

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

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

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

Spend on our platform primarily comes through our agency clients. Many of our contracts with advertising agencies provide that if the advertiser does not pay the agency, the agency is not liable to us, and we must seek payment solely from the advertiser, a type of arrangement called sequential liability. Contracting with these agencies, which in some cases have or may develop higher-risk credit profiles, may subject us to greater credit risk than if we were to contract directly with advertisers. This credit risk may vary depending on the nature of an advertising agency's aggregated

advertiser base. In addition, typically, we are contractually required to pay advertising inventory and data suppliers within a negotiated period of time, regardless of whether our clients pay us on time, or at all. In addition, we typically experience slow payment cycles by advertising agencies as is common in our industry. While we attempt to negotiate long payment periods with our suppliers and shorter periods from our clients, we are not always successful. As a result, we often face a timing issue with our accounts payable on shorter cycles than our accounts receivables, requiring us to remit payments from our own funds, and accept the risk of credit loss.

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

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

***The effects of health epidemics have had, and could in the future have, an adverse impact on our business, financial condition and results of operations.***

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

The economic uncertainty caused by future health epidemics may make it difficult for us to forecast revenue and operating results and to make decisions regarding operational cost structures and investments. The duration and extent of the impact from future health epidemics or other health events depend on future developments that cannot be accurately predicted at this time, including measures taken by governments, businesses and other organizations in response to such epidemic or other public health event, and if we are not able to respond to and manage the impact of such events effectively, our business may be harmed.

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

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

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

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

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

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

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

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

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

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

- risks related to local advertising markets, where adoption of programmatic ad buying may be slower than in the United States, advertising buyers and inventory and data providers may be less familiar with demand-side platforms and our brand, and business models may not support our value proposition;
- exposure to public health issues and to travel restrictions and other measures undertaken by governments in response to such issues;
- risks related to compliance with local laws and regulations, including those relating to privacy, cybersecurity, data security, antitrust, data localization, anti-bribery, import and export controls, economic sanctions (including to existing and potential partners and clients), tax and withholding (including overlapping of different tax regimes), and varied labor and employment laws (including those

relating to termination of employees); corporate formation, partnership, restrictions on foreign ownership or investment and other regulatory limitations or obligations on our operations (such as obtaining requisite licenses or other governmental requirements); and the increased administrative costs and risks associated with such compliance;

- operational and execution risk, and other challenges caused by distance, language and cultural differences, which may burden management, increase travel, infrastructure and legal compliance costs, and add complexity to our enforcement of advertising standards across languages and countries;
- geopolitical and social factors, such as concerns regarding negative, unstable or changing economic conditions in the countries and regions where we operate, recessions, armed conflicts and wars, political instability and trade disputes;
- risks related to pricing structure, payment and currency, including aligning our pricing model and payment terms with local norms, higher levels of credit risk and payment fraud, difficulties in invoicing and collecting in foreign currencies and associated foreign currency exposure, and difficulties in repatriating or transferring funds from or converting currencies; and
- reduced protection for intellectual property rights in some countries and practical difficulties in enforcing contractual and intellectual property rights abroad.

We have a U.K. entity through which we have entered into international client and partner agreements, including with those in the EU, which are governed by English Law, and some of our clients and partners pay us in British Pounds and Euros.

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

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

We have entered into, and may in the future enter into, credit facilities which contain restrictions that limit our flexibility in operating our business. Our credit facility contains, and any future credit facility may contain, various covenants that limit our ability to engage in specified types of transactions. Subject to exceptions, these covenants limit our ability to, among other things:

- sell assets or make changes to the nature of our business;
- engage in mergers or acquisitions;
- incur, assume or permit additional indebtedness and guarantees;
- make restricted payments, including paying dividends on, repurchasing, redeeming or making distributions with respect to our capital stock;
- make specified investments;
- engage in transactions with our affiliates; and
- make payments in respect of subordinated debt.

