



 Colossus SSP®  Orange 142®

COMPANY OVERVIEW

AdTech Platform Focused on Middle Market

April 2025

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Disclaimer

Cautionary Note Regarding Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of federal securities laws that are subject to certain risks, trends and uncertainties. We use words such as “could,” “would,” “may,” “might,” “will,” “expect,” “likely,” “believe,” “continue,” “anticipate,” “estimate,” “intend,” “plan,” “project” and other similar expressions to identify forward-looking statements, but not all forward-looking statements include these words. All of our forward-looking statements involve estimates and uncertainties that could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. Accordingly, any such statements are qualified in their entirety by reference to the information described under the caption “Risk Factors” and elsewhere in our most recent Annual Report on Form 10-K (the “Form 10-K”) and subsequent periodic and or current reports filed with the Securities and Exchange Commission (the “SEC”).

The forward-looking statements contained in this presentation are based on assumptions that we have made in light of our industry experience and our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances. As you read and consider this presentation, you should understand that these statements are not guarantees of performance or results. They involve risks, uncertainties (many of which are beyond our control) and assumptions.

Although we believe that these forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect our actual operating and financial performance and cause our performance to differ materially from the performance expressed in or implied by the forward-looking statements. We believe these factors include, but are not limited to, the following: the restrictions and covenants imposed upon us by our credit facilities; the substantial doubt about our ability to continue as a going concern, which may hinder our ability to obtain future financing; our ability to secure additional financing to meet our capital needs; our ineligibility to file short-form registration statements on Form S-3, which may impair our ability to raise capital; our failure to satisfy applicable listing standards of the Nasdaq Capital Market resulting in a potential delisting of our common stock; costs, risks and uncertainties related to restatement of certain prior period financial statements; any significant fluctuations caused by our high customer concentration; risks related to non-payment by our clients; reputational and other harms caused by our failure to detect advertising fraud; operational and performance issues with our platform, whether real or perceived, including a failure to respond to technological changes or to upgrade our technology systems; restrictions on the use of third-party “cookies,” mobile device IDs or other tracking technologies, which could diminish our platform’s effectiveness; unfavorable publicity and negative public perception about our industry, particularly concerns regarding data privacy and security relating to our industry’s technology and practices, and any perceived failure to comply with laws and industry self-regulation; our failure to manage our growth effectively; the difficulty in identifying and integrating any future acquisitions or strategic investments; any changes or developments in legislative, judicial, regulatory or cultural environments related to information collection, use and processing; challenges related to our buy-side clients that are destination marketing organizations and that operate as public/private partnerships; any strain on our resources or diversion of our management’s attention as a result of being a public company; the intense competition of the digital advertising industry and our ability to effectively compete against current and future competitors; any significant inadvertent disclosure or breach of confidential and/or personal information we hold, or of the security of our or our customers’, suppliers’ or other partners’ computer systems; as a holding company, we depend on distributions from Direct Digital Holdings, LLC (“DDH LLC”) to pay our taxes, expenses (including payments under the Tax Receivable Agreement) and any amount of any dividends we may pay to the holders of our common stock; the fact that DDH LLC is controlled by DDM, whose interest may differ from those of our public stockholders; any failure by us to maintain or implement effective internal controls or to detect fraud; and other factors and assumptions discussed in our Form 10-K and subsequent periodic and current reports we may file with the SEC.

Should one or more of these risks or uncertainties materialize, or should any of these assumptions prove to be incorrect, our actual operating and financial performance may vary in material respects from the performance projected in these forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made, and except as required by law, we undertake no obligation to update any forward-looking statement contained in this press release to reflect events or circumstances after the date on which it is made or to reflect the occurrence of anticipated or unanticipated events or circumstances, and we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. New factors that could cause our business not to develop as we expect emerge from time to time, and it is not possible for us to predict all of them. Further, we cannot assess the impact of each currently known or new factor on our results of operations or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Founder-Led Management Team

EXECUTIVE TEAM



Mark Walker
*Co-Founder,
Chairman &
Chief Executive
Officer*



Keith Smith
*Co-Founder,
Director &
President*



Diana Diaz
*Chief
Financial Officer*



Anu Pillai
*Chief
Technology
Officer*



**Maria Vilchez
Lowrey**
*Chief
Growth Officer*

Prior Experience



BOARD OF DIRECTORS



Tonie Leatherberry
Independent Director



Richard Cohen
Independent Director



Misty Locke
Independent Director





Digital Advertising **built for Everyone.**

Buy-Side Platform



Approach

- *Responsible for buying media for clients to drive ROI for clients*

Capabilities

- *Digital Marketing*
- *SEO / SEM*
- *Media Planning & Buying*
- *Digital Performance Audits*
- *Analytics Configuration*
- *Website Design & Development*
- *Consulting Service Partner*
- *White Label Partner*
- *About 230 customers with 5+ year average tenure for top 20 customers*

