UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2023

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: 001-40015

Viant Technology Inc.
(Exact name of registrant as specified in its charter)

Delaware	**85-3447553**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2722 Michelson Drive, Suite 100
Irvine, CA 92612
(Address of principal executive offices and zip code)

(949) 861-8888
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value $0.001 per share	DSP	The Nasdaq Stock Market LLC (Nasdaq Global Select Market)

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☒		

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

As of May 4, 2023, there were 15,064,581 shares and 47,082,260 shares of the registrant's Class A and Class B common stock, respectively, $0.001 par value per share, outstanding.

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

VIANT TECHNOLOGY INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited; in thousands, except per share data)

	Three Months Ended March 31,	
	2023	**2022**
Revenue	$ 41,720	$ 42,629
Operating expenses:		
Platform operations	23,337	26,194
Sales and marketing	12,169	13,756
Technology and development	5,894	5,003
General and administrative	11,428	11,083
Total operating expenses	52,828	56,036
Loss from operations	(11,108)	(13,407)
Interest expense (income), net	(1,819)	152
Other expense, net	87	4
Total other expense (income), net	(1,732)	156
Net loss	(9,376)	(13,563)
Less: Net loss attributable to noncontrolling interests	(6,896)	(10,371)
Net loss attributable to Viant Technology Inc.	$ (2,480)	$ (3,192)
Loss per share of Class A common stock:		
Basic	$ (0.17)	$ (0.23)
Diluted	$ (0.17)	$ (0.23)
Weighted-average shares of Class A common stock outstanding:		
Basic	14,748	13,809
Diluted	14,748	13,809

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

VIANT TECHNOLOGY INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited; in thousands, except per share data)

	As of March 31, 2023	As of December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 201,742	$ 206,573
Accounts receivable, net of allowances	80,810	101,658
Prepaid expenses and other current assets	3,771	6,631
Total current assets	286,323	314,862
Property, equipment, and software, net	24,274	23,106
Operating lease assets	25,473	26,441
Intangible assets, net	507	667
Goodwill	12,422	12,422
Other assets	64	385
Total assets	$ 349,063	$ 377,883
Liabilities and stockholders' equity		
Liabilities		
Current liabilities:		
Accounts payable	$ 20,782	$ 37,063
Accrued liabilities	28,580	35,063
Accrued compensation	6,223	9,162
Current portion of deferred revenue	1,055	123
Current portion of operating lease liabilities	3,973	3,711
Other current liabilities	2,447	1,995
Total current liabilities	63,060	87,117
Long-term debt	—	—
Long-term portion of operating lease liabilities	23,990	24,998
Total liabilities	87,050	112,115
Commitments and contingencies (Note 13)		
Stockholders' equity		
Preferred stock, $0.001 par value		
Authorized shares — 10,000,000		
Issued and outstanding — none	—	—
Class A common stock, $0.001 par value		
Authorized shares — 450,000,000		
Issued — 15,444,078 and 14,783,886		
Outstanding — 15,064,581 and 14,643,798	15	15
Class B common stock, $0.001 par value		
Authorized shares — 150,000,000		
Issued and outstanding — 47,082,260 and 47,082,260	47	47
Additional paid-in capital	100,942	95,922
Accumulated deficit	(39,425)	(36,261)
Treasury stock, at cost; 379,497 and 140,088 shares held	(1,567)	(475)
Total stockholders' equity attributable to Viant Technology Inc.	60,012	59,248
Noncontrolling interests	202,001	206,520
Total equity	262,013	265,768
Total liabilities and stockholders' equity	$ 349,063	$ 377,883

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

VIANT TECHNOLOGY INC.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(unaudited; in thousands)

	Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Accumulated Deficit	Treasury Stock		Noncontrolling Interests	Total Equity
	Shares	Amount	Shares	Amount			Shares	Amount		
Balance as of December 31, 2022	14,784	$ 15	47,082	$ 47	$ 95,922	$ (36,261)	(140)	$ (475)	$ 206,520	$ 265,768
Cumulative impact of accounting adoption	—	—	—	—	—	(209)	—	—	—	(209)
Balance as of January 1, 2023	14,784	15	47,082	47	95,922	(36,470)	(140)	(475)	206,520	265,559
Issuance of Class A common stock in connection with equity-based compensation plans	660	1	—	—	(1)	—	—	—	—	—
Repurchase of treasury shares in connection with the taxes paid related to net share settlement of equity awards	—	—	—	—	—	—	(379)	(1,567)	—	(1,567)
Reissuance of treasury stock in connection with equity-based compensation plans	—	—	—	—	—	(475)	140	475	—	—
Allocation of equity to noncontrolling interests	—	—	—	—	(2,377)	—	—	—	2,377	—
Accrued member tax distributions	—	—	—	—	(1,474)	—	—	—	—	(1,474)
Stock-based compensation	—	—	—	—	8,872	—	—	—	—	8,872
Net loss	—	—	—	—	—	(2,480)	—	—	(6,896)	(9,376)
Balance as of March 31, 2023	15,444	$ 15	47,082	$ 47	$ 100,942	$ (39,425)	(379)	$ (1,567)	$ 202,001	$ 262,013

	Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Accumulated Deficit	Treasury Stock		Noncontrolling Interests	Total Equity
	Shares	Amount	Shares	Amount			Shares	Amount		
Balance as of December 31, 2021	13,921	$ 14	47,107	$ 47	$ 82,888	$ (20,139)	(216)	$ (2,648)	$ 222,412	$ 282,574
Exchange of Class B common stock for Class A common stock	25	—	(25)	—	—	—	—	—	—	—
Issuance of Class A common stock in connection with equity-based compensation plans	126	—	—	—	—	—	—	—	—	—
Reissuance of treasury stock in connection with equity-based compensation plans	—	—	—	—	—	(2,648)	216	2,648	—	—
Allocation of equity to noncontrolling interests	—	—	—	—	(4,276)	—	—	—	4,276	—
Accrued member tax distributions	—	—	—	—	(12)	—	—	—	—	(12)
Stock-based compensation	—	—	—	—	7,326	—	—	—	—	7,326
Net loss	—	—	—	—	—	(3,192)	—	—	(10,371)	(13,563)
Balance as of March 31, 2022	14,072	$ 14	47,082	$ 47	$ 85,926	$ (25,979)	—	$ —	$ 216,317	$ 276,325

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

VIANT TECHNOLOGY INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited; in thousands)

	Three Months Ended March 31,	
	2023	**2022**
Cash flows from operating activities:		
Net loss	$ (9,376)	$ (13,563)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	3,412	3,154
Stock-based compensation	7,472	6,376
Provision for (recovery of) doubtful accounts	22	51
Loss on disposal of assets	104	—
Amortization of operating lease assets	968	654
Changes in operating assets and liabilities:		
Accounts receivable	20,618	30,790
Prepaid expenses and other assets	3,180	(568)
Accounts payable	(16,301)	(8,157)
Accrued liabilities	(6,504)	3,584
Accrued compensation	(3,350)	(2,721)
Deferred revenue	933	(6,486)
Operating lease liabilities	(743)	(461)
Other liabilities	(1,000)	(1,083)
Net cash provided by (used in) operating activities	(565)	11,570
Cash flows from investing activities:		
Purchases of property and equipment	(291)	(373)
Capitalized software development costs	(2,382)	(1,725)
Net cash used in investing activities	(2,673)	(2,098)
Cash flows from financing activities:		
Taxes paid related to net share settlement of equity awards	(1,567)	—
Payment of member tax distributions	(26)	(16)
Net cash used in financing activities	(1,593)	(16)
Net increase (decrease) in cash and cash equivalents	(4,831)	9,456
Cash and cash equivalents at beginning of period	206,573	238,480
Cash and cash equivalents at end of period	$ 201,742	$ 247,936
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 38	$ 104
Supplemental disclosure of non-cash investing and financing activities:		
Stock-based compensation included in capitalized software development costs	$ 1,400	$ 950
Capitalized assets financed by accounts payable and accrued liabilities	$ 953	$ 464
Accrued member tax distributions	$ 1,450	$ —

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

1. *Nature of Operations*

Viant Technology Inc. (the "Company," "we," "us," "our" or "Viant") was incorporated in the State of Delaware on October 9, 2020. The Company operates a demand side platform, Adelphic, that is used by marketers and their advertising agencies to centralize the planning, buying and measurement of their advertising across most channels, including desktop, mobile, connected TV, linear TV, in-game, streaming audio and digital billboards.

On February 9, 2021, the Securities and Exchange Commission ("SEC") declared effective the Company's Form S-1 related to the initial public offering ("IPO") of its Class A common stock. The closing date of the IPO was February 12, 2021, and in connection with the closing and the corporate reorganization (the "Reorganization Transactions"), the following actions were taken:

- The Company amended and restated its certificate of incorporation, under which the Company is authorized to issue up to 450,000,000 shares of Class A common stock, up to 150,000,000 shares of Class B common stock, and up to 10,000,000 shares of preferred stock;
- The limited liability company agreement of Viant Technology LLC was amended and restated (as amended and restated, the "Viant Technology LLC Agreement") to, among other things, provide for Class A units and Class B units and appoint the Company as the sole managing member of Viant Technology LLC;
- The Viant Technology LLC Agreement classified the interests acquired by the Company as Class A units, reclassified the interests held by the continuing members of Viant Technology LLC as Class B units, and permits the continuing members of Viant Technology LLC to exchange Class B units for shares of Class A common stock of Viant Technology Inc. on a one-for-one basis or, at the election of Viant Technology Inc., for cash at the current fair value on the date of the exchange. Immediately following such reclassification, the continuing members held 48,935,559 Class B units. For each membership unit of Viant Technology LLC that was reclassified as a Class B unit, the Company issued one corresponding share of our Class B common stock to the continuing members, or 48,935,559 shares of Class B common stock in total;
- The Company issued and sold 10,000,000 shares of its Class A common stock to the underwriters at an IPO price of $25.00 per share, for gross proceeds of $250.0 million before deducting underwriting discounts and commissions of $17.5 million;
- The Company used the net proceeds of $232.5 million to acquire 10,000,000 newly issued Class A units of Viant Technology LLC at a per-unit price equal to the per-share price paid by the underwriters for shares of our Class A common stock;
- The underwriters exercised their option to purchase 1,500,000 additional shares of Class A common stock from the selling stockholders in the IPO. The Company did not receive any proceeds from the sale of shares by the selling stockholders. Pursuant to such exercise, the selling stockholders exchanged the corresponding number of Class B units for the shares of Class A common stock, the corresponding number of shares of Class B common stock were automatically retired, and 1,500,000 Class A units were issued to the Company;
- The Class B stockholders and Class A stockholders initially had 80.5% and 19.5%, respectively, of the combined voting power of the Company's common stock. The Class A common stock outstanding represents 100% of the

rights of the holders of all classes of the Company's outstanding common stock to share in distributions from the Company, except for the right of Class B stockholders to receive the par value of the Class B common stock upon our liquidation, dissolution or winding up or an exchange of Class B units;

- The Company entered into a Registration Rights Agreement with the Class B stockholders to provide for certain rights and restrictions after the IPO; and
- Viant Technology LLC's 2020 Equity Based Incentive Compensation Plan (the "Phantom Unit Plan") was terminated and replaced with the Company's 2021 Long Term Incentive Plan (the "LTIP").

Immediately following the closing of the IPO, Viant Technology LLC became the predecessor of the Company for financial reporting purposes. Viant Technology Inc. is a holding company, and its sole material asset is its equity interest in Viant Technology LLC. As the sole managing member of Viant Technology LLC, the Company operates and controls all of the business and affairs of Viant Technology LLC. The Reorganization Transactions are accounted for as a reorganization of entities under common control. As a result, the condensed consolidated financial statements of the Company recognize the assets and liabilities received in the Reorganization Transactions at their historical carrying amounts, as reflected in the historical consolidated financial statements of Viant Technology LLC. The Company consolidates Viant Technology LLC in its condensed consolidated financial statements and records a noncontrolling interest related to the Class B units held by the Class B stockholders on its condensed consolidated balance sheets and statements of operations.

2. *Basis of Presentation and Summary of Significant Accounting Policies*

Basis of Presentation and Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information which are unaudited and include the operations of the Company, Viant Technology LLC and its wholly owned subsidiaries. Viant Technology LLC is considered a variable interest entity. The Company is the primary beneficiary and sole managing member of Viant Technology LLC and has decision making authority that significantly affects the economic performance of the entity. As a result, the Company consolidates Viant Technology LLC. All intercompany balances and transactions have been eliminated in consolidation.

Management believes that the accompanying condensed consolidated financial statements reflect the adjustments necessary for the fair statement of its condensed consolidated balance sheets, statements of operations, and cash flows included in this report. The condensed consolidated balance sheet as of December 31, 2022 was derived from the audited annual financial statements but does not contain all of the footnote disclosures from the annual financial statements. Certain information and disclosures normally included in the Company's consolidated financial statements prepared in accordance with GAAP have been omitted. Accordingly, these condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and related notes included in its Annual Report on Form 10-K for the year ended December 31, 2022.

The condensed consolidated statements of operations for the three months ended March 31, 2023 are not necessarily indicative of the results to be expected for the year ending December 31, 2023 ("fiscal 2023"), or for any other future annual or interim period.

There have been no material changes to our significant accounting policies as described in our Annual Report on Form 10-K for the year ended December 31, 2022.

Use of Estimates

The preparation of our 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. On an ongoing basis, management evaluates its estimates, primarily those related to revenue recognition, stock-based compensation, income taxes, allowances for doubtful accounts, the useful lives of capitalized software development costs and other property, equipment and software and assumptions used in the impairment analyses of long-lived assets and goodwill. 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 amount of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

As of March 31, 2023, the impact of widespread macroeconomic and geopolitical uncertainties, including the continuing impact of COVID-19, bank failures, labor shortages, inflation and monetary supply shifts, rising interest rates, tightening of credit markets, recession risks, and potential disruptions from the Russia-Ukraine conflict, on our business continues to evolve. As a result, many of our estimates and assumptions consider macroeconomic and geopolitical 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 on the potential impact on our business of global economic and business events, our estimates may change materially in future periods.

Comprehensive Loss

For the periods presented, net loss is equal to comprehensive loss.

Accounts Receivable, Net of Allowances

The following table presents changes in the allowance for doubtful accounts for the three months ended March 31, 2023:

	(in thousands)
Balance as of December 31, 2022	$ 1,015
Cumulative impact of accounting adoption	209
Provision for doubtful accounts	22
Write-offs, net of recoveries	(84)
Balance as of March 31, 2023	$ 1,162

Concentration of Risk

Financial instruments that potentially subject the Company to concentration of risk consist principally of cash and accounts receivable. The Company maintains its cash with financial institutions and its cash levels exceed the Federal Deposit Insurance Corporation's federally insured limits. Accounts receivable include amounts due from customers with principal operations primarily in the United States.

As of March 31, 2023, one individual customer accounted for 10.3% of consolidated accounts receivable. As of December 31, 2022, no individual customers accounted for 10.0% or greater of consolidated accounts receivable.

As of March 31, 2023, two individual suppliers accounted for 15.7% and 10.6% of consolidated accounts payable and accrued liabilities. As of December 31, 2022, one supplier accounted for 24.6% of consolidated accounts payable and accrued liabilities.

For the three months ended March 31, 2023, one advertising agency holding company accounted for 11.5% of the Company's total revenue. For the three months ended March 31, 2022, no advertising agency holding company accounted for 10.0% or more of the Company's total revenue. For the three months ended March 31, 2023 and 2022, there were no individual customers that accounted for 10.0% or more of the Company's total revenues.

JOBS Act Election as an Emerging Growth Company

On April 5, 2012, the Jumpstart Our Business Startups Act (the "JOBS Act") was signed into law. The JOBS Act contains provisions that, among other things, reduce certain reporting requirements for qualifying public companies. As an "emerging growth company," the Company may, under Section 7(a)(2)(B) of the Securities Act of 1933, as amended (the "Securities Act"), delay adoption of new or revised accounting standards applicable to public companies until such standards would otherwise apply to private companies. An "emerging growth company" is one with less than $1.235 billion in annual sales, has less than $700 million in market value of its shares of common stock held by non-affiliates and issues less than $1 billion of non-convertible debt over a three-year period. The Company may take advantage of this extended transition period until the first to occur of the date that it (i) is no longer an "emerging growth company" or (ii) affirmatively and irrevocably opts out of this extended transition period.

The Company has elected to take advantage of the benefits of this extended transition period. Until the date that the Company is no longer an "emerging growth company" or affirmatively and irrevocably opts out of the exemption provided by Securities Act Section 7(a)(2)(B), upon issuance of a new or revised accounting standard that applies to its condensed consolidated financial statements and that has a different effective date for public and private companies, the Company will disclose the date on which it will adopt the recently issued accounting standard.

Recently Adopted Accounting Pronouncements

Financial Instruments—Credit Losses

In June 2016, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments—Credit Losses (Topic 326)*. ASU 2016-13 revises the impairment model to utilize an expected loss methodology in place of the currently used incurred loss methodology, which results in more timely recognition of losses on financial instruments. We adopted this standard at the beginning of fiscal 2023. As a result, we revised the impairment model to utilize an expected loss methodology in place of an incurred loss methodology related to our allowance for credit losses on our trade accounts receivable. We evaluate our allowance for credit losses based on historical bad debt experience, our assessment of the financial condition of companies with which we do business, current macroeconomic conditions, and reasonable and supportable forecasts of future macroeconomic conditions. The adoption did not have a material impact on the Company's condensed consolidated financial statements.

(unaudited; tabular dollars in thousands, except for per share data)

3. *Revenue*

The disaggregation of revenue was as follows:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Over-time revenue	$ 386	$ 137
Point-in-time revenue	41,334	42,492
Total revenue	$ 41,720	$ 42,629

Revenue for unsatisfied performance obligations expected to be recognized in the future for contracts with an original expected duration of greater than one year was $1.1 million as of March 31, 2023 and $0.1 million as of December 31, 2022. These amounts do not include contracts with an original expected duration of less than one year, which is the majority of the Company’s contracts.

Remaining deferred revenue that is anticipated to be recognized during the succeeding twelve month period is recorded in the current portion of deferred revenue within the condensed consolidated balance sheets.

4. *Property, Equipment, and Software, Net*

Major classes of property, equipment, and software were as follows:

	As of March 31, 2023	As of December 31, 2022
Capitalized software development costs	$ 77,156	$ 72,988
Computer equipment	1,124	1,116
Purchased software	32	32
Furniture, fixtures and office equipment	957	1,226
Leasehold improvements	2,040	2,571
Total property, equipment and software	81,309	77,933
Less: Accumulated depreciation	(57,035)	(54,827)
Total property, equipment and software, net	$ 24,274	$ 23,106

Depreciation recorded in the condensed consolidated statements of operations was as follows:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Platform operations	$ 2,712	$ 2,136
Sales and marketing	—	—
Technology and development	393	595
General and administrative	147	136
Total	$ 3,252	$ 2,867

For the three months ended March 31, 2023 and 2022, total interest cost incurred was $0.1 million and $0.2 million, respectively. Interest costs capitalized during the three months ended March 31, 2023 and 2022 were de minimis.

5. *Leases*

Lessee Arrangements

The Company has operating leases for its office space, which have remaining lease terms of up to eight years. The Company does not have finance leases.

Some of our leases include renewal options to extend the leases for up to five years and/or termination options to terminate the leases within one year. If it is reasonably certain that a renewal or termination option will be exercised, the exercise of the option is considered in calculating the term of the lease. The Company did not enter into any leases during the three months ended March 31, 2023.

As of March 31, 2023, our operating leases had a weighted-average remaining lease term of approximately seven years and a weighted-average incremental borrowing rate of 3.5%.

Cash paid for amounts included in the operating lease liabilities was $1.0 million and $0.6 million for the three months ended March 31, 2023 and 2022, respectively.

The components of lease expense were as follows (in thousands):

	Three Months Ended March 31,	
	2023	2022
Operating lease cost	$ 1,209	$ 812
Short-term lease cost	260	343
Variable lease cost	21	97
Total lease cost	$ 1,490	$ 1,252

Future minimum lease payments as of March 31, 2023 were as follows:

Year	As of March 31, 2023
Remainder of 2023	$ 3,659
2024	4,385
2025	4,270
2026	4,257
2027	4,182
Thereafter	10,811
Total undiscounted future lease payments	31,564
Less: Imputed interest	(3,601)
Present value of operating lease liabilities	27,963
Less: Operating lease liabilities, current	(3,973)
Operating lease liabilities, noncurrent	$ 23,990

6. *Intangible Assets, Net*

The balances of intangible assets and accumulated amortization are as follows:

	As of March 31, 2023			
	Remaining Weighted-Average Useful Life (years)	Gross Amount	Accumulated Amortization	Net Carrying Amount
Developed technology	—	$ 4,927	$ (4,927)	$ —
Customer relationships	0.8	2,300	(2,026)	274
Trademarks/tradenames	2.9	1,400	(1,167)	233
Total		$ 8,627	$ (8,120)	$ 507

(unaudited; tabular dollars in thousands, except for per share data)

	As of December 31, 2022			
	Remaining Weighted-Average Useful Life (years)	Gross Amount	Accumulated Amortization	Net Carrying Amount
Developed technology	0.1	$ 4,927	$ (4,869)	$ 58
Customer relationships	1.1	2,300	(1,944)	356
Trademarks/tradenames	3.2	1,400	(1,147)	253
Total		$ 8,627	$ (7,960)	$ 667

Amortization of intangible assets recorded in the condensed consolidated statements of operations was as follows:

	Three Months Ended March 31,	
	2023	2022
Platform operations	$ 58	$ 175
Sales and marketing	—	—
Technology and development	—	—
General and administrative	102	112
Total	$ 160	$ 287

Estimated future amortization of intangible assets is as follows:

Year	As of March 31, 2023
Remainder of 2023	$ 306
2024	107
2025	80
2026	14
2027	—
Thereafter	—
Total	$ 507

7. *Accrued Liabilities*

The Company’s accrued liabilities consisted of the following:

	As of March 31, 2023	As of December 31, 2022
Accrued traffic acquisition costs	$ 25,188	$ 29,631
Other accrued liabilities	3,392	5,432
Total accrued liabilities	$ 28,580	$ 35,063

The Company had a balance of $0.2 million and $0.2 million as of March 31, 2023 and December 31, 2022, respectively, payable to related parties for expenses they incurred on our behalf, which was recorded within accrued liabilities on the condensed consolidated balance sheets. The related expense incurred by the Company was $0.2 million for the three months ended March 31, 2023 and de minimis for the three months ended March 31, 2022.

