

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

SIDNEY HSU, Individually and on Behalf of
All Others Similarly Situated,

Plaintiff,

v.

PUBMATIC, INC., RAJEEV K. GOEL, and
STEVEN PANTELICK,

Defendants.

Case No.

**CLASS ACTION COMPLAINT FOR
VIOLATIONS OF THE FEDERAL
SECURITIES LAWS**

JURY TRIAL DEMANDED

1 Plaintiff Sidney Hsu (“Plaintiff”), individually and on behalf of all others similarly
 2 situated, by and through his attorneys, alleges the following upon information and belief, except as
 3 to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff’s
 4 information and belief is based upon, among other things, his counsel’s investigation, which
 5 includes without limitation: (a) review and analysis of regulatory filings made by PubMatic, Inc.
 6 (“PubMatic” or the “Company”) with the United States (“U.S.”) Securities and Exchange
 7 Commission (“SEC”); (b) review and analysis of press releases and media reports issued by and
 8 disseminated by PubMatic; and (c) review of other publicly available information concerning
 9 PubMatic.

10 NATURE OF THE ACTION AND OVERVIEW

11 1. This is a class action on behalf of persons and entities that purchased or otherwise
 12 acquired PubMatic securities between February 27, 2025 and August 11, 2025, inclusive (the
 13 “Class Period”). Plaintiff pursues claims against the Defendants under the Securities Exchange
 14 Act of 1934 (the “Exchange Act”).

15 2. PubMatic is a technology company which enables real time programmatic
 16 advertising transactions for advertisers, agencies, and demand side platforms (“DSPs”).
 17 Programmatic advertising purportedly enables buyers to purchase ad impressions on publisher
 18 supplied inventory within milliseconds in a sophisticated, technology-driven marketplace. The
 19 Company primarily generates its revenue from the use of its platform for the purchase and sale of
 20 digital advertising inventory.

21 3. On August 11, 2025, after the market closed, PubMatic released its second quarter
 22 2025 financial report. In its report, PubMatic’s Chief Financial Officer, Steven Pantelick, revealed
 23 that the Company’s outlook reflects “*a reduction in ad spend from one of [its] top DSP*
 24 *partners.*” The Company’s Chief Executive Officer, Rajeev Goel, further revealed that a “top DSP
 25 buyer” had “shifted a significant number of clients to a new platform that evaluates inventory
 26 differently” causing significant headwinds. Goel stated, in response to the inventory valuation
 27 change, the Company would “need to do a better job . . . to prioritize across all the hundreds of
 28

1 billions of daily ad impressions that we have, which subset of those impressions that we send to
2 this DSP.”

3 4. On this news, PubMatic’s stock price fell \$2.23, or 21.1%, to close at \$8.34 per
4 share on August 12, 2025, on unusually heavy trading volume.

5 5. Throughout the Class Period, Defendants made materially false and/or misleading
6 statements, as well as failed to disclose material adverse facts about the Company’s business,
7 operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) that a top
8 DSP buyer was shifting a significant number of clients to a new platform which evaluated
9 inventory differently; (2) that, as a result, PubMatic was seeing a reduction in ad spend and
10 revenue from this top DSP buyer; and (3) that, as a result of the foregoing, Defendants’ positive
11 statements about the Company’s business, operations, and prospects were materially misleading
12 and/or lacked a reasonable basis.

13 6. As a result of Defendants’ wrongful acts and omissions, and the precipitous decline
14 in the market value of the Company’s securities, Plaintiff and other Class members have suffered
15 significant losses and damages.

16 **JURISDICTION AND VENUE**

17 7. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange
18 Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17
19 C.F.R. § 240.10b-5).

20 8. This Court has jurisdiction over the subject matter of this action pursuant to 28
21 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

22 9. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and
23 Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of the
24 alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts
25 charged herein, including the dissemination of materially false and/or misleading information,
26 occurred in substantial part in this Judicial District. In addition, the Company’s principal executive
27 offices are located in this District.

