



Direct Digital
Holdings

Middle Market Digital Media Platform

Company Presentation

January 2022

FOUNDER-LED MANAGEMENT TEAM SUPPORTED BY EXPERIENCED BOARD



Mark Walker

Founder, Chairman & Chief Executive Officer



Keith Smith

Co-founder, Director & President



Susan Echard

Chief Financial Officer



Anu Pillai

Chief Technology Officer



Tonie Leatherberry

Independent Director



Richard Cohen

Independent Director



Misty Locke

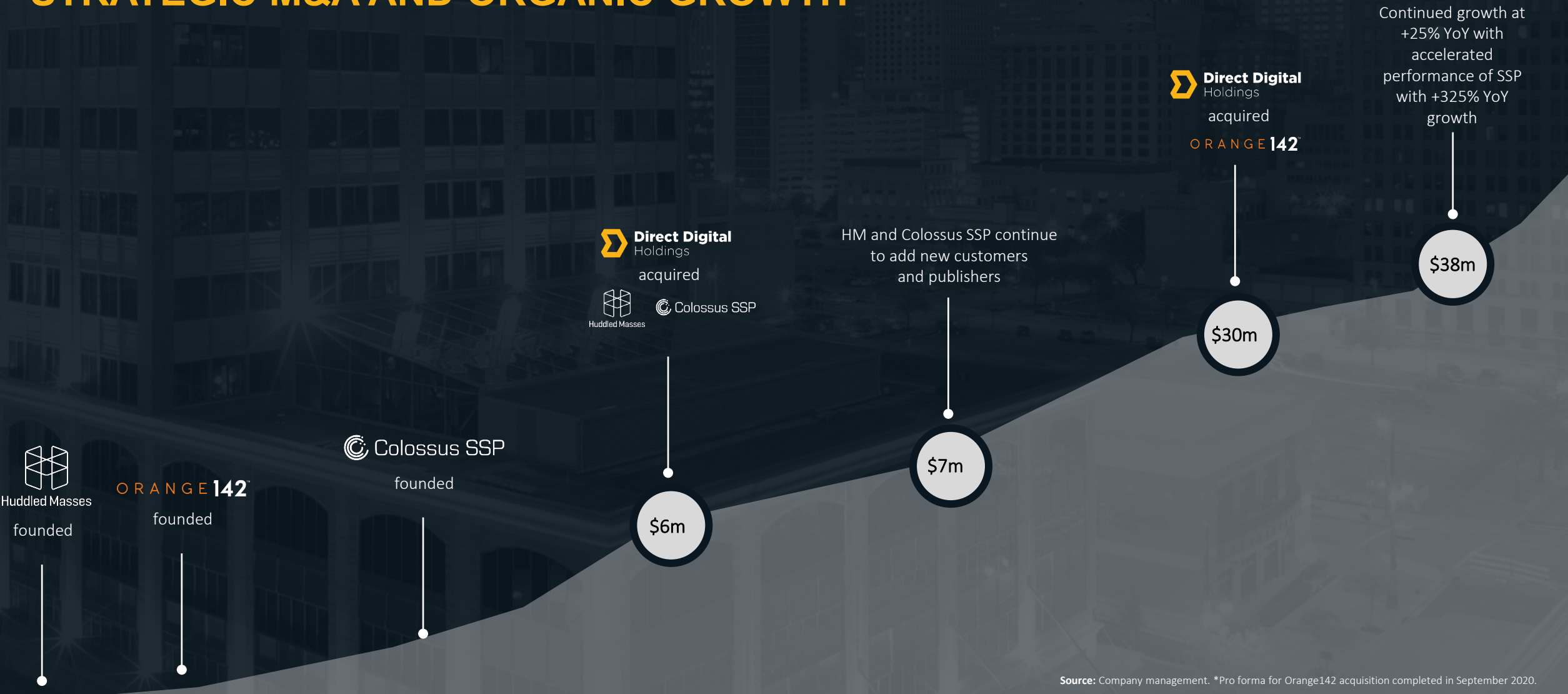
Board Advisor



INVESTMENT HIGHLIGHTS

- Founder-led, **end-to-end programmatic advertising technology platform**
- Exceeding the demands of the **underserved middle market** and penetrating **multicultural audiences**
- Robust buy-side platform with **long-term clients** and managed contracts that lead to **high customer retention**
- Emerging sell-side platform (SSP) providing unique inventory to **high-growth CTV/OTT** and digital media markets
- **Proprietary data-driven technology** focused on maximizing ROI for advertisers & publishers
- **Profitable, “Rule of 40”**, well-positioned to capitalize on the rapidly evolving digital advertising market
- Accelerated **organic growth** and **successful M&A** playbook going forward

END-TO-END PROGRAMMATIC PLATFORM BUILT THROUGH STRATEGIC M&A AND ORGANIC GROWTH



Source: Company management. *Pro forma for Orange142 acquisition completed in September 2020.