Our obligations under our credit facility are collateralized by a pledge of substantially all of our assets, including accounts receivable, deposit accounts, intellectual property and investment property and equipment. The covenants in our credit facility may limit our ability to take actions and, in the event that we breach one or more covenants, our lenders may choose to declare an event of default and require that we immediately repay all amounts outstanding, terminate the commitment to extend further credit and foreclose on the collateral granted to them to collateralize such indebtedness,

which includes our intellectual property. In addition, if we fail to meet the required covenants, we will not have access to further draw-downs under our credit facility.

***If we do not effectively grow and train our sales and client service teams, we may be unable to add new clients or increase sales to our existing clients and our business will be adversely affected.***

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

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

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

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

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

Policing unauthorized use of our technology is difficult. In addition, the laws of some foreign countries may not be as protective of intellectual property rights as those of the United States, and mechanisms for enforcement of our

proprietary rights in such countries may be inadequate. If we are unable to protect our proprietary rights (including in particular, the proprietary aspects of our platform) we may find ourselves at a competitive disadvantage to others who have not incurred the same level of expense, time and effort to create and protect their intellectual property.

***We may be sued by third parties for alleged infringement of their proprietary rights, which would result in additional expense and potential damages.***

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

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

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

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

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

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

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

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

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

#### **Risks Related to Ownership of Our Class A Common Stock**

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

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

- announcements of new offerings, products, services or technologies, commercial relationships, acquisitions, or other events by us or our competitors;
- price and volume fluctuations in the overall stock market from time to time;
- significant volatility in the market price and trading volume of technology companies in general and of companies in the digital advertising industry in particular;
- fluctuations in the trading volume of our shares or the size of our public float;
- trading activity in our share repurchase program;
- actual or anticipated changes or fluctuations in our results of operations;
- whether our results of operations meet the expectations of securities analysts or investors;
- actual or anticipated changes in the expectations of investors or securities analysts;
- litigation involving us, our industry, or both;
- regulatory developments in the United States, foreign countries, or both;
- general economic conditions and trends;



- terrorist attacks, political upheaval, natural disasters, war, public health crises, or other major catastrophic events;
- sales of large blocks of our common stock;
- departures of key employees; or
- an adverse impact on us from any of the other risks cited herein.

In addition, if the stock market for technology companies, or the stock market generally, experiences a loss of investor confidence, the trading price of our Class A common stock could decline for reasons unrelated to our business, financial condition or results of operations. Stock prices of many technology companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. The trading price of our Class A common stock might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. For example, in February and March 2025, securities class action litigation was filed against us following a drop in our stock price. For additional information regarding the pending legal proceedings, refer to “*Item 1. Legal Proceedings.*” Our involvement in securities litigation will subject us to substantial costs, divert resources and the attention of management from our core business, and may adversely affect our business.

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

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

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

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

Our Class B common stock has ten votes per share and our Class A common stock has one vote per share. Because of the ten-to-one voting ratio between our Class B and Class A common stock, the holders of our Class B common stock collectively have substantial control of the combined voting power of our common stock. Our articles of incorporation provide that all Class B common stock will convert automatically into Class A common stock on December 22, 2025, unless converted prior to such date. As of March 31, 2025, stockholders who held shares of Class B common stock, including our executive officers, employees, and directors and their affiliates, together held approximately 49.1% of the voting power of our outstanding capital stock. This concentrated control limits or precludes your ability to influence corporate matters, as the holders of Class B common stock are able to influence or substantially control matters requiring approval by our stockholders, including the election of the directors, excluding the director we have designated as a Class A director, and the approval of mergers, acquisitions or other extraordinary transactions. Their interests may differ from yours and they may vote in a manner that is adverse to your interests. This ownership concentration may deter, delay or prevent a change of control of our company, deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company and may ultimately affect the market price of our common stock. Furthermore, in connection with the dual class nature of our common stock, we have become subject to legal proceedings and could become involved in additional litigation, including securities class action claims and/or derivative litigation. Any such legal proceedings, regardless of outcome or merit, may divert management’s time and attention and may result in the incurrence of significant expense, including legal fees. For additional information regarding the pending legal proceedings, refer to “*Item 1. Legal Proceedings.*”