SUBSTANTIVE ALLEGATIONS

Background

16. PubMatic is a technology company which enables real time programmatic advertising transactions for advertisers, agencies, and DSPs. Programmatic advertising enables buyers to purchase ad impressions on publisher supplied inventory within milliseconds in a sophisticated, technology-driven marketplace. The Company primarily generates its revenue from the use of its platform for the purchase and sale of digital advertising inventory.

Materially False and Misleading

Statements Issued During the Class Period

17. The Class Period begins on February 27, 2025.¹ On that day, PubMatic issued a press release announcing its financial results for the fiscal quarter ended and full year ended December 31, 2024. The press release touted the Company's purported financial results as follows, in relevant part:

PubMatic Announces Fourth Quarter and Fiscal Year Ended 2024 Financial Results

FY Revenue of \$291.3 million, up 9% over 2023;

Delivered FY 2024 net income of \$12.5 million or 4% margin;

FY adjusted EBITDA increased 23% over 2023 and was \$92.3 million or 32% margin;

Revenue in Q4 from CTV more than doubled year over year and represented 20% of total revenue;

Supply Path Optimization represented 53% of total activity in 2024;

Repurchased 4.3 million shares in 2024, representing 7.9% of fully diluted shares as of December 31, 2024

NO-HEADQUARTERS/REDWOOD CITY, Calif., February 27, 2025 (GLOBE NEWSWIRE) -- PubMatic, Inc. (Nasdaq: PUBM), an independent technology company delivering digital advertising's supply chain of the future, today reported financial results for the fourth quarter and fiscal year ended December 31, 2024.

“Revenue growth in the year more than doubled over 2023, driven by strength in CTV, emerging revenue streams, and marquee customers choosing PubMatic to

¹ Unless otherwise stated, all emphasis in bold and italics hereinafter is added.

build and scale their ad businesses. Our revenue mix is evolving; in the fourth quarter, CTV more than doubled to 20% of total revenue. These achievements mark an inflection point in our underlying business that highlights critical scale on our platform and a significant shift in ad buying toward channels with the highest consumer engagement such as CTV, mobile app and commerce media,” said Rajeev Goel, co-founder and CEO at PubMatic. “Today, our omnichannel platform serves publishers, media buyers, commerce media networks, and curation/data providers, all of which are turning to sell side technology for critical end-to-end solutions needed to build their ad businesses. As we look to 2025, we expect accelerated growth in our underlying business as ad buyers seek premium, brand safe, curated inventory in the open internet.”

	December 31, 2024	December 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 100,452	\$ 78,509
Marketable securities	40,135	96,835
Accounts receivable, net	424,814	375,468
Prepaid expenses and other current assets	10,145	11,143
Total current assets	575,546	561,955
Property, equipment and software, net	58,522	60,729
Operating lease right-of-use assets	44,402	21,102
Acquisition-related intangible assets, net	4,284	5,864
Goodwill	29,577	29,577
Deferred tax assets	24,864	13,880
Other assets, non-current	2,324	2,136
TOTAL ASSETS	\$ 739,519	\$ 695,243
	*	*

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Revenue	\$ 85,502	\$ 84,600	\$ 291,256	\$ 267,014
Cost of revenue ⁽¹⁾	24,935	24,208	101,027	99,229
Gross profit	60,567	60,392	190,229	167,785
Operating expenses: ⁽¹⁾				
Technology and development	7,831	6,846	33,263	26,727
Sales and marketing	23,763	20,353	95,369	82,803
General and administrative ⁽²⁾	14,171	12,780	57,670	56,219
Total operating expenses	45,765	39,979	186,302	165,749
Operating income	14,802	20,413	3,927	2,036
Total other income, net	3,618	2,632	13,847	8,469
Income before income taxes	18,420	23,045	17,774	10,505
Provision for income taxes	4,521	4,343	5,270	1,624
Net income	\$ 13,899	\$ 18,702	\$ 12,504	\$ 8,881
Net income per share attributable to common stockholders:				
Basic	\$ 0.29	\$ 0.37	\$ 0.25	\$ 0.17
Diluted	\$ 0.26	\$ 0.34	\$ 0.23	\$ 0.16
Weighted-average shares used to compute net income per share attributable to common stockholders:				
Basic	47,993	50,659	49,213	51,760
Diluted	52,623	54,940	54,294	56,027
	*	*	*	