GROWING MIDDLE MARKET CUSTOMER BASE AND EXPANDING REACH WHILE MAINTAINING PROFITABILITY



ORANGE 142™



150+
Customers

5+ year
Average tenure for
top 20 clients

10k+
Media properties

56k+
Advertisers

61%
CTV/OTT &
Video Inventory

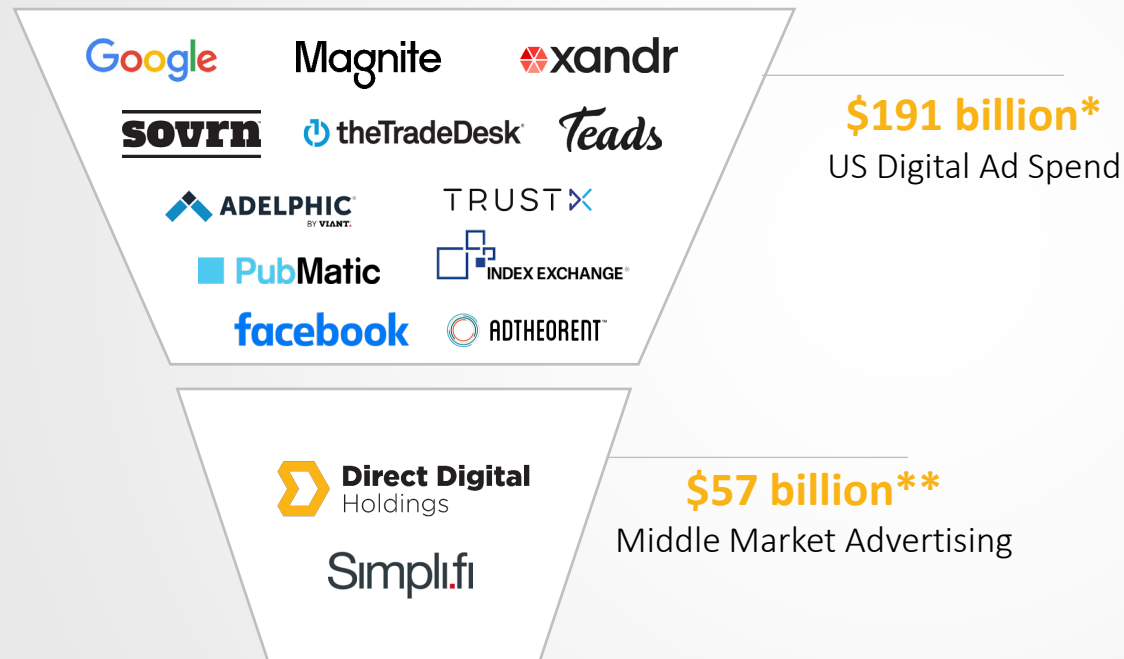
33%
Fixed fee managed
service revenue

900+
million
Bid Responses

44+
billion
Monthly Impressions

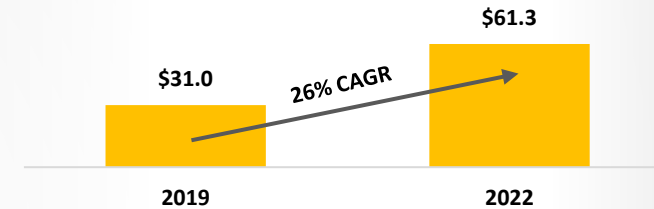
5+
billion
Multicultural Impressions
(12%)