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



***Our governing documents and Nevada law could discourage takeover attempts and other corporate governance changes.***

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

- permit the board of directors to establish the number of directors and fill any vacancies and newly created directorships;
- provide that our board of directors is classified into three classes with staggered, three-year terms and that directors may only be removed by the affirmative vote of the holders of at least 66 2/3% of the voting power of the then-outstanding shares of capital stock that all of our stockholders would be entitled to cast in an election of directors;
- require super-majority voting to amend certain provisions in our articles of incorporation and bylaws;
- authorize the issuance of “blank check” preferred stock that our board of directors could use to implement a stockholder rights plan;
- specify that special meetings of our stockholders can be called only by our board of directors, the chairman of our board of directors, our chief executive officer, or a stockholder that has held at least 20% of our outstanding shares of common stock continuously for one year;
- provide that the board of directors is expressly authorized to make, alter or repeal our bylaws;
- provide that vacancies on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum;
- prohibit cumulative voting in the election of directors;
- restrict the forum for certain litigation against us to Nevada;
- restrict the forum for certain litigation against us to the federal district courts of the United States;
- permit our board of directors to alter our bylaws without obtaining stockholder approval;
- reflect the dual class structure of our common stock, as discussed above; and
- establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at annual stockholder meetings.

In addition, we are subject to Nevada’s statute on combinations with interested stockholders. These provisions may prohibit large stockholders, in particular those owning 10% or more of the voting power of our outstanding voting stock, from merging or combining with us for a period of time.

***Our articles of incorporation and bylaws designate certain state or federal courts as the exclusive forum for certain litigation that may be initiated by our stockholders, which could limit stockholders’ ability to obtain a favorable judicial forum for disputes with us.***

Our articles of incorporation provide that, unless we consent in writing to the selection of an alternative forum, the state courts located in the State of Nevada will be, to the fullest extent permitted by law, the sole and exclusive forum for any state law claim for:

- any action, suit or proceeding brought in our name or right or on our behalf;
- any action asserting or based upon a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or agents to us or our stockholders; or
- any action asserting a claim arising pursuant to, or to interpret, apply, enforce or determine the validity of, any provision of the Nevada Revised Statutes, our articles of incorporation or our bylaws or certain voting trust agreements to which we are a party or a stated beneficiary (collectively, the “Nevada Forum Provision”).

The Nevada Forum Provision will not apply to any causes of action arising under the Securities Act or the Exchange Act. Further, our bylaws provide that, unless we consent in writing to the selection of an alternative forum, the

federal district courts of the United States of America will be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act (the “Federal Forum Provision”). In addition, our articles of incorporation and bylaws provide that any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock is deemed to have notice of and consented to the Nevada Forum Provision and the Federal Forum Provision, respectively; provided, however, that stockholders cannot and will not be deemed to have waived our compliance with the U.S. federal securities laws and the rules and regulations thereunder.

The Nevada Forum Provision and the Federal Forum Provision in our articles of incorporation and bylaws may impose additional litigation costs on stockholders in pursuing any such claims. Additionally, these forum selection clauses may limit our stockholders’ ability to bring a claim in a judicial forum that they find favorable for disputes with us or our directors, officers, employees or agents (including, without limitation, any claims in respect of stockholder nominations of directors as permitted under our bylaws), which may discourage the filing of lawsuits against us and our directors, officers, employees and agents even though an action, if successful, might benefit our stockholders. In addition, there is uncertainty as to whether other courts will enforce our Federal Forum Provision. If the Federal Forum Provision is found to be unenforceable, we may incur additional costs associated with resolving such matters. The Federal Forum Provision may also impose additional litigation costs on stockholders who assert that the provision is not enforceable or invalid. The state courts of the State of Nevada and the federal district courts may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments may be more or less favorable to us than our stockholders.

