# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

## FORM 8-K

**CURRENT REPORT**
**Pursuant to Section 13 OR 15(d)**
**of the Securities Exchange Act of 1934**

**April 30, 2021**
**Date of Report (Date of earliest event reported)**

# MAGNITE, INC.
**(Exact name of registrant as specified in its charter)**

| Delaware | | 001-36384 | | 20-8881738 |
|---|---|---|---|---|
| (State or other jurisdiction of incorporation) | | (Commission File Number) | | (IRS Employer Identification No.) |

**12181 Bluff Creek Drive, 4th Floor**
**Los Angeles, CA 90094**
**(Address of principal executive offices, including zip code)**

**(310) 207-0272**
**(Registrant's telephone number, including area code)**

**Not applicable**
**(Former name or former address, if changed since last report)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

| | |
|---|---|
| ☐ | Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425) |
| ☐ | Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12) |
| ☐ | Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b)) |
| ☐ | Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c)) |

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

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. ☐

## Item 1.01. Entry into a Material Definitive Agreement.

***Amendment to Stock Purchase Agreement***

As previously disclosed, on February 4, 2021, Magnite, Inc., a Delaware corporation (the "Company") entered into a Stock Purchase Agreement (the "Purchase Agreement") with RTL US Holding, Inc., a Delaware corporation (the "Seller"), and, solely for purposes of Article 6 thereof, RTL Group S.A., a Société Anonyme ("Seller Parent"), providing for the purchase (the "SpotX Acquisition") by the Company of all of the issued and outstanding shares of capital stock of SpotX, Inc., a Delaware corporation and wholly owned subsidiary of the Seller ("SpotX"). As further described in Item 2.01, the Company completed the acquisition of SpotX on April 30, 2021.

On April 30, 2021, the Company entered into an amendment (the "Amendment") to the Purchase Agreement with Seller and Seller Parent, pursuant to which, among other things, in connection with the Company's consummation on March 18, 2021 of an offering of $400 million aggregate principal amount of its 0.25% Convertible Senior Notes due 2026, the parties memorialized the reduction in the amount of the Company's common stock, par value $0.00001 per share ("Company Common Stock"), and the corresponding increase in the amount of cash, in each case payable to the Seller by the Company under the Purchase Agreement, as previously contemplated by the Purchase Agreement. The Amendment further provides that the closing of the SpotX Acquisition shall take place on April 30, 2021, and adjusts the determination time for certain closing calculations in connection therewith.

The foregoing description of the Amendment does not purport to be complete and is qualified in its entirety by reference to the Amendment, which will be filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021.

***Credit Agreement***

On April 30, 2021, the Company entered into a credit agreement (the "Credit Agreement") with Goldman Sachs Bank USA as administrative agent and collateral agent, and other lender parties thereto. The Credit Agreement provides for a $360 million seven-year senior secured term loan facility and a $52.5 million senior secured revolving credit facility. The proceeds from the term loan facility will be used to finance the SpotX Acquisition and related transactions, and for general corporate purposes, and the revolving credit facility will be available for general corporate purposes. The obligations under the Credit Agreement are secured by substantially all of the assets of the Company and those of its subsidiaries that are guarantors under the Credit Agreement.

Amounts outstanding under the Credit Agreement accrue interest at a rate equal to either, (1) for the term loans, at the Company's election, the Eurodollar Rate (as defined in the Credit Agreement) plus a margin of 5.00% per annum, or ABR (as defined in the Credit Agreement) plus a margin of 4.00%, and (2) for the revolving loans, at the Company's election, the Eurodollar Rate plus a margin of 4.25% to 4.75%, or ABR plus a margin of 3.25% to 3.75%, in each case, depending on the Company's first lien net leverage ratio.

The covenants of the Credit Agreement include customary negative covenants that, among other things, restrict the Company's ability to incur additional indebtedness, grant liens and make certain acquisitions, investments, asset dispositions and restricted payments. In addition, the Credit Agreement contains a financial covenant, tested on the last day of any fiscal quarter if utilization of the revolving credit facility exceeds 35% of the total revolving commitments, that requires the Company to maintain a first lien net leverage ratio not greater than 3.25 to 1.00.

The Credit Agreement includes customary events of default, and customary rights and remedies upon the occurrence of any event of default thereunder, including rights to accelerate the loans, terminate the commitments thereunder and realize upon the collateral securing the obligations under the Credit Agreement.

The foregoing description is qualified in its entirety by reference to the Credit Agreement, which will be filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021.

## Item 1.02. Termination of a Material Definitive Agreement.

Effective April 30, 2021, the Company terminated the existing Amended and Restated Loan and Security Agreement, dated as of September 25, 2020, by and among the Borrower, Magnite Hopper, Inc. (f/k/a Rubicon Project Hopper, Inc.), Magnite Bell, Inc. (f/k/a Rubicon Project Bell, Inc.) and Silicon Valley Bank.