MASSIVE, UNDERSERVED ADDRESSABLE DIGITAL ADVERTISING MARKET WITH STRONG TAILWINDS

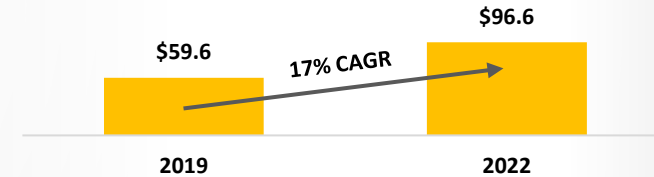


Middle Market is vast and highly fragmented

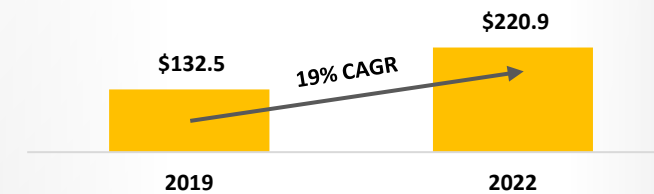
Total CTV/Video Ad Spending



US Programmatic Digital Display Ad Spending



Total US Digital Ad Spending

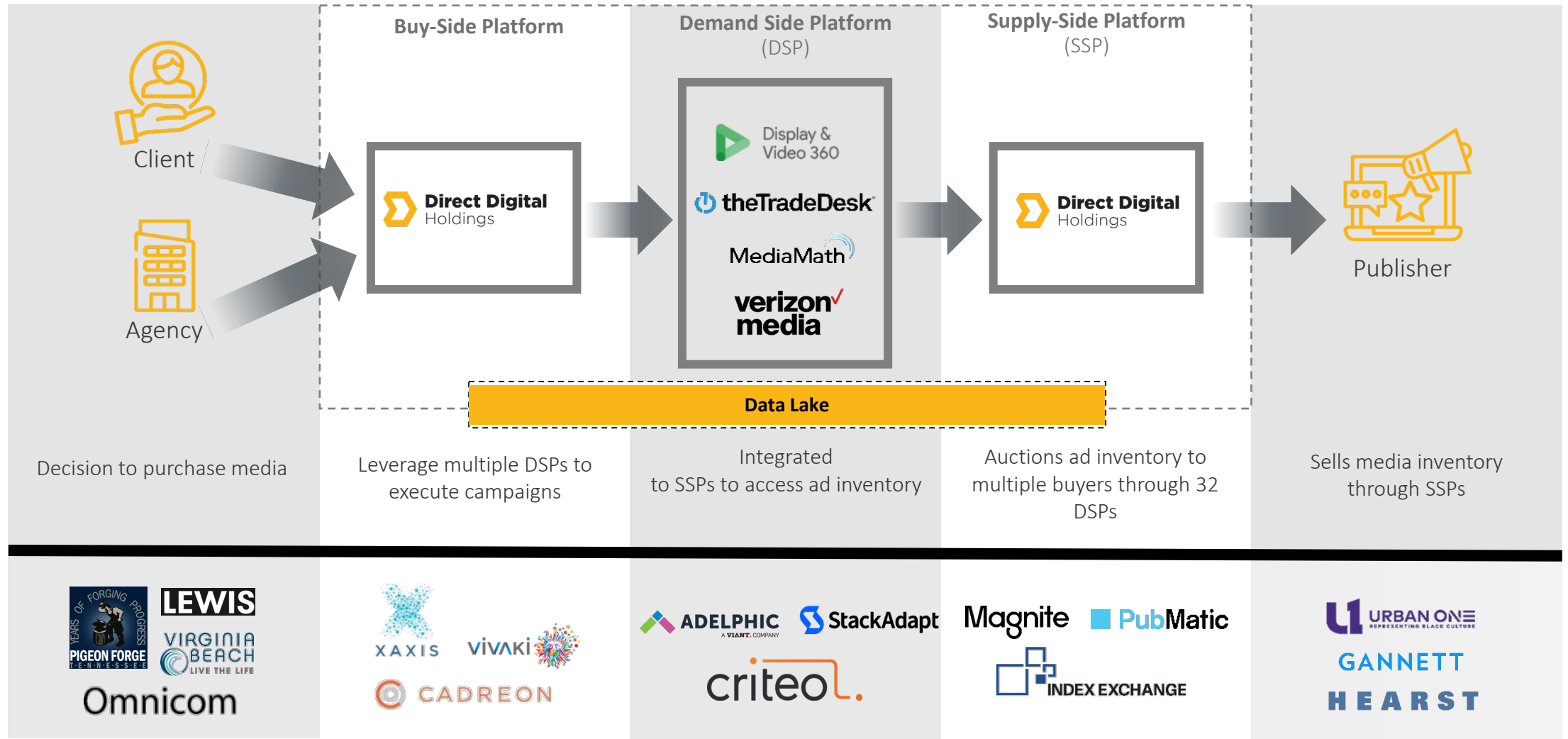


Note: \$ in billions Source: eMarketer

*Source: eMarketer

**Source: BIA - Market size is based on 2021E and includes traditional and digital advertising spend

WE CAPTURE THE FIRST AND LAST DOLLAR IN THE PROGRAMMATIC VALUE CHAIN



Colossus SSP



32 DSPs

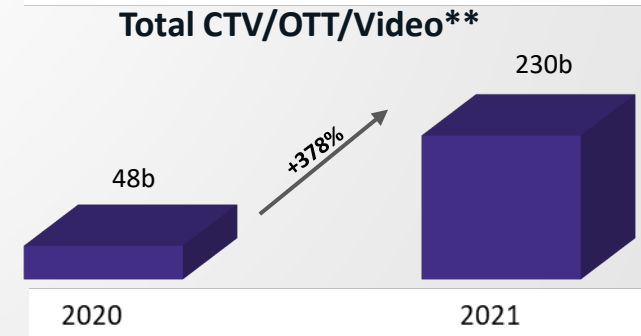
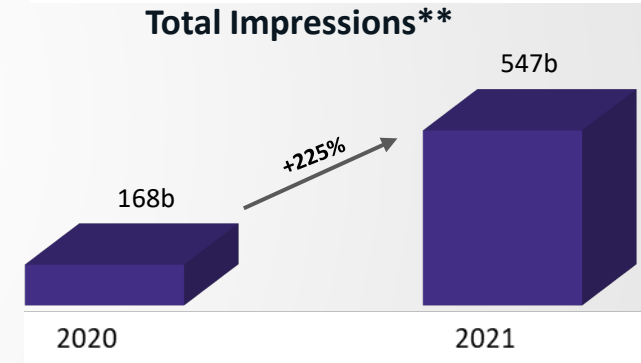
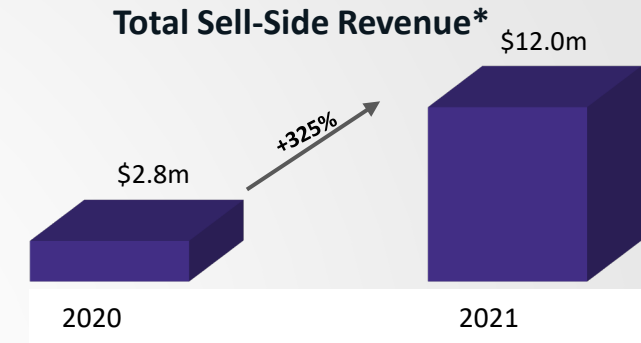
10k+
media properties

+44b
monthly impressions

+325%
Revenue Growth

Proprietary SSP Platform that supports:

- CTV/OTT, Video, Display, Audio & Native. 15B CTV/Video Impressions
- PMP's, Programmatic Direct & RTB
- Header Bidding integration allows publishers access to additional demand
- Protection against fraud
- Fair, safe & transparent programmatic ecosystem



* Based on our mid-point estimate for our fiscal year end results as of December 31, 2021

**As of first 9 month comparison of 2020 v. 2021

COLOSSUS SSP RANKS #4 ON MEDIAMATH SCORECARD