(unaudited; tabular dollars in thousands, except for per share data)

8. *Revolving Credit Facility*

Revolving Credit Facility

On October 31, 2019, we entered into an asset-based revolving credit and security agreement (the “Loan Agreement”) with PNC Bank, National Association (“PNC Bank”). The Loan Agreement provides a senior secured revolving credit facility of up to $40.0 million with a maturity date of October 31, 2024. The Loan Agreement is collateralized by security interests in substantially all of our assets.

Advances under the Loan Agreement bear interest through maturity at a variable rate based upon our selection of either a Domestic Rate or a LIBOR Rate, plus an applicable margin (“Domestic Rate Loans” and “LIBOR Rate Loans”). The Domestic Rate is defined as a fluctuating interest rate equal to the greater of (1) the base commercial lending rate of PNC Bank, (2) the overnight federal funds rate plus 0.50% and (3) the Daily LIBOR Rate plus 1.00%. The Company did not have an outstanding balance during the three months ended March 31, 2023. The applicable margin is between 0.75% to 1.25% for Domestic Rate Loans and between 1.75% and 2.25% for LIBOR Rate Loans based on maintaining certain undrawn availability ratios. The applicable margin as of March 31, 2023 was equal to 0.75% for Domestic Rate Loans and 1.75% for LIBOR Rate Loans. The facility fee for undrawn amounts under the Loan Agreement is 0.375% per annum. We will be required to pay customary letter of credit fees, as necessary. Refer to Note 5—Leases for additional information.

The Loan Agreement contains customary conditions to borrowings, events of default and covenants, including covenants that restrict our ability to sell assets, make changes to the nature of the 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, and engage in transactions with affiliates. The Loan Agreement also requires that we maintain compliance with a minimum Fixed Charge Coverage Ratio (as defined in the Loan Agreement) of 1.40 to 1.00 at any time undrawn availability under the Loan Agreement is less than 25%. As of March 31, 2023, we were in compliance with all covenants.

On April 4, 2023, we entered into an amendment to the Loan Agreement with PNC Bank (the "Amended Loan Agreement") that provides for an increase in the revolving credit facility, extends the maturity date, and changes the rates at which advances under the Amended Loan Agreement will bear interest. Refer to Note 14—Subsequent Events, for additional information.

9. *Stock-Based Compensation*

In connection with the IPO, which occurred on February 12, 2021, the Phantom Unit Plan was replaced by the LTIP. On February 12, 2021, 6.2 million restricted stock units (“RSUs”) were granted under the LTIP. The Company is authorized to grant RSUs, incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock awards, and performance stock awards under its LTIP. As of March 31, 2023, the Company had only granted RSUs and nonqualified stock options under the LTIP. Under the LTIP, 4.5 million shares of Class A common stock remained available for grant as of March 31, 2023.

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

	Three Months Ended March 31,	
	2023	2022
Platform operations	$ 892	$ 1,086
Sales and marketing	2,512	2,179
Technology and development	1,327	1,169
General and administrative	2,741	1,942
Total	$ 7,472	$ 6,376

RSUs

The following summarizes RSU activity:

	Number of Shares (in thousands)	Weighted-Average Grant Date Fair Value
RSUs outstanding as of December 31, 2022	3,928	$ 12.59
Granted	1,406	4.41
Vested	(800)	13.38
Canceled/forfeited	(38)	7.02
RSUs outstanding as of March 31, 2023	4,496	9.94

As of March 31, 2023, the Company had unrecognized stock-based compensation relating to RSUs of approximately $39.1 million, which is expected to be recognized over a weighted-average period of 2.2 years.

Nonqualified Stock Options

The following summarizes nonqualified stock option activity:

	Number of Options (in thousands)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of December 31, 2022	3,661	$ 6.14	9.2	$ —
Granted	2,127	4.43		
Exercised	—	—		
Canceled	(8)	10.35		
Expired	(25)	22.65		
Outstanding as of March 31, 2023	5,755	5.43	9.3	33
Vested and exercisable	802	6.22	8.9	—

The weighted-average grant date fair value of the nonqualified stock options granted during the three months ended March 31, 2023 was $2.99. The Company had unrecognized stock-based compensation relating to unvested nonqualified stock options of approximately $16.0 million, which is expected to be recognized over a weighted-average period of 2.6 years, as of March 31, 2023.

The following table presents the assumptions used in the Black-Scholes model to determine the fair value of nonqualified stock options for the three months ended March 31, 2023 and 2022.

	Three Months Ended March 31,	
	2023	2022
Risk free interest rate	4.3%	1.4%
Expected volatility	81.5%	61.5%
Expected term (in years)	6.0	5.9
Expected dividend yield	0.0%	0.0%

Risk-Free Interest Rate. The Company bases the risk-free interest rate assumption for equity awards on the rates for U.S. Treasury securities with maturities similar to those of the expected term of the award being valued.

Expected Volatility. Due to the limited trading history of the Company's Class A common stock, the expected volatility assumption is based on volatilities of a peer group of similar companies whose share prices are publicly available. The Company will continue to apply this process until a sufficient amount of historical information regarding the volatility of the Company's own stock price becomes available.

Expected Term. Given the insufficient historical data relating to nonqualified stock option exercises, the expected term assumption is based on expected terms of a peer group of similar companies whose expected terms are publicly available. The Company will continue to apply this process until a sufficient amount of historical information regarding the Company's nonqualified stock option exercises becomes available.

Expected Dividend Yield. The Company's expected dividend yield assumption is zero as it has never paid dividends and has no present intention to do so in the future.

Issuance of Shares

Upon vesting of shares under the LTIP, we will issue treasury stock. If treasury stock is not available, Class A common stock will be issued.

10. *Income Taxes and Tax Receivable Agreement*

The provision for income taxes differs from the amount of income tax computed by applying the applicable U.S. statutory federal income tax rate of 21% to income before provision of income taxes due to Viant Technology LLC's pass-through structure for U.S. income tax purposes and the valuation allowance against the deferred tax asset in the current and prior-year periods. The Company did not recognize an income tax benefit (expense) on its share of pre-tax book income (loss), exclusive of the noncontrolling interest of 75.8% due to the full valuation allowance against its deferred tax assets, resulting in an effective tax rate of 0.0% for each of the three months ended March 31, 2023 and 2022.

As of March 31, 2023, management determined based on applicable accounting standards and the weight of all available evidence, it was not more likely than not ("MLTN") that the Company will generate sufficient taxable income to realize our deferred tax assets including the difference in our tax basis in excess of the financial reporting value for our investment in Viant Technology LLC. Consequently, we have established a full valuation allowance against our deferred tax assets as of March 31, 2023. In the event that management subsequently determines that it is MLTN that we will realize our deferred tax assets in the future over the recorded amount, a decrease to the valuation allowance will be made, which will reduce the provision for income taxes.

The Company has concluded based on applicable accounting standards and the weight of all available evidence, that it was MLTN that its deferred tax assets subject to the Tax Receivable Agreement entered into with Viant Technology LLC, continuing members of Viant Technology LLC and the TRA Representative (as defined in the TRA) on February 9, 2021 ("TRA") would not be realized as of March 31, 2023. Therefore, the Company has not recorded a liability related to the remaining tax savings it may realize from utilization of such deferred tax assets after concluding it was not probable that such TRA liability would be paid based on its estimates of future taxable income. As of the March 31, 2023, the total unrecorded TRA liability is approximately $10.3 million. If utilization of the deferred tax assets subject to the TRA becomes MLTN in the future, the Company will record a liability related to the TRA, to the extent probable at that time, which will be recognized as an expense within its condensed consolidated statements of operations.

11. *Loss Per Share*

For the three months ended March 31, 2023 and 2022, basic net loss per share has been calculated by dividing net loss attributable to Class A common stockholders by the weighted-average number of shares of Class A common stock outstanding for the same period. Shares of Class A common stock are weighted for the portion of the period in which the shares were outstanding. Diluted net loss per share has been calculated in a manner consistent with that of basic net loss per share while considering all potentially dilutive shares of Class A common stock outstanding during the period.

(unaudited; tabular dollars in thousands, except for per share data)

The following table presents the calculation of basic and diluted net loss per share for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,	
	2023	**2022**
Numerator		
Net loss	$ (9,376)	$ (13,563)
Less: Net loss attributable to noncontrolling interests	(6,896)	(10,371)
Net loss attributable to Viant Technology Inc.	$ (2,480)	$ (3,192)
Denominator		
Weighted-average shares of Class A common stock outstanding—basic and diluted	14,748	13,809
Loss per share of Class A common stock—basic	$ (0.17)	$ (0.23)
Loss per share of Class A common stock—diluted	$ (0.17)	$ (0.23)
Anti-dilutive shares excluded from loss per share of Class A common stock—diluted:		
Restricted stock units	4,496	4,858
Nonqualified stock options	5,755	3771
Shares of Class B common stock	47,082	47,082
Total shares excluded from loss per share of Class A common stock—diluted	57,333	55,711

12. *Noncontrolling Interests*

Viant Technology Inc. is the sole managing member of Viant Technology LLC and, as a result, consolidates the financial results of Viant Technology LLC. We report noncontrolling interests representing the economic interests in Viant Technology LLC held by the other members of Viant Technology LLC. The Viant Technology LLC Agreement classifies the interests acquired by the Company as Class A units, reclassified the interests held by the continuing members of Viant Technology LLC as Class B units and permits the continuing members of Viant Technology LLC to exchange Class B units for shares of Class A common stock on a one-for-one basis or, at the election of Viant Technology Inc., for cash at the current fair value on the date of the exchange. Changes in the Company's ownership interest in Viant Technology LLC while retaining control of Viant Technology LLC will be accounted for as equity transactions. As such, future redemptions or direct exchanges of Class B units in Viant Technology LLC by the other members and future issuances of Class A common stock under the LTIP will result in a change in ownership, where the Company will rebalance the noncontrolling interest, offset by a change in additional-paid-in-capital.

The following table summarizes the ownership of Viant Technology LLC:

	As of March 31, 2023		As of December 31, 2022	
Owner	**Units Owned**	**Ownership Percentage**	**Units Owned**	**Ownership Percentage**
Viant Technology Inc.	15,064,581	24.2 %	14,643,798	23.7 %
Noncontrolling interests	47,082,260	75.8 %	47,082,260	76.3 %
Total	62,146,841	100.0 %	61,726,058	100.0 %

There were no exchanges of Class B units of Viant Technology LLC for shares of the Company's Class A common stock during the three months ended March 31, 2023.

(unaudited; tabular dollars in thousands, except for per share data)

The following table presents the effect of changes in the Company's ownership interest in Viant Technology LLC on the Company's equity for the periods indicated:

	Three Months Ended March 31,	
	2023	2022
Net loss attributable to Viant Technology Inc.	$ (2,480)	$ (3,192)
Transfers to noncontrolling interests:		
Decrease in the additional-paid-in-capital of Viant Technology Inc. resulting from ownership changes in Viant Technology LLC	(2,377)	(4,276)
Change from net loss attributable to Viant Technology Inc. and transfers to noncontrolling interests	$ (4,857)	$ (7,468)

13. *Commitments and Contingencies*

Lease Commitments

As of March 31, 2023, the Company had non-cancelable operating lease commitments for office space that have been recorded as operating lease liabilities. Refer to Note 5—Leases for additional information regarding lease commitments.

Hosting Commitments

As of March 31, 2023, the Company had non-cancelable contractual agreements related to the hosting of our data storage processing, storage, and other computing services. As of March 31, 2023, we estimate these obligations to be approximately $8.8 million for the remainder of 2023, $6.1 million in 2024, $5.0 million in 2025, and $0.8 million in 2026.

Legal Matters

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

Guarantees and Indemnities

The Company has made no significant contractual guarantees for the benefit of third parties. However, in the ordinary course of business, the Company may provide indemnifications of varying scope and terms to customers, 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. The Company is not aware of indemnification claims that could have a material effect on the Company's condensed consolidated financial statements. Accordingly, no amounts for any obligation have been recorded as of March 31, 2023.

14. *Subsequent Events*

On April 4, 2023, we entered into the Amended Loan Agreement. The Amended Loan Agreement provides for an increase in the revolving credit facility to $75.0 million, extends the maturity date to April 4, 2028, and changes the rates at which advances will bear interest. Advances under the Amended Loan Agreement will bear interest at term SOFR plus 2.00% to 2.25% based on the average undrawn availability. The Company has no outstanding balances under the Amended Loan Agreement.

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

The following Management's Discussion and Analysis of Financial Condition and Results of Operations of Viant Technology Inc. and its subsidiaries ("Viant," "we," "us," "our" or the "Company") should be read in conjunction with, and is qualified in its entirety by reference to, our unaudited condensed consolidated financial statements and the related notes thereto and other financial information appearing elsewhere in this Quarterly Report on Form 10-Q ("Quarterly Report") and our audited consolidated financial statements and notes thereto and the related Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2022, which was filed with the Securities and Exchange Commission ("SEC") on March 2, 2023. In addition to historical financial information, the following discussion and analysis contains forward-looking statements that involve risks and uncertainties which could cause our actual results to differ materially from those anticipated in these forward-looking statements, including, but not limited to, risks and uncertainties discussed under the heading "Forward-Looking Statements*" and "*Risk Factors*" and discussed elsewhere in this Quarterly Report. Additionally, our historical results are not necessarily indicative of the results that may be expected for any period in the future.*

Forward-Looking Statements

This Quarterly Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which statements involve substantial risks and uncertainties. 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 sufficiency of our cash and cash equivalents and cash provided by sales of our products and services to meet our liquidity needs, the impact of macroeconomic and geopolitical events, including the ongoing COVID-19 pandemic, bank failures, labor shortages, inflation and monetary supply shifts, rising interest rates, tightening of credit markets, recession risks, and potential disruptions from the Russia-Ukraine conflict, 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, sales and marketing initiatives and competition.

In some cases, you can identify forward-looking statements by words such as "may," "will," "should," "could," "intend," "consider," "expect," "plan," "anticipate," "believe," "estimate," "predict" or "continue" or the negative or plural of these words or other similar terms or expressions. All statements other than statements of historical fact are forward-looking statements, which speak only as of the date they are made, and are not guarantees of future performance. Forward-looking statements contained in this Quarterly Report include, but are not limited to, statements about: our future financial performance, including our revenue, cost of revenue, gross profit, contribution excluding traffic acquisition costs ("contribution ex-TAC"), adjusted EBITDA, and operating expenses; trends in our key business measures; the sufficiency of our cash and cash equivalents and cash provided by sales of our products and services to meet our liquidity needs; market trends; our market position and opportunity; our growth strategy and business aspirations for our demand side platform in enabling the programmatic purchase of advertising in the digital advertising industry; our product strategy; our efforts to enhance the security and privacy of our platform; the potential impacts of macroeconomic and geopolitical events, the business of our customers, suppliers and channel partners, and the economy; our ability to attract new customers and retain existing customers; our ability to successfully expand into our existing markets and into new markets; our ability to effectively manage our growth and future expenses; and the impact of recent accounting pronouncements on our unaudited condensed consolidated financial statements.

Such statements are not guarantees of future performance and involve a number of assumptions, risks and uncertainties that could cause actual results to differ materially from expected results. As a result, you should not put undue reliance on any forward-looking statement. These forward-looking statements are included throughout this Quarterly Report. Factors that could cause our actual results to differ materially from those expressed or implied in such forward-looking statements include, but are not limited to, the risk factors discussed in the "Risk Factors" section of this Quarterly Report.

The forward-looking statements contained in this Quarterly Report are based on historical performance and management's current plans, estimates and expectations in light of information currently available to us and are subject to uncertainty and changes in circumstances. There can be no assurance that future developments affecting us will be those that we have anticipated. Actual results may differ materially from these expectations due to changes in global, regional or local political, economic, business, competitive, market, regulatory and other factors, many of which are beyond our control, as well as the other factors described in the section entitled "Risk Factors." Additional factors or events that could cause our actual results to differ may also emerge from time to time, and it is not possible for us to predict all of them. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove to be incorrect, our actual results may vary in material respects from what we may have expressed or implied by these forward-looking statements. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and we caution that you should not place undue reliance on any of our forward-looking statements. Any forward-looking statement made by us in this Quarterly Report speaks only as of the date on which we make it. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as *may be required by applicable securities laws. You should read this Quarterly Report, and the documents that we reference in this Quarterly Report and have filed with the SEC, with the understanding that our actual future results, performance, and events and circumstances may be materially different from what we expect.*

Overview

We are an advertising technology company. Our cloud-based demand side platform ("DSP"), Adelphic, enables the programmatic purchase of advertising, which is the electronification of the digital advertising buying process. Programmatic advertising is rapidly taking market share from traditional ad sales channels, which require more staffing, offer less transparency and involve higher costs to buyers.

Adelphic is used by marketers and their advertising agencies to centralize the planning, buying and measurement of their digital advertising across most channels. Through our omni-channel platform, a marketer can easily buy ads on desktop, mobile, connected TV, linear TV, in-game, streaming audio and digital billboards.

Adelphic is an easy-to-use self-service platform that provides our customers with transparency and control over their advertising campaigns. Our platform offers customers unique visibility across a variety of inventory, allowing them to create customized audience segments and leverage our people-based and strategic partner data to reach target audiences at scale. Our platform delivers a full suite of forecasting, reporting and built-in automation that provides our customers with insights into available inventory based on the desired target audience. We offer advanced forecasting and reporting that empowers our customers with functionality designed to ensure they can accurately measure and improve their return on advertising spend ("ROAS") across channels and we believe this can be a feature that helps us grow our customer base as more customers recognize its benefits.

We generate revenue by charging platform fees and service fees pursuant to agreements that enable a wide variety of marketers and their agencies to select the mix of pricing and service options that suits their unique business and advertising budget.

These options consist of a percentage of spend pricing option and a fixed cost per mille ("CPM") pricing option. Customers who prefer to use our platform on a self-service basis to execute their advertising campaigns enter into master service agreements ("MSAs") with us, and we generate revenue under these arrangements by charging a platform fee that is primarily a percentage of spend. Customers who prefer to use our fixed CPM pricing option enter into insertion order ("IO") arrangements with us, and we generate revenue by charging these customers a platform fee at a price for every 1,000 impressions an ad receives. We also offer different service options to our customers accessing our platform under an MSA or an IO to enable them to use our services to aid them in data management, media execution and advanced reporting. When customers utilize our services, we generate revenue by charging a service fee separate from the platform fee consisting of (1) a fee that represents a percentage of spend; (2) a flat monthly fee covering services in connection with data management and advanced reporting; or (3) a fixed CPM that is inclusive of media, other direct costs and services.

We believe that offering a mix of pricing and service options provides greater flexibility and access to our platform for marketers and their advertising agencies seeking to plan, buy, and measure programmatic campaigns. As our customer base has grown, the number of percentage of spend customers has continued to increase relative to our fixed price customers, which tend to be less resilient during challenging macroeconomic periods.

Our financial results for the three months ended March 31, 2023 and 2022, respectively, include:

- Revenue of $41.7 million and $42.6 million, representing a decrease of 2.1%;
- Gross profit of $18.4 million and $16.4 million, representing an increase of 11.9%;
- Contribution ex-TAC[1] of $28.0 million and $27.5 million, representing an increase of 1.6%;
- Net loss of $9.4 million and $13.6 million, representing an improvement of 30.9%;
- Non-GAAP net loss[1] of $1.8 million and $6.8 million, representing an improvement of 73.2%; and
- Adjusted EBITDA[1] of $(0.4) million and $(3.9) million, representing an increase of 90.0%.

(1) Contribution ex-TAC, non-GAAP net loss and adjusted EBITDA are non-GAAP financial measures. For a detailed discussion of our key operating and financial performance measures and a reconciliation of contribution ex-TAC, non-GAAP net loss and adjusted EBITDA to the most directly comparable financial measures calculated in accordance with generally accepted accounting principles in the United States of America ("GAAP"), see "—Key Operating and Financial Performance Measures—Use of Non-GAAP Financial Measures."

Factors Affecting Our Performance

Attract, Retain and Grow our Customer Base

Our future growth depends upon our ability to retain our existing customers and increase their usage of our platform as well as add new customers. We believe many advertisers are in the early stages of moving a greater percentage of their advertising budgets to programmatic channels. By providing solutions for the planning, buying and measuring of their media spend across most channels, we believe we are well positioned to capture more of our customers' programmatic budgets. We also continue to add functionality to our platform to encourage our customers to increase their usage. For instance, we continue to leverage artificial intelligence (AI) and machine learning in our platform to help our customers improve the efficiency and effectiveness of their advertising campaigns. Further, we intend to continue to grow our sales and marketing efforts to increase awareness of our DSP, Adelphic, and highlight the advantages of our people-based framework as cookie-based options become increasingly limited.