Sell-Side Platform



Approach

- *Automated sale of ad inventory between advertisers and agencies leveraging proprietary technology*
- *Leverage programmatic buying to reach multi-cultural and general market audience through a diverse owned supplier platform*

Capabilities*

- *212+ billion monthly impressions*
- *58+ billion monthly multicultural impressions*
- *27,400+ media properties*
- *9+ billion monthly bid responses*

*YTD through 12/31/24

Direct Digital Holdings



Founder-led, technology platform that assists companies buy and sell media to deliver ROI



Exceeding the demands of the underserved middle market and penetrating multicultural audiences



Publicly-traded company with successful track record, well-positioned to capitalize on the rapidly evolving digital advertising market



Accelerated organic growth and operational playbook going forward



Top performing diverse-owned supplier helping brands, agencies, and consultancy partners reach diverse, multicultural audiences and meet their social DEI objectives and budget commitments across our media and advertising technology platforms

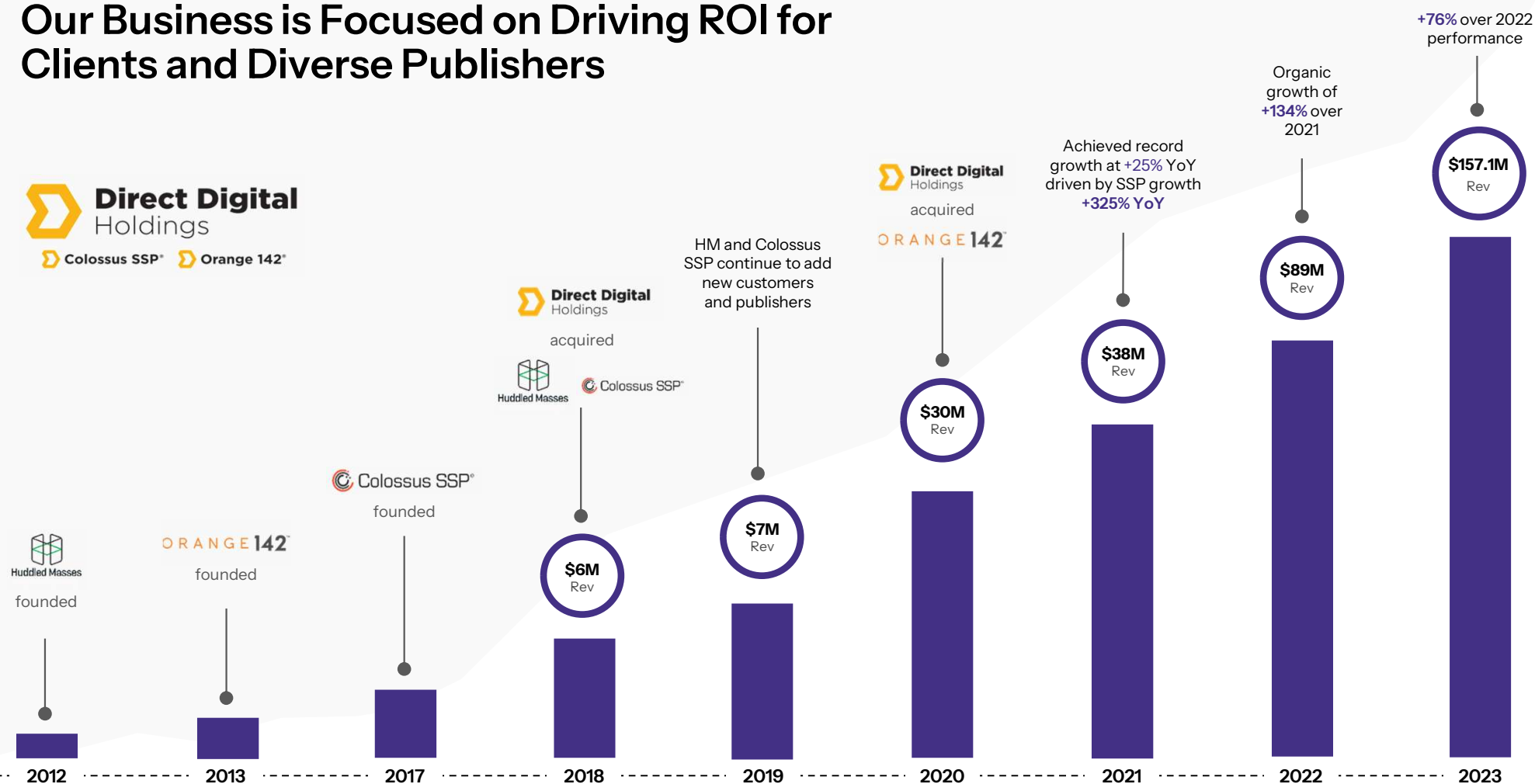


Ninth black-owned company to go public in the U.S.¹

¹Based on third-party research of initial public offerings in the U.S. capital markets between 1985–2022.