	Fee Transparency Method	Supply Authorization	Inventory Type Signals	Accountability Subtotal*	Fraud & Invalid Traffic	Preferred Identity	Unique Channel Identifiers	Addressability Subtotal*	Bid Feedback	Brain Sync	Impression Counting Method	Alignment Subtotal*	TOTAL SOURCE SCORE
MAXIMUM SCORES	1.111	1.111	1.111	3.333	1.111	1.111	1.111	3.333	1.111	1.111	1.111	3.333	10
PubMatic	1.111	1.111	1.111	3.333	1.111	1.111	1.111	3.333	0	1.111	1.111	2.222	8.9
INDEX EXCHANGE	1.111	1.111	1.111	3.333	1.111	1.111	1.111	3.333	0	0	1.111	1.111	7.8
Magnite	.556	1.111	1.111	2.778	1.111	1.111	1.111	3.333	0	0	1.111	1.111	7.2
Colossus SSP	.278	1.111	1.111	2.5	1.111	1.111	1.111	3.333	0	0	1.111	1.111	6.9
Google Ad Exchange (AdX)	.278	1.111	1.111	2.5	1.111	0	1.111	2.222	1.111	0	1.111	2.222	6.9
smart+	.278	1.111	1.111	2.5	1.111	1.111	1.111	3.333	0	0	1.111	1.111	6.9
the mediagrid	.278	1.111	1.111	2.5	1.111	1.111	1.111	3.333	0	0	1.111	1.111	6.9
EMX	.278	1.111	1.111	2.5	1.111	1.111	1.111	3.333	0	0	1.111	1.111	6.9
ADCOLONY	.278	1.111	1.111	2.5	1.111	.741	1.111	2.963	0	0	1.111	1.111	6.6
IMPROVE DIGITAL	.278	1.111	1.111	2.5	1.111	.741	1.111	2.963	0	0	1.111	1.111	6.6

*MediaMath Source Scorecard that measures accountability, addressability and transparency across 82 different SSPs as of August 2021

WHY DO PUBLISHERS CHOOSE DDH?