Despite a number of significant macroeconomic headwinds and challenges, our active customers for the twelve months ended March 31, 2023 remained steady at 327, compared to the twelve months ended March 31, 2022. We evaluate our customers' usage of our platform and assess our market penetration and scale based on changes in revenue, contribution ex-TAC and advertiser spend. We define advertiser spend as the total amount billed to our customers for activity on our platform inclusive of the costs of advertising media, third-party data, other add-on features and our platform fee we charge customers. While we experienced customers reducing advertising budgets during the second half of 2022 due to macroeconomic conditions, we saw stabilizing trends during the first quarter of 2023, although our year-over-year comparisons were challenging due to the significant growth in the first quarter of 2022. Despite a modest decline in revenue for the first quarter of 2023 compared to the first quarter of 2022, contribution ex-TAC grew by 2% compared to the first quarter of 2022 and advertiser spend per active customer grew 6% compared to the three months ended March 31, 2022. We believe growing customer adoption of our newer products drove incremental revenue and contribution ex-TAC during the first quarter. Also, as our mix shift towards percentage of spend becomes less impactful and as fixed price becomes a smaller percentage of total advertiser spend, we expect contribution ex-TAC to grow faster than revenue. Notwithstanding stabilizing trends in the first quarter of 2023, we expect the deceleration in advertising spend that began in the second half of 2022 will continue into future periods if challenging macroeconomic and geopolitical conditions, as more fully discussed below, continue or worsen. For a detailed discussion of our key operating measures including the definition of active customers, see "—Key Operating and Financial Performance Measures—Use of Non-GAAP Financial Measures."

Investment in Growth

We believe that the advertising market is in the early stages of a shift toward programmatic advertising. We plan to 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, technology and development to enhance our product capabilities including the integration of new advertising channels, and in sales and marketing to acquire new customers and increase our customers' usage of our platform. We believe that these investments will contribute to our long-term growth, although they may have a negative impact on our profitability in the near-term.

Impact of Macroeconomic and Geopolitical Conditions

Macroeconomic conditions and geopolitical events, including the COVID-19 pandemic, bank failures, inflation and monetary supply shifts, rising interest rates, tightening of credit markets, recession risks, labor shortages, shortages of goods and services, supply chain disruptions, and potential disruptions from the Russia-Ukraine conflict, continue to impact our business and the business of our customers, while also disrupting sales channels and advertising and marketing activities. While our number of active customers for the twelve months ended March 31, 2023 remained consistent over the past twelve months, we have observed decreases in revenue that we attribute to marketers in certain industry verticals decreasing or pausing their advertising spend due to the impacts of these macroeconomic conditions. We continue to actively monitor the impact of these macroeconomic factors on our results of operations, financial condition and cash flows, and on our clients, partners, industry and employees, and have slowed the pace of further investments in sales and marketing as a result of these factors. The extent of the impact of these factors on our operational and financial performance, including our ability to execute our business strategies and initiatives in the expected time frame, will depend on future developments, which are uncertain and cannot be predicted. Due to the nature of our business, the effect of these macroeconomic conditions and geopolitical events may not be fully reflected in our results of operations until future periods.

In the fourth quarter of 2022, we initiated a cost reduction plan aimed at reducing our operating expenses and sharpening our focus on key growth priorities in light of these macroeconomic conditions. This included a reduction of our employee headcount by approximately 13% and total restructuring charges included in our consolidated statements of operations for the year ended December 31, 2022 of $1.4 million, consisting primarily of cash severance payments, employee benefits, and related costs.

See "Risk Factors—The effects of macroeconomic conditions and geopolitical events, such as economic recessions and the COVID-19 pandemic and other adverse market events have had, and could in the future have, an adverse impact on our business, operating results and financial condition" for further discussion of the potential impacts of macroeconomic and geopolitical events on our business, financial condition and results of operations.

(unaudited; tabular dollars in thousands, except for percentages and per share data)

Growth of the Digital Advertising Market

We expect to continue to benefit from overall adoption of programmatic advertising by marketers and their agencies. Any material change in the growth rate of digital advertising or the rate of adoption of programmatic advertising, including expansion of new programmatic channels, could affect our performance. Recent years have shown that advertising spend is closely tied to advertisers' financial performance, and a downturn, either generally or in one or more of the industries in which our customers operate, could adversely impact the digital advertising market and our operating results.

Seasonality

In the advertising industry, companies commonly experience seasonal fluctuations in revenue, as many marketers allocate the largest portion of their budgets to the fourth quarter of the calendar year in order to coincide with increased holiday purchasing. Historically, the fourth quarter has reflected our highest level of advertising activity for the year. We generally expect the subsequent first quarter to reflect lower activity levels, but this trend may be masked due to the continued growth of our business. In addition, historical seasonality may not be predictive of future results given the potential for changes in advertising buying patterns and consumer activity due to the potential impacts of the evolving macroeconomic and geopolitical conditions discussed above. Political advertising could also cause our revenue to increase during election cycles and decrease during other periods, making it difficult to predict our revenue, cash flow, and operating results, all of which could fall below our expectations. We expect our revenue to continue to fluctuate based on seasonal factors that affect the advertising industry as a whole.

Results of Operations

The following tables present our condensed consolidated statements of operations, our condensed consolidated statements of operations as a percentage of revenue, and the impact of stock-based compensation, depreciation and amortization on each operating expense line item for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,	
	2023	**2022**
Consolidated Statements of Operations Data:		
Revenue	$ 41,720	$ 42,629
Operating expenses[(1)]:		
Platform operations	23,337	26,194
Sales and marketing	12,169	13,756
Technology and development	5,894	5,003
General and administrative	11,428	11,083
Total operating expenses	52,828	56,036
Loss from operations	(11,108)	(13,407)
Total other expense (income), net	(1,732)	156
Net loss	(9,376)	(13,563)
Less: Net loss attributable to noncontrolling interests	(6,896)	(10,371)
Net loss attributable to Viant Technology Inc.	$ (2,480)	$ (3,192)

(unaudited; tabular dollars in thousands, except for percentages and per share data)

	Three Months Ended March 31,	
	2023	2022
	(% of revenue*)	
Consolidated Statements of Operations Data:		
Revenue	100 %	100 %
Operating expenses[1]:		
Platform operations	56 %	61 %
Sales and marketing	29 %	32 %
Technology and development	14 %	12 %
General and administrative	27 %	26 %
Total operating expenses	127 %	131 %
Loss from operations	(27)%	(31)%
Total other expense (income), net	(4)%	— %
Net loss	(22)%	(32)%
Less: Net loss attributable to noncontrolling interests	(17)%	(24)%
Net loss attributable to Viant Technology Inc.	(6)%	(7)%

* Percentages may not sum due to rounding

(1) Stock-based compensation, depreciation, and amortization included in operating expenses are as follows:

	Three Months Ended March 31,	
	2023	2022
Stock-based compensation:		
Platform operations	$ 892	$ 1,086
Sales and marketing	2,512	2,179
Technology and development	1,327	1,169
General and administrative	2,741	1,942
Total stock-based compensation	$ 7,472	$ 6,376

	Three Months Ended March 31,	
	2023	2022
Depreciation:		
Platform operations	$ 2,712	$ 2,136
Sales and marketing	—	—
Technology and development	393	595
General and administrative	147	136
Total depreciation	$ 3,252	$ 2,867

(unaudited; tabular dollars in thousands, except for percentages and per share data)

	Three Months Ended March 31,	
	2023	2022
Amortization:		
Platform operations	$ 58	$ 175
Sales and marketing	—	—
Technology and development	—	—
General and administrative	102	112
Total amortization	$ 160	$ 287

Comparison of the Three Months Ended March 31, 2023 and 2022

Revenue

	Three Months Ended March 31,		Change	
	2023	2022	$	%
Revenue	$ 41,720	$ 42,629	$ (909)	(2)%

Revenue decreased by $0.9 million, or 2%, during the three months ended March 31, 2023 compared to the three months ended March 31, 2022. This decrease in revenue was primarily due to certain marketers in the business and financial services, consumer products, and retail industry verticals being impacted by the ongoing adverse effects of labor shortages, inflation and monetary supply shifts, rising interest rates, the tightening of credit markets, and other adverse macroeconomic and geopolitical developments potentially indicative of an economic slowdown or recession. This resulted in revenue decreasing across these industry verticals by a combined 27% from the prior-year period. This decrease was partially offset by a 22% increase in revenue from the prior-year period from marketers in industry verticals other than business and financial services, consumer products, and retail. Additionally, approximately 93% of our revenue for the three months ended March 31, 2023 came from customers that had been customers in the three months ended March 31, 2022.

Operating Expenses

Platform Operations

	Three Months Ended March 31,		Change	
	2023	2022	$	%
Traffic acquisition costs	$ 13,729	$ 15,085	$ (1,356)	(9)%
Other platform operations	9,608	11,109	(1,501)	(14)%
Total platform operations	$ 23,337	$ 26,194	$ (2,857)	(11)%
Percentage of revenue	56 %	61 %		

Platform operations expense decreased by $2.9 million, or 11%, during the three months ended March 31, 2023 compared to the three months ended March 31, 2022. This decrease was primarily driven by a $1.4 million decrease in traffic acquisition costs ("TAC"), a variable function of revenue related to our fixed CPM pricing option and certain arrangements related to our percentage of spend pricing option. TAC are amounts incurred and payable to suppliers for the cost of advertising media, third-party data and other add-on features. The decrease in other platform operations expense for the first quarter of 2023 was due to a $0.7 million decrease in cloud costs due to continued efforts to increase cloud infrastructure efficiencies, a $0.6 million decrease in third-party costs in support of our Adelphic platform, a $0.4 million decrease in personnel costs and a $0.2 million decrease in stock-based compensation driven by decreased headcount, partially offset by a $0.6 million increase in depreciation related to our continued investment in developed technology.

(unaudited; tabular dollars in thousands, except for percentages and per share data)

Sales and Marketing

	Three Months Ended March 31,		Change	
	2023	2022	$	%
Sales and marketing	$ 12,169	$ 13,756	$ (1,587)	(12)%
Percentage of revenue	29 %	32 %		

Sales and marketing expense decreased by $1.6 million, or 12%, during the three months ended March 31, 2023 compared to the three months ended March 31, 2022. This decrease was primarily due to a $2.0 million decrease in personnel costs due to a decrease in sales and marketing headcount and a $0.6 million decrease in advertising expense, partially offset by a $0.5 million increase in travel and entertainment expenses and a $0.3 million increase in stock-based compensation.

Technology and Development

	Three Months Ended March 31,		Change	
	2023	2022	$	%
Technology and development	$ 5,894	$ 5,003	$ 891	18 %
Percentage of revenue	14 %	12 %		

Technology and development expense increased by $0.9 million, or 18%, during the three months ended March 31, 2023 compared to the three months ended March 31, 2022. This increase was primarily attributable to a $0.6 million increase in personnel costs and $0.2 million increase in stock-based compensation driven by increased technology and development headcount and a $0.2 million increase in cloud infrastructure costs, which was partially offset by a $0.2 million decrease in depreciation.

General and Administrative

	Three Months Ended March 31,		Change	
	2023	2022	$	%
General and administrative	$ 11,428	$ 11,083	$ 345	3 %
Percentage of revenue	27 %	26 %		

General and administrative expense increased by $0.3 million, or 3%, during the three months ended March 31, 2023 compared to the three months ended March 31, 2022. This increase was primarily attributable to a $0.8 million increase in stock-based compensation, a $0.3 million increase in travel and entertainment expenses, and a $0.1 million increase in software license and subscription costs, partially offset by a $0.4 million decrease in recruiting expenses, a $0.3 million decrease in business insurance and tax, accounting, legal, and consulting expenses associated with general corporate and compliance matters, and a $0.2 million decrease in personnel costs driven by decreased headcount.

Total Other Expense (Income), Net

	Three Months Ended March 31,		Change	
	2023	2022	$	%
		(NM = Not Meaningful)		
Total other expense (income), net	$ (1,732)	$ 156	$ (1,888)	NM
Percentage of revenue	(4)%	— %		

Total other income for the three months ended March 31, 2023 was $1.7 million compared to total other expense of $0.2 million for the same period in 2022. The change from the prior year was primarily due to higher interest income and a lower interest expense as a result of paying off the full outstanding balance under our revolving credit facility with PNC Bank, National Association ("PNC Bank") in May 2022.

(unaudited; tabular dollars in thousands, except for percentages and per share data)

Key Operating and Financial Performance Measures

Use of Non-GAAP Financial Measures

We monitor certain non-GAAP financial measures to help us evaluate growth trends, establish budgets, measure the effectiveness of our sales and marketing efforts and assess our operational efficiencies. We believe these measures enhance an overall understanding of our performance and investors' ability to review our business from the same perspective as management and facilitate comparisons of this period's results with prior periods on a consistent basis by excluding items that management does not believe are indicative of our ongoing operating performance. These non-GAAP financial measures include contribution ex-TAC, average contribution ex-TAC per active customer, non-GAAP operating expenses, adjusted EBITDA, adjusted EBITDA as a percentage of contribution ex-TAC, non-GAAP net income (loss), and non-GAAP earnings (loss) per share of Class A common stock—basic and diluted, each of which are discussed immediately following the table below, along with the operational performance measure of active customers. Reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP are provided in the financial tables presented below. There are limitations in using non-GAAP financial measures which are not prepared in accordance with GAAP, as they may be different from non-GAAP financial measures used by other companies and may exclude certain items that may have a material impact upon our reported financial results. The presentation of this additional information is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with GAAP.

	Three Months Ended March 31,		
	2023	2022	Change (%)
Operating and Financial Performance Measures			
Gross profit	$ 18,383	$ 16,435	12 %
Contribution ex-TAC	$ 27,991	$ 27,544	2 %
Net loss	$ (9,376)	$ (13,563)	31 %
Adjusted EBITDA	$ (390)	$ (3,881)	90 %
Net loss as a percentage of gross profit	(51)%	(83)%	39 %
Adjusted EBITDA as a percentage of contribution ex-TAC	(1)%	(14)%	93 %
Non-GAAP net loss	$ (1,814)	$ (6,771)	73 %
Total operating expenses	$ 52,828	$ 56,036	(6)%
Non-GAAP operating expenses	$ 28,381	$ 31,425	(10)%
Earnings (loss) per share—basic	$ (0.17)	$ (0.23)	26 %
Earnings (loss) per share—diluted	$ (0.17)	$ (0.23)	26 %
Non-GAAP earnings (loss) per share—basic	$ (0.03)	$ (0.09)	68 %
Non-GAAP earnings (loss) per share—diluted	$ (0.03)	$ (0.09)	68 %
Active customers	327	327	— %
Average gross profit per active customer[1]	$ 253	$ 291	(13)%
Average contribution ex-TAC per active customer[2]	$ 384	$ 435	(12)%

(1) We define average gross profit per active customer as gross profit for the trailing 12-month period divided by active customers.

(2) We define average contribution ex-TAC per active customer as contribution ex-TAC for the trailing 12-month period divided by active customers.

Contribution ex-TAC

Contribution ex-TAC is a non-GAAP financial measure. Gross profit is the most comparable GAAP financial measure, which is calculated as revenue less platform operations expense. In calculating contribution ex-TAC, we add back other platform operations expense to gross profit. Contribution ex-TAC is a key profitability measure used by our management and board of directors to understand and evaluate our operating performance and trends, develop short- and long-term operational plans and make strategic decisions regarding the allocation of capital. In particular, we believe that contribution ex-TAC can provide a measure of period-to-period comparisons for all pricing options within our business. Accordingly, we believe that this measure provides information to investors and the market in understanding and evaluating our operating results in the same manner as our management and board of directors.

(unaudited; tabular dollars in thousands, except for percentages and per share data)

Our use of contribution ex-TAC has limitations as an analytical tool and you should not consider it in isolation or as a substitute for analysis of our financial results as reported under GAAP. A potential limitation of this non-GAAP financial measure is that other companies, including companies in our industry that have similar business arrangements, may define contribution ex-TAC differently, which may make comparisons difficult. Because of these and other limitations, you should consider our non-GAAP financial measures only as supplemental to other GAAP-based financial performance measures, including revenue, gross profit, net income (loss) and cash flows. For a reconciliation of contribution ex-TAC to the most directly comparable financial measure calculated in accordance with GAAP, see "*—Average contribution ex-TAC per active customer*."

Active customers

We define an active customer as a customer that had total aggregate contribution ex-TAC of at least $5,000 through our platform during the previous twelve months. For purposes of this definition, a customer that operates under any of our pricing options that equals or exceeds the aforementioned contribution ex-TAC threshold is considered an active customer. Active customers is a key measure used by our management and board of directors to understand and evaluate our operating performance and trends, develop short- and long-term operational plans and make strategic decisions regarding future enhancements to our platform. We believe active customers is a useful metric for investors because it allows investors to evaluate the Company's operational performance in the same manner as our management and board of directors. Active customers is an operational metric calculated using contribution ex-TAC, a non-GAAP financial measure. For a reconciliation of contribution ex-TAC to the most directly comparable financial measure calculated in accordance with GAAP, see "*—Average contribution ex-TAC per active customer*."

Average contribution ex-TAC per active customer

We define average contribution ex-TAC per active customer as contribution ex-TAC for the trailing 12-month period presented divided by active customers. Average gross profit per active customer is the most comparable GAAP measure, which we define as gross profit for the trailing 12-month period presented divided by active customers. We believe that the total number of active customers and average contribution ex-TAC per active customer are measures of our ability to increase revenue and profitability and the effectiveness of our sales force, although we expect these measures to fluctuate based on the seasonality in our business. Customers that generated less than $5,000 in contribution ex-TAC in the trailing 12-month period were not material in the aggregate in any period.

The following table presents the calculation of gross profit, the reconciliation of gross profit to contribution ex-TAC, average gross profit per active customer, and average contribution ex-TAC per active customer for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,	
	2023	**2022**
Revenue	$ 41,720	$ 42,629
Less: Platform operations	(23,337)	(26,194)
Gross profit	18,383	16,435
Add: Other platform operations	9,608	11,109
Contribution ex-TAC	$ 27,991	$ 27,544
Active customers	327	327
Average gross profit per active customer	$ 253	$ 291
Average contribution ex-TAC per active customer	$ 384	$ 435

Non-GAAP Operating Expenses

Non-GAAP operating expenses is a non-GAAP financial measure. Total operating expenses is the most comparable GAAP financial measure. Non-GAAP operating expenses is defined by us as total operating expenses plus other expense (income), net less TAC, stock-based compensation, depreciation, amortization, and certain other items that are not related to our core operations, such as restructuring charges, and transaction expenses. Non-GAAP operating expenses is a key component in calculating adjusted EBITDA, which is one of the measures we use to provide our quarterly and annual business outlook to the investment community. Additionally, non-GAAP operating expenses is used by our management and board of directors to understand and evaluate our operating performance and trends, to prepare and approve our annual budget and to develop short- and long-term operational plans. We believe that the elimination of depreciation, amortization, stock-based compensation, TAC and certain other items not related to our core operations provides another measure for period-to-period comparisons of our business, provides additional insight into our core controllable costs, and is a useful metric for investors because it allows them to evaluate our operational performance in the same manner as our management and board of directors.

(unaudited; tabular dollars in thousands, except for percentages and per share data)

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

The following table presents a reconciliation of total operating expenses to non-GAAP operating expenses for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,	
	2023	2022
Operating expenses:		
Platform operations	$ 23,337	$ 26,194
Sales and marketing	12,169	13,756
Technology and development	5,894	5,003
General and administrative	11,428	11,083
Total operating expenses	52,828	56,036
Add:		
Other expense, net	87	4
Less:		
Traffic acquisition costs	(13,729)	(15,085)
Stock-based compensation	(7,472)	(6,376)
Depreciation and amortization	(3,412)	(3,154)
Restructuring[(1)]	79	—
Non-GAAP operating expenses	$ 28,381	$ 31,425

(1) Restructuring includes adjustments to severance charges initially recognized during the prior year.

Adjusted EBITDA and adjusted EBITDA as a percentage of contribution ex-TAC

Adjusted EBITDA is a non-GAAP financial measure defined by us as net income (loss) before interest expense (income), net, income tax benefit (expense), depreciation, amortization, stock-based compensation and certain other items that are not related to our core operations, such as restructuring charges, transaction expenses and the extinguishment of debt. Net income (loss) is the most comparable GAAP financial measure. Adjusted EBITDA as a percentage of contribution ex-TAC is a non-GAAP financial measure we calculate by dividing adjusted EBITDA by contribution ex-TAC for the period or periods presented.

Adjusted EBITDA and adjusted EBITDA as a percentage of contribution ex-TAC are used by our management and board of directors to understand and evaluate our core operating performance and trends, to prepare and approve our annual budget and to develop short- and long-term operational plans. In particular, we believe that the exclusion of the amounts eliminated in calculating adjusted EBITDA can provide a measure for period-to-period comparisons of our business. Adjusted EBITDA as a percentage of contribution ex-TAC, a non-GAAP financial measure, is used by our management and board of directors to evaluate adjusted EBITDA relative to our profitability after costs that are directly variable to revenues, which comprise TAC. Accordingly, we believe that adjusted EBITDA and adjusted EBITDA as a percentage of contribution ex-TAC provide information to investors and the market in understanding and evaluating our operating results in the same manner as our management and board of directors.

Our use of adjusted EBITDA and adjusted EBITDA as a percentage of contribution ex-TAC has limitations as an analytical tool, and you should not consider these measures in isolation or as a substitute for analysis of our financial results as reported under GAAP. Some of these potential limitations include:

- other companies, including companies in our industry that have similar business arrangements, may report adjusted EBITDA or adjusted EBITDA as a percentage of contribution ex-TAC, or similarly titled measures, but calculate them differently, which reduces their usefulness as comparative measures;

(unaudited; tabular dollars in thousands, except for percentages and per share data)

- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements; and
- adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs or the potentially dilutive impact of stock-based compensation.

Because of these and other limitations, you should consider our non-GAAP financial measures only as supplemental to other GAAP-based financial performance measures, including revenue, net loss and cash flows.