18. On February 27, 2025, the Company submitted its annual report for the fiscal year ended December 31, 2024 on a Form 10-K filed with the SEC (the “FY24 10-K”). The FY24 10-K affirmed the previously reported financial results. The FY24 10-K further stated the following regarding the Company’s disclosure controls and procedures, as follows, in relevant part:

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal 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 Annual Report on Form 10-K. Based on such evaluation, our principal executive officer and principal financial officer have concluded that, as of such date, *our disclosure controls and procedures were effective at a reasonable assurance level.*

19. The FY24 10-K stated the following regarding purported risks to the Company which “*could*” or “*may*” negatively impact results, in relevant part:

Our software platform could be susceptible to errors, defects, or unintended performance problems that could adversely affect our business, results of operations, and financial condition.

We depend upon the sustained and uninterrupted performance of our platform to operate our business. Software bugs, faulty algorithms, technical or infrastructure problems, or system updates could lead to an inability to process data to place advertisements or price inventory effectively, or cause advertisements to display improperly or be placed in proximity to inappropriate content, which could adversely affect our business, results of operations, and financial condition. These risks are compounded by the complexity of our technology and the large amounts of data we utilize. Because our software is complex, undetected material defects, errors and failures may occur. Despite testing, errors or bugs in our software may not be found until the software is in our live operating environment.

For example, changes to our solution have in the past caused errors in the measurements of transactions conducted through our platform, resulting in disputes raised by publishers. Errors or failures in our offerings, even if caused by the implementation of changes by publishers or partners to their systems, could also result in negative publicity, damage to our reputation, loss of or delay in market acceptance of our offerings, increased costs or loss of revenue, or loss of competitive position. As a result, defects or errors in our products or services could harm our reputation, result in significant costs to us, impair the ability of publishers to sell and for buyers to purchase inventory, and impair our ability to fulfill obligations with publishers and partners. Any significant interruptions could adversely affect our business, results of operations, and financial condition.

Our continued business success depends upon our ability to offer high-quality inventory with appropriate viewability capabilities.

We must address quality concerns of both advertisers and publishers. Publishers require ad quality tools that enable granular control over the characteristics of the ads that run on their ad impressions, including those relating to the advertiser, industry and content for a particular ad. We must also provide automatic or ad hoc blocking of ads that contain malware or other ads the publisher deems undesirable. Our inventory quality tools must continue to help publishers demonstrate the value and quality of their ad impressions to DSPs, advertisers, and agencies with automated fraud detection and viewability reporting. Maintaining and upgrading our capabilities associated with ad quality and inventory quality is complex and costly. Maintaining high-quality inventory may become increasingly difficult with the advent and proliferation of “deep fake” video and other media produced using artificial intelligence (“AI”). If we fail to maintain high quality controls for our publishers and partners, our business, results of operations, and financial condition could be adversely affected.

20. On May 8, 2025, PubMatic issued a press release announcing its financial results for the fiscal quarter ended March 31, 2025. The press release touted the Company’s purported financial results as follows, in relevant part:

PubMatic Announces First Quarter 2025 Financial Results; Board of Directors Authorizes \$100M Expansion of Share Repurchase Program

Delivered revenue and adjusted EBITDA ahead of guidance;

Revenue from omnichannel video, including CTV, grew 20% and was 40% of total revenue;

CTV revenue grew over 50% year-over-year; and

Supply Path Optimization represented a record 55%+ of total activity

NO-HEADQUARTERS/REDWOOD CITY, Calif., May 8, 2025 (GLOBE NEWSWIRE) -- PubMatic, Inc. (Nasdaq: PUBM), an independent technology company delivering digital advertising’s supply chain of the future, today reported financial results for the first quarter ending March 31, 2025.