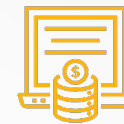
Blue-Chip & Middle Market Advertiser Base

56k Advertisers



High Marketplace Volume

900m monthly bid responses



Superior Monetization

Top 10 revenue producer*



Full Funnel Digital Platform

CTV/OTT, video, display, audio, & native

Select Multicultural Publishers



Select General Market Publishers



*MediaVine, Largest exclusive ad management company with 8300 media properties

WHY DO ADVERTISERS CHOOSE DDH?



Measurable & Superior ROI



Broad Reach
44+ billion monthly impressions



Access to unique multicultural audiences



Top Ranked Inventory Quality
#4 out of 82 SSPs*

Select Buy-Side Customers



Select Sell-Side Buyers



*MediaMath Source Scorecard that measures accountability, addressability and transparency across 82 different SSPs as of April 2021

TECHNOLOGY ADVANCES TO ENHANCE PLATFORM

Q4 '22

Technology Roadmap

FOUNDATIONAL

- Upgrade infrastructure to HPE GreenLake
- Fully managed pay-per-use model
- 30% reserve capacity
- Provides as-a-service ML-Ops

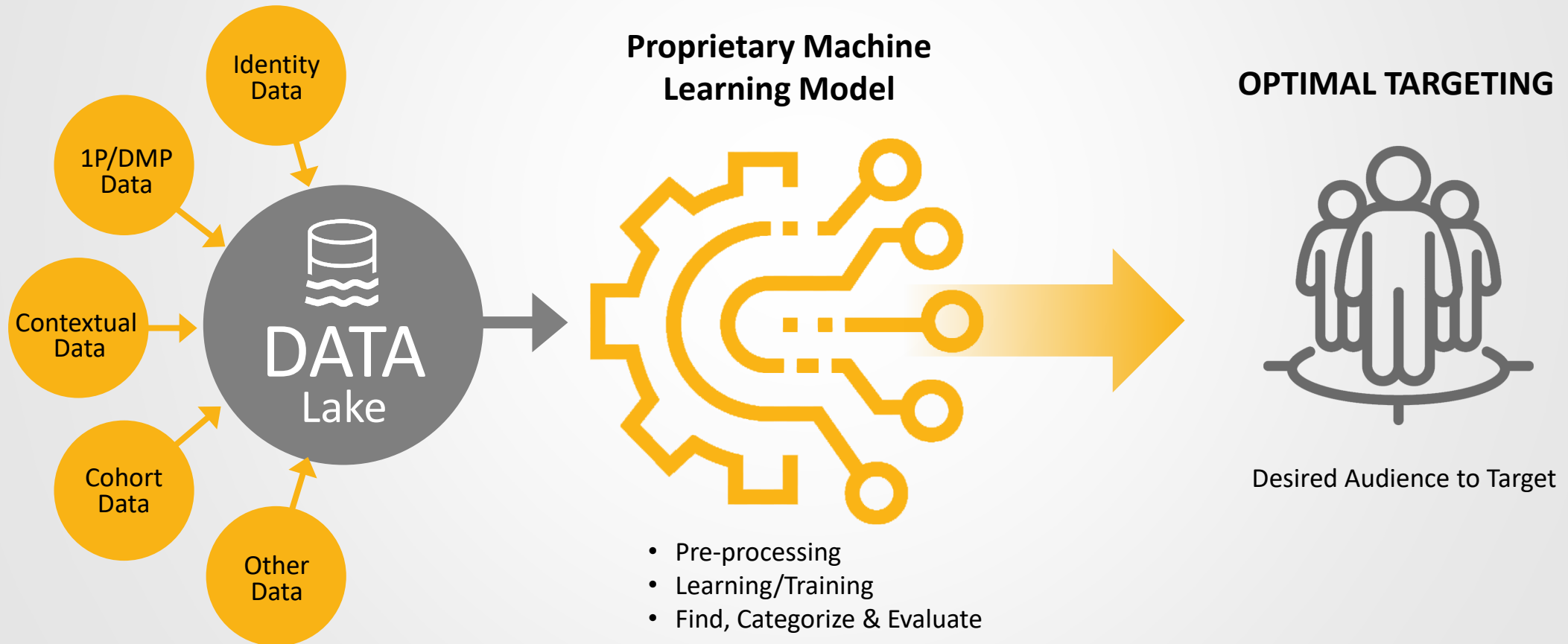
GROWTH & SCALE

- Automate increased Publisher Onboarding
- Curation of 1P data – Integrate SSP with DMP
- Integration into SKAdNetwork

INNOVATE

- Solve for industry changes – deprecation of 3P cookies & restrictive Apple IDFA
- **Build Data Lake**
- Build and train **Machine Learning Model**