The following table presents a reconciliation of net loss to adjusted EBITDA for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,	
	2023	**2022**
Net loss	$ (9,376)	$ (13,563)
Add back:		
Interest expense (income), net	(1,819)	152
Depreciation and amortization	3,412	3,154
Stock-based compensation	7,472	6,376
Restructuring[1]	(79)	—
Adjusted EBITDA	$ (390)	$ (3,881)

(1) Restructuring includes adjustments to severance charges initially recognized during the prior year.

The following table presents the calculation of net loss as a percentage of gross profit and the calculation of adjusted EBITDA as a percentage of contribution ex-TAC for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,	
	2023	**2022**
Gross profit	$ 18,383	$ 16,435
Net loss	$ (9,376)	$ (13,563)
Net loss as a percentage of gross profit	(51)%	(83)%
Contribution ex-TAC[1]	$ 27,991	$ 27,544
Adjusted EBITDA	$ (390)	$ (3,881)
Adjusted EBITDA as a percentage of contribution ex-TAC	(1)%	(14)%

(1) For a reconciliation of contribution ex-TAC to the most directly comparable financial measure calculated in accordance with GAAP, see "—*Average contribution ex-TAC per active customer*."

Non-GAAP net income (loss)

Non-GAAP net income (loss) is a non-GAAP financial measure defined by us as net loss adjusted to eliminate the impact of stock-based compensation and certain other items that are not related to our core operations, such as restructuring charges, transaction expenses and the extinguishment of debt. Net income (loss) is the most comparable GAAP financial measure. Non-GAAP net income (loss) is a key measure used by our management and board of directors to evaluate operating performance, generate future operating plans and make strategic decisions regarding the allocation of capital. In particular, we believe that the elimination of stock-based compensation and certain other items that are not related to our core operations provides measures for period-to-period comparisons of our business and additional insight into our core controllable costs. Accordingly, we believe that non-GAAP net income (loss) provides information to investors and the market generally in understanding and evaluating our results of operations in the same manner as our management and board of directors.

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

(unaudited; tabular dollars in thousands, except for percentages and per share data)

The following table presents a reconciliation of net loss to non-GAAP net loss for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,	
	2023	2022
Net loss	$ (9,376)	$ (13,563)
Add back: Stock-based compensation	7,472	6,376
Add back: Restructuring(1)	(79)	—
Less: Income tax effect related to Viant Technology Inc.'s share of adjustments(2)	169	416
Non-GAAP net loss	$ (1,814)	$ (6,771)

(1) Restructuring includes adjustments to severance charges initially recognized during the prior year.

(2) The estimated income tax effect of our share of non-GAAP reconciling items for the three months ended March 31, 2023 and 2022 are calculated using assumed blended tax rates of 28% and 24%, respectively, which represent our expected corporate tax rate, excluding discrete and non-recurring tax items.

Non-GAAP earnings (loss) per share of Class A common stock—basic and diluted

Non-GAAP earnings (loss) per share of Class A common stock—basic and diluted is a non-GAAP financial measure defined by us as earnings (loss) per share of Class A common stock—basic and diluted, adjusted to eliminate the impact of stock-based compensation and certain other items that are not related to our core operations, such as restructuring charges, transaction expenses and the extinguishment of debt. Earnings (loss) per share of Class A common stock—basic and diluted is the most comparable GAAP financial measure. Non-GAAP earnings (loss) per share of Class A common stock—basic and diluted is used by our management and board of directors to evaluate operating performance, generate future operating plans and make strategic decisions regarding the allocation of capital. In particular, we believe that the elimination of stock-based compensation, gain on extinguishment of debt and certain other items that are not related to our core operations provides measures for period-to-period comparisons of our business and provides additional insight into our core controllable costs. Accordingly, we believe that non-GAAP earnings (loss) per share of Class A common stock—basic and diluted provides information to investors and the market generally in understanding and evaluating our results of operations in the same manner as our management and board of directors.

Our use of non-GAAP earnings (loss) per share of Class A common stock—basic and diluted has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our financial results as reported under GAAP. Some of these potential limitations include:

- other companies, including companies in our industry that have similar business arrangements, may report non-GAAP earnings (loss) per share of Class A common stock—basic and diluted or similarly titled measures, but calculate them differently, which reduces their usefulness as comparative measures; and
- although the stock-based compensation related to the LTIP referred to above is non-cash in nature, non-GAAP earnings (loss) per share of Class A common stock—basic and diluted does not reflect its impact on net income (loss) attributable to all common stockholders.

Because of these and other limitations, you should consider our non-GAAP measures only as supplemental to other GAAP-based financial performance measures, including earnings (loss) per share of Class A common stock—basic and diluted.

Basic non-GAAP earnings (loss) per share of Class A common stock is calculated by dividing the non-GAAP net income (loss) attributable to Class A common stockholders by the number of weighted-average shares of Class A common stock outstanding. Shares of our Class B common stock do not share in our earnings or losses and are therefore not participating securities. As such, separate presentation of basic and diluted non-GAAP earnings (loss) of Class B common stock under the two-class method has not been presented.

Diluted non-GAAP earnings (loss) per share of Class A common stock adjusts the basic non-GAAP earnings (loss) per share for the potential dilutive impact of common shares such as equity awards using the treasury-stock method and Class B common stock using the if-converted method. Diluted non-GAAP earnings (loss) per share of Class A common stock considers the impact of potentially dilutive securities except in periods in which there is a loss because the inclusion of the potential common shares would have an anti-dilutive effect. Shares of our Class B common stock, RSUs and nonqualified stock options are considered potentially dilutive shares of Class A common stock. For the three months ended March 31, 2023, Class B common stock and nonqualified stock options amounts have been excluded from the computation of diluted earnings (loss) per share of Class A common stock because the effect would have been anti-dilutive under the if-converted and treasury stock method, respectively.

(unaudited; tabular dollars in thousands, except for percentages and per share data)

The following tables present the reconciliation of earnings (loss) per share of Class A common stock—basic and diluted to non-GAAP earnings (loss) per share of Class A common stock—basic and diluted for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31, 2023			Three Months Ended March 31, 2022		
	Earnings (Loss) per Share	**Adjustments**	**Non-GAAP Earnings (Loss) per Share**	**Earnings (Loss) per Share**	**Adjustments**	**Non-GAAP Earnings (Loss) per Share**
Numerator						
Net loss	$ (9,376)	$ —	$ (9,376)	$ (13,563)	$ —	$ (13,563)
Adjustments:						
Add back: Stock-based compensation	—	7,472	7,472	—	6,376	6,376
Add back: Restructuring(1)	—	(79)	(79)	—	—	—
Income tax benefit (expense) related to Viant Technology Inc.'s share of adjustments(2)	—	169	169	—	416	416
Non-GAAP net loss	(9,376)	7,562	(1,814)	(13,563)	6,792	(6,771)
Less: Net loss attributable to noncontrolling interests(3)	(6,896)	5,517	(1,379)	(10,371)	4,887	(5,484)
Net loss attributable to Viant Technology Inc.—basic	(2,480)	2,045	(435)	(3,192)	1,905	(1,287)
Add back: Reallocation of net loss attributable to noncontrolling interest from the assumed exchange of RSUs for Class A common stock	—	—	—	—	(3)	(3)
Income tax benefit (expense) from the assumed exchange of RSUs for Class A common stock	—	—	—	—	1	1
Net loss attributable to Viant Technology Inc.—diluted	$ (2,480)	$ 2,045	$ (435)	$ (3,192)	$ 1,903	$ (1,289)
Denominator						
Weighted-average shares of Class A common stock outstanding —basic	14,748		14,748	13,809		13,809
Effect of dilutive securities:						
Restricted stock units	—		—	—		—
Nonqualified stock options	—		—	—		—
Weighted-average shares of Class A common stock outstanding —diluted	14,748		14,748	13,809		13,809
Earnings (loss) per share of Class A common stock—basic	$ (0.17)	$ 0.14	$ (0.03)	$ (0.23)	$ 0.14	$ (0.09)
Earnings (loss) per share of Class A common stock—diluted	$ (0.17)	$ 0.14	$ (0.03)	$ (0.23)	$ 0.14	$ (0.09)
Anti-dilutive shares excluded from earnings (loss) per share of Class A common stock—diluted:						
Restricted stock units	4,496		4,496	4,858		4,858
Nonqualified stock options	5,755		5,755	3,771		3,771
Shares of Class B common stock	47,082		47,082	47,082		47,082
Total shares excluded from earnings (loss) per share of Class A common stock—diluted	57,333		57,333	55,711		55,711

(1) Restructuring includes adjustments to severance charges initially recognized during the prior year.

(2) The estimated income tax effect of our share of non-GAAP reconciling items for the three months ended March 31, 2023 and 2022 are calculated using assumed blended tax rates of 28% and 24%, respectively, which represent our expected corporate tax rates, excluding discrete and non-recurring tax items.

(3) The adjustment to net income (loss) attributable to noncontrolling interests represents stock-based compensation attributed to the noncontrolling interest of our company outstanding during the period.

Liquidity and Capital Resources

As of March 31, 2023, we had cash and cash equivalents of $201.7 million and working capital, consisting of current assets less current liabilities, of $223.3 million, compared to cash and cash equivalents of $206.6 million and working capital of $227.7 million as of December 31, 2022.

Our primary sources of cash are revenues derived from the programmatic purchase of advertising on our platform and our existing cash and cash equivalents, although we have, and may in the future, address our liquidity needs by utilizing our borrowing capacity under our asset-based revolving credit and security agreement (the "Loan Agreement") we have with PNC Bank, obtaining debt financing from other sources, or raising additional funds by issuing equity.

Our primary uses of cash are capital expenditures to develop our technology in support of enhancing our platform; purchases of property and equipment in support of our expanding headcount as a result of our growth; the payment of debt obligations used to finance our operations, capital expenditures, platform development and rapid growth; and future minimum payments under our non-cancelable operating leases. We intend to continue investing in critical areas of our business in 2023 to further accelerate demand for our product and growth across the platform.

As of March 31, 2023, our material cash requirements from non-cancelable contractual obligations with an original duration of over one year included future minimum payments under our non-cancelable operating leases, which we estimate will be approximately $3.7 million for the remainder of 2023, $4.4 million in 2024, $4.3 million in 2025, $4.3 million in 2026, and $4.2 million in 2027, and non-cancelable contractual agreements related to the hosting of our data storage processing, storage, and other computing services, which we estimate will be approximately $8.8 million for the remainder of 2023, $6.1 million in 2024, $5.0 million in 2025, and $0.8 million in 2026.

On February 9, 2021, in connection with our IPO, we entered into a tax receivable agreement (the "Tax Receivable Agreement") with Viant Technology LLC, continuing members of Viant Technology LLC (our "pre-IPO owners") and the TRA Representative (as defined in the Tax Receivable Agreement), as described under Note 10 to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report. As of March 31, 2023, we concluded that it was more likely than not that our deferred tax assets subject to the Tax Receivable Agreement would not be realized. Therefore, we currently do not expect to make payments under our Tax Receivable Agreement based on our estimates of future taxable income. As of March 31, 2023, the total unrecorded liability for our Tax Receivable Agreement is approximately $10.3 million.

We assess our liquidity in terms of our ability to generate cash sufficient to fund our short- and long-term cash requirements. As such, we project our anticipated cash requirements as well as cash flows generated from operating activities to meet those needs. We believe our existing cash and cash equivalents, cash flow from revenues derived from the programmatic purchase of advertising on our platform, and the undrawn availability under our revolving credit facility from the Loan Agreement with PNC Bank will be sufficient to meet our cash requirements over the next 12 months. We believe we will meet longer-term expected future cash requirements and obligations beyond the next 12 months through a combination of existing cash and cash equivalents, cash flow from operations, the undrawn availability under our credit facility and issuances of equity securities or debt offerings. Our ability to fund longer-term operating needs will depend on our ability to generate positive cash flows through programmatic advertising purchases on our platform, our ability to access the capital markets, and other factors, including those discussed under the section titled "Risk Factors" in this Quarterly Report.

We did not have any other off-balance sheet arrangements as of March 31, 2023 other than the minimum payments under the operating leases, hosting arrangements, and the indemnification agreements described in Note 13—Commitments and Contingencies to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report.

We are a holding company with no operations of our own and are dependent on distributions from Viant Technology LLC to pay our taxes and satisfy any current or future cash requirements. Our Loan Agreement with PNC Bank imposes, and any future credit facilities may impose, limitations on our ability and the ability of Viant Technology LLC to pay dividends to third parties.

Revolving Credit Facility

As of March 31, 2023, our Loan Agreement with PNC Bank provided us with access to a $40.0 million senior secured revolving credit facility through October 31, 2024 and is collateralized by security interests in substantially all of our assets. As of March 31, 2023 and December 31, 2022, there was no outstanding balance and up to $39.6 million of undrawn availability under the

(unaudited; tabular dollars in thousands, except for percentages and per share data)

Loan Agreement. On April 4, 2023, we entered into an amendment to the Loan Agreement with PNC Bank that provides for an increase in the revolving credit facility, extends the maturity date, and changes the rates at which advances under the loan agreement will bear interest. Refer to Note 14—Subsequent Events to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report for additional information.

The Loan Agreement contains customary conditions to borrowings, events of default and covenants, and also contains a financial covenant requiring us not to exceed a maximum leverage ratio at any time our undrawn availability under the Loan Agreement is less than 25%. As of March 31, 2023, we were in compliance with this covenant, and we do not believe this covenant or any other provision in the Loan Agreement will materially impact our liquidity or otherwise restrict our ability to execute on our business plan during or beyond the next 12 months.

For further discussion of our Loan Agreement with PNC Bank, refer to Note 8—Revolving Credit Facility to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report.

Cash Flows

The following table summarizes our cash flows for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,	
	2023	**2022**
Consolidated Statements of Cash Flows Data		
Cash flows provided by (used in) operating activities	$ (565)	$ 11,570
Cash flows used in investing activities	(2,673)	(2,098)
Cash flows used in financing activities	(1,593)	(16)
Net increase (decrease) in cash and cash equivalents	$ (4,831)	$ 9,456

Cash Flows Provided by (Used in) Operating Activities

Our cash flows from operating activities have been primarily influenced by growth in our operations, increases or decreases in collections from our customers and related payments to our suppliers of advertising media and data. Cash flows from operating activities have been affected by changes in our working capital, particularly changes in accounts receivable, accounts payable and accrued liabilities. The timing of cash receipts from customers and payments to suppliers can significantly impact our cash flows from operating activities. We typically pay suppliers in advance of collections from our customers. 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 quarterly basis.

Our cash flows used in operating activities for the three months ended March 31, 2023 was $0.6 million, a net decrease of $12.1 million, or 105%, from cash flows provided by operating activities for the three months ended March 31, 2022 of $11.6 million. Cash flows used in operating activities for the three months ended March 31, 2023 resulted primarily from:

- a decrease of $9.4 million from net loss;
- an increase of $12.0 million due to non-cash add back adjustments to net loss primarily comprised of $7.5 million for stock-based compensation, $3.4 million for depreciation and amortization, and $1.0 million of amortization of operating lease assets;
- an increase of $2.4 million from changes in working capital (excluding deferred revenue, other liabilities, and operating lease liabilities), including a net increase of $23.8 million in accounts receivable, prepaid assets and other assets primarily related to lower sales and timing of customer collections due to seasonal fluctuations, partially offset by a decrease of $26.2 million in accounts payable, accrued liabilities and accrued compensation primarily related to timing of payments;
- an increase in deferred revenue of $0.9 million;
- a decrease in operating lease liabilities of $0.7 million; and
- a decrease in other liabilities of $1.0 million.

During the three months ended March 31, 2022, cash provided by operating activities of $11.6 million resulted primarily from a net loss of $13.6 million offset by non-cash add back adjustments to net loss of $6.4 million for stock-based compensation, $3.2 million for depreciation and amortization, $0.1 million in recovery of doubtful accounts, $0.7 million of amortization of operating lease assets, and an increase in net working capital (excluding deferred revenue and other liabilities) of $22.9 million, offset by a decrease in deferred revenue of $6.5 million, a decrease in other liabilities of $1.1 million, and a decrease in operating lease liabilities of $0.5 million .

Cash Flows Used in Investing Activities

Our primary investing activities have consisted of capital expenditures to develop our technology in support of enhancing our platform and purchases of property and equipment in support of our growth. We capitalize certain costs associated with creating and enhancing internally developed software related to our technology infrastructure that are recorded within property, equipment and software, net. These costs include personnel and related employee benefit expenses for employees who are directly associated with and who devote time to platform development projects. Purchases of property and equipment and capitalized software development costs may vary from period-to-period due to the timing of the expansion of our operations, the addition or reduction of headcount and our platform development cycles. As a result of capitalization of stock-based compensation in future periods and the growth of our business, we expect our capital expenditures and our investment activity to continue to increase.

Our cash flows used in investing activities for the three months ended March 31, 2023 was $2.7 million, a net increase of $0.6 million, or 27%, from cash flows used in investing activities for three months ended March 31, 2022 of $2.1 million. The change in cash flows for the three months ended March 31, 2023 were primarily due to:

- $2.4 million of investments in capitalized software to develop our technology in support of enhancing our platform; and
- $0.3 million of purchases of property and equipment.

During the three months ended March 31, 2022, cash used in investing activities of $2.1 million resulted primarily from investments in capitalized software development costs.

Cash Flows Used In Financing Activities

Our financing activities have consisted primarily of proceeds from borrowings and repayments of our debt, issuances of our equity and payments of member distributions. Net cash provided by or used in financing activities has been and will be used to finance our operations, capital expenditures, platform development and our growth.

Our cash flows used in financing activities for the three months ended March 31, 2023 was $1.6 million, which primarily consisted of taxes paid related to the net share settlement of equity awards. Cash flows used in financing activities for the three months ended March 31, 2022 was de minimis.

Critical Accounting Policies and Estimates

Our unaudited 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.

An accounting policy is deemed to be critical if it requires an accounting estimate to be made on assumptions about matters that are highly uncertain at the time the estimate is made and have had or are reasonably likely to have a material impact on our financial condition or results of operations. We believe that the assumptions and estimates associated with the evaluation of revenue recognition criteria, including the determination of revenue recognition net versus gross assessment in our revenue arrangements, the assumptions used in the valuation models to determine the fair value of common stock and stock-based compensation, internal use software, and the assumptions used in the calculation of our expected loss rate used to determine our credit loss reserve have the greatest potential impact on our condensed consolidated financial statements. Therefore, we consider these to be our critical accounting policies and estimates.

Since the date of our Annual Report on Form 10-K for the year ended December 31, 2022, there have been no material changes in our critical accounting policies and estimates disclosed in Part II, Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations”.

Recently Issued Accounting Pronouncements

For information regarding recently issued accounting pronouncements, see Note 2—Basis of Presentation and Summary of Significant Accounting Policies to our unaudited condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

During the three months ended March 31, 2023, there have been no material changes in our exposure to market risk. For a discussion of our exposure to market risk, see Part II, Item 7A "Quantitative and Qualitative Disclosures About Market Risk" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, has 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 the end of the period covered by this Quarterly Report. Based on such evaluation, our chief executive officer and chief financial officer have concluded that as of the end of the period covered by this Quarterly Report, our disclosure controls and procedures are designed at a reasonable assurance level and are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(d) and 15d-15(d) under the Exchange Act) during the period covered by this Quarterly Report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Disclosure Controls and Procedures

Our management, including our chief executive officer and chief financial officer, does not expect that our disclosure controls and procedures or internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be 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 within a company are detected. The inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we are involved in various legal proceedings arising in the ordinary course of business. We are not currently a party to any litigation the outcome of which, we believe, if determined adversely to us, would individually or taken together have a material adverse effect on our business, operating results, cash flows, or financial condition. Defending any such proceedings is costly and can impose a significant burden on management and employees. The results of any current or future litigation cannot be predicted with certainty, and 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.

Item 1A. Risk Factors

Investing in our Class A common stock involves a high degree of risk. You should carefully consider the following risks and uncertainties described below, together with all other information contained in this Quarterly Report and in our other public filings, including our unaudited condensed consolidated financial statements and the related notes included elsewhere in this Quarterly Report. The occurrence of any of the following risks, as well as any risks or uncertainties not currently known to us or that we currently do not believe to be material, could materially and adversely affect our business, prospects, financial condition, results of operations and cash flow, in which case, the trading price of our Class A common stock could decline and you could lose all or part of your investment.

RISK FACTOR SUMMARY

Our business is subject to numerous risks and uncertainties, including those described in the "*Risk Factors*" section of this Quarterly Report. You should carefully consider these risks and uncertainties when investing in our Class A common stock. Some of the principal risks and uncertainties include the following:

- Our success and revenue growth are dependent on adding new customers, effectively educating and training our existing customers on how to make full use of our platform and increasing usage of our platform by our customers;
- We may not realize the expected benefits of an industry shift away from cookie-based consumer tracking as such shift may not occur as rapidly as we expect or may not be realized at all;
- If we fail to innovate and make the right investment decisions in our offerings and platform, we may not attract and retain customers and our revenue and results of operations may decline;
- The market for programmatic advertising is evolving. If this market develops slower or differently than we expect, our business, operating results and financial condition would be adversely affected;
- We receive a significant amount of revenue from a select number of advertising agency holding companies, owning various advertising agencies, and the loss of advertising agencies as customers could harm our business, operating results and financial condition;
- We often have long sales cycles, which can result in significant time between initial contact with a prospect and execution of a customer agreement, making it difficult to project when, if at all, we will obtain new customers and when we will generate revenue from those customers;
- The effects of macroeconomic conditions and geopolitical events, such as economic recessions and the COVID-19 pandemic and other adverse market events, have had, and could in the future have, an adverse impact on our business, operating results and financial condition;
- If our access to advertising inventory is diminished or fails to grow, our revenue could decline and our growth could be impeded;
- If our access to people-based data is diminished, the effectiveness of our platform would be decreased, which could harm our operating results and financial condition;
- We are subject to stringent and changing obligations related to data privacy and security. Our actual or perceived failure to comply with such obligations could lead to regulatory investigations or actions, litigation, fines and penalties, disruptions of our business operations, reputational harm, loss of customers or sales, revenue declines, increase the cost of data, reduce the availability of data, reduce our ability to utilize or disclose data, adversely affect the demand for our products and services, or other adverse business consequences;
- Our business or ability to operate our platform could be impacted by changes in the technology industry by technology companies, end users, or government regulation. Such developments, including the restriction of "third-party cookies," could cause instability in the advertising technology industry;

- A significant inadvertent disclosure or breach of our information technology systems or data, or of the security of our or our customers', suppliers', or other third parties' upon which we rely could be detrimental to our business, reputation and results of operations;
- 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;
- The market price of our Class A common stock has been and may continue to be volatile or may decline regardless of our operating performance; and
- We are a "controlled company" within the meaning of the listing standards of the Nasdaq Global Select Market and, as a result, qualify for, and rely on, exemptions from certain corporate governance requirements.