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

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

#### **General Risk Factors**

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

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

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

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

If we identify material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal control over financial reporting is effective. If we are unable to assert that our internal control over financial reporting is effective, if our independent registered public accounting firm is unable to express an opinion as to the

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

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

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

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

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

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

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

- regulatory hurdles;
- anticipated benefits may not materialize;
- diversion of management time and focus from operating our business to addressing acquisition integration challenges;
- retention of employees from the acquired company;
- cultural challenges associated with integrating employees from the acquired company into our organization;
- integration of the acquired company's products and technology;
- integration of the acquired company's accounting, management information, human resources and other administrative systems;

- the need to implement or improve controls, procedures and policies at a business that, prior to the acquisition, may have lacked effective controls, procedures and policies;
- coordination of product development and sales and marketing functions;
- liability for activities of the acquired company before the acquisition, including relating to privacy and data security, patent and trademark infringement claims, violations of laws, commercial disputes, tax liabilities and other known and unknown liabilities; and
- litigation or other claims in connection with the acquisition, including claims from terminated employees, users, former stockholders or other third parties.

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

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

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

***Our tax liabilities may be greater than anticipated.***

The U.S. and non-U.S. tax laws applicable to our business activities are subject to interpretation and are changing. We are subject to audit by the Internal Revenue Service and by taxing authorities of the state, local and foreign jurisdictions in which we operate. Our tax obligations are based in part on our corporate operating structure, including the manner in which we develop, value, use and hold our intellectual property, the jurisdictions in which we operate, how tax authorities assess revenue-based taxes such as sales and use taxes, the scope of our international operations and the value we ascribe to our intercompany transactions. Taxing authorities may challenge, and have challenged, our tax positions and methodologies for valuing developed technology or intercompany arrangements, positions regarding the collection of sales and use taxes, and the jurisdictions in which we are subject to taxes, which could expose us to additional taxes. Any adverse outcomes of such challenges to our tax positions could result in additional taxes for prior periods, interest and penalties, as well as higher future taxes. In addition, our future tax expense could increase as a result of changes in tax laws, regulations or accounting principles, or as a result of earning income in jurisdictions that have higher tax rates. For example, the European Commission has proposed, and various jurisdictions, including a number of states in the United States, are considering enacting or have enacted laws that impose separate taxes on specified digital services, which may increase our tax obligations in such jurisdictions. In addition, the Organization for Economic Cooperation and Development (“OECD”) announced an Inclusive Framework on Base Erosion and Profit Shifting, including Pillar Two Model Rules defining a global minimum tax, which calls for the taxation of large multinational corporations at a minimum rate of 15%. While the changes from these rules have not impacted our financial condition or results of operations, they could increase our effective tax rate and cash tax payments in future periods. Any increase in our tax expense could have a negative effect on our financial condition and results of operations. Moreover, the determination of our provision for income taxes and other tax liabilities requires significant estimates and judgment by management, and the tax treatment of

certain transactions is uncertain. Any changes, ambiguity, or uncertainty in taxing jurisdictions' administrative interpretations, decisions, policies and positions, including, the position of taxing authorities with respect to revenue generated by reference to certain digital services, could also materially impact our income tax liabilities. Although we believe we will make reasonable estimates and judgments, the ultimate outcome of any particular issue may differ from the amounts previously recorded in our financial statements and any such occurrence could materially affect our financial condition and results of operations.

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

### *Sales of Unregistered Securities*

During the three months ended March 31, 2025, we issued a total of 292,749 shares of our Class A common stock in connection with a strategic transaction involving, among other things, the acquisition of certain assets of a technology company, for which shares were issued in reliance upon the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended.

### *Issuer Purchases of Equity Securities*

The following table summarizes share repurchase activity for the three months ended March 31, 2025.