PROPRIETARY MACHINE LEARNING MODEL PROVIDES COMPETITIVE ADVANTAGE



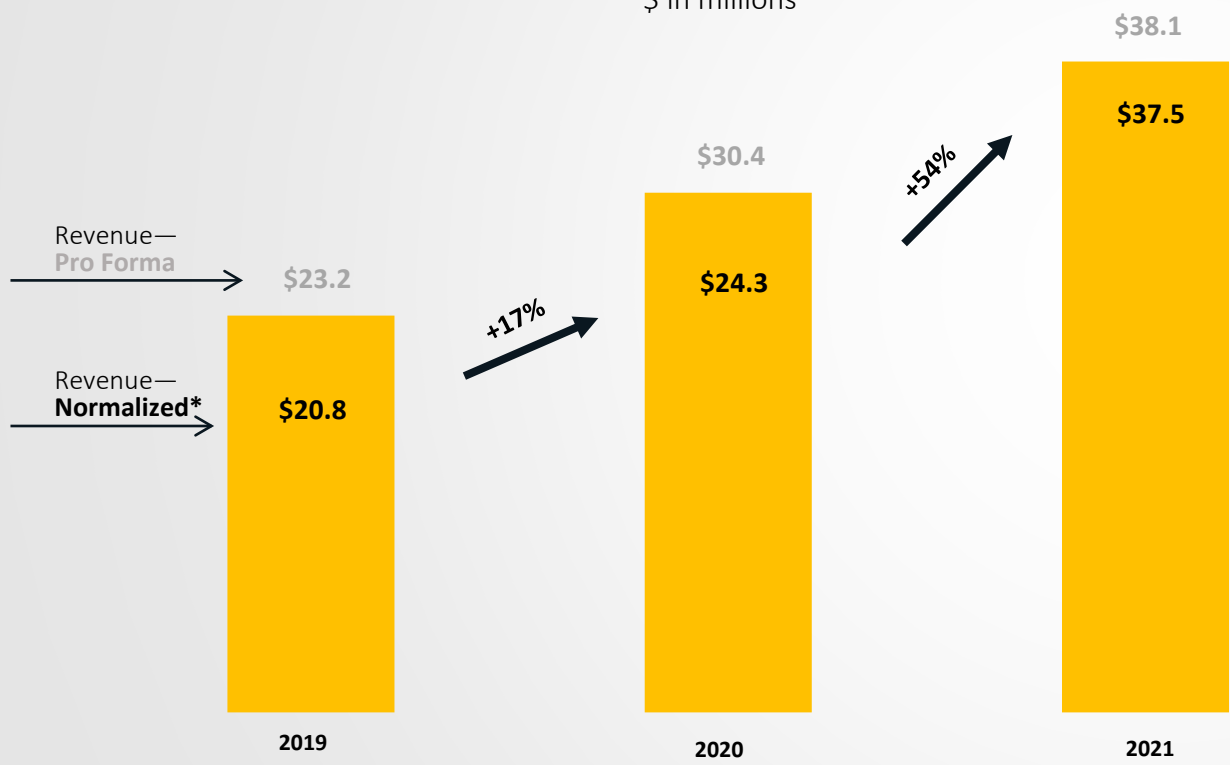


➤ GROWTH & PERFORMANCE

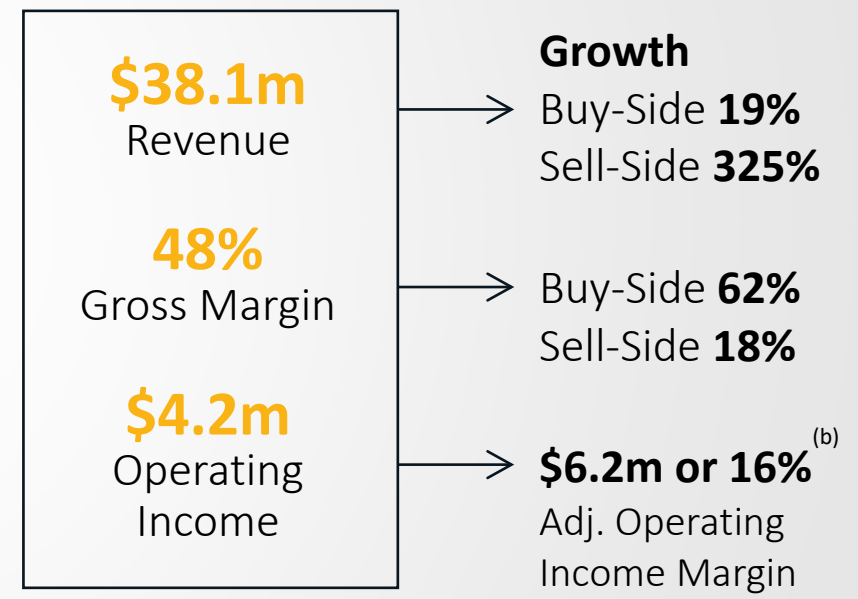
FINANCIAL HIGHLIGHTS

Pro Forma Revenue

\$ in millions



Year End 2021E^(a)



(a) Based on our mid-point estimate for our fiscal year end results as of December 31, 2021.