Risks Related to Our Business and Operations

Our success and revenue growth are dependent on adding new customers, effectively educating and training our existing customers on how to make full use of our platform and increasing usage of our platform by our customers.

Our success is dependent on regularly adding new customers and our ability to increase our customers' usage of our platform, continuously enhance and improve our offerings and platform, build our brand, scale our technology capabilities, add functionality to and improve the performance of Adelphic, and address technological and industry advancements, including the use of artificial intelligence. Our contracts and relationships with customers generally do not include long-term or exclusive obligations requiring them to use our platform or maintain or increase their use of our platform. Our customers typically have relationships with numerous providers and can use both our platform and those of our competitors without incurring significant costs or disruption. Our customers may also choose to decrease their overall advertising spend for any reason, including if they do not believe they are receiving a sufficient ROAS. Accordingly, we must continually work to win new customers and retain existing customers, increase their usage of our platform and capture a larger share of their advertising spend. For those customers utilizing our self-service capabilities, we may not be successful at educating and training customers, particularly our newer customers, on how to use our platform, in particular our advanced reporting tools, in order for our customers to get the most benefit from our platform and increase their usage. If these efforts are unsuccessful or customers decide not to continue to maintain or increase their usage of our platform for any other reason, or if we fail to attract new customers, our revenue could fail to grow or decline, which would materially and adversely harm our business, operating results and financial condition. If customers representing a significant portion of our business decide to materially reduce their use of our platform or cease using our platform altogether, our revenue could be significantly reduced, which could have a material adverse effect on our business, operating results and financial condition. We may not be able to replace customers who decrease or cease their usage of our platform with new customers that will use our platform to the same extent or at all.

We may not realize the expected benefits of an industry shift away from cookie-based consumer tracking as such shift may not occur as rapidly as we expect or may not be realized at all.

We expect to benefit as compared to others in our industry from marketers reducing their reliance on vendors and advertising technology platforms that utilize third-party cookies for tracking. However, the shift away from cookie-based consumer tracking may not happen as rapidly as we expect and such shift may not occur at all. For example, in July 2022, Google announced that its previously announced timeline of blocking third-party cookies by 2022 would be delayed until the second half of 2024. Additionally, even if the shift away from cookie-based consumer tracking does occur, we may not be as successful in growing our business and increasing our revenue as we expect. For example, marketers may not shift their business away from our competitors if our competitors are successful in developing alternative products or services that are not significantly reliant on the cookie-based framework, which could harm our business.

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

Our industry is subject to rapid and frequent changes in technology, evolving customer needs and the frequent introduction by our competitors of new and enhanced offerings. We must regularly make investment decisions regarding offerings and technology to maintain the technological competitiveness of our products and services and meet customer demand and evolving industry standards. The complexity and uncertainty regarding the development of new technologies and the extent and timing of market acceptance of innovative products and services create difficulties in maintaining this competitiveness. The success of any enhancement or new solution depends on many factors, including timely completion, adequate quality testing, appropriate introduction and market acceptance. Without the timely introduction of new products, services and enhancements, our offerings could become technologically or commercially obsolete over time, in which case our revenue and operating results would suffer. If new or existing competitors have more attractive offerings, we may lose customers or customers may decrease their use of our platform. New customer demands, superior competitive offerings or new industry standards could require us to make unanticipated and costly changes to our platform or business model.

If we fail to enhance our current products and services or fail to develop new products to adapt to our rapidly changing industry or to evolving customer needs, demand for our platform could decrease and our business, operating results and financial condition may be adversely affected.

The market for programmatic advertising is evolving. If this market develops slower or differently than we expect, our business, operating results and financial condition would be adversely affected.

We derive revenue from the programmatic purchase of advertising on our platform. We expect that 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 our customers' usage of our platform. While the market for programmatic ad buying for desktop and mobile ads is relatively established, the market in other channels is still emerging, and our current and potential customers may not shift quickly enough to programmatic ad buying from other buying methods, which could 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 particular, the market for programmatic advertising across most advertising channels, including connected TV, linear TV, in-game, streaming audio and digital billboard channels is an emerging market. Our ability to provide capabilities across most 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. We may not be able to accurately predict changes in overall industry demand for the channels in which we operate and cannot assure you that our investment in channel development will correspond to any such changes. For example, the growth in demand for our connected TV offering may not continue. Furthermore, if our channel mix changes due to a shift in customer demand, such as customers shifting their usage more quickly or more extensively than expected to channels in which we have relatively less functionality, features or inventory, such as linear TV, then demand for our platform could decrease, and our business, financial condition and results of operations could be adversely affected.

We receive a significant amount of revenue from a select number of advertising agency holding companies, owning various advertising agencies, and the loss of advertising agencies as customers could harm our business, operating results and financial condition.

A significant amount of our revenue comes from advertising agencies. We had 327 active customers for the twelve months ended March 31, 2023, consisting primarily of advertising agencies. Many of these agencies are owned by advertising agency holding companies, where decision making is generally highly decentralized such that purchasing decisions are made, and relationships with marketers are located, at the agency, local branch or division level. If all of our individual customer contractual relationships were aggregated at the holding company level, one advertising agency holding company would represent 11.5% of our revenue for the three months ended March 31, 2023. Due to the highly decentralized operations and decision-making at the agencies owned by each of these advertising agency holding companies, we consider the individual agencies rather than the holding company to be our customers.

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

We do not have exclusive relationships with advertising agencies and we depend on agencies to work with us as they embark on advertising campaigns for their clients. The loss of such agencies could significantly harm our business, operating results and financial condition. If we fail to maintain satisfactory relationships with an advertising agency, we risk losing business from the marketers represented by that agency.

Marketers may change advertising agencies. If a marketer switches from an agency that utilizes our platform to one that does not, we could lose revenue from that marketer. In addition, some advertising agencies have strong relationships with competing DSPs or other platforms and may direct their marketers to such other platforms. If a significant number of marketers and their agencies begin to utilize competing platforms for the administration of their advertising campaigns, our business, financial condition and results of operations could be adversely affected.

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

Our sales cycle, from initial contact to contract execution and implementation, can take significant time. As part of our sales cycle, we may incur significant expenses before we generate any revenue from a prospective customer. The substantial time and money spent on our sales efforts may not generate significant revenue. If conditions in the marketplace, generally or with a specific prospective customer, change negatively, it is possible that we will be unable to recover any of these expenses. Our sales efforts involve educating our customers about the use, technical capabilities and benefits of our platform. Many of our prospective customers undertake a lengthy evaluation process that involves assessing our platform against the offerings of our competitors. As a result, it is difficult to predict when we will obtain new customers and begin generating revenue from these new customers. Even if our sales efforts result in obtaining a new customer, the customer controls when and to what extent it uses our platform and therefore the amount of revenue we generate, and it may not sufficiently justify the expenses incurred to acquire the customer and the related training support. As a result, we may not be able to add customers, or generate revenue, as quickly as we may expect, which could harm our growth prospects.

The effects of macroeconomic conditions and geopolitical events, such as economic recessions and the COVID-19 pandemic and other adverse market events, have had, and could in the future have, an adverse impact on our business, operating results and financial condition.

Our business and operations have been and could in the future be adversely affected by macroeconomic conditions and geopolitical events, such as bank failures, rising interest rates, inflationary pressures, labor shortages, shortages of goods and services, supply chain constraints, the COVID-19 pandemic, and the ongoing Russia-Ukraine conflict. A recession, depression, or other economic slowdown resulting from macroeconomic conditions and geopolitical events could materially and adversely affect our business and that of our customers or potential customers and our results could fluctuate unpredictably.

Our business depends on the overall demand for advertising and on the economic health of our customers that benefit from our platform. Economic downturns or unstable market conditions may cause our customers to decrease their advertising budgets, which could reduce usage of our platform and adversely affect our business, operating results and financial condition. Our customers' and potential customers' businesses or cash flows have recently been and may continue to be negatively impacted by the economic uncertainty related to, among other things, bank failures, inflation and monetary supply shifts, labor shortages, supply shortages, tightening of credit markets, the COVID-19 pandemic and the ongoing Russia-Ukraine conflict, which has led and may continue to lead them to reduce their advertising spending and delay their advertising initiatives or technology spending, or attempt to renegotiate contracts and obtain concessions, which may materially and negatively impact our business, operating results and financial condition. Our customers may also seek adjustments to their payment terms, delay making payments or default on their payables, any of which may impact the timely receipt and/or collectability of our receivables. Typically, we are contractually required to pay advertising inventory and data suppliers within a negotiated period of time, regardless of whether our customers pay us on time, or at all, and we may not be able to renegotiate better terms. As a result, our financial condition and results of operations may be adversely impacted if the business or financial condition of our customers and marketers is negatively affected by macroeconomic conditions and geopolitical events. During the first quarter of 2023, we observed decreases in revenue that we attribute to marketers in certain industry verticals, particularly those in the business and financial services, consumer products, retail, and jobs and employment, decreasing or pausing their advertising spend due to the impacts of recent macroeconomic conditions.

Economic uncertainty caused by macroeconomic and geopolitical conditions can also make it more difficult to forecast revenue and operating results and to make decisions regarding operational cost structures and investments. We have committed, and we plan to continue to commit, resources to grow our business, including to further develop our platform and systems, and such investments may be impacted by adverse macroeconomic conditions and geopolitical events.

Customers have the option to use our platform on a self-service basis, which requires us to commit substantial time and expenses toward training potential customers on how to make full use of our platform. If we fail to offer sufficient customer training and support for our platform, we may not be able to attract new customers or maintain our current customers.

Because we operate a platform that has many powerful and complex tools and that customers can choose to use on a self-service basis, we are often required to spend a substantial amount of time and effort educating and training current customers and potential customers on how to make full use of our platform. Because potential customers may already be trained to use our competitors' platforms, we are also required to spend a significant amount of time cultivating relationships with those potential customers to ensure they understand the potential benefits of our platform and this relationship building process can take many months and may not result in us winning an opportunity with any given potential customer. As a result, customer training and support is critical for the successful and continued use of our platform and for maintaining and increasing spend through our platform from existing and new customers.

Providing this training and support requires that our platform operations personnel have specific domain knowledge and expertise, making 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 customer service will increase as we expand our business and pursue new customers. If we are not responsive and proactive regarding our customers' advertising needs, or do not provide effective support for our customers' advertising campaigns, our ability to retain our existing customers could suffer and our reputation with existing or potential customers could be harmed, which would negatively impact our business.

We are subject to payment-related risks and if our customers do not pay, or dispute their invoices, our business, operating results and financial condition may be adversely affected.

Many of our contracts with advertising agencies provide that if the marketer does not pay the agency, the agency is not liable to us, and we must seek payment solely from the marketer, a type of arrangement called sequential liability. The credit risk associated with these arrangements may vary depending on the nature and credit risk of an advertising agency's aggregated marketer base and the credit risk of the agency itself. We may also be involved in disputes with agencies and their marketers over the operation of our platform, the terms of our agreements or our billings for purchases made by them through our platform. When we are unable to collect or make adjustments to our bills to customers, we incur write-offs for bad debt, which could have a material adverse effect on our results of operations for the periods in which the write-offs occur. In the future, bad debt may exceed reserves for such contingencies and our bad debt exposure may increase over time. Any increase in write-offs for bad debt could have a materially negative effect on our business, operating results and financial condition.

Furthermore, we are generally contractually required to pay suppliers of advertising inventory and data within a negotiated period of time, regardless of whether our customers pay us on time, or at all. While we attempt to negotiate long payment periods with our suppliers and shorter periods from our customers, we are not always successful. As a result, our accounts payable are often due on shorter cycles than our accounts receivables, requiring us to remit payments from our own funds, and accept the risk of bad debt.

Due to this potential imbalance in our collections and payments, we may rely on our credit facility to partially or completely fund our working capital requirements. As we continue to grow, our business may not generate sufficient cash flow from operations and future borrowings may not be available to us under the credit facility in an amount sufficient to fund our working capital needs. 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 be at risk of default thereunder. We may not be able to access additional financing or increase our borrowing or borrowing capacity under our current or any future credit facility on commercially reasonable terms or at all.

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

We must maintain a consistent supply of ad inventory. Our success depends on our ability to secure inventory on reasonable terms across a broad range of advertising inventory partners in various verticals and formats. The amount, quality and cost of inventory available to us can change at any time. If our relationships with any of our significant 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. We may not have access to a consistent supply of inventory on favorable terms or at all. Inventory suppliers control the sales process for the inventory they supply, and their processes may not always work in our favor. For example, suppliers may place restrictions on the use of their inventory, including prohibiting the placement of advertisements on behalf of specific marketers.

As new types of inventory, such as digital advertising for television, become more readily available, we will need to expend significant resources to ensure we have access to such new inventory. Although television advertising is a large market, only a relatively small percentage of it is currently purchased programmatically. We are investing heavily in our programmatic television offering, including by adding new features, functions and integrations to our platform. If the digital television advertising market does not grow as we anticipate or we fail to successfully serve such a 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 inventory for any reason, customer retention and loyalty, and our operating results and financial condition could be harmed.

If our access to people-based data is diminished, the effectiveness of our platform would be decreased, which could harm our operating results and financial condition.

Much of the data that we use is obtained through integrations with third-party data suppliers. We are dependent upon our ability to obtain necessary data licenses on commercially reasonable terms. We could suffer material adverse consequences if we were unable to obtain data through our integrations with data suppliers. Our ability to serve particular customers is also enhanced when such customers upload their own first-party data. Our operation of our platform and access to data could be negatively affected if, due to legal, contractual, privacy, reputational, market optics, competition or other economic concerns, third parties cease entering into data integration agreements with us or customers cease uploading their data to our platform. Additionally, we could terminate relationships with our data suppliers if they fail to adhere to our data quality and privacy standards.

Laws in the United States (including the California Consumer Privacy Act of 2018 ("CCPA"), as amended by the California Privacy Rights Act of 2020 ("CPRA")) and other jurisdictions such as Europe (including GDPR, ePrivacy Directive) and increased regulatory activity has focused on third-party data suppliers. These laws pose additional and material compliance risks to such suppliers, and they may not be able to comply with such laws, which would limit our ability to obtain data that is necessary to operate our core business. For example, some data suppliers are required to register as data brokers under California and Vermont privacy laws, file reports with regulators and expose themselves to increased scrutiny. In addition, we may face compliance risks and limitations on our ability to use certain data provided by our third-party suppliers if those suppliers have not complied with applicable privacy laws, provided appropriate notice to data subjects, obtained necessary consents, or established a legal basis for the transfer and processing of the data by us.

Furthermore, digital advertising and in-app advertising are largely dependent on established technology companies and their operation of the most commonly used internet browsers (Chrome, Firefox, Internet Explorer and Safari), devices, operating systems (such as Android and iOS) and applications. These companies may change the operations or policies of their browsers, devices and operating systems in a manner that fundamentally changes our ability to operate our platform or use or collect data. Users of these browsers, devices or operating systems may also adjust their behaviors and use of technology in ways that change our ability to collect data. Digital advertising and in-app advertising are also dependent, in part, on internet protocols and the practices of internet service providers, including IP address allocation. Changes that these providers make to their practices, or adoption of new internet protocols, may materially limit or alter the availability of data. For example, Apple introduced an iOS update in April 2021 that only allows tracking of user activity after an opt-in by users, and Google has announced that it will introduce similar changes that will provide users with the ability to opt-out of tracking across devices using the Android operating system. Individuals may increasingly resist the collection, use, and sharing of personal data to deliver targeted advertising. Individuals are increasingly becoming aware of options related to consent, "do not track" mechanisms, and "ad-blocking" software, any of which could materially impact our and our data supplier's ability to collect, use and disclose personal data. A limitation or alteration of the availability of data in any of these or other instances may have a material impact on the advertising technology industry, which could decrease advertising budgets and subsequently reduce our revenue and adversely affect our business, operating results and financial condition. Please see "—Risks Related to Data Privacy" for additional discussion of the laws and regulations governing the collection of data to which we are or may become subject and about the risks to our business associated with such laws and regulations.

If we were to lose access to significant amounts of the data that enables our people-based framework, or the compliance obligations for our suppliers or us become too onerous, our ability to provide products and services to our customers could be materially and adversely impacted, which could be materially adverse to our business, operating results and financial condition.

If we do not effectively grow and train our sales and support teams, we may be unable to add new customers or increase usage of our platform by our existing customers and our business will be adversely affected.

We are substantially dependent on our sales and support teams to obtain new customers and to increase usage of our platform by our existing customers. 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, training, integrating and retaining sufficient numbers of sales personnel to support our growth. Due to the complexity of our platform, a significant time lag exists between the hiring date of sales and support personnel and the time when they become fully productive. 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 customers or increasing our existing customers' spend with us, our business will be adversely affected.

Our initiatives to reduce our operating expenses and the associated workforce reduction announced on December 9, 2022 could disrupt our business, may not result in our anticipated savings, and could result in total costs and expenses that are greater than expected.

As a result of recent adverse economic trends, such as inflationary pressures, rising interest rates, and other macroeconomic and geopolitical events, we have initiated a cost reduction initiative aimed at reducing our operating expenses and sharpening our focus on key growth priorities in light of the current macroeconomic environment. As part of that initiative, we announced a reduction in force involving approximately 13.0% of our then-current workforce on December 9, 2022. Our workforce reduction could yield unanticipated consequences, such as attrition beyond planned staff reductions, increased difficulties in our day-to-day operations and reduced employee morale. If employees who were not affected by the reductions in force seek alternative employment, this could result in us seeking contractor support at unplanned additional expense or harm our productivity. Our workforce reductions could also harm our ability to attract and retain qualified management, sales and operational personnel who are critical to our business. Further, we may incur additional expenses not currently contemplated due to events associated with the reduction in force, which could result in losses in future periods. We also may not realize, in full or in part, the anticipated benefits and savings from the reduction in force due to unforeseen difficulties, delays or unexpected costs. Our ongoing and future initiatives to re-balance our cost structure may be disruptive to our operations and could result in increased costs in the short-term before significant benefits are achieved.

Our corporate culture has contributed to our success and, if we are unable to maintain it, whether as a result of corporate growth or reduction in force, our business, operating results and financial condition could be harmed.

We had 321 employees as of March 31, 2023. We believe our corporate culture has been critical to our success and we have invested substantial time and resources in building our team within our company culture. However, it may be difficult to maintain our culture, whether as a result of corporate growth or reduction in force, which could reduce our ability to innovate and operate effectively and proactively focus on and pursue our corporate objectives. The failure to maintain the key aspects of our culture could result in decreased employee satisfaction, increased difficulty in attracting top talent, increased turnover and degraded quality of customer 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, our business, operating results and financial condition could be harmed.

We allow our customers and suppliers to utilize application programming interfaces ("APIs"), with our platform, which could result in outages or security breaches and negatively impact our business, operating results and financial condition.

The use of APIs by our customers and suppliers has significantly increased in recent years. Our APIs allow customers and suppliers to build their own media buying and data management interface by using our APIs to develop custom integration of their business with our platform. The increased use of APIs increases security and operational risks to our systems, including the risk for cyber-attacks (including denial-of-service attacks), malicious internet-based activity online and offline fraud, and other similar activities threaten the confidentiality, integrity, and availability of our platform. Furthermore, while APIs allow customers and suppliers greater ease and power in accessing our platform, they also increase the risk of overusing our systems, potentially causing outages. We have experienced system slowdowns due to customer or supplier overuse of our systems through our APIs. While we have taken measures intended to decrease security and outage risks associated with the use of APIs, such measures may not be successful. Our failure to prevent outages or security breaches resulting from API use could result in government enforcement actions against us, claims for damages by consumers and other affected individuals, costs associated with investigation, notification, mitigation, and remediation, damage to our reputation and loss of goodwill, any of which could have a material adverse impact on our business, operating results and financial condition.

Operational and performance issues with our platform, whether actual or perceived, including a failure to respond to technological changes or to upgrade our technology systems, may adversely affect our business, operating results and financial condition.

We depend upon the sustained and uninterrupted performance of our platform to manage our inventory supply, acquire inventory for each campaign; collect, process and interpret data; and optimize campaign performance in real time and provide billing information to our financial systems. If our platform cannot scale to meet demand, if there are errors in our execution of any of these functions on our platform, or if we experience outages, then our business may be harmed.