	Total Number of Shares Purchased <sup>(1)</sup>	Average Price Paid Per Share <sup>(2)</sup>	Total Number of Shares Purchased as Part of Publicly Announced Programs <sup>(1)</sup>	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs <sup>(1)</sup>
	(in thousands)		(in thousands)	(in millions)
January 1- 31	237	\$ 120.30	237	\$ 1,000
February 1-28	829	\$ 72.69	829	\$ 940
March 1-31	5,222	\$ 59.17	5,222	\$ 631
	<u>6,288</u>		<u>6,288</u>	

(1) On February 15, 2023, we announced that our board of directors approved a share repurchase program with authorization to repurchase up to \$700 million our Class A common stock, which commenced in February 2023 and has no expiration date. In February 2024, an additional \$647 million was authorized under this program, bringing the total amount available for future repurchases back to \$700 million. At the end of January 2025, an additional \$564 million was authorized under this program, bringing the total amount for future repurchases to \$1 billion. The share repurchase program is designed to help offset the impact of future share dilution from employee stock issuances. Repurchases under the program may be made in the open market, in privately negotiated transactions or otherwise, with the amount and timing of repurchases determined at our discretion, depending on market conditions and corporate needs. Open market repurchases are structured to occur in accordance with applicable federal securities laws, including within the pricing and volume requirements of Rule 10b-18 under the Exchange Act. We may also, from time to time, enter into Rule 10b5-1 plans to facilitate repurchases of its shares under this authorization. The program does not obligate us to acquire a minimum amount of Class A common stock, and may be modified, suspended or terminated at any time at the discretion of our board of directors. See *Note 7—Capitalization* in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information related to share repurchases.

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

## Item 5. Other Information

### *Rule 10b5-1 Trading Plans*

Our Section 16 officers and directors (as defined in Rule 16a-1 under the Securities Exchange Act of 1934, or the “Exchange Act”) may from time to time enter into plans for the purchase or sale of Company stock that are intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act (“Rule 10b5-1(c)”).

On March 11, 2025, our Chief Legal Officer, Jay Grant, adopted a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) for the sale of up to 97,656 shares of our Class A common stock. The plan will terminate at the earlier of the execution of all trading orders in the plan or March 11, 2026.

During the quarter ended March 31, 2025, none of our Section 16 officers or directors adopted or terminated a “non-Rule 10b5-1 trading arrangement” (as defined in Item 408 of Regulation S-K).

**Item 6. Exhibits**

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Filing Date	Number	
3.1	<a href="#">Articles of Incorporation of The Trade Desk, Inc.</a>	8-K	11/18/2024	3.1	
3.2	<a href="#">Bylaws of The Trade Desk, Inc.</a>	8-K	11/18/2024	3.2	
4.1	Reference is made to Exhibits <a href="#">3.1</a> and <a href="#">3.2</a> .				
4.2	<a href="#">Form of Class A Common Stock Certificate.</a>	10-K	2/21/2025	4.2	
4.3	<a href="#">Form of Class B Common Stock Certificate.</a>	10-K	2/21/2025	4.3	
10.1+	<a href="#">The Trade Desk, Inc. Non-Employee Director Compensation Policy.</a>				X
10.2+	<a href="#">Offer Letter, dated March 8, 2025, between The Trade Desk, Inc. and Vivek Kundra.</a>				X
10.3+	<a href="#">Employment Agreement, dated March 31, 2025, between The Trade Desk, Inc. and Vivek Kundra.</a>				X
31.1	<a href="#">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.</a>				X
31.2	<a href="#">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.</a>				X
32.1 <sup>(1)</sup>	<a href="#">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.</a>				X
101.ins	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.				X
101.sch	Inline XBRL Taxonomy Schema Document.				X
101.cal	Inline XBRL Taxonomy Calculation Linkbase Document.				X
101.def	Inline XBRL Taxonomy Definition Linkbase Document.				X
101.lab	Inline XBRL Taxonomy Label Linkbase Document.				X
101.pre	Inline XBRL Taxonomy Presentation Linkbase Document.				X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).				X

+ Indicates a management contract or compensatory plan or arrangement.

(1) The information in this exhibit is furnished and deemed not filed with the SEC for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and is not to be incorporated by reference into any filing of The Trade Desk, Inc. under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

## 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.

THE TRADE DESK, INC.  
(Registrant)

Dated: May 8, 2025

/s/ Laura Schenkein  
\_\_\_\_\_  
Laura Schenkein  
Chief Financial Officer  
(Principal Financial and Accounting Officer)