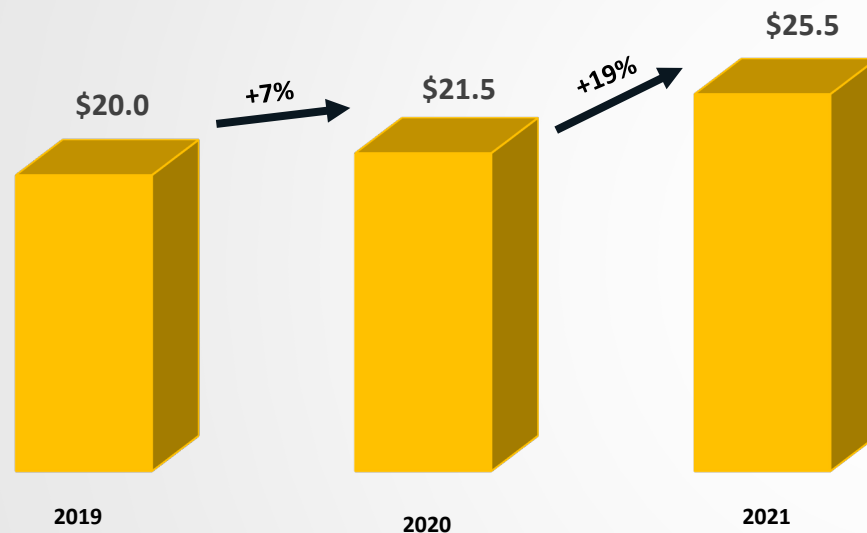
(b) Excludes approximately \$2.0 million of intangible asset amortization for the year ended December 31, 2021.

*Reference Appendix — See Slide 22. Buyside revenue was normalized for one time client campaign spend

REVENUE GROWTH

Buy-Side Revenue*

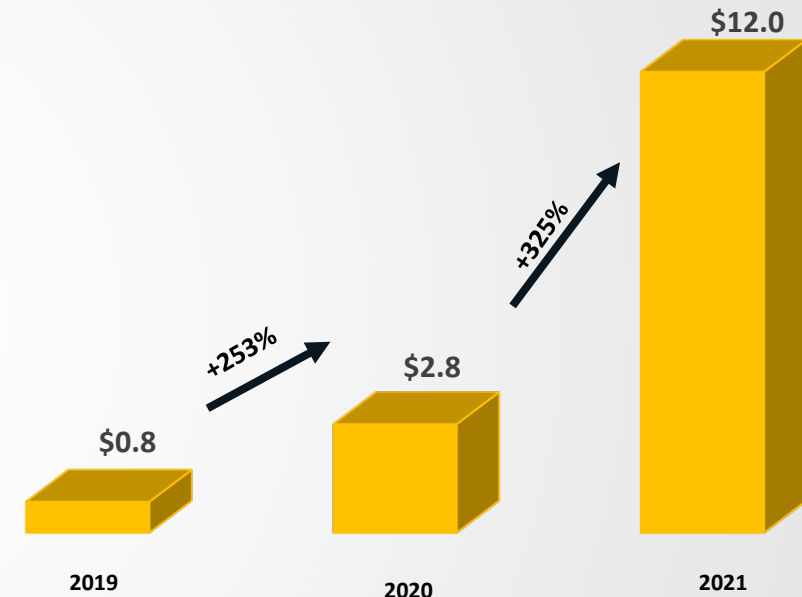
\$ In millions



Our Buy-Side advertising grew by **+19% growth** when normalized for an account that had a one-time campaign