Our platform is complex and multifaceted, and operational and performance issues could arise both from the platform itself or from outside factors, such as cyberattacks or other third-party attacks. Errors, failures, vulnerabilities or bugs have been found in the past, and may be found in the future. We have not always been able in the past and may be unable in the future to detect vulnerabilities in our information technology systems (including our products), and vulnerabilities may not be detected until after a security incident has occurred. Further, we may experience delays in developing and deploying remedial measures designed to address any such identified vulnerabilities. Our platform also relies on third-party technology and systems to perform properly, and our platform is often used in connection with computing environments utilizing different operating systems, system management software, equipment and networking configurations, which may cause errors in, or failures of, our platform or such other computing environments. Operational and performance issues with our platform could include the failure of our user interface, outages, errors during upgrades or patches, discrepancies in costs billed versus costs paid, unanticipated volume overwhelming our databases, server failure, or catastrophic events affecting one or more server facilities. While we have built redundancies in our systems, full redundancies do not exist. Some failures will shut our platform down completely, others only partially. We provide service level agreements to some of our customers, and if our platform is not available for specified amounts of time, we may be required to provide credits or other financial compensation to our customers.

As we grow our business, we expect to continue to invest in technology services and equipment. Without these improvements, our operations might suffer from unanticipated system disruptions, 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 reputation and ability to attract and retain customers. 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 grow. If we fail to respond to technological change or to adequately maintain, expand, upgrade and develop our systems and infrastructure in a timely fashion, our growth prospects and results of operations could be adversely affected.

Operational and performance issues with our platform could also result in negative publicity, damage to our brand and reputation, loss of or delay in market acceptance of our platform, increased costs or loss of revenue, the obligation to issue credits, loss of the ability to access our platform, loss of competitive position or claims by customers for losses sustained by them. 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 operating results and financial condition.

We are dependent on the continued availability of third-party hosting and transmission services. Operational issues with, or changes to the costs of, our third-party data center providers could harm our business, reputation or results of operations.

We currently serve our platform functions from third-party data center hosting facilities operated by Google Cloud Platform and Amazon Web Services, and we primarily use shared servers in such facilities. We are dependent on these third parties to provide continuous power, cooling, humidity control, internet connectivity and physical and technological security for our servers, and our operations depend, in part, on their ability to protect these facilities against any damage or interruption from natural disasters, such as earthquakes and hurricanes, power or telecommunication failures, criminal acts and similar events. In the event that any of our third-party facilities arrangements is terminated, or if there is a lapse of service or damage to a facility, we could experience interruptions in our platform as well as delays and additional expenses in arranging new facilities and services.

Any damage to, or failure of, the systems of our third-party providers could result in interruptions to our platform. Despite precautions taken at our data centers, the occurrence of spikes in usage volume, a natural disaster, such as earthquakes or hurricane, an act of terrorism, vandalism or sabotage, a decision to close a facility without adequate notice, or other unanticipated problems at a facility could result in lengthy interruptions in the availability of our platform. Even with current and planned disaster recovery arrangements, our business could be harmed. Also, in the event of damage or interruption, our insurance policies may not adequately compensate us for any losses that we may incur. These factors in turn could further reduce our revenue, subject us to liability and cause us to issue credits or cause customers to stop using our platform, any of which could materially and adversely affect our business.

We incur significant costs with our third-party data hosting services. If the costs for such services increase due to vendor consolidation, regulation, contract renegotiation, or otherwise, we may not be able to increase the fees for our products and services to cover the changes. As a result, our operating results may be significantly worse than forecasted.

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, operating results and financial condition could be harmed.

We depend on various third-party open source and proprietary technologies, software, products and services, including for critical features and functionality of our platform and API technology, payment processing, payroll and other professional services. 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 materially and 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, and our business, operating results and financial condition could be harmed.

Our failure to meet content and inventory standards and provide services that our customers and inventory suppliers trust, could harm our brand and reputation and negatively impact our business, operating results and financial condition.

We do not provide or control the content of the advertisements we serve or that of the websites providing the inventory. Our customers provide the advertising content and inventory suppliers provide the inventory. Both customers 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 without guaranteed brand security. For example, our customers expect that ad placements will not be misrepresented, such as auto-play in banner placements marketed as pre-roll inventory. Consequently, our reputation depends in part on providing services that our customers and inventory suppliers trust, and we have contractual obligations to meet content and inventory standards. We contractually prohibit the misuse of our platform by agencies (and their marketer customers) 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. Despite such efforts, our customers 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, as well as a balancing of cost effectiveness and risk, and we may not be fully successful in our efforts to combat fraud. We may provide access to inventory that is objectionable to our customers or we may serve advertising that contains malware or objectionable content to our inventory suppliers, which could harm our or our customers’ brand and reputation, cause customers to decrease or terminate their relationship with us, cause suppliers to decrease or terminate the inventory supplied to us or their relationship with us, or otherwise negatively impact our business, operating results and financial condition. In addition, we may terminate MSAs or IOs in the event clients violate our ad policies or other contract terms, which could harm our business, operating results and financial condition.

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

We or our customers set up campaigns on our platform using a number of available variables. While our platform includes several checks and balances, it is possible for human error to result in significant over-spending. We offer a number of protections such as daily or overall spending caps, but 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 customer with a high credit limit enters an incorrect daily cap with a campaign set to a rapid pace, it is possible for a campaign to accidentally go significantly over budget. Our potential liability for such errors may be higher when they occur in situations in which we are executing purchases on behalf of a customer rather than the customer using the self-service feature of our platform. While our customer contracts state that customers are responsible for media purchased through our platform, we are ultimately responsible for paying the inventory providers and we may be unable to collect when such issues occur.

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

We have acquired businesses and technologies to grow our business. To the extent we find suitable and attractive acquisition candidates and business opportunities in the future, we may continue to acquire other complementary businesses, products and technologies and enter into joint ventures or similar strategic relationships. We have no present commitments or agreements to enter into any such acquisitions or make any such investments. However, 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, tax liabilities, actual or threatened litigation, privacy or cybersecurity issues or employee or customer issues. Future or past business transactions (such as acquisitions or integrations) could expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities’ systems and technologies. We may not be able to successfully integrate the services, products and personnel of any acquired business into our operations. In addition, any future acquisitions, joint ventures or similar relationships may cause a disruption in our ongoing business and distract our management. Further, we may be unable to realize the revenue improvements, cost savings and other intended benefits of any such transaction. Acquisitions involve numerous other risks, any of which could harm our business, including:

- regulatory hurdles;
- failure of anticipated benefits to 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 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 known and unknown liabilities;
- litigation or other claims in connection with the acquired company, including claims from terminated employees, former stockholders or other third parties; and
- negative reception to an acquisition by clients, suppliers, vendors, or investors.

Failure to appropriately mitigate these risks or other issues related to such strategic investments and acquisitions 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 or the impairment of goodwill, any of which could harm our business, operating results and financial condition.

Our future success depends on the continuing efforts of our key employees, including Tim Vanderhook and Chris Vanderhook, and our ability to attract, hire, retain and motivate highly skilled employees in the future.

We are a founder-led business and our future success depends on the continuing efforts of our executive officers and other key employees, including Tim Vanderhook, our chief executive officer, and Chris Vanderhook, our chief operating 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 employees in our engineering, technical, product development, support and sales teams to attract and retain key customers.

The market for talent in our key areas of operations, including California, is intensely competitive, which could increase our costs to attract and retain talented employees. As a result, we may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and we may lose new employees to our competitors or other companies before we realize the benefit of our investment in recruiting and training them. We have at times experienced employee turnover. Because of the complexity of our platform, new employees often require significant training and, in many cases, take significant time before they achieve full productivity. Our account managers, for instance, need to be trained quickly on the features of our platform since failure to offer high-quality support may adversely affect our relationships with our customers.

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

We face liabilities arising out of our ownership and operation of Myspace.com.

In 2011, we acquired Myspace LLC, which owns Myspace.com. We have faced and may continue to face claims, investigations, or lawsuits or incur liability as a result of content published or made available on Myspace.com, including claims for defamation, intellectual property rights, including copyright infringement, rights of publicity and privacy, illegal content, misinformation, content regulation and personal injury torts. The laws relating to the liability of providers of online products or services for activities of the people who use them remain somewhat unsettled, both within the United States and internationally. This risk is enhanced in certain jurisdictions outside the United States where our protection from liability for third-party actions may be unclear or where we may be less protected under local laws than we are in the United States. For example, in April 2019, the European Union ("EU") passed a directive expanding online platform liability for copyright infringement and regulating certain uses of news content online, which member states had to implement by June 2021. In addition, there have been various Congressional efforts, executive actions, and civil litigation efforts to restrict the scope of the protections available to online platforms under Section 230 of the Communications Decency Act, and our current protections from liability for third-party content in the United States could decrease or change, or if courts begin to interpret this law more narrowly than they have historically done. We could incur significant costs investigating and defending claims related to content published or made available on Myspace.com and, if we are found liable, could face significant damages.

In late 2011, shortly after we acquired Myspace LLC, the Federal Trade Commission (“FTC”) initiated an investigation of the entity relating to certain of its historical privacy practices in place between 2008 and 2010. In connection with its 2012 settlement, Myspace LLC agreed to a consent order barring it from misrepresenting the extent to which it protects the privacy of users’ personal information or the extent to which it belongs to or complies with any privacy, security or other compliance program. The order also mandates Myspace LLC establish a comprehensive privacy program designed to protect consumers’ information, and to obtain biennial assessments of its privacy program by independent, third-party auditors for 20 years. The order terminates in August 2032.

If Myspace LLC fails to comply with the mandates of the consent order, or if Myspace LLC is found to be in violation of the consent order or other requirements, we may be subject to regulatory or governmental investigations or lawsuits, which may result in significant monetary fines, judgments, or other penalties, and we may also be required to make additional changes to our business practices.

Myspace.com has been and may in the future be subject to cybersecurity incidents or data breaches. In 2016, we discovered a third-party cyber-attack in which Myspace.com usernames, passwords and email addresses were stolen from the old Myspace.com platform prior to June 11, 2013. While we took steps to remediate the attack, including notifying and invalidating the passwords of known affected users, any present failure to prevent or mitigate security breaches and improper access to or disclosure of the data on Myspace.com could result in litigation, indemnity obligations, regulatory enforcement actions, investigations, fines, penalties, mitigation and remediation costs, disputes, reputational harm, diversion of management’s attention, and other liabilities and damage to our business. Myspace.com may also face operational or performance issues. For example, as a result of a server migration project in 2019, older photo, video or audio files of some users were lost.

Myspace.com has in the past been, and may in the future be, the subject of unfavorable publicity regarding, for example, its privacy practices, site quality and site operational matters. Myspace.com may also face negative publicity relating to content or information that is published or made available on the platform, including defamation, dissemination of misinformation or news hoaxes, discrimination, violations of intellectual property rights, violations of rights of publicity and privacy, hate speech or other types of content. Any such negative publicity could damage our reputation and the reputation of our primary business, which could adversely affect our business and financial results.

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 that is subject to changing technology and customer demands and that includes many companies providing competing solutions. With the introduction of new technologies and the influx of new entrants into the market, we expect competition to persist and intensify in the future, which could harm our ability to increase revenue and maintain profitability. Furthermore, our brand promotion activities may not yield any increased revenue, and even if they do, any increased revenue may not offset the expenses we incurred in building our brand.

We compete with large privately-held companies such as Yahoo DSP, with public companies such as The Trade Desk, and with divisions of large, well-established companies such as Google and Amazon. Our current and potential competitors may have significantly more financial, technical, marketing and other resources than we have, allowing them to devote greater resources to the development, promotion, sale and support of their products and services. They may also have more extensive customer bases and broader supplier relationships than we have. As a result, these competitors may be better able to respond quickly to new technologies, develop deeper marketer relationships or offer services at lower prices. Increased competition may result in reduced pricing for our platform, increased sales and marketing expense, longer sales cycles or a decrease of our market share, any of which could negatively affect our revenue and future operating results and our ability to grow our business. These companies may also have greater brand recognition and longer histories than we have and may actively seek to serve our market and have the power to significantly change the nature of the marketplace to their advantage. Some of our larger competitors, particularly those that are divisions of large companies, have substantially broader product offerings and may leverage their relationships based on other products or incorporate functionality into existing products to gain business in a manner that may discourage customers from using our platform, including through selling at zero or negative margins or product bundling with other services they provide at reduced prices. Customers may prefer to purchase advertising from social medial platforms or other closed platforms, which they cannot acquire through our platform. Potential customers may also prefer to purchase from their existing platform rather than a new platform regardless of product performance or features. These larger competitors often have broader product lines and market focus and may therefore not be as susceptible to downturns in a particular market. We may also experience negative market perception as a result of being a smaller company than our larger competitors.

In addition, we derive a significant portion of our revenue from advertising in the desktop and mobile and connected TV channels, which are rapidly evolving, highly competitive, complex and fragmented. We face significant competition in these markets which we expect will intensify in the future. While fewer of our competitors currently have capability in other channels such as linear TV, in-game streaming audio and digital billboard channels, we also expect to face additional competition in those channels in the future.

Risks Related to Data Privacy

We are subject to stringent and changing obligations related to data privacy and security. Our actual or perceived failure to comply with such obligations could lead to regulatory investigations or actions, litigation, fines and penalties, disruptions of our business operations, reputational harm, loss of customers or sales, revenue declines, increase the cost of data, reduce the availability of data, reduce our ability to utilize or disclose data, adversely affect the demand for our products and services, or other adverse business consequences.

We may collect, store, use, transmit, disclose, or otherwise process (collectively, "Process") personal information and other sensitive data such as confidential business data, trade secrets, and intellectual property, from and about our customers, employees, service providers, and other third parties. Our handling of this data is subject to a wide variety of federal, state, local, and foreign laws regulations, guidance, industry standards, external and internal privacy and security policies, certifications, documents, contracts, and other obligations that govern the Processing of personal information by us and on our behalf.

U.S. federal, state, and local governments, and foreign governments, have adopted or proposed numerous laws relating to the Processing of personal information relating to individuals and households, including contact information and other data for marketing, advertising and other communications with individuals and businesses. The legal landscape for data privacy issues worldwide is complex, continually evolving and often conflicting, and is likely to remain uncertain for the foreseeable future.

In the United States, various laws and regulations apply to the Processing of personal information. For example, U.S. federal and state legislatures, along with regulatory authorities, have recently increased their focus on the collection and use of personal information, including relating to "interest-based" or "targeted" advertising. As an example, California enacted the CCPA, which requires covered businesses to, among other things, provide disclosures to California consumers and grant California consumers a right to opt-out of "sales" of personal information, a concept that is broadly defined. The CPRA, which came into effect on January 1, 2023, expands the CCPA by, among other things, providing consumers with a right to opt-out of "sharing" of personal information with third parties, requiring additional protections for sensitive personal information, creating new data subject rights, creating a new state rulemaking and enforcement agency for the CPRA, expanding potential liability for violations and giving consumers rights to opt out of additional forms of data sharing with third parties. Other states have enacted data privacy laws, such as Virginia, Colorado, Utah, and Connecticut. In addition, other comprehensive data privacy and security laws have been proposed at the federal, state, and local levels in recent years, which could lead to a varied and complex regulatory landscape and further complicate our compliance efforts.

Outside the United States, an increasing number of laws, regulations, and industry standards may apply to our data privacy and security practices. For example, the EU's General Data Protection Regulation ("EU GDPR") and the United Kingdom's GDPR ("UK GDPR") imposes strict requirements applicable to the Processing of individuals' personal information, respectively, in the European Economic Area ("EEA") and the United Kingdom ("UK"). The EU GDPR imposes strict requirements for Processing the personal information of individuals and includes significant penalties for noncompliance of up to the greater of €20 million or 4% of an enterprise's global turnover (or revenue) for the preceding fiscal year. Companies that violate the GDPR can also face prohibitions on data processing and other corrective action, such as class action brought by classes of data subjects or by consumer protection organizations authorized at law to represent their interests. Additionally, Member States may assess other penalties for noncompliance. Additionally, several European legislative proposals could significantly affect our business. For example, the ePrivacy Regulation, which would repeal that European Union Directive 2002/58/EC (ePrivacy Directive), could impose new obligations or limitations in areas affecting our business, notably with respect to the use of cookies. There is also a proposed regulation related to artificial intelligence ("AI") that, if adopted, could impose onerous obligations related to the use of AI-related systems. We may have to change our business practices to comply with such obligations. These changes to the regulatory landscape, coupled with EU and UK regulators' increasing focus on compliance with requirements related to the online behavioral advertising ecosystem could, limit the ability to obtain data through integrations with data suppliers, divert the attention of our technology personnel, adversely affect our margins, subject us to liabilities, and may require us to make significant operational changes.

Furthermore, we are subject to evolving laws and regulations regarding data localization and cross-border transfers of personal information, which could make it more difficult or impossible for us to transfer personal information across jurisdictions in a manner that complies with local laws (such as transferring or receiving personal information that originates in the EU). For example, absent appropriate safeguards or other circumstances, the EU GDPR generally restricts the transfer of personal information to countries outside of the EEA, such as the United States, which the European Commission does not consider to provide an adequate level of data privacy and security protections. The European Commission released a set of "Standard Contractual Clauses" that are designed to be a valid mechanism by which entities can transfer personal information out of the EEA to jurisdictions that the European Commission has not found to provide an adequate level of protection. Currently, these Standard Contractual Clauses are a valid mechanism to transfer personal information outside of the EEA. The Standard Contractual Clauses, however, require parties that rely upon that legal mechanism to comply with additional obligations, such as conducting transfer impact assessments to determine whether additional security measures are necessary to protect the at-issue personal information. Moreover, due to potential legal challenges, there exists some uncertainty regarding whether the Standard Contractual Clauses will remain a valid mechanism for transfers of personal information out of the EEA. In addition, laws in Switzerland and the UK similarly restrict transfers of personal information outside of those jurisdictions to countries such as the United States that do not provide an adequate level of personal information protection and certain countries outside Europe (e.g., Russia, China) have also passed or are considering laws requiring local data residency or otherwise impeding the transfer of personal information across borders.

If we cannot implement a valid compliance mechanism for cross-border data transfers from the EEA, the UK or other jurisdictions to the United States, or if the requirements for a legally-compliant transfer are too onerous, we may face increased exposure to regulatory actions, substantial fines, and injunctions against Processing or transferring personal information from Europe or elsewhere. For example, some European regulators have prevented companies from transferring personal data out of Europe for allegedly violating the GDPR's cross-border data transfer limitations. The inability to import personal information to the United States could significantly and negatively impact our business operations, including by limiting our ability to collaborate with parties that are subject to European and other data privacy and security laws, limiting our ability to obtain inventory or data from suppliers operating in Europe, or requiring us to increase our personal information processing capabilities and infrastructure in Europe and/or elsewhere at significant expense

In addition, privacy advocates and industry groups have proposed, and may propose in the future, industry standards with which we are legally or contractually bound to comply. Additionally, we may make statements about our data Processing practices and our compliance with, or our ability to facilitate our customers' compliance with, these standards. For example, we have committed to comply, and generally require our customers and the third parties upon which we rely to comply, with applicable self-regulatory principles, such as the Network Advertising Initiative's Code of Conduct and the Digital Advertising Alliance's Self-Regulatory Principles for Online Behavioral Advertising in the United States, and similar self-regulatory principles in Europe and Canada adopted by the local Digital Advertising Alliance. These self-regulatory bodies impose additional requirements related to the Processing of personal information, such as providing notice about our use of cookies and other technologies. Some of these self-regulatory bodies can discipline members, which could result in fines, penalties, and/or public censure. Additionally, some of these self-regulatory bodies might refer violations of their requirements to the Federal Trade Commission or other regulatory bodies. See "*—Our business or ability to operate our platform could be impacted by changes in the technology industry by technology companies, end users, or government regulation. Such developments, including the restriction of "third-party cookies," could cause instability in the advertising technology industry*."

Similarly, there has been increasing global scrutiny over online political advertising, and online political advertising laws are rapidly evolving. For example, publishers of online content have imposed varying prohibitions and restrictions on the types and breadth of political advertising allowed on their platforms. The lack of uniformity and increasing requirements for transparency and disclosure could adversely impact the demand for political advertising services and increase our operating and compliance costs.

Because the interpretation and application of privacy and data protection laws, regulations and standards are uncertain and quickly changing, it is possible that these obligations may be interpreted and applied in manners that are, or are asserted to be, inconsistent with our practices. Preparing for and complying with these obligations requires significant resources. Further, adaptation of the digital advertising marketplace requires increasingly significant collaboration between participants in the market, such as publishers and marketers. Failure of the industry to adapt to changes in data privacy and security obligations 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 predict the impact such changes may have on our business. In addition, it may be necessary for us to fundamentally change our business activities, information technologies, systems, and practices, and to those of any third parties that Process personal information on our behalf.

Although we endeavor to comply with all applicable data privacy and security obligations, we may at times fail or be perceived to have failed to do so. Moreover, despite our efforts, our customers, personnel or third parties upon whom we rely may fail to comply with such obligations, which could negatively impact our business operations and compliance posture. For example, any failure by a third-party processor to comply with applicable law, regulations, or contractual obligations could result in adverse effects, including inability to operate our business and proceedings against us by governmental entities or others. Any inability, or perceived inability, to address or comply with applicable data privacy or security obligations could result in significant consequences, including, but not limited to, government enforcement actions (e.g., investigations, fines, penalties, audits, inspections, and similar); litigation (including class-related claims); additional reporting requirements and/or oversight; bans on Processing personal information; and orders to destroy or not use personal information. Any of these events could have a material adverse effect on our reputation, business, or financial condition, including but not limited to: loss of customers; additional costs and liabilities; damage our reputation; reduction in sales and demand for our platform; and harm our business.

We have in the past been, and may in the future be, subject to enforcement actions, investigations, litigation, or other inquiries regarding our data privacy and security practices. For example, the FTC investigated our wholly owned subsidiary, Myspace LLC, and filed a complaint shortly after we acquired them in late 2011. See "*—We face liabilities arising out of our ownership and operation of Myspace.com*." Additionally, 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 the EU GDPR and/or the UK GDPR. It is possible that investigations or enforcement actions will involve our practices or practices similar to ours and we could be subject to similar investigations or enforcement actions in the future.