**Item 2.01. Completion of Acquisition or Disposition of Assets.**

On April 30, 2021, the Company completed the purchase of SpotX. The purchase price consisted of approximately $640 million in cash (the "Cash Consideration") plus 12,374,315 shares (the "Stock Consideration") of Company Common Stock. The Cash Consideration is subject to customary working capital and other adjustments. The Stock Consideration was issued in reliance upon the exemption from registration provided by Section 4(a)(2) under the Securities Act.

The foregoing description of the transactions consummated pursuant to the Purchase Agreement does not purport to be complete and is qualified in its entirety by reference to both the Purchase Agreement, which was filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the SEC on February 4, 2021, and the Amendment, which will be filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021, and are incorporated herein by reference.

**Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of Registrant.**

The information set forth under "Item 1.01—Entry into a Material Definitive Agreement—Credit Agreement" is incorporated herein by reference.

**Item 3.02. Unregistered Sales of Equity Securities.**

The information provided in Item 2.02 of this Form 8-K is incorporated by reference into this Item 3.02. In connection with the issuance of the Stock Consideration, the Company entered into a registration rights agreement with Seller Parent, which will be filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021.

**Item 7.01. Regulation FD Disclosure.**

On April 30, 2021, the Company issued a press release announcing the closing of the SpotX Acquisition. The full text of the press release issued in connection with the announcement is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Item 7.01 (including Exhibit 99.1) shall not be deemed "filed" for purposes of the Exchange Act, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act, except as expressly set forth by specific reference in such a filing.

**Forward Looking Statements**

This Current Report on Form 8-K may include forward-looking statements, including statements based upon or relating to our expectations, assumptions, estimates, and projections. In some cases, you can identify forward-looking statements by terms such as "may," "might," "will," "objective," "intend," "should," "could," "can," "would," "expect," "believe," "design," "anticipate," "estimate," "predict," "potential," "plan" or the negative of these terms, and similar expressions. These statements are not guarantees of future performance; they reflect our current views with respect to future events and are based on assumptions and estimates and subject to known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from expectations or results projected or implied by forward-looking statements.

We discuss many of the risks and additional factors that could cause actual results to differ materially from those anticipated by our forward-looking statements under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," and elsewhere in filings we have made and will make from time to time with the Securities and Exchange Commission, or SEC, including our Annual Report on Form 10-K for the year ended December 31, 2020 and subsequent Quarterly Reports on Form 10-Q for 2021. These forward-looking statements represent our estimates and assumptions only as of the date of the report in which they are included. Unless required by federal securities laws, we assume no obligation to update any of these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated, to reflect circumstances or events that occur after the statements are made. Without limiting the foregoing, any guidance we may provide will generally be given only in connection with quarterly and annual earnings announcements, without interim updates, and we may appear at industry conferences or make other public statements without disclosing material nonpublic information in our possession. Given these uncertainties, investors should not place undue reliance on these forward-looking statements. Investors should read this Current Report on Form 8-K and the documents that we reference in this Current Report on Form 8-K and have filed or will file with the SEC completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

**Item 9.01. Financial Statements and Exhibits.**

(a) Financial Statements of Business Acquired

The financial statements of SpotX required by this item will be filed by amendment to this Current Report on Form 8-K no later than 71 calendar days after the date this Current Report on Form 8-K is required to be filed.

(b) Pro Forma Financial Information

The pro forma financial information required by this item will be filed by amendment to this Current Report on Form 8-K no later than 71 calendar days after the date this Current Report on Form 8-K is required to be filed.

| Exhibit Number | Description |
|---|---|
| 99.1 | Press Release, dated April 30, 2021 |
| 104 | Cover Page Interactive Data File (embedded within the inline XBRL document). |

**SIGNATURE**

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 hereunto duly authorized.

| | | | |
|---|---|---|---|
| | | **MAGNITE, INC.** | |
| Date: | April 30, 2021 | By: | /s/ Aaron Saltz |
| | | | Aaron Saltz |
| | | | General Counsel and Corporate Secretary |

**Exhibit 99.1**

# Magnite Closes SpotX Acquisition

*Creates Largest Independent CTV & Video Ad Platform;*
*Clients Include A+E Networks, AMC Networks, Crackle, Discovery, FOX, fuboTV, LG, Roku, Samsung, Sling TV, Vizio*

**LOS ANGELES--(GLOBE NEWSWIRE)—April 30, 2021**-- Magnite (Nasdaq: MGNI) today closed its previously-announced acquisition of SpotX from RTL Group, creating the largest independent CTV and video advertising platform, and reinforcing the company's capabilities as linear TV budgets increasingly shift to digital.