Sell-Side Revenue

\$ In millions



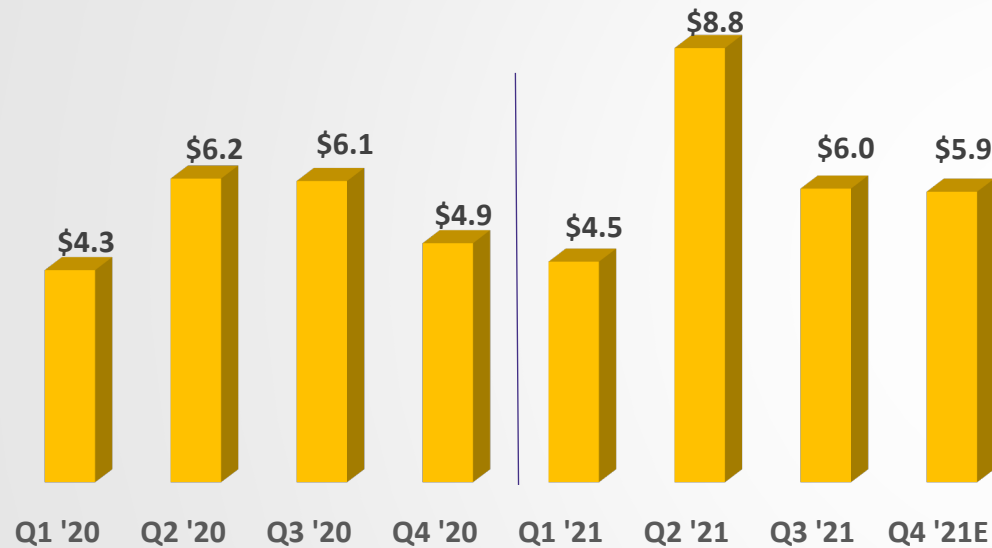
Our Sell-Side business, which began its operations in 2018, continues to hit record revenue milestones with **+325% YoY growth**

*Reference Appendix — See Slide 22. Buyside revenue was normalized for one time client campaign spend

QUARTERLY SEASONALITY

Buy-Side Quarterly Pro Forma Normalized Revenue*

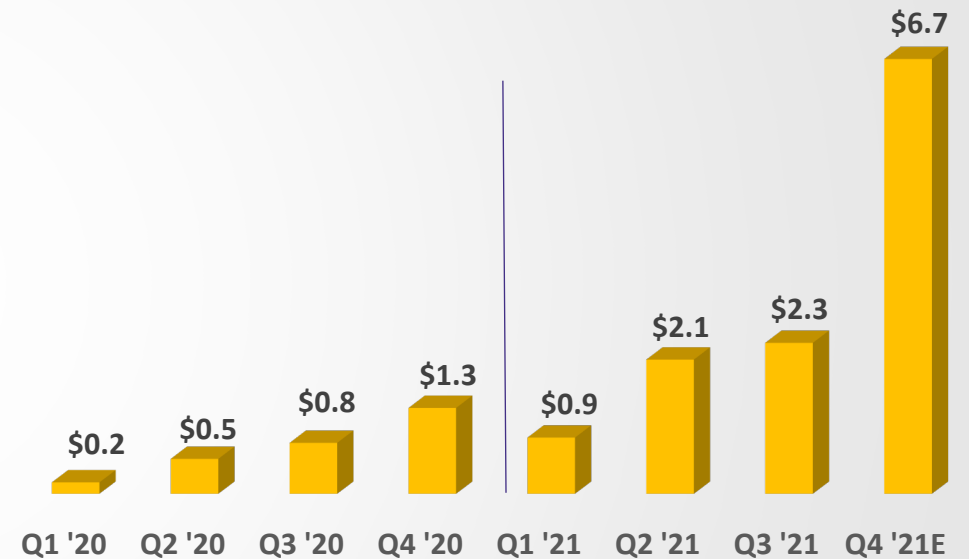
\$ in millions



Q2 typically higher quarter driven by DMOs spend which historically peaks for summer campaigns

Sell-Side Quarterly Revenue

\$ in millions



Q4 typically strongest due to holiday seasonal ad spend

*Reference Appendix — See Slide 22. Buyside revenue was normalized for one time client campaign spend

BUSINESS MODEL AND OPERATING METRICS

Revenue Mix	2019	2020	2021E	Long-Term Range
Buy-Side	97%	91%	69%	35% - 45%
Sell-Side	3%	9%	31%	55% - 65%
	100%	100%	100%	100%
Gross Margin				
Buy-Side	60%	63%	62%	60% - 65%
Sell-Side	-2%	13%	18%	18% - 19%
Total	58%	59%	48%	33% - 40%
Total Operating Expenses	38%	36%	37%	12% - 20%
Operating Income Margin %	20%*	28%*	16%	25%+

*Margin calculation excludes public company expenses

SUMMARY RECAP



End-to-end
programmatic
platform



Driving ROI
for middle market
advertisers



High-margin
buy-side managed
services foundation



Data Management
Platform (DMP) leveraged
across the platform



Experiencing
rapid growth through
proprietary SSP



Connecting
unique multicultural
publisher inventory