

# Rubicon Project Telaria Merger FAQs

## **Why are the companies merging?**

- The combination of Rubicon Project and Telaria will establish the world's largest, independent sell-side advertising platform with scale, capabilities and solutions unmatched by the competition.
- This builds on our commitment to trust and transparency and accelerates our strategy to provide buyers and sellers with a single path to every format and channel including CTV.
- Bringing together Rubicon Project's global advertising exchange with Telaria's complete software platform for leading video publishers, the combination delivers an essential platform for programmatic buyers and sellers across all channels, formats and geographies.
- We believe this merger will create value for our respective stockholders and allow customers, partners, employees and the entire advertising ecosystem to benefit.

## **What will be the company name?**

The name of the combined company has not yet been determined.

## **Who will be part of the new management team?**

- Michael Barrett will be Chief Executive Officer of the company.
- Mark Zagorski will be President and Chief Operating Officer of the company.
- David Day will be Chief Financial Officer of the company.

## **How will the Board of Directors be structured?**

The company will have a total of nine directors, of whom four directors will be individuals who were members of the Board of Directors of Rubicon Project as of immediately prior to the merger, four directors will be individuals who were members of the Board of Directors of Telaria as of immediately prior to the merger and the remaining director will be the Chief Executive Officer.

**Were there any other bidders?**

Details regarding the process undertaken to enter into the merger agreement will be included in the “Background of the Merger” section of the Joint Proxy Statement to be filed with the Securities and Exchange Commission.

**What are the breakup fees and terms?**

Each of Telaria and Rubicon Project has agreed not to, and to cause its subsidiaries and its and their representatives not to, solicit, initiate or knowingly encourage any third-party acquisition proposals, and has agreed to certain restrictions on its and its subsidiaries’ and its and their representatives’ ability to respond to any such proposals. Subject to certain exceptions, each of Telaria and Rubicon Project has agreed to use reasonable best efforts to cause the merger to be completed. Notwithstanding this limitation, prior to a party’s stockholders approving the transaction, such party may under certain circumstances provide information to and participate in discussions or negotiations with third parties with respect to an alternative transaction proposal that did not result from a breach of such party’s non-solicitation covenants and its board of directors has determined in good faith constitutes or would be reasonably expected to result in a superior proposal. Each party’s board of directors may change its recommendation to its stockholders (subject to the other party’s right to terminate the merger agreement following such change in recommendation) in response to a superior proposal or an intervening event if such party’s board of directors determines in good faith that the failure to take such action would be inconsistent with the directors’ fiduciary duties under the General Corporation Law of the State of Delaware.

The merger agreement provides for certain termination rights for both Rubicon Project and Telaria and provides that, in connection with a termination of the Merger Agreement under certain specified circumstances, Telaria will be required to pay Rubicon Project a termination fee of \$13.7 million or Rubicon Project will be required to pay Telaria a termination fee of \$16.0 million.

**Can you provide details on the metrics the boards used to make their recommendation to move forward with the merger?**

The Boards of both companies underwent a rigorous process to evaluate the strategic and financial metrics which included a fairness opinion from our advisors. The Boards at both companies believe the transaction is in the best interest of both company’s stockholders and the stockholders themselves of both companies will have an opportunity to also vote prior to close.

### **What is the closing conditioned upon?**

The completion of the merger is subject to conditions, including: (1) the approval of the merger by Telaria stockholders and the approval of the issuance of shares of Rubicon Project common stock in connection with the merger by Rubicon Project stockholders, (2) the expiration or termination of the applicable waiting period (or any extension thereof) under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, (3) the receipt of any authorization or consent from a governmental entity required to be obtained with respect to the merger under certain antitrust laws, (4) the absence of any order or law that has the effect of enjoining or otherwise prohibiting the consummation of the merger, (5) the approval for listing of the shares of common stock of Rubicon Project forming part of the merger consideration on the New York Stock Exchange and the effectiveness of a registration statement with respect to such common stock, (6) subject to certain exceptions, the accuracy of the representations and warranties of the other party, (7) performance by the other party in all material respects of its obligations under the merger agreement, (8) the receipt of an officer's certificate executed by an executive officer of the other party certifying the party's accuracy of its representations and warranties and material performance of its obligations and (9) receipt by each of Telaria and Rubicon Project of an opinion of its respective outside counsel to the effect that the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended.