Buyers and sellers have long wanted a scaled, independent alternative to the giants that currently dominate the CTV marketplace. The combination of Magnite and SpotX makes this a reality, and better positions the company to help its clients grow their businesses across CTV and all other formats including video, display, and audio.

"Scale and reaching the largest possible audience is the name of the game when attracting the demand our CTV and video clients need," said Michael Barrett, President & CEO of Magnite. "Acquiring SpotX positions us to become the world's largest, independent source of highly-coveted CTV and video inventory. Two-thirds of our revenue is now concentrated in the fastest-growing segments of the market, and as linear TV dollars move to CTV, the greatest opportunity is still ahead of us."

"We're thrilled to become a part of the Magnite family. CTV viewership and the ecosystem around it continues to evolve with new streaming services popping up every day and advertisers hoping to connect with those audiences," said Mike Shehan, Co-Founder and CEO at SpotX. "SpotX's CTV business has experienced significant growth over the past year, and we believe our performance will only accelerate through this combination of resources by delivering even more value to our clients."

Today Magnite has the financial resources, technical capabilities, and teams to accelerate R&D and deliver products and services that make it easier for programmers, broadcasters, platforms and device manufacturers to monetize their inventory. The combined company's clients now include A+E Networks, AMC Networks, Crackle, Discovery, FOX, fuboTV, LG, Roku, Samsung, Sling TV and Vizio.

**Acquisition Gets Broad Industry Support**

“The unification of SpotX and Magnite will create a comprehensive advertising technology stack for both publishers and TV programmers,” said Louqman Parampath, Vice President of Product Management at Roku. “As TV ad dollars continue to shift from traditional TV into streaming, the combined capabilities of Magnite will enable Roku, publishers, and ad buyers to better meet their programmatic advertising goals. An independent, scaled solution is also good for the health of the overall ad ecosystem.”

“The combination of Magnite and SpotX unites two of the best technologies and teams in CTV,” said Jill Steinhauser, Senior Vice President, Ad Sales Revenue and Planning at Discovery. “As CTV is poised to experience rapid growth for the foreseeable future, we’re thrilled to continue our relationship with Magnite with its expanded CTV capabilities and set ourselves up for huge success in this arena.”

“As advertisers continue to invest in multi-platform viewing environments, it remains paramount that we leverage programmatic to activate campaigns to simplify buys across the FOX portfolio,” said Dan Callahan, Senior Vice President of Data Strategy and Sales Innovation for FOX. “We look forward to our continuing collaboration with Magnite as it expands its CTV and OTT capabilities and scale with the acquisition of SpotX.”

“As advertising and media continue to move towards digital and data-driven programmatic, transparency and quality inventory are top priorities for us," said Scott Keslar, Purchasing Senior Manager of Global Programmatic at The Procter & Gamble Company. "Magnite understands and delivers on these fronts. We see the addition of SpotX to Magnite as a positive development which will enable further scale in the premium video/CTV environment.”

“CTV continues to be the fastest-growing channel globally, and by providing the technology that Magnite brings together makes it that much easier for advertisers to place ads on the largest screen in the room,” said Tim Sims, Chief Revenue Officer at The Trade Desk. “Advertisers increasingly continue to leverage digital media campaigns where they can see the full ecosystem of media buys across the open internet, and it’s important for us to be at the forefront with companies like Magnite.”

**Transaction Details**

The final purchase price of the transaction consists of $640 million in cash and 12,374,315 shares of Magnite stock, resulting in a total purchase price of approximately $1.14 billion based on yesterday’s closing stock price.

Magnite continues to target in excess of $35 million in run-rate operating cost synergies, with more than half of the synergies realized within the first year of combined operations.

Magnite will discuss additional details about the transaction and Q1 2021 results of both entities on its Q1 2021 earnings conference call on Monday, May 10th.

To learn more about the combined company’s strategy, please see CEO Michael Barrett’s blog post.

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**Forward-Looking Statements**