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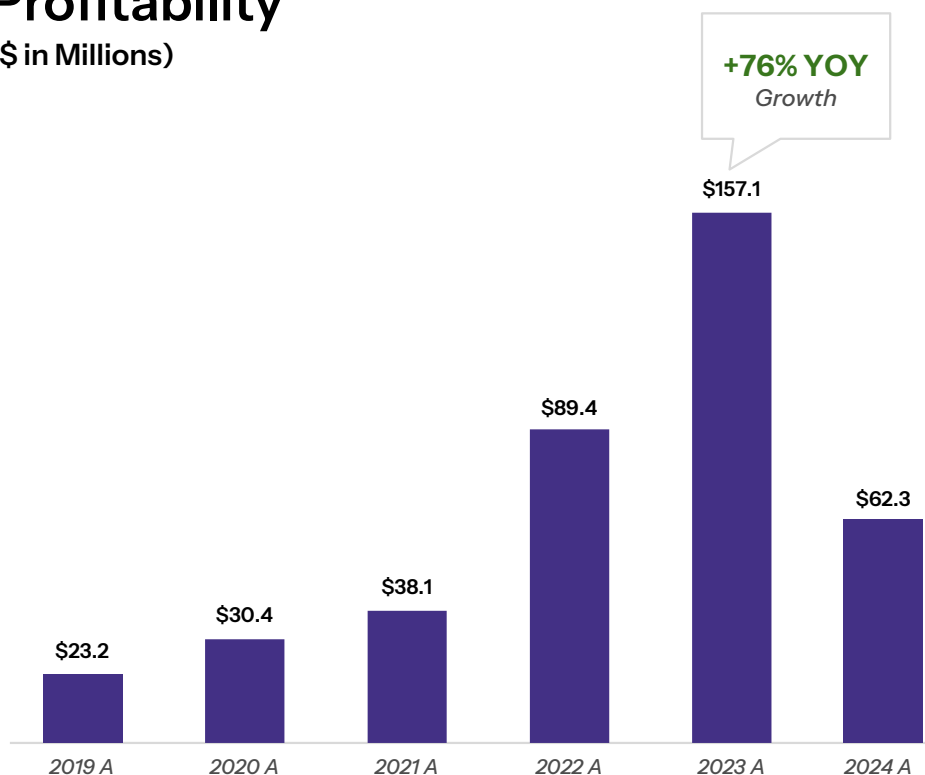
Our Business is Focused on Driving ROI for Clients and Diverse Publishers



Note: bars are illustrative.

Revenue Dip in 2024: Clear Strategy to Return to Growth and Profitability

(\$ in Millions)



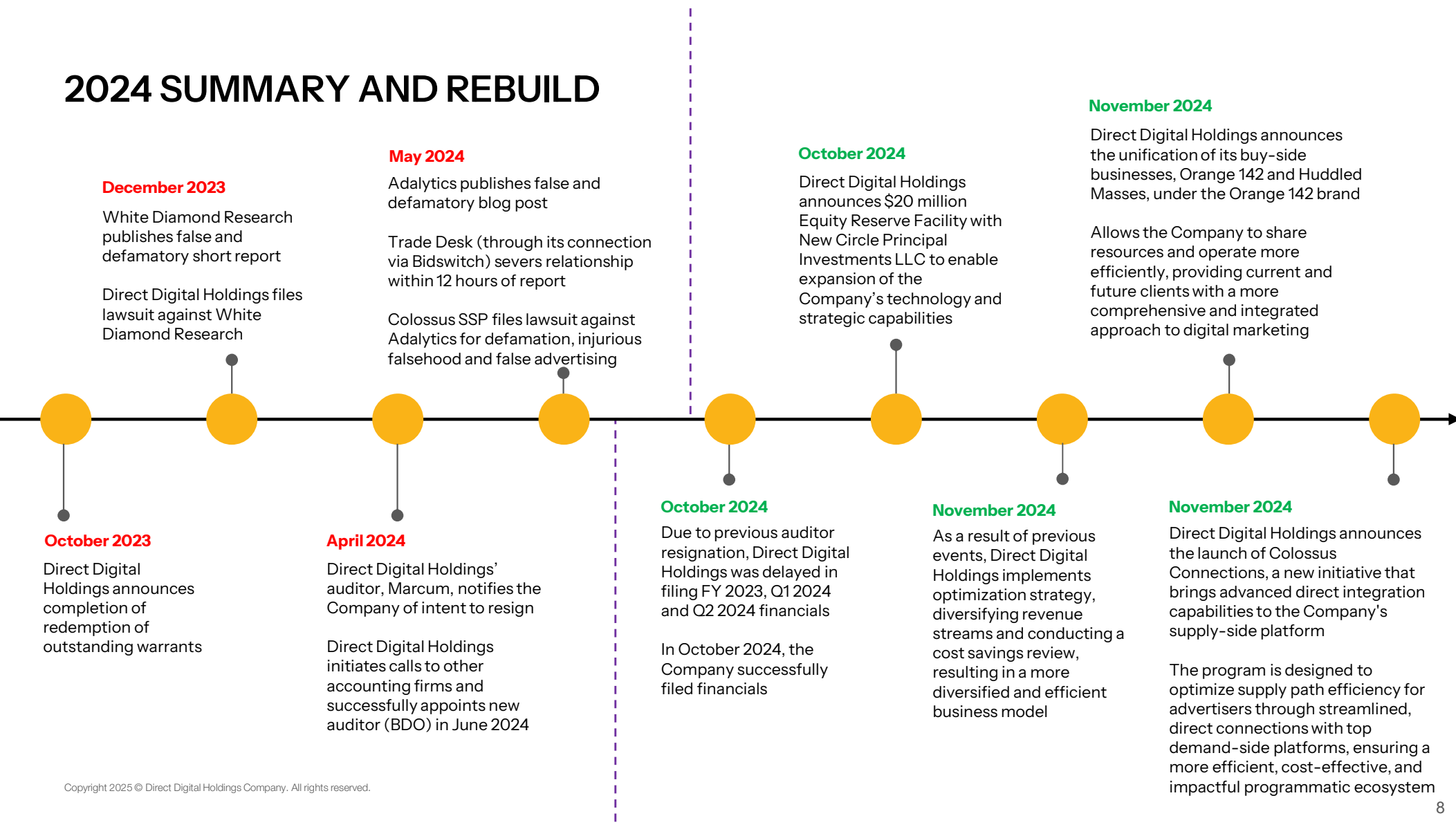
Continued Focus on Organic Growth Initiatives Drives Revenue +76% in FY 2023

- In FY 2023, sell-side contributed \$122.4 million or 104% growth YoY.
- In FY 2023, buy-side contributed \$34.7 million or 18% growth YoY.

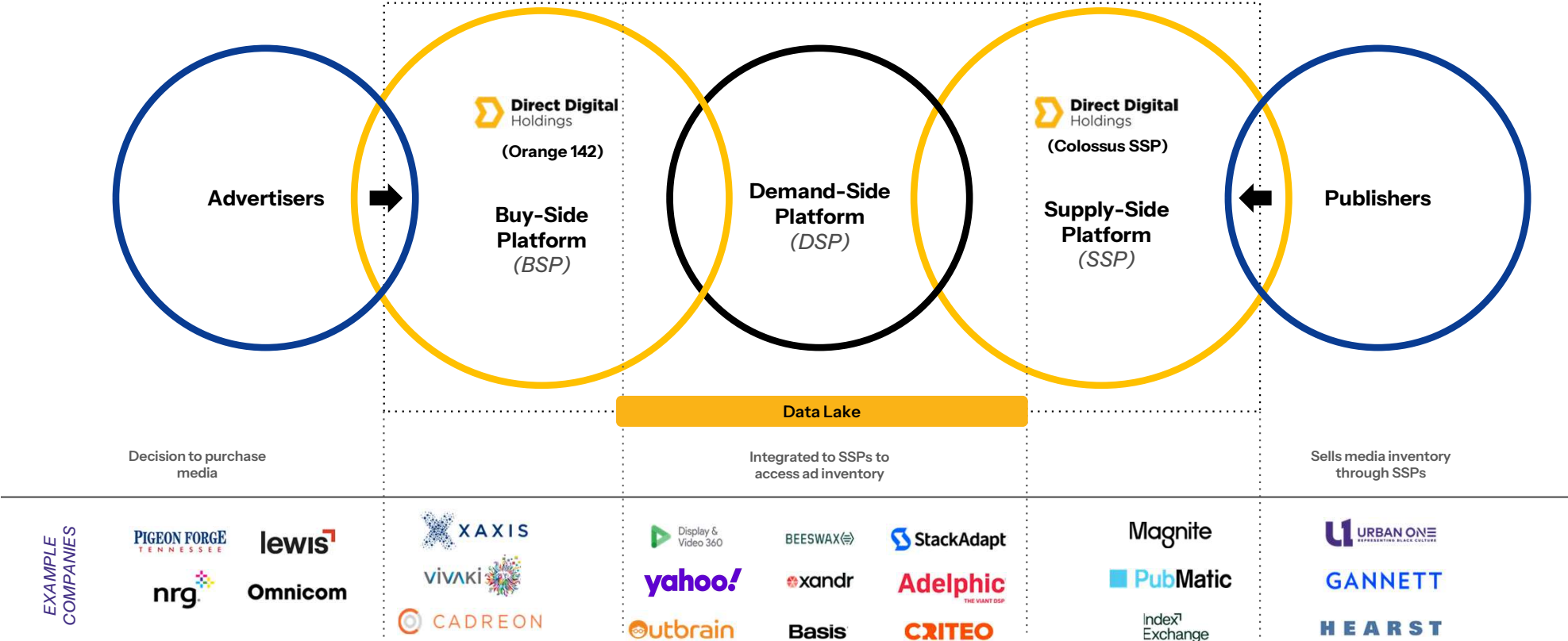
2024 negatively impacted by sell-side disruption resulting from key customer pause in mid-year. Connection has resumed but volumes have not returned to pre-pause levels.

2025 targeted revenue: \$90 million to \$110 million with significantly reduced cost structure.

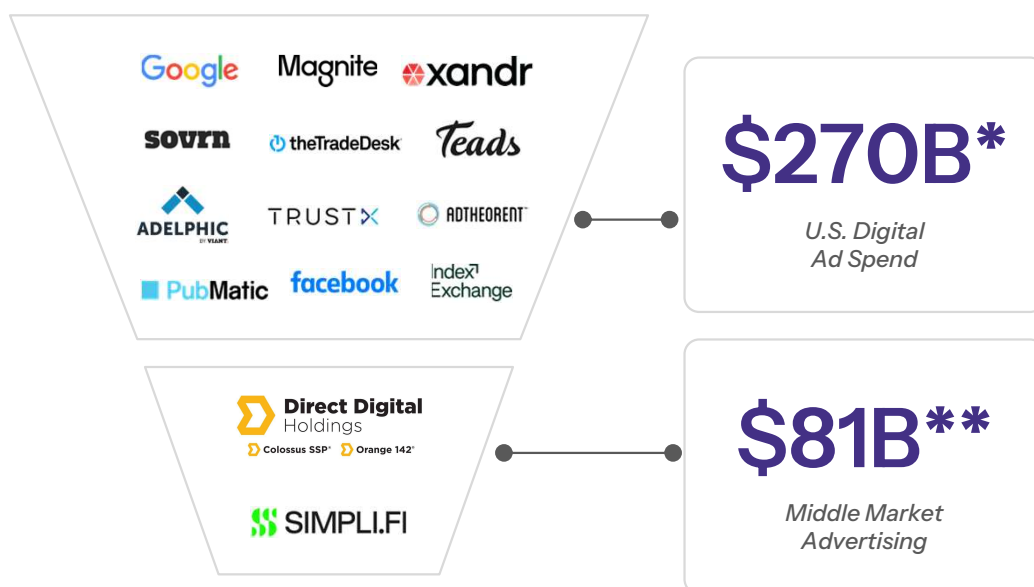
2024 SUMMARY AND REBUILD



Comprehensive Strategy and Offerings to Meet Diverse Client Needs



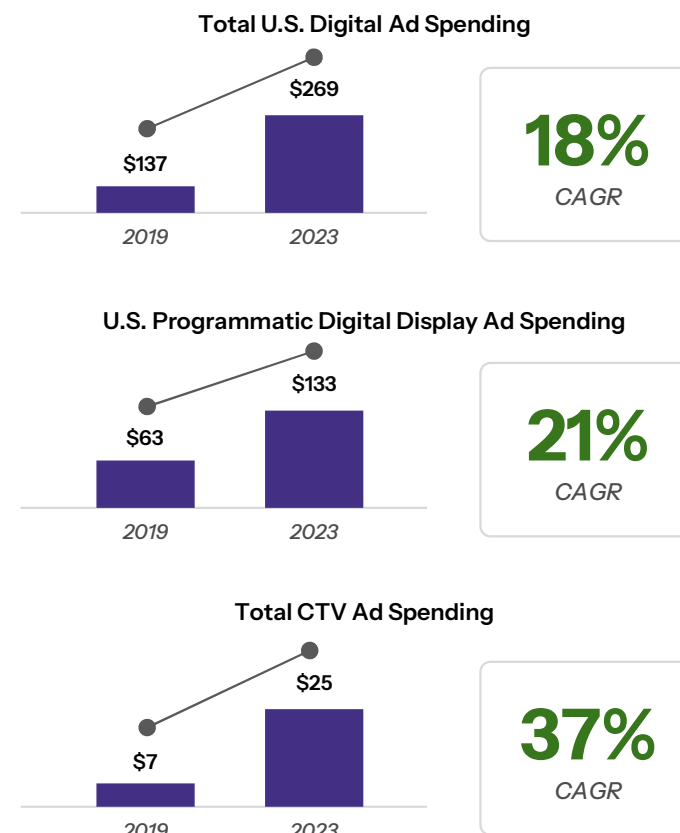
Massive, Underserved Addressable Digital Advertising Market With Strong Tailwinds



Middle Market is vast and highly fragmented

*Source: eMarketer - 2023 statistic.

**Source: BIA - Market size is based on 2023E and includes digital advertising spend only.



Note: \$ in billions Source: eMarketer

Direct Digital Holdings



**Blue Chip & Middle
Market Advertiser Base**
Quality advertisers



**High
Marketplace Volume**
*9+ billion monthly bid
responses*



**Superior
Monetization**



**Full Funnel
Digital Platform**
*CTV/OTT, video, display,
audio & native*

EXAMPLE MULTICULTURAL PUBLISHERS

**BLACK
ENTERPRISE**

Newsweek

**Digital
Turbine**

Townhall

BLAVITY

latinon

LA NACION

**SHE
MEDIA**

EBONY

EXAMPLE GENERAL MARKET PUBLISHERS

NBCUniversal

PMC

minute media

MEDIAVINE

daily dot

crunchyroll

GourmetAds™
food & wine advertising online

timehop

FRONT STORY.

Why Do Advertisers Choose DDH?



**Measurable &
Superior ROI**



Broad Reach
*212+ billion monthly
impressions*



**Access to Unique
Multicultural
Audiences**

EXAMPLE BUY-SIDE CUSTOMERS

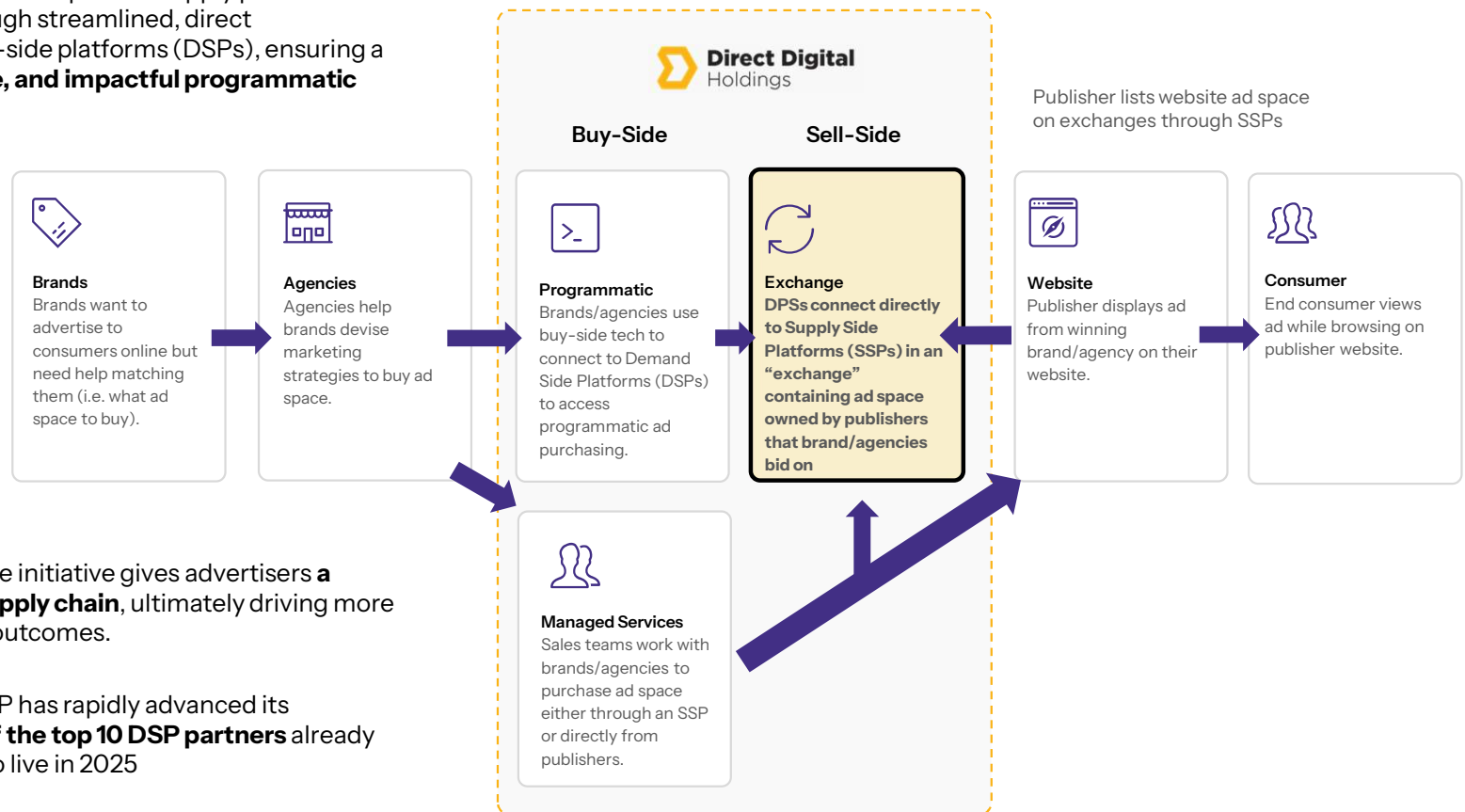


EXAMPLE SELL-SIDE CUSTOMERS



Colossus Connections & Direct Integrations

- Direct Integrations are designed to optimize supply path efficiency for advertisers through streamlined, direct connections with top demand-side platforms (DSPs), ensuring a **more efficient, cost-effective, and impactful programmatic ecosystem**
- In November 2024, DDH launched **Colossus Connections**, enabling DDH's sell-side platform, Colossus SSP, to further establish and foster direct integrations with leading DSPs, **reducing intermediaries and enhancing transparency and control for advertisers**
- By consolidating pathways between buyers and sellers, the initiative gives advertisers a **clearer view of their media supply chain**, ultimately driving more meaningful engagement and outcomes.
- In recent months, Colossus SSP has rapidly advanced its integration efforts, with **two of the top 10 DSP partners** already onboarded and expected to go live in 2025





Financial Performance

Key Q4 2024 Highlights

\$9.1M

Total Revenue

\$2.7M

Sell-Side Revenue

\$6.4M

Buy-Side Revenue

202B

*Average Monthly
Impressions Processed*

\$(6.6M)

Net Income

\$(3.4M)

Adjusted EBITDA⁽¹⁾

(1) Adjusted EBITDA is a non-GAAP financial measure, see reconciliation at the end of the presentation.

Key FY 2024 Highlights

\$62.3M

Total Revenue

\$35.7M

Sell-Side Revenue

\$26.6M

Buy-Side Revenue

212B

*Average Monthly Impressions
Processed*

\$(19.9M)

Net Loss

\$(9.3M)

Adjusted EBITDA⁽¹⁾

23%

Decrease in Operating Expense

12%

*Decrease in Adjusted Operating
Expense ⁽¹⁾⁽²⁾*

⁽¹⁾ Adjusted EBITDA and Adjusted Operating Expense are non-GAAP financial measures; see reconciliation at the end of the presentation.

⁽²⁾ Adjusted Operating Expense for the second half of 2024 of \$13.5 million decreased by \$1.9 million, or 12%, from \$15.4 million for the first half of 2024. Adjusted Operating Expense excludes \$1.7 million of costs to regain compliance with respect to delinquent SEC filings. Decrease in Adjusted Operating Expense excludes the benefit from the reduction in Operating Expense due to 2023 unusual expenses of \$8.8 million related to payments to publishers.

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Quarterly Highlights

Quarterly Highlights			
	<i>Revenue</i>	<i>Net Income</i>	<i>Adj. EBITDA(1)</i>
<i>Q1 2024</i>	\$22.2M	\$(3.8M)	\$(1.7M)
<i>Q2 2024</i>	\$21.9M	\$(3.1M)	\$(1.3M)
<i>Q3 2024</i>	\$9.1M	\$(6.4M)	\$(2.9M)
<i>Q4 2024</i>	\$9.1M	\$(6.6M)	\$(3.4M)
FY 2024	\$62.3M	\$(19.9M)	\$(9.2M)

FY 2024 Highlights	
	<i>FY 2024</i>
<i>Gross Profit</i>	\$17.4M
<i>OpEx</i>	\$30.6M
<i>Net Income (Loss)</i>	\$(19.9M)

(1) Adjusted EBITDA is a non-GAAP financial measure, see reconciliation at the end of the presentation.

Business Model & Operational Metrics

	2022	2023	2024	Long-Term Range
Revenue Mix				
<i>Buy-Side</i>	33%	22%	43%	40%-50%
<i>Sell-Side</i>	67%	78%	57%	50%-60%
	100%	100%	100%	100%
Gross Margin				
<i>Buy-Side</i>	64%	60%	59%	58%-63%
<i>Sell-Side</i>	16%	14%	4%	10%-15%
Overall	32%	24%	28%	28%-33%
Operating Expenses	24%	25%	49%	18%-28%
Operating Income Margin	8%	(1%)	(21%)	3%-10%
Adjusted EBITDA Margin	11%	2%	(15%)	7%-12%

Q&A





Awards & Recognition

Direct Digital Holdings Has Received Multiple Industry and Business Awards



Appendix

The background of the slide is a solid dark purple. On the right side, there is a large, stylized yellow chevron graphic that points to the right. The chevron is composed of several parallel lines, creating a sense of depth and movement. The word "Appendix" is written in a white, sans-serif font on the left side of the slide.

Non-GAAP Financial Measures

In addition to our results determined in accordance with U.S. generally accepted accounting principles ("GAAP"), including, in particular operating income (loss), net cash provided by (used in) operating activities, and net income (loss), we believe that certain non-GAAP financial measures are useful in evaluating our performance, specifically: earnings before interest, taxes, depreciation and amortization ("EBITDA"), as adjusted for derecognition and revaluation of tax receivable agreement liability, commitment shares and expenses for the Equity Reserve Facility, loss on early termination of line of credit, and stock-based compensation ("Adjusted EBITDA") and operating expenses, excluding certain unusual items such as non-recurring publisher payments and non-recurring compliance costs ("Adjusted Operating Expenses"). The most directly comparable GAAP measure to Adjusted EBITDA is net income (loss) and to Adjusted Operating Expenses is operating expenses.

In addition to operating income (loss) and net income (loss), we use Adjusted EBITDA and Adjusted Operating Expenses as measures of operational efficiency. We believe that these non-GAAP financial measures are useful to investors for period-to-period comparisons of our business and in understanding and evaluating our operating results for the following reasons:

- *Adjusted EBITDA is widely used by investors and securities analysts to measure a company's operating performance without regard to items such as depreciation and amortization, interest expense, provision for income taxes, stock-based compensation and derecognition and revaluation of tax receivable agreement liability and certain one-time items such as acquisition transaction costs, losses from early termination or redemption of credit agreements and costs for the Equity Reserve Facility that can vary substantially from company to company depending upon their financing, capital structures and the method by which assets were acquired;*
- *Our management uses Adjusted EBITDA in conjunction with GAAP financial measures for planning purposes, including the preparation of our annual operating budget, as a measure of operating performance and the effectiveness of our business strategies and in communications with our board of directors concerning our financial performance;*
- *Our management uses Adjusted Operating Expenses to manage decisions regarding cost reduction efforts and our overall expenditures; and*
- *Adjusted EBITDA and Adjusted Operating Expenses provides consistency and comparability with our past financial performance, facilitates period-to-period comparisons of operations, and also facilitates comparisons with other peer companies, many of which use similar non-GAAP financial measures to supplement their GAAP results.*

Our use of non-GAAP financial measures has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our financial results as reported under GAAP. The following tables present a reconciliation of Adjusted EBITDA to net income (loss) and Adjusted Operating Expenses to Operating Expenses for each of the periods presented.

Reconciliation of Net Income (Loss) to adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA)

	Three Months Ended								YTD FY2024
	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	
Net income (loss)	\$ (1,334)	\$ 1,195	\$ 3,351	\$ (10,056)	\$ (3,820)	\$ (3,141)	\$ (6,377)	\$ (6,569)	\$ (19,907)
Add back (deduct):									
Interest expense	1,017	1,027	1,060	1,274	1,297	1,358	1,413	1,342	5,410
Amortization of intangible assets	489	488	488	489	489	488	488	489	1,954
Stock-based compensation	94	210	242	160	504	158	149	741	1,552
Depreciation and amortization	57	64	64	68	70	68	67	70	275
Income tax expense (benefit)	(74)	74	166	402	(200)	(274)	6,606	-	6,132
Derecognition of tax receivable agreement liability	-	-	-	-	-	-	(5,201)	-	(5,201)
Commitment shares and expenses for ELOC	-	-	-	-	-	-	-	532	532
Stock-based compensation accrued but not granted	-	-	-	1,409	-	-	-	-	-
Revaluation of TRA	-	-	-	(331)	-	-	-	-	-
Loss on early extinguishment of debt	300	-	-	-	-	-	-	-	-
Adjusted EBITDA	\$ 549	\$ 3,058	\$ 5,371	\$ (6,585)	\$ (1,660)	\$ (1,343)	\$ (2,855)	\$ (3,395)	\$ (9,253)