### **What are the expected synergies and what areas will they come from?**

We expect there to be positive revenue and cost reduction synergies as a result of the combination. Cost synergies will be approximately \$15-20 million on an annual run-rate basis after integration, which is expected to be completed in the first half of 2020. Key areas of synergies will be in eliminating duplicate public company costs and overlapping general & administrative costs.

### **Any update on the outlook for each company or the combined company?**

We are not providing updates to outlook for either company at this time.

### **Can you describe the terms of the transaction?**

The transaction is a stock for stock merger. Under the terms of the merger agreement, each share of Telaria common stock issued and outstanding as of the effective time of the Merger will be converted into the right to receive 1.082 fully paid and nonassessable shares of Rubicon Project common stock (and, if applicable, cash in lieu of fractional shares) less any applicable withholding taxes.

The transaction is intended to qualify as a tax-free reorganization.

### **What happens to Rubicon Project shares?**

Shares of RUBI will continue to trade under the existing ticker symbol.

### **What happens to Telaria shares?**

Shares of TLRA will continue to trade under the existing ticker symbol until the transaction closes at which time they will convert at a ratio of 1.082 into RUBI shares.

### **What will be the percentage ownership of the company after closing?**

Upon closing, Telaria stockholders will own 47.1% of the combined company, and Rubicon Project stockholders will own 52.9% on a fully diluted basis. The merger agreement has been unanimously approved by each company's Board of Directors.

### **When is the transaction expected to close:**

We expect the transaction to close in the first quarter of 2020, subject to customary shareholder and regulatory approvals.

### **No Offer or Solicitation**

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

### **Additional Information and Where to Find It**

This communication may be deemed to be solicitation material in respect of the proposed merger involving The Rubicon Project, Inc. ("Rubicon Project") and Telaria, Inc. ("Telaria"). In connection with the proposed merger, Rubicon Project intends to file with the United States Securities and Exchange Commission ("SEC") a registration statement on Form S-4 containing a proxy statement/prospectus. After the registration statement has been declared effective by the SEC, the definitive proxy statement/prospectus will be delivered to stockholders of Rubicon

Project and Telaria. SECURITY HOLDERS OF RUBICON PROJECT AND Telaria ARE URGED TO READ THE DEFINITIVE PROXY STATEMENT/PROSPECTUS (INCLUDING ALL AMENDMENTS AND SUPPLEMENTS THERETO) AND OTHER DOCUMENTS RELATING TO THE MERGER THAT WILL BE FILED WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED MERGER. Investors and security holders will be able to obtain copies of the registration statement and proxy statement/prospectus (when available) and other documents filed by Rubicon Project and Telaria, without charge, through the website maintained by the SEC at <http://www.sec.gov>. Copies of documents filed with the SEC by Rubicon Project will be made available free of charge on Rubicon Project's website at <https://rubiconproject.com/> under the link "Investor" and then under the heading "Financials and Filings" and the subheading "SEC Filings." Copies of documents filed with the SEC by Telaria will be made available free of charge on Telaria's website at <https://Telaria.com/> under the link "Investor Relations" and then under the heading "SEC Filings."

### **Participants in the Solicitation**

Rubicon Project and Telaria and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the holders of Rubicon Project common stock and Telaria common stock in respect of the proposed transaction. Information about Rubicon Project's directors and executive officers is set forth in the proxy statement for Rubicon Project's 2019 Annual Meeting of Stockholders, which was filed with the SEC on April 5, 2019. Information about Telaria's directors and executive officers is set forth in the proxy statement for Telaria's 2019 Annual Meeting of Stockholders, which was filed with the SEC on April 24, 2019. Additional information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, through securities holdings or otherwise, will be contained in the proxy statement/prospectus and other relevant materials to be filed with the SEC regarding the proposed merger when they become available. Investors should read the joint proxy statement/prospectus carefully when it becomes available before making any voting or investment decisions. [Boilerplate language to come from legal]

### **Forward-Looking Statements**

This press release may contain forward-looking statements, including statements based upon or relating to Rubicon Project's and Telaria's expectations, assumptions, estimates, and projections. In some cases, you can identify forward-looking statements by terms such as "may," "might," "will," "objective," "intend," "should," "could," "can," "would," "expect," "believe," "design," "anticipate," "estimate," "predict," "potential," "plan" or the negative of these terms, and similar expressions. Forward-looking statements may include, but are not limited to, statements concerning anticipated financial performance, including, without limitation, revenue, advertising spend, non-GAAP loss per share, profitability, net income (loss), Adjusted EBITDA, earnings per share, and cash flow; strategic objectives, including focus on header bidding, mobile, video, Demand Manager, and private marketplace opportunities; investments in Rubicon Project's or Telaria's business; development of Rubicon Project's or Telaria's technology; introduction of new offerings; the impact of transparency initiatives Rubicon Project or Telaria may undertake;