Our business or ability to operate our platform could be impacted by changes in the technology industry by technology companies, end users, or government regulation. Such developments, including the restriction of "third-party cookies," could cause instability in the advertising technology industry.

Digital advertising and in-app advertising are largely dependent on established technology companies and their operation of the most commonly used Internet browsers (Chrome, Firefox, Internet Explorer and Safari), devices and their operating systems (Android and iOS). These companies may change the operations or policies of their browsers, devices and operating systems in a manner that fundamentally changes our ability to operate our platform or collect data. Users of these browsers, devices or operating systems may also adjust their behaviors and use of technology in ways that change our ability to collect data. Digital advertising and in-app advertising are also dependent, in part, on internet protocols and the practices of internet service providers, including IP address allocation. Changes that these providers make to their practices, or adoption of new internet protocols, may materially limit or alter the availability or quality of data. A limitation or alteration of the availability of data in any of these or other instances may have a material impact on the advertising technology industry, which could decrease advertising budgets and subsequently reduce our revenue and adversely affect our business, operating results and financial condition.

For example, browser providers have recently enacted changes restricting the use of third-party cookies in their browsers, which may cause instability in the digital advertising market. Execution and measurement in digital advertising relies to a significant extent on the use of cookies, pixels and other similar technology, including mobile device identifiers that are provided by mobile operating systems for advertising purposes, which we refer to collectively as cookies, to collect data about users and devices. Although our business is less reliant on cookies than some of our competitors because we do not need cookies for marketers and their advertising agencies to identify consumers with our identity resolution capabilities and identity graph, we do use third-party cookies. Third-party cookies are cookies owned and used by parties other than the owners of the website visited by the internet user, in connection with our business for execution of obtaining information about consumers, and for delivering digital advertising. Apple introduced an iOS update in April 2021 that requires users to opt-in to tracking of their activity across devices. Google has also introduced ad blocking software in its Chrome web browser that will block certain ads based on quality standards established under a multi-stakeholder coalition. Additionally, the Safari browser currently blocks third-party cookies by default and has recently added controls that algorithmically block or limit some cookies. Other browsers have added similar controls. These actions will have significant impacts on the digital advertising and marketing ecosystems in which we operate, which could cause changes in advertising budget allocations and thereby could negatively impact our business. In addition, these browser providers may frequently delay or change their previously announced operations or policies. For example, in June 2021, Google announced that it would delay its timeline of blocking third-party cookies by 2022 until 2023, and in 2022 further indicated that it will not begin blocking cookies until 2024.

For in-app advertising, data regarding interactions between users and devices are tracked mostly through stable, pseudonymous mobile device 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 mobile platforms and could be changed by the mobile platforms in a way that may negatively impact our business. Privacy aspects of other channels for programmatic advertising, such as connected TVs or over-the-top video, are still developing. Technical or policy changes, including regulation or industry self-regulation, could harm our growth in those channels.

Digital advertising is also subject to government regulation which may impact our ability to collect and use data. As the collection and use of data for digital advertising has received ongoing media attention over the past several years, some government regulators, such as the FTC, and privacy advocates have raised significant concerns around observed data. There has been an array of 'do-not-track' efforts, suggestions and technologies introduced to address these concerns and individuals are increasingly aware of these options. For example, the EU and the UK, regulators are increasingly focusing on compliance with requirements related to the behavioral, interest-based, or tailored advertising ecosystem. It is anticipated that the ePrivacy Regulation and national implementing laws will replace the current national laws implementing the ePrivacy Directive. Compliance with these laws may require us to make significant operational changes, limit the effectiveness of our activities, divert the attention of our technology personnel, adversely affect our margins, and subject us to liabilities. Outside of Europe, other laws further regulate behavioral, interest-based, or tailored advertising, making certain online advertising activities more difficult and subject to additional scrutiny. For example, the CCPA grants California residents the right to opt-out of a company's sharing of personal data for advertising purposes in exchange for money or other valuable consideration. However, the regulatory and self-regulatory landscape is inherently uncertain, and there is no consensus definition of tracking, nor agreement on what would be covered by 'do-not-track' functionality. There is activity by the major internet browsers to default set on 'do-not-track' functionality, including by Safari and Firefox. It is not clear if other internet browsers will follow.

Limitations on our or our customers' ability to collect and use data for advertising, whether imposed by established technology companies or U.S. legislation, or otherwise, may impact the performance of our platform.

A significant inadvertent disclosure or breach of our information technology systems or data, or of the security of our or our customers', suppliers', or other third parties' upon which we rely could be detrimental to our business, reputation and results of operations.

Our business requires the processing of proprietary, confidential, and sensitive data, including personal information, intellectual property and trade secrets. We rely upon third party service providers and technologies to operate critical business systems to process such data, including, without limitation, third-party providers of cloud-based infrastructure such as Google Cloud Platform and Amazon Web Services, employee email, and other functions. We may share or receive sensitive data with or from third parties. Our ability to monitor these third parties' security practices is limited, and these parties may not have adequate information security measures in place. If our third-party service providers experience a security incident or other interruption, we could experience adverse consequences. While we may be entitled to damages if our third-party service providers fail to satisfy their privacy or security-related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award

Our data processing activities have made, and may in the future make, us and the third parties upon which we rely a target of cyber-attacks, malicious internet-based activity, online and offline fraud, and other similar activities by third parties. We and the third parties upon which we rely face a variety of evolving threats, which could cause security breaches. In recent years, the frequency, severity and sophistication of cyber-attacks, computer malware, viruses, social engineering, and other intentional misconduct has significantly increased, and these threats are becoming increasingly difficult to detect. These threats come from a variety of sources, including traditional computer hackers, threat actors, and personnel (such as through theft or misuse). We and the third parties upon which we rely may be subject to a variety of evolving threats, including but not limited to social-engineering attacks (including through phishing attacks), malicious code (such as viruses and worms), malware (including as a result of advanced persistent threat intrusions), denial-of-service attacks (such as credential stuffing), personnel misconduct or error, ransomware attacks, supply-chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, adware, telecommunications failures, earthquakes, fires, floods, and other similar threats. Threat actors, nation-states, and nation-state-supported actors now engage, and are expected to continue to engage, in cyber-attacks, including for geopolitical reasons and in connection with military conflicts and operations. During times of war and other major conflicts, we and the third parties upon which we rely may be vulnerable to heightened risk of these attacks, including cyber-attacks that could materially disrupt our systems and operations, supply chain, and ability to conduct our business.

Ransomware attacks are becoming increasingly prevalent and severe and can lead to significant interruptions in our operations, loss of data and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments. Similarly, supply-chain attacks have increased in frequency and severity, and third parties and infrastructure in our supply chain or our third-party partners' supply chains may become compromised or contain exploitable defects or bugs that could result in a breach of or disruption to our information technology systems (including our products/services) or the third-party information technology systems that support us and our services.

Any of the previously identified or similar threats, whether actual or perceived, could cause a security breach or other interruption, resulting in the unauthorized, unlawful, or accidental acquisition, disclosure, modification, misuse, destruction, disclosure of, encryption of, or loss of data.

We may incur significant costs in protecting against such security breaches. Furthermore, certain data privacy and security obligations may require us to implement and maintain specific security measures. Although we have taken measures to protect our systems from such threats, these measures may not be effective. For example, in 2016, we discovered a breach of information from our Myspace databases resulting in the unauthorized access and offer for sale of approximately 360 million Myspace user account email addresses, usernames, and hashed passwords. See "*—We face liabilities arising out of our ownership and operation of Myspace.com.*" Additionally, we have not always been able in the past and may be unable in the future to detect vulnerabilities in our information technology systems (including those that are part of or that support our services) because such threats and techniques to exploit them change frequently, are often sophisticated in nature, and may not be detected until after a security breach has occurred. Further, we may experience delays in developing and deploying remedial measures designed to address any such identified vulnerabilities.

Any security breach of our or the third parties' upon which we rely information technology systems or data could result in adverse consequences, including but not limited to litigation, indemnity obligations, enforcement actions, investigations, fines, penalties, mitigation and remediation costs, disputes, reputational harm, diversion of management's attention, operational disruptions, decreased revenue, and reduced demand for our platform. Further, applicable data privacy and security obligations may require us to notify relevant stakeholders of security incidents. Such disclosures are costly, and the disclosures or the failure to comply with such requirements could lead to adverse consequences.

Furthermore, our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. Additionally, our insurance coverage may not be adequate or sufficient to protect us from or to mitigate liabilities arising out of our privacy and security practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims.

Risks Related to Our Intellectual Property

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.

Our success depends, in part, on our ability to protect proprietary methods and technologies that we develop or otherwise acquire, so that we can prevent others from using our inventions and proprietary information. If we fail to protect our intellectual property rights adequately, our competitors might gain access to our technology and our business might be adversely affected. We rely upon a combination of patent, trademark, copyright and trade secret laws, as well as third-party confidentiality and non-disclosure agreements, to establish and protect our proprietary rights. Establishing trade secret, copyright, trademark, domain name, and patent protection can be difficult and expensive, and the laws, procedures and restrictions may provide only limited protection. It may be possible for unauthorized third parties to copy or reverse engineer aspects of our technology or otherwise obtain and use information that we regard as proprietary, or to develop technologies similar or superior to our technology or design around our proprietary rights, despite the steps we have taken to protect our proprietary rights. 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. However, the theft or misuse of our proprietary information could occur by employees or contractors who have access to our technology.

While we have issued patents and patent applications pending, we may be unable to obtain patent protection for the technology covered in our patent applications or such patent protection may not be obtained quickly enough to meet our business needs. Furthermore, the patent prosecution process is expensive, time-consuming, and complex, and we may not be able to prepare, file, prosecute, maintain, and enforce all necessary or desirable patent applications at a reasonable cost or in a timely manner. The scope of patent protection also can be reinterpreted after issuance and issued patents may be invalidated. Even if our patent applications do issue as patents, they may not issue in a form that is sufficiently broad to protect our technology, prevent competitors or other third parties from competing with us or otherwise provide us with any competitive advantage.

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 are subject to third party claims 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 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. In addition, various "non-practicing entities" that own patents and other intellectual property rights often attempt to aggressively assert their rights in order to extract value from technology companies. Furthermore, from time to time we may introduce or acquire new products, including in areas where we historically have not competed, which could increase our exposure to patent and other intellectual property claims from competitors and non-practicing entities. The cost settling or of defending against intellectual property 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 may be obligated to indemnify our customers or inventory and data suppliers in connection with any such litigation. 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. Alternatively, 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 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 represent to us 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 customers 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 extensive.

Risks Related to Our Capital Structure and Related Tax Matters

We depend on distributions from Viant Technology LLC to pay any dividends, if declared, taxes and other expenses, including payments under the Tax Receivable Agreement.

Viant Technology Inc. is a holding company and its only business is to act as the managing member of Viant Technology LLC, and its only material assets are Class A units representing approximately 24.2% of the membership interests of Viant Technology LLC as of March 31, 2023. Viant Technology Inc. does not have any independent means of generating revenue. We anticipate that Viant Technology LLC will continue to be treated as a partnership for U.S. federal income tax purposes and, as such, generally will not be subject to any entity-level U.S. federal income tax. Instead, taxable income will be allocated to the members of Viant Technology LLC. Accordingly, Viant Technology Inc. is required to pay income taxes on its allocable share of any net taxable income of Viant Technology LLC. We cause Viant Technology LLC to make distributions to each of its members, including Viant Technology Inc., in an amount intended to enable each member to pay all applicable taxes on taxable income allocable to such member and to allow Viant Technology Inc. to make payments under the Tax Receivable Agreement. In addition, Viant Technology LLC reimburses Viant Technology Inc. for corporate and other overhead expenses. If the amount of tax distributions to be made exceeds the amount of funds available for distribution, Viant Technology Inc. shall receive the full amount of its tax distribution before the other members receive any distribution and the balance, if any, of funds available for distribution shall be distributed to the other members pro rata in accordance with their assumed tax liabilities. To the extent that Viant Technology Inc. needs funds, and Viant Technology LLC is restricted from making such distributions under applicable laws or regulations, or is otherwise unable to provide such funds, it could materially and adversely affect Viant Technology Inc.'s ability to pay dividends and taxes and other expenses, including payments under the Tax Receivable Agreement, and affect our liquidity and financial condition.

The Internal Revenue Service ("IRS") might challenge the tax basis step-ups and other tax benefits we received in connection with our IPO and the related transactions and in connection with future acquisitions of Viant Technology LLC units.

The Viant Technology LLC units held directly by the members of Viant Technology LLC other than Viant Technology Inc., including the Tim Vanderhook, Chris Vanderhook, and Capital V LLC (formerly Four Brothers 2 LLC) (the "Vanderhook Parties"), may in the future be exchanged for shares of our Class A common stock or, at our election, cash. Those exchanges may result in increases in the tax basis of the assets of Viant Technology LLC that otherwise would not have been available. These increases in tax basis are expected to increase (for tax purposes) Viant Technology Inc.'s depreciation and amortization and, together with other tax benefits, reduce the amount of tax that Viant Technology Inc. would otherwise be required to pay, although it is possible that the IRS might challenge all or part of these tax basis increases or other tax benefits, and a court might sustain such a challenge. Viant Technology Inc.'s ability to achieve benefits from any tax basis increases or other tax benefits will depend upon a number of factors, as discussed below, including the timing and amount of our future income.

We will not be reimbursed for any payments previously made under the Tax Receivable Agreement if the basis increases or other tax benefits described above are successfully challenged by the IRS or another taxing authority. As a result, in certain circumstances, payments could be made under the Tax Receivable Agreement in excess of our ultimate cash tax savings.

We are required to pay over to continuing members of Viant Technology LLC most of the tax benefits we receive from tax basis step-ups (and certain other tax benefits) attributable to its acquisition of units of Viant Technology LLC, and the amount of those payments may be substantial.

Viant Technology Inc. has entered into a Tax Receivable Agreement with Viant Technology LLC, continuing members of Viant Technology LLC (not including Viant Technology Inc.) and the TRA Representative. The Tax Receivable Agreement provides for payment by Viant Technology Inc. to continuing members of Viant Technology LLC (not including Viant Technology Inc.) of 85% of the amount of the net cash tax savings, if any, that Viant Technology Inc. realizes (or, under certain circumstances, is deemed to realize) as a result of increases in tax basis (and utilization of certain other tax benefits) resulting from (i) Viant Technology Inc.'s acquisition of Viant Technology LLC units from pre-IPO members of Viant Technology LLC in connection with the IPO and in future exchanges and (ii) any payments Viant Technology Inc. makes under the Tax Receivable Agreement (including tax benefits related to imputed interest). Viant Technology Inc. will retain the benefit of the remaining 15% of these net cash tax savings.

The term of the Tax Receivable Agreement will continue until all tax benefits that are subject to the Tax Receivable Agreement have been utilized or have expired, unless we exercise our right to terminate the Tax Receivable Agreement (or it is terminated due to a change in control or our breach of a material obligation thereunder), in which case, Viant Technology Inc. will be required to make the termination payment specified in the Tax Receivable Agreement. In addition, payments we make under the Tax Receivable Agreement will be increased by any interest accrued from the due date (without extensions) of the corresponding tax return. The actual future payments to the continuing members of Viant Technology LLC will vary based on the factors discussed below, and estimating the amount and timing of payments that may be made under the Tax Receivable Agreement is by its nature imprecise, as the calculation of amounts payable depends on a variety of factors and future events. We expect to receive distributions from Viant Technology LLC in order to make any required payments under the Tax Receivable Agreement. However, we may need to incur debt to finance payments under the Tax Receivable Agreement to the extent such distributions or our cash resources are insufficient to meet our obligations under the Tax Receivable Agreement as a result of timing discrepancies or otherwise.

The actual increase in tax basis, as well as the amount and timing of any payments under the Tax Receivable Agreement, will vary depending on a number of factors, including the price of our Class A common stock at the time of the exchange; the timing of future exchanges; the extent to which exchanges are taxable; the amount and timing of the utilization of tax attributes; the amount, timing and character of Viant Technology Inc.'s income; the U.S. federal, state and local tax rates then applicable; the amount of each exchanging unitholder's tax basis in its units at the time of the relevant exchange; the depreciation and amortization periods that apply to the increases in tax basis; the timing and amount of any earlier payments that Viant Technology Inc. may have made under the Tax Receivable Agreement and the portion of Viant Technology Inc.'s payments under the Tax Receivable Agreement that constitute imputed interest or give rise to depreciable or amortizable tax basis. We expect that, as a result of the increases in the tax basis of the tangible and intangible assets of Viant Technology LLC attributable to the exchanged Viant Technology LLC interests, and certain other tax benefits, the payments that Viant Technology Inc. will be required to make to the holders of rights under the Tax Receivable Agreement will be substantial. There may be a material negative effect on our financial condition and liquidity if, as described below, the payments under the Tax Receivable Agreement exceed the actual benefits Viant Technology Inc. receives in respect of the tax attributes subject to the Tax Receivable Agreement and/or distributions to Viant Technology Inc. by Viant Technology LLC are not sufficient to permit Viant Technology Inc. to make payments under the Tax Receivable Agreement.

In certain circumstances, payments under the Tax Receivable Agreement may be accelerated and/or significantly exceed the actual tax benefits, if any, that Viant Technology Inc. actually realizes.

The Tax Receivable Agreement provides that if (i) Viant Technology Inc. exercises its right to early termination of the Tax Receivable Agreement in whole (that is, with respect to all benefits due to all beneficiaries under the Tax Receivable Agreement) or in part (that is, with respect to some benefits due to all beneficiaries under the Tax Receivable Agreement), (ii) Viant Technology Inc. experiences certain changes in control, (iii) the Tax Receivable Agreement is rejected in certain bankruptcy proceedings, (iv) Viant Technology Inc. fails (subject to certain exceptions) to make a payment under the Tax Receivable Agreement within 180 days after the due date or (v) Viant Technology Inc. materially breaches its obligations under the Tax Receivable Agreement, Viant Technology Inc. will be obligated to make an early termination payment to holders of rights under the Tax Receivable Agreement equal to the present value of all payments that would be required to be paid by Viant Technology Inc. under the Tax Receivable Agreement. The amount of such payments will be determined on the basis of certain assumptions in the Tax Receivable Agreement, including (i) the assumption that Viant Technology Inc. would have enough taxable income in the future to fully utilize the tax benefit resulting from the tax assets that are the subject of the Tax Receivable Agreement, (ii) the assumption that any item of loss deduction or credit generated by a basis adjustment or imputed interest arising in a taxable year preceding the taxable year that includes an early termination will be used by Viant Technology Inc. ratably from such taxable year through the earlier of (x) the scheduled expiration of such tax item or (y) 15 years; (iii) the assumption that any non-amortizable assets are deemed to be disposed of in a fully taxable transaction on the fifteenth anniversary of the earlier of the basis adjustment and the early termination date; (iv) the assumption that U.S. federal, state and local tax rates will be the same as in effect on the early termination date, unless scheduled to change; and (v) the assumption that any units of Viant Technology LLC (other than those held by Viant Technology Inc.) outstanding on the termination date are deemed to be exchanged for an amount equal to the market value of the corresponding number of shares of Class A common stock on the termination date. Any early termination payment may be made significantly in advance of the actual realization, if any, of the future tax benefits to which the termination payment relates. The amount of the early termination payment is determined by discounting the present value of all payments that would be required to be paid by Viant Technology Inc. under the Tax Receivable Agreement at a rate equal to the lesser of (a) 6.5% and (b) the Secured Overnight Financing Rate, as reported by the Wall Street Journal plus 400 basis points.

Moreover, as a result of an elective early termination, a change in control or Viant Technology Inc.'s material breach of its obligations under the Tax Receivable Agreement, Viant Technology Inc. could be required to make payments under the Tax Receivable Agreement that exceed its actual cash savings under the Tax Receivable Agreement. Thus, Viant Technology Inc.'s obligations under the Tax Receivable Agreement could have a substantial negative effect on its financial condition and liquidity and could have the effect of delaying, deferring or preventing certain mergers, asset sales, or other forms of business combinations or changes of control. We may not be able to finance any early termination payment. It is also possible that the actual benefits ultimately realized by us may be significantly less than were projected in the computation of the early termination payment. We will not be reimbursed if the actual benefits ultimately realized by us are less than were projected in the computation of the early termination payment.

Payments under the Tax Receivable Agreement will be based on the tax reporting positions that we will determine and the IRS or another tax authority may challenge all or part of the tax basis increases, as well as other related tax positions we take, and a court could sustain such challenge. If any tax benefits that have given rise to payments under the Tax Receivable Agreement are subsequently disallowed, Viant Technology Inc. would be entitled to reduce future amounts otherwise payable to a holder of rights under the Tax Receivable Agreement to the extent the holder has received excess payments. However, the required final and binding determination that a holder of rights under the Tax Receivable Agreement has received excess payments may not be made for a number of years following commencement of any challenge, and Viant Technology Inc. will not be permitted to reduce its payments under the Tax Receivable Agreement until there has been a final and binding determination, by which time sufficient subsequent payments under the Tax Receivable Agreement may not be available to offset prior payments for disallowed benefits. Viant Technology Inc. will not be reimbursed for any payments previously made under the Tax Receivable Agreement if the basis increases described above are successfully challenged by the IRS or another taxing authority. As a result, in certain circumstances, payments could be made under the Tax Receivable Agreement that are significantly in excess of the benefit that Viant Technology Inc. actually realizes in respect of the increases in tax basis (and utilization of certain other tax benefits) and Viant Technology Inc. may not be able to recoup those payments, which could adversely affect Viant Technology Inc.'s financial condition and liquidity.