This press release may include forward-looking statements, including statements based upon or relating to our expectations, assumptions, estimates, and projections. In some cases, you can identify forward-looking statements by terms such as "may," "might," "will," "objective," "intend," "should," "could," "can," "would," "expect," "believe," "design," "anticipate," "estimate," "predict," "potential," "plan" or the negative of these terms, and similar expressions. Forward-looking statements may include, but are not limited to, statements concerning the acquisition of SpotX and/or the anticipated benefits thereof; potential impacts of the COVID-19 pandemic on our business operations, financial condition, and results of operations and on the world economy; our anticipated financial results; strategic objectives, including our focus on connected television ("CTV"), mobile, video, header bidding, Demand Manager, identity solutions and private marketplace opportunities; investments in our business; development of our technology; the elimination of third-party cookies and the shift to a publisher focused identity regime; industry growth rates for ad-supported CTV and the shift in video consumption from linear TV to CTV; introduction of new offerings; the impact of our traffic shaping technology on our business; scope and duration of client relationships; the fees we may charge in the future; business mix and expansion of our CTV, mobile, video and private marketplace offerings; sales growth; client utilization of our offerings; our competitive differentiation; our market share and leadership position in the industry; market conditions, trends, and opportunities; certain statements regarding future operational performance measures including ad requests, fill rate, paid impressions, average CPM, take rate, and advertising spend; benefits from supply path optimization; and other statements that are not historical facts. These statements are not guarantees of future performance; they reflect our current views with respect to future events and are based on assumptions and estimates and subject to known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from expectations or results projected or implied by forward-looking statements. These risks include, but are not limited to: risks inherent in the achievement of anticipated synergies and the timing thereof; our ability to successfully integrate the SpotX business, and realize the anticipated benefits of the acquisition; the severity, magnitude, and duration of the COVID-19 pandemic, including impacts of the pandemic and of responses to the pandemic by governments, business and individuals on our operations, personnel, buyers, sellers, and on the global economy and the advertising marketplace; our ability to grow and to manage our growth effectively; our ability to develop innovative new technologies and remain a market leader; our ability to attract and retain buyers and sellers of digital advertising inventory, or publishers, and increase our business with them; our vulnerability to loss of, or reduction in spending by, buyers; our reliance on large sources of advertising demand, including demand side platforms ("DSPs") that may have or develop high-risk credit profiles or fail to pay invoices when due, including as a result of general liquidity constraints experienced by buyers from the COVID-19 pandemic, which has caused certain buyers to delay payments or seek revised payment terms; our ability to maintain and grow a supply of advertising inventory from sellers and to fill the increased inventory; the effect on the advertising market and our business 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; the ability of buyers and sellers to establish direct relationships and integrations; our ability to cause buyers and sellers to use our solution to purchase and sell higher value advertising and to expand the use of our solution by buyers and sellers utilizing evolving digital media platforms, including CTV; our reliance on large aggregators of advertising inventory, and the concentration of CTV among a small number of large publishers that enjoy significant negotiating leverage; our ability to introduce new offerings and bring them to market in a timely manner, and otherwise adapt in response to client demands and industry trends, including shifts in linear TV to CTV, digital advertising growth from desktop to mobile channels and other platforms and from display to video formats and the introduction and market acceptance of Demand Manager; uncertainty of our estimates and expectations associated with new offerings, the possibility of lower take rates and the need to grow through increasing the volume and/or value of transactions on our platform and increasing our fill rate; our vulnerability to the depletion of our cash resources as a result of the adverse impacts of the COVID-19 pandemic, or as we incur additional investments in technology required to support the increased volume of transactions on our exchange and to develop new offerings; our ability to support our growth objectives in light of reduced resources resulting from the cost reduction initiatives that we implemented; our ability to raise additional capital if needed; our limited operating history and history of losses; our ability to continue to expand into new geographic markets and grow our market share in existing markets; our ability to adapt effectively to shifts in digital advertising; increased prevalence of ad-blocking or cookie-blocking technologies and the slow adoption of common identifiers; the development and use of proprietary identity solutions as a replacement for third party cookies and other identifiers currently used in our platform; the slowing growth rate of desktop display advertising; the growing percentage of online and mobile advertising spending captured by owned and operated sites (such as Facebook, Google and Amazon); the adoption of programmatic advertising by CTV publishers; the effects, including loss of market share, of increased competition in our market and increasing concentration of advertising 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 our business; our ability to differentiate our offerings and compete effectively to combat commodification and disintermediation; the effects of buyer transparency initiatives we may undertake; requests for discounts, fee concessions or revisions, rebates, refunds, favorable payment terms; our ability to ensure a high level of brand safety for our clients and to detect "bot" traffic and other fraudulent or malicious activity; the effects of seasonal trends on our results of operations; costs associated with defending intellectual property infringement and other claims; our ability to attract and retain qualified employees and key personnel; political uncertainty and the ability of the company to attract political advertising spend; our ability to identify future acquisitions of or investments in complementary companies or technologies and our ability to consummate the acquisitions and integrate such companies or technologies; and our ability to comply with, and the effect on our business of, evolving legal standards and regulations, particularly concerning data protection and consumer privacy and evolving labor standards.

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

**About Magnite**

We’re Magnite (NASDAQ: MGNI), the world’s largest independent sell-side advertising platform. Publishers use our technology to monetize their content across all screens and formats—including desktop, mobile, audio and CTV. And the world's leading agencies and brands trust our platform to access brand-safe, high-quality ad inventory and execute billions of advertising transactions each month. Anchored in sunny Los Angeles, bustling New York City, historic London, and down under in Sydney, Magnite has offices across North America, EMEA, LATAM and APAC.

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