the impact of Rubicon Project's or Telaria's traffic shaping technology on their businesses; the effects of cost reduction initiatives; scope and duration of client relationships; the fees Rubicon Project or Telaria may charge in the future; business mix and expansion of Rubicon Project's or Telaria's mobile, video and private marketplace offerings; sales growth; client utilization of Rubicon Project's or Telaria's offerings; Rubicon Project's or Telaria's competitive differentiation; Rubicon Project's or Telaria's market share and leadership position in the industry; market conditions, trends, and opportunities; user reach; certain statements regarding future operational performance measures including ad requests, fill rate, paid impressions, average CPM, take rate, and advertising spend; benefits from supply path optimization; anticipated benefits of the merger, including estimated synergies and cost savings resulting from the merger; the expected timing of completion of the merger; estimated costs associated with such transactions; and other statements that are not historical facts. These statements are not guarantees of future performance; they reflect Rubicon Project's and Telaria's current views with respect to future events and are based on assumptions and estimates and subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from expectations or results projected or implied by forward-looking statements. These risks include, but are not limited to: occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement or the failure to satisfy the closing conditions; the possibility that the consummation of the proposed transactions is delayed or does not occur, including the failure of the parties' stockholders to approve the proposed transactions; uncertainty as to whether the parties will be able to complete the merger on the terms set forth in the merger agreement; uncertainty regarding the timing of the receipt of required regulatory approvals for the merger and the possibility that the parties may be required to accept conditions that could reduce or eliminate the anticipated benefits of the merger as a condition to obtaining regulatory approvals or that the required regulatory approvals might not be obtained at all; the outcome of any legal proceedings that have been or may be instituted against the parties or others following announcement of the transactions contemplated by the merger agreement; challenges, disruptions and costs of closing, integrating and achieving anticipated synergies, or that such synergies will take longer to realize than expected; risks that the merger and other transactions contemplated by the merger agreement disrupt current plans and operations that may harm the parties' businesses; the amount of any costs, fees, expenses, impairments and charges related to the merger; uncertainty as to the effects of the announcement or pendency of the merger on the market price of the parties' respective common stock and/or on their respective financial performance; uncertainty as to the long-term value of Rubicon Project's and Telaria's common stock; the business, economic and political conditions in the markets in which Rubicon Project and Telaria operate; Rubicon Project's and Telaria's ability to continue to grow and to manage their growth effectively; Rubicon Project's and Telaria's ability to develop innovative new technologies and remain market leaders; the effect on the advertising market and Rubicon Project's and Telaria's businesses from difficult economic conditions or uncertainty; the freedom of buyers and sellers to direct their spending and inventory to competing sources of inventory and demand; Rubicon Project's and Telaria's ability to adapt effectively to shifts in digital advertising; the effects, including loss of market share, of increased competition in Rubicon Project's and Telaria's

markets and increasing concentration of advertising spending, including mobile spending, in a small number of very large competitors; the effects of consolidation in the ad tech industry; acts of competitors and other third parties that can adversely affect Rubicon Project's and Telaria's businesses; Rubicon Project's and Telaria's ability to differentiate their offerings and compete effectively in a market trending increasingly toward commodification, transparency, and disintermediation; potential adverse effects of malicious activity such as fraudulent inventory and malware; costs associated with defending intellectual property infringement and other claims; Rubicon Project's and Telaria's ability to attract and retain qualified employees and key personnel; and Rubicon Project's and Telaria's ability to comply with, and the effect on their businesses of, evolving legal standards and regulations, particularly concerning data protection and consumer privacy and evolving labor standards.

The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included herein and elsewhere, including the risk factors included in Rubicon Project's and Telaria's most recent reports on Form 10-K, Form 10-Q, Form 8-K and other documents on file with the SEC. These forward-looking statements represent estimates and assumptions only as of the date made. Unless required by federal securities laws, Rubicon Project and Telaria assume no obligation to update any of these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated, to reflect circumstances or events that occur after the statements are made. Given these uncertainties, investors should not place undue reliance on these forward-looking statements. Investors should read this document with the understanding that Rubicon Project's and Telaria's actual future results may be materially different from what Rubicon Project and Telaria expect. Rubicon Project and Telaria qualify all of their forward-looking statements by these cautionary statements.