In certain circumstances, Viant Technology LLC will be required to make distributions to us and the existing members of Viant Technology LLC, and the distributions that Viant Technology LLC will be required to make may be substantial.

Viant Technology LLC is expected to continue to be treated as a partnership for U.S. federal income tax purposes and, as such, is not subject to U.S. federal income tax. Instead, taxable income is allocated to members, including Viant Technology Inc. Pursuant to the Viant Technology LLC Operating Agreement, Viant Technology LLC makes tax distributions to its members, including Viant Technology Inc., which generally are pro rata based on the ownership of Viant Technology LLC units, calculated using an assumed tax rate, to help each of the members to pay taxes on that member's allocable share of Viant Technology LLC's net taxable income. Under applicable tax rules, Viant Technology LLC is required to allocate net taxable income disproportionately to its members in certain circumstances. Because tax distributions are determined based on the member who is allocated the largest amount of taxable income on a per unit basis and on an assumed tax rate that is the highest possible rate applicable to any member, but are made pro rata based on ownership of Viant Technology LLC units, Viant Technology LLC is required to make tax distributions that, in the aggregate, likely exceed the aggregate amount of taxes payable by its members with respect to the allocation of Viant Technology LLC income.

Funds used by Viant Technology LLC to satisfy its tax distribution obligations are not available for reinvestment in our business. Moreover, the tax distributions Viant Technology LLC is required to make may be substantial, and may significantly exceed (as a percentage of Viant Technology LLC's income) the overall effective tax rate applicable to a similarly situated corporate taxpayer. In addition, because these payments are calculated with reference to an assumed tax rate, and because of the disproportionate allocation of net taxable income, these payments likely significantly exceed the actual tax liability for many of the existing members of Viant Technology LLC.

As a result of potential differences in the amount of net taxable income allocable to us and to the existing members of Viant Technology LLC, as well as the use of an assumed tax rate in calculating Viant Technology LLC's distribution obligations, we may receive distributions significantly in excess of our tax liabilities and obligations to make payments under the Tax Receivable Agreement. We may choose to manage these excess distributions through a number of different approaches, including by applying them to general corporate purposes.

If Viant Technology LLC were to become a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes, Viant Technology Inc. and Viant Technology LLC might be subject to potentially significant tax inefficiencies, and Viant Technology Inc. would not be able to recover payments previously made by it under the Tax Receivable Agreement, even if the corresponding tax benefits were subsequently determined to have been unavailable due to such status.

We intend to operate such that Viant Technology LLC does not become a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes. A "publicly traded partnership" is an entity that otherwise would be treated as a partnership for U.S. federal income tax purposes, the interests of which are traded on an established securities market or readily tradable on a secondary market or the substantial equivalent thereof. Under certain circumstances, exchanges of Viant Technology LLC units pursuant to the Viant Technology LLC Operating Agreement or other transfers of Viant Technology LLC units could cause Viant Technology LLC to be treated like a publicly traded partnership. From time to time the U.S. Congress has considered legislation to change the tax treatment of partnerships and there can be no assurance that any such legislation will not be enacted or if enacted will not be adverse to us.

If Viant Technology LLC were to become a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes, significant tax inefficiencies might result for Viant Technology Inc. and Viant Technology LLC, including as a result of Viant Technology Inc.'s inability to file a consolidated U.S. federal income tax return with Viant Technology LLC. In addition, Viant Technology Inc. may not be able to realize tax benefits covered under the Tax Receivable Agreement and would not be able to recover any payments previously made by it under the Tax Receivable Agreement, even if the corresponding tax benefits (including any claimed increase in the tax basis of Viant Technology LLC's assets) were subsequently determined to have been unavailable.

Risks Related to Our Financial Position and Capital Requirements

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

Our quarterly and annual operating results have fluctuated in the past and we expect our future operating results to fluctuate due to a variety of factors, many of which are beyond our control. In particular, we offer our customers a choice of two different pricing options: a percentage of spend option and a fixed CPM pricing option. We also offer our customers the ability to use our services to aid them in data management, media execution and advanced reporting. Our revenue and contribution ex-TAC vary across these different pricing and service options, and therefore our results may vary based on the mix of pricing and service options chosen by customers in any given period. The varying nature of our pricing mix between periods may make it more difficult for us to forecast our future operating results. Further, variation in our pricing mix may make it more difficult to make comparisons between prior, current and future periods. Period-to-period comparisons of our operating results should not be relied upon as an indication of our future performance. Fluctuations in our operating results could cause our performance to fall below the expectations of securities analysts and investors, and adversely affect the price of our Class A common stock. Because our business is changing and evolving rapidly, and the macroeconomic and geopolitical environment continues to evolve as a result of the COVID-19 pandemic, bank failures, labor shortages, inflation and monetary supply shifts, rising interest rates, tightening of credit markets, and potential disruptions from the ongoing Russia-Ukraine conflict, our historical operating results may not be necessarily indicative of our future operating results. In addition to changes in terms of mix of our different pricing options, factors that may cause our operating results to fluctuate include the following:

- changes in demand for our platform, including those related to the seasonal nature of our customers' spending on digital advertising campaigns;

- changes in our pricing policies, the pricing policies of our competitors and the pricing or availability of inventory, data or other third-party services;
- changes in our customer base and platform offerings;
- the addition or loss of advertising agencies and marketers as customers;
- changes in advertising budget allocations, agency affiliations or marketing strategies;
- changes to our channel mix (including, for example, changes in demand for connected TV);
- changes and uncertainty in the regulatory and business environment for us or customers (for example, when Apple or Google change policies for their browsers and operating systems);
- changes in the economic prospects of marketers or the economy generally (due to COVID-19, labor shortages, inflation and monetary supply shifts, rising interest rates, tightening of credit markets, and potential disruptions from the ongoing Russia-Ukraine conflict or otherwise), which could alter marketers' spending priorities, or could increase the time or costs required to complete advertising inventory sales;
- changes in the availability of advertising inventory or in the cost of reaching end consumers through digital advertising;
- disruptions or outages on our platform;
- the introduction of new technologies or offerings by our competitors;
- 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, or employee recruiting; and
- shifting views and behaviors of consumers concerning use of data.

Based upon the factors above and others beyond our control, we have a limited ability to forecast our future revenue, costs and expenses, and, as a result, our operating results may, from time to time, fall below our estimates or the expectations of securities analysts and investors.

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 may 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. Accordingly, we may need to engage in additional equity or debt financings to secure additional capital. 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 Class A common stock. 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 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.

If we continue to grow our business and increase our offerings, our costs will increase and we may not be able to generate sufficient revenue to sustain profitability and failure to manage growth effectively could cause our business to suffer.

We have expended significant resources in the past to grow our business and increase the offerings of our platform. While we have recently implemented cost reduction initiatives aimed at reducing our operating expenses and sharpening our focus on key growth priorities in light of the current macroeconomic environment, if we continue to grow our business, it could require substantial financial and other resources to, among other things:

- develop our platform, including by investing in our engineering team, creating, acquiring or licensing new products or features, and improving the functionality, availability and security of our platform;
- improve our technology infrastructure, including investing in internal technology development and acquiring outside technologies;

- 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 consumer privacy compliance, including additional infrastructure, 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 achieve or sustain profitability.

Further, to manage our growth effectively, we must continually evaluate and evolve our organization. We must manage our employees, operations, finances, technology and development and capital investments efficiently. Our efficiency, productivity and the quality of our platform and customer 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, rapid growth may place a strain on our resources, infrastructure and ability to maintain the quality of our platform. Failure to manage our growth effectively could cause our business to suffer and have an adverse effect on our operating results and financial condition.

We are a party to a revolving credit agreement, which contains a number of covenants that may restrict our current and future operations and could adversely affect our ability to execute business needs.

Our Loan Agreement with PNC Bank contains a number of covenants that limit our ability and our subsidiaries' ability to, among other things, incur indebtedness, create liens, make investments, merge with other companies, dispose of our assets, prepay other indebtedness and make dividends and other distributions. The terms of our Loan Agreement may restrict our current and future operations and could adversely affect our ability to finance our future operations or capital needs or to execute business strategies in the means or manner desired. In addition, complying with these covenants may make it more difficult for us to successfully execute our business strategy, invest in our growth strategy and compete against companies who are not subject to such restrictions. As of March 31, 2023, the Loan Agreement also contains a financial covenant that requires us to maintain a minimum fixed charge coverage ratio of 1.40 to 1 when undrawn availability under the Loan Agreement is less than 25%. We may not be able to generate sufficient cash flow or sales to meet the financial covenant or pay the principal or interest under the Loan Agreement.

If we are unable to comply with our payment requirements, our lender may accelerate our obligations under our Loan Agreement and foreclose upon the collateral, or we may be forced to sell assets, restructure our indebtedness or seek additional equity capital, which would dilute our stockholders' interests. If we fail to comply with our covenants under the Loan Agreement, it could result in an event of default under the agreement and our lender could make the entire debt immediately due and payable. If this occurs, we might not be able to repay our debt or borrow sufficient funds to refinance it. Even if new financing is available, it may not be on terms that are acceptable to us.

Seasonal fluctuations in advertising activity could have a material impact on our revenue, cash flow and operating results.

Our revenue, cash flow, operating results and other key operating and performance measures may vary from quarter to quarter due to the seasonal nature of our customers' spending on advertising campaigns. For example, in prior years, customers tended to devote more of their advertising budgets to the fourth calendar quarter to coincide with consumer holiday spending. Historically, the fourth quarter has reflected our highest level of advertising activity for the year. In contrast, the first quarter of the calendar year has typically been the slowest in terms of advertising spend. Political advertising could also cause our revenue to increase during election cycles and decrease during other periods, making it difficult to predict our revenue, cash flow, and operating results, all of which could fall below our expectations.

Risks Related to Ownership of Our Class A Common Stock

The market price of our Class A common stock has been and may continue to be volatile or may decline regardless of our operating performance.

The market price of equity securities of technology companies has historically experienced high levels of volatility. The closing price of our Class A common stock since first trading on February 10, 2021 through May 5, 2023 has ranged from a low of $3.15 to a high of $68.31. The market price of our Class A common stock could be subject to wide fluctuations in response to the risk factors listed in this section and others beyond our control. Further, stock markets may experience extreme price and volume fluctuations that can affect the market prices of equity securities. These fluctuations can be unrelated or disproportionate to the operating performance of those companies. For instance, 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, operating results or financial condition. The trading price of our Class A common stock might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. In the past, stockholders have filed securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business, and adversely affect our business.

Sales of substantial blocks of our Class A common stock into the public market, or the perception that such sales might occur, could cause the market price of our Class A common stock to decline.

Sales of substantial blocks of our Class A common stock into the public market, or the perception that such sales might occur, in particular sales by our directors, officers or other affiliates, could cause the market price of our Class A common stock to decline and could impair our ability to raise capital through the sale of additional equity securities.

We are a "controlled company" within the meaning of the listing standards of the Nasdaq Global Select Market ("Nasdaq") and, as a result, qualify for, and rely on, exemptions from certain corporate governance requirements.

The Vanderhook Parties hold a majority of the voting power of our outstanding common stock through their ownership of our Class B common stock. As a result, we qualify as a "controlled company" within the meaning of the corporate governance standards of Nasdaq. Under these rules, a listed company of which more than 50% of the voting power with respect to the election of directors is held by an individual, group or another company is a "controlled company" and may elect not to comply with certain corporate governance requirements, including the requirement that (i) a majority of our board of directors consist of independent directors, (ii) director nominees be selected or recommended to the board of directors entirely by independent directors and (iii) the compensation committee be composed entirely of independent directors. Currently, our compensation committee does not consist entirely of independent directors and our directors are not nominated or selected entirely by independent directors. Accordingly, you may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of Nasdaq.

Insiders have substantial control over our company, which could limit your ability to influence the outcome of key decisions, including a change of control.

Through their ownership of Class B common stock, the Vanderhook Parties control 71.0% of the voting power of our common stock in the election of directors as of March 31, 2023. This control will limit or preclude your ability to influence corporate matters for the foreseeable future. These stockholders will be able to influence or control matters requiring approval by our stockholders, including the election of directors 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 control may deter, delay or prevent a change of control of our company, deprive our stockholders of an opportunity to receive a premium for their Class A common stock as part of a sale of our company and may ultimately affect the market price of our Class A common stock.

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

Our amended and restated certificate of incorporation and amended and restated 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 that:

- provide that our board of directors will be classified into three classes with staggered, three-year terms and that directors may only be removed for cause after the Vanderhook Parties collectively cease to beneficially own a majority of the combined voting power of our Class A and Class B Common Stock (the "Triggering Event");
- permit the board of directors to establish the number of directors and fill any vacancies and newly created directorships;
- provide that, after the Triggering Event, 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;
- require super-majority voting to amend our certificate of incorporation and bylaws;
- authorize the issuance of "blank check" preferred stock that our board of directors could use to implement a stockholder rights plan;
- eliminate the ability of our stockholders to call special meetings of stockholders;
- specify that special meetings of our stockholders can be called only by our board of directors, the chairman of our board of directors, or our chief executive officer with the concurrence of a majority of our board of directors;

- prohibit stockholder action by written consent after the Triggering Event, which requires all stockholder actions to be taken at a meeting of our stockholders;
- permit our board of directors to alter our bylaws without obtaining stockholder approval;
- reflect the dual class structure of our common stock, as discussed above; and
- establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at annual stockholder meetings.

In addition, as a Delaware corporation, we are subject to Section 203 of the Delaware General Corporation Law. These provisions may prohibit large stockholders, in particular those owning 15% or more of our outstanding voting stock, from merging or combining with us for a period of time. In addition, our credit facility includes, and other debt instruments we may enter into in the future may include, provisions entitling the lenders to demand immediate repayment of all borrowings upon the occurrence of certain change of control events relating to our company, which also could discourage, delay or prevent a business combination transaction.

Our amended and restated certificate of incorporation includes an exclusive forum clause, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for any complaint asserting any internal corporate claims, including claims in the right of the Company that are based upon a violation of a duty by a current or former director, officer, employee or stockholder in such capacity, or as to which the Delaware General Corporation Law confers jurisdiction upon the Court of Chancery. In addition, our amended and restated certificate of incorporation provides that the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. We note, however, that there is uncertainty as to whether a court would enforce this provision and that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Section 22 of the Securities Act creates concurrent jurisdiction for state and federal courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. This forum selection provision will not apply to claims brought to enforce a duty or liability created by the Exchange Act.

This choice of forum provision may limit a stockholder's ability to bring a claim in other judicial forums for disputes with us or our directors, officers or other employees, which may discourage lawsuits against us and our directors, officers and other employees in jurisdictions other than Delaware, or federal courts, in the case of claims arising under the Securities Act. Alternatively, if a court were to find the choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could have a material adverse effect on our business, financial condition or results of operations.

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 foregoing provisions. The exclusive forum clause may limit our stockholders' ability to obtain a favorable judicial forum for disputes with us.

General Risk Factors

Our business is subject to a wide range of laws and regulations, many of which are evolving, and failure to comply with such laws and regulations could harm our business, financial condition, and results of operations.

Our business is subject to regulation by various federal, state, local and foreign governmental agencies, including agencies responsible for monitoring and enforcing employment and labor laws, consumer protection laws, anti-bribery and anti-corruption laws, import and export controls, federal securities laws, and tax laws and regulations. These laws and regulations govern a wide range of topics, including those related to matters beyond our core products and services. For instance, new regulations, laws, policies, and international accords relating to environmental and social matters, including sustainability, climate change, human capital, and diversity, are being developed and formalized in the United States, Europe and elsewhere, which may entail specific, target-driven frameworks and/or disclosure requirements. We have implemented environmental and social programs, adopted reporting frameworks and principles, and announced a number of goals and initiatives, including those related to environmental sustainability and diversity. The implementation of these goals and initiatives may require considerable investments, and our goals, with all of their contingencies, dependencies, and in certain cases, reliance on third-party verification and/or performance, are complex and ambitious, and we may not achieve them. Additionally, our current programs, reporting frameworks, and principles may not be in compliance with any new environmental and social laws and regulations that may be promulgated in the United States and elsewhere, and the costs of changing any of our current practices to comply with any new legal and regulatory requirements in the United States and elsewhere may be substantial. Furthermore, industry and market practices may further develop to become even more robust than what is required under any new laws and regulations and may impose added costs on our business and could require us to make changes to our business or platform. Noncompliance with applicable regulations or requirements could subject us to investigations, enforcement actions, sanctions, fines, damages, penalties, injunctions or termination of contracts. Any such matters could have a material adverse effect on our business, results of operations and financial condition.

Reduced reporting and disclosure requirements applicable to us as an emerging growth company and a smaller reporting company could make our Class A common stock less attractive to investors.

We are an emerging growth company (an "EGC") as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act") and, for as long as we continue to be an EGC, we may choose to continue to take advantage of exemptions from various reporting requirements applicable to other public companies. Consequently, we are not required to have our independent registered public accounting firm audit our internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") and we are subject to reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. In addition, the JOBS Act provides that an EGC can take advantage of an extended transition period for complying with new or revised accounting standards. We have elected to take advantage of the extended transition period. As a result, our consolidated financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of the dates such pronouncements are effective for public companies. We could be an EGC until December 31, 2026. We will cease to be an EGC upon the earliest of: (i) until December 31, 2026, (ii) the first fiscal year after our annual gross revenue is $1.235 billion or more, (iii) the date on which we have, during the previous three-year period, issued more than $1 billion in nonconvertible debt securities or (iv) the end of any fiscal year in which the market value of our Class A common stock held by non-affiliates exceeded $700.0 million as of the end of the second quarter of that fiscal year.

We are also a "smaller reporting company" as defined in the Exchange Act. We may take advantage of certain of the scaled disclosures available to smaller reporting companies as long as we qualify as a smaller reporting company, even after we are no longer an EGC, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act and reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements.

If we fail to maintain or implement effective internal controls, we may not be able to report financial results accurately or on a timely basis, or to detect fraud, which could have a material adverse effect on our business and the per share price of our Class A common stock.

The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures, and internal control over financial reporting. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we will file with the SEC is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms. We are also continuing to improve our internal control over financial reporting. We have expended, and anticipate that we will continue to expend, significant resources in order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting.

Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. Further, weaknesses in our disclosure controls or our internal control over financial reporting may be discovered in the future. 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 consolidated financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting could also adversely affect the results of management reports and independent registered public accounting firm audits of our internal control over financial reporting that we are or will be required to include in our periodic reports that will be filed with the SEC. Ineffective disclosure controls and procedures, and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on the market price of our Class A common stock. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on Nasdaq.

Our independent registered public accounting firm is not required to audit the effectiveness of our internal control over financial reporting until after we are no longer an EGC and a smaller reporting company. At such time, our independent registered public accounting firm may issue an opinion on our internal controls over financial reporting that is adverse in the event it is not satisfied with the level at which our internal control over financial reporting is documented, designed or operating.

Any failure to maintain effective disclosure controls and internal control over financial reporting could have a material and adverse effect on our business and operating results and cause a decline in the market price of our Class A common stock.

If securities or industry analysts do not publish research or reports about our business, or publish inaccurate or unfavorable research reports about our business, our share price and trading volume could decline.

The trading market for our Class A common stock partially depends on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts.

If one or more of the analysts who cover us should downgrade our shares or change their opinion of our business prospects, our share price would likely decline. If one or more of these analysts ceases coverage of our company or fails to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our share price or trading volume to decline.

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

Unregistered Sales of Equity Securities

None.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

In March 2023, we repurchased shares of Class A common stock in connection with the vesting of restricted stock units to provide the holders of such restricted units with cash to satisfy the estimated taxes incidental to the vesting of the related awards.

Period	Total Number of Shares Purchased	Average Price Paid Per Share (1)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
1/1/23 to 1/31/23	—	$ —	—	$ —
2/1/23 to 2/28/23	—	—	—	—
3/1/23 to 3/31/23	70,200	4.13	—	—
Total	70,200	$ 4.13	—	—

(1) Represents the average price per share that we paid for the repurchases described above.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation of Viant Technology Inc. (incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-K (File No. 001-40015) for the year ended December 31, 2020, filed on March 23, 2021)
3.2	Amended and Restated Bylaws of Viant Technology Inc. (incorporated by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-K (File No. 001-40015) for the year ended December 31, 2020, filed on March 23, 2021)
10.1	Sixth Amendment to the Revolving Credit and Security Agreement and Guaranty, dated as of April 4, 2023, among Viant Technology LLC, Viant US LLC, Adelphic LLC, Myspace LLC, Viant Technology Inc., the Lenders party thereto and PNC Bank, National Association (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-40015) filed on April 6, 2023)
31.1*	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*†	Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*†	Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

† The certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed "filed" for purposes of Section 18 of the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

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.

VIANT TECHNOLOGY INC.

Date: May 8, 2023	By: /s/ Tim Vanderhook **Tim Vanderhook** **Chief Executive Officer and Chairman** **(Principal Executive Officer)**
Date: May 8, 2023	By: /s/ Larry Madden **Larry Madden** **Chief Financial Officer** **(Principal Financial and Accounting Officer)**

Exhibit 31.1

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Tim Vanderhook, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Viant Technology Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2023

/s/ Tim Vanderhook
Tim Vanderhook
Chief Executive Officer and Chairman
(Principal Executive Officer)

Exhibit 31.2

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Larry Madden, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Viant Technology Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2023

/s/ Larry Madden
Larry Madden
Chief Financial Officer
(Principal Executive Officer and Accounting Officer)

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Viant Technology Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 8, 2023

By: /s/ Tim Vanderhook
Tim Vanderhook
Chief Executive Officer and Chairman
(Principal Executive Officer)

Exhibit 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Viant Technology Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 8, 2023

By: /s/ Larry Madden
Larry Madden
Chief Financial Officer
(Principal Financial and Accounting Officer)