“We are pleased with our Q1 performance, exceeding guidance on both the top and bottom line driven by the secular growth areas in our business. Ongoing investments in product innovation and go to market teams drove 21% year over year growth in our underlying business, with momentum carrying into April,” said Rajeev Goel, co-founder and CEO at PubMatic. “We firmly believe the current environment serves as a catalyst to accelerate the shift to programmatic and AI-driven solutions. Sell-side activation is emerging as the preferred model across the open internet as advertiser demand for more transparent, performant paths to inventory and data continues to increase. PubMatic sits at the forefront of this transformation while creating value for the entire supply chain.”

ASSETS			
Current assets			
Cash and cash equivalents	\$	101,811	\$ 100,452
Marketable securities		42,315	40,135
Accounts receivable, net		349,123	424,814
Prepaid expenses and other current assets		12,018	10,145
Total current assets		505,267	575,546
Property, equipment and software, net		54,386	58,522
Operating lease right-of-use assets		42,575	44,402
Acquisition-related intangible assets, net		3,889	4,284
Goodwill		29,577	29,577
Deferred tax assets		29,619	24,864
Other assets, non-current		3,289	2,324
TOTAL ASSETS	\$	668,602	\$ 739,519
	*	*	*
	*	*	*

21. On May 8, 2025 the Company submitted its quarterly report for the period ended March 31, 2025 on a Form 10-Q filed with the SEC, affirming the previously reported financial results. The report stated the following regarding the Company's disclosure controls and procedures, as follows, in relevant part:

	Three Months Ended March 31,	
	2025	2024
Revenue	\$ 63,825	\$ 66,701
Cost of revenue ⁽¹⁾	25,588	25,424
Gross profit	38,237	41,277
Operating expenses: ⁽¹⁾		
Technology and development	8,772	7,960
Sales and marketing	26,799	24,815
General and administrative	14,569	14,027
Total operating expenses	50,140	46,802
Operating loss	(11,903)	(5,525)
Interest income	1,593	2,564
Other income (expense), net	(1,014)	258
Loss before income taxes	(11,324)	(2,703)
Benefit from income taxes	(1,838)	(249)
Net loss	\$ (9,486)	\$ (2,454)
Basic and diluted net loss per share of Class A and Class B stock	\$ (0.20)	\$ (0.05)
Weighted-average shares used to compute net loss per share attributable to common stockholders:		
Basic	48,346	50,039
Diluted	48,346	50,039

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal 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 March 31, 2025. Based on such evaluation, our principal executive officer and principal financial officer have concluded that, as of such date, our disclosure controls and procedures were effective at a reasonable assurance level.

22. The above statements identified in ¶¶ 17-21 were materially false and/or misleading, and failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) that a top DSP buyer was shifting a significant number of clients to a new platform which evaluated inventory differently; (2) that, as a result, PubMatic was seeing a reduction in ad spend and revenue from this top DSP buyer; and (3) that, as a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

Disclosures at the End of the Class Period

23. On August 11, 2025, after the market closed, PubMatic issued a press release announcing its financial results for the fiscal quarter ended June 30, 2025. The press release quoted the Company's CFO, Defendant Pantelick, stating as follows, in relevant part:

While our *outlook includes a reduction in ad spend from one of our top DSP partners*, the underlying health of the business remains strong while we mitigate the impact. Additionally, we are optimizing resources to focus on key priorities that include: diversifying DSP mix and accelerating investment on the buy-side, growing CTV, scaling emerging revenue streams, and integrating AI across our tech stack and operations. We have a healthy balance sheet and generate positive cash flow and are confident in the long-term strategy to drive durable, accelerated growth, increased profitability, and maximized shareholder value.

24. The Company held an earnings call the same day to discuss the quarterly results (the "2Q25 Earnings Call"). During the 2Q25 Earnings Call, the Company's CEO, Defendant Goel, revealed that a "top DSP buyer" had "recently shifted a significant number of clients to a new platform that evaluates inventory differently" causing significant headwinds. Goel stated, in response to the inventory valuation change, the Company would "need to do a better job . . . to prioritize across all the hundreds of billions of daily ad impressions that we have, which subset of those impressions that we send to this DSP." Specifically, Goel stated as follows, in relevant part:

So beginning in July, we saw a headwind emerge from a top DSP buyer, which recently shifted a significant number of clients to a new platform that evaluates inventory differently. And so the parameters of how they value inventory have changed, and we are working to optimize the inventory that we send this DSP

1 accordingly. In addition, for some of our SPO partners, they did not realize until
 2 after the changes were made that their SPO strategies were no longer implemented.
 3 And so as a result, they need to reimplement their SPO settings on this DSP's new
 platform, and that process takes time. So accordingly, we saw this notable drop in
 spend in July, and then we've seen that stabilize in August.

4 Now given the scale and complexity of our real-time platform, we anticipate that it
 5 will take several months to iterate and optimize the traffic that we send to this DSP.
 6 And so while we're doing this, a top priority for us is to accelerate the
 diversification of ad spend on our platform away from legacy DSPs. And we've
 7 been making progress, but we plan to accelerate our strategy. So for instance, in
 Q2, we expanded the share of spending from DSPs outside of the top 5 with
 performance marketers and mid-tier DSPs growing 20% year-over-year, such as
 8 MNTN and tvScientific and some China-based DSPs. In July, that same cohort
 accelerated to over 30% year-over-year.

9 * * *

10 No, I don't think it had anything to do with the auction dynamics, rather it's how
 11 they value inventory has changed. And so we need to do a better job, a different job
 to prioritize across all the hundreds of billions of daily ad impressions that we have,
 which subset of those impressions that we send to this DSP.

12 25. Further, during the 2Q25 Earnings Call, an analyst noted "*I think the platform*
 13 *shift that you're talking about has been going on for some time*" and asked if this change was the
 14 result of "large number of your SPO customers finally making that transition or something else?"

15 In response, Defendant Goel stated as follows, in relevant part:

16 So I mean we certainly saw an uptick or significant increase of this activity from
 17 the DSP causing the drop in spend in July. So I can't speak to exactly kind of what
 18 was their timeline or all the history of changes that they made. But that's what we
 observed on our platform, which we are -- again, we've stabilized, but are working
 19 to improve. So there are things that we need to do to shape the traffic accordingly
 from our platform more to the liking of that DSP. And so we're heavily engaged in
 that process.

20 26. On this news, PubMatic's stock price fell \$2.23, or 21.1%, to close at \$8.34 per
 21 share on August 12, 2025, on unusually heavy trading volume.

22 CLASS ACTION ALLEGATIONS

23 27. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil
 24 Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and entities that
 25 purchased or otherwise acquired PubMatic securities between February 27, 2025 and August 11,
 26 2025, inclusive, and who were damaged thereby (the "Class"). Excluded from the Class are
 27 Defendants, the officers and directors of the Company, at all relevant times, members of their
 28

1 immediate families and their legal representatives, heirs, successors, or assigns, and any entity in
2 which Defendants have or had a controlling interest.

3 28. The members of the Class are so numerous that joinder of all members is
4 impracticable. Throughout the Class Period, PubMatic's shares actively traded on the NASDAQ.
5 While the exact number of Class members is unknown to Plaintiff at this time and can only be
6 ascertained through appropriate discovery, Plaintiff believes that there are at least hundreds or
7 thousands of members in the proposed Class. Millions of PubMatic shares were traded publicly
8 during the Class Period on the NASDAQ. Record owners and other members of the Class may be
9 identified from records maintained by PubMatic or its transfer agent and may be notified of the
10 pendency of this action by mail, using the form of notice similar to that customarily used in
11 securities class actions.

12 29. Plaintiff's claims are typical of the claims of the members of the Class as all
13 members of the Class are similarly affected by Defendants' wrongful conduct in violation of
14 federal law that is complained of herein.

15 30. Plaintiff will fairly and adequately protect the interests of the members of the Class
16 and has retained counsel competent and experienced in class and securities litigation.

17 31. Common questions of law and fact exist as to all members of the Class and
18 predominate over any questions solely affecting individual members of the Class. Among the
19 questions of law and fact common to the Class are:

20 (a) whether the federal securities laws were violated by Defendants' acts as
21 alleged herein;

22 (b) whether statements made by Defendants to the investing public during the
23 Class Period omitted and/or misrepresented material facts about the business, operations, and
24 prospects of PubMatic; and

25 (c) to what extent the members of the Class have sustained damages and the
26 proper measure of damages.

27 32. A class action is superior to all other available methods for the fair and efficient
28 adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the

1 damages suffered by individual Class members may be relatively small, the expense and burden of
2 individual litigation makes it impossible for members of the Class to individually redress the
3 wrongs done to them. There will be no difficulty in the management of this action as a class
4 action.

5 **UNDISCLOSED ADVERSE FACTS**

6 33. The market for PubMatic's securities was open, well-developed and efficient at all
7 relevant times. As a result of these materially false and/or misleading statements, and/or failures
8 to disclose, PubMatic's securities traded at artificially inflated prices during the Class Period.
9 Plaintiff and other members of the Class purchased or otherwise acquired PubMatic's securities
10 relying upon the integrity of the market price of the Company's securities and market information
11 relating to PubMatic, and have been damaged thereby.

12 34. During the Class Period, Defendants materially misled the investing public, thereby
13 inflating the price of PubMatic's securities, by publicly issuing false and/or misleading statements
14 and/or omitting to disclose material facts necessary to make Defendants' statements, as set forth
15 herein, not false and/or misleading. The statements and omissions were materially false and/or
16 misleading because they failed to disclose material adverse information and/or misrepresented the
17 truth about PubMatic's business, operations, and prospects as alleged herein.

18 35. At all relevant times, the material misrepresentations and omissions particularized
19 in this Complaint directly or proximately caused or were a substantial contributing cause of the
20 damages sustained by Plaintiff and other members of the Class. As described herein, during the
21 Class Period, Defendants made or caused to be made a series of materially false and/or misleading
22 statements about PubMatic's financial well-being and prospects. These material misstatements
23 and/or omissions had the cause and effect of creating in the market an unrealistically positive
24 assessment of the Company and its financial well-being and prospects, thus causing the
25 Company's securities to be overvalued and artificially inflated at all relevant times. Defendants'
26 materially false and/or misleading statements during the Class Period resulted in Plaintiff and
27 other members of the Class purchasing the Company's securities at artificially inflated prices, thus
28 causing the damages complained of herein when the truth was revealed.

1 **LOSS CAUSATION**

2 36. Defendants' wrongful conduct, as alleged herein, directly and proximately caused
3 the economic loss suffered by Plaintiff and the Class.

4 37. During the Class Period, Plaintiff and the Class purchased PubMatic's securities at
5 artificially inflated prices and were damaged thereby. The price of the Company's securities
6 significantly declined when the misrepresentations made to the market, and/or the information
7 alleged herein to have been concealed from the market, and/or the effects thereof, were revealed,
8 causing investors' losses.

9 **SCIENTER ALLEGATIONS**

10 38. As alleged herein, Defendants acted with scienter since Defendants knew that the
11 public documents and statements issued or disseminated in the name of the Company were
12 materially false and/or misleading; knew that such statements or documents would be issued or
13 disseminated to the investing public; and knowingly and substantially participated or acquiesced
14 in the issuance or dissemination of such statements or documents as primary violations of the
15 federal securities laws. As set forth elsewhere herein in detail, the Individual Defendants, by
16 virtue of their receipt of information reflecting the true facts regarding PubMatic, their control
17 over, and/or receipt and/or modification of PubMatic's allegedly materially misleading
18 misstatements and/or their associations with the Company which made them privy to confidential
19 proprietary information concerning PubMatic, participated in the fraudulent scheme alleged
20 herein.

21 **APPLICABILITY OF PRESUMPTION OF RELIANCE**

22 **(FRAUD-ON-THE-MARKET DOCTRINE)**

23 39. The market for PubMatic's securities was open, well-developed and efficient at all
24 relevant times. As a result of the materially false and/or misleading statements and/or failures to
25 disclose, PubMatic's securities traded at artificially inflated prices during the Class Period. On
26 February 27, 2025, the Company's share price closed at a Class Period high of \$13.97 per share.
27 Plaintiff and other members of the Class purchased or otherwise acquired the Company's
28

1 securities relying upon the integrity of the market price of PubMatic's securities and market
2 information relating to PubMatic, and have been damaged thereby.

3 40. During the Class Period, the artificial inflation of PubMatic's shares was caused by
4 the material misrepresentations and/or omissions particularized in this Complaint causing the
5 damages sustained by Plaintiff and other members of the Class. As described herein, during the
6 Class Period, Defendants made or caused to be made a series of materially false and/or misleading
7 statements about PubMatic's business, prospects, and operations. These material misstatements
8 and/or omissions created an unrealistically positive assessment of PubMatic and its business,
9 operations, and prospects, thus causing the price of the Company's securities to be artificially
10 inflated at all relevant times, and when disclosed, negatively affected the value of the Company
11 shares. Defendants' materially false and/or misleading statements during the Class Period resulted
12 in Plaintiff and other members of the Class purchasing the Company's securities at such
13 artificially inflated prices, and each of them has been damaged as a result.

14 41. At all relevant times, the market for PubMatic's securities was an efficient market
15 for the following reasons, among others:

16 (a) PubMatic shares met the requirements for listing, and was listed and
17 actively traded on the NASDAQ, a highly efficient and automated market;

18 (b) As a regulated issuer, PubMatic filed periodic public reports with the SEC
19 and/or the NASDAQ;

20 (c) PubMatic regularly communicated with public investors via established
21 market communication mechanisms, including through regular dissemination of press releases on
22 the national circuits of major newswire services and through other wide-ranging public
23 disclosures, such as communications with the financial press and other similar reporting services;
24 and/or

25 (d) PubMatic was followed by securities analysts employed by brokerage firms
26 who wrote reports about the Company, and these reports were distributed to the sales force and
27 certain customers of their respective brokerage firms. Each of these reports was publicly available
28 and entered the public marketplace.

1 and/or the forward-looking statement was authorized or approved by an executive officer of
2 PubMatic who knew that the statement was false when made.

3 **FIRST CLAIM**

4 **Violation of Section 10(b) of The Exchange Act and**

5 **Rule 10b-5 Promulgated Thereunder**

6 **Against All Defendants**

7 45. Plaintiff repeats and re-alleges each and every allegation contained above as if fully
8 set forth herein.

9 46. During the Class Period, Defendants carried out a plan, scheme and course of
10 conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing
11 public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and
12 other members of the Class to purchase PubMatic's securities at artificially inflated prices. In
13 furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each defendant,
14 took the actions set forth herein.

15 47. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made
16 untrue statements of material fact and/or omitted to state material facts necessary to make the
17 statements not misleading; and (iii) engaged in acts, practices, and a course of business which
18 operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to
19 maintain artificially high market prices for PubMatic's securities in violation of Section 10(b) of
20 the Exchange Act and Rule 10b-5. All Defendants are sued either as primary participants in the
21 wrongful and illegal conduct charged herein or as controlling persons as alleged below.

22 48. Defendants, individually and in concert, directly and indirectly, by the use, means
23 or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a
24 continuous course of conduct to conceal adverse material information about PubMatic's financial
25 well-being and prospects, as specified herein.

26 49. Defendants employed devices, schemes and artifices to defraud, while in
27 possession of material adverse non-public information and engaged in acts, practices, and a course
28 of conduct as alleged herein in an effort to assure investors of PubMatic's value and performance

1 and continued substantial growth, which included the making of, or the participation in the making
2 of, untrue statements of material facts and/or omitting to state material facts necessary in order to
3 make the statements made about PubMatic and its business operations and future prospects in light
4 of the circumstances under which they were made, not misleading, as set forth more particularly
5 herein, and engaged in transactions, practices and a course of business which operated as a fraud
6 and deceit upon the purchasers of the Company's securities during the Class Period.

7 50. Each of the Individual Defendants' primary liability and controlling person liability
8 arises from the following facts: (i) the Individual Defendants were high-level executives and/or
9 directors at the Company during the Class Period and members of the Company's management
10 team or had control thereof; (ii) each of these defendants, by virtue of their responsibilities and
11 activities as a senior officer and/or director of the Company, was privy to and participated in the
12 creation, development and reporting of the Company's internal budgets, plans, projections and/or
13 reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the
14 other defendants and was advised of, and had access to, other members of the Company's
15 management team, internal reports and other data and information about the Company's finances,
16 operations, and sales at all relevant times; and (iv) each of these defendants was aware of the
17 Company's dissemination of information to the investing public which they knew and/or
18 recklessly disregarded was materially false and misleading.

19 51. Defendants had actual knowledge of the misrepresentations and/or omissions of
20 material facts set forth herein, or acted with reckless disregard for the truth in that they failed to
21 ascertain and to disclose such facts, even though such facts were available to them. Such
22 defendants' material misrepresentations and/or omissions were done knowingly or recklessly and
23 for the purpose and effect of concealing PubMatic's financial well-being and prospects from the
24 investing public and supporting the artificially inflated price of its securities. As demonstrated by
25 Defendants' overstatements and/or misstatements of the Company's business, operations, financial
26 well-being, and prospects throughout the Class Period, Defendants, if they did not have actual
27 knowledge of the misrepresentations and/or omissions alleged, were reckless in failing to obtain
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1 such knowledge by deliberately refraining from taking those steps necessary to discover whether
2 those statements were false or misleading.

3 52. As a result of the dissemination of the materially false and/or misleading
4 information and/or failure to disclose material facts, as set forth above, the market price of
5 PubMatic's securities was artificially inflated during the Class Period. In ignorance of the fact that
6 market prices of the Company's securities were artificially inflated, and relying directly or
7 indirectly on the false and misleading statements made by Defendants, or upon the integrity of the
8 market in which the securities trades, and/or in the absence of material adverse information that
9 was known to or recklessly disregarded by Defendants, but not disclosed in public statements by
10 Defendants during the Class Period, Plaintiff and the other members of the Class acquired
11 PubMatic's securities during the Class Period at artificially high prices and were damaged thereby.

12 53. At the time of said misrepresentations and/or omissions, Plaintiff and other
13 members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff
14 and the other members of the Class and the marketplace known the truth regarding the problems
15 that PubMatic was experiencing, which were not disclosed by Defendants, Plaintiff and other
16 members of the Class would not have purchased or otherwise acquired their PubMatic securities,
17 or, if they had acquired such securities during the Class Period, they would not have done so at the
18 artificially inflated prices which they paid.

19 54. By virtue of the foregoing, Defendants violated Section 10(b) of the Exchange Act
20 and Rule 10b-5 promulgated thereunder.

21 55. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the
22 other members of the Class suffered damages in connection with their respective purchases and
23 sales of the Company's securities during the Class Period.

24 **SECOND CLAIM**

25 **Violation of Section 20(a) of The Exchange Act**

26 **Against the Individual Defendants**

27 56. Plaintiff repeats and re-alleges each and every allegation contained above as if fully
28 set forth herein.

1 (c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in
2 this action, including counsel fees and expert fees; and

3 (d) Such other and further relief as the Court may deem just and proper.

4 **JURY TRIAL DEMANDED**

5 Plaintiff hereby demands a trial by jury.

6 DATED: August 20, 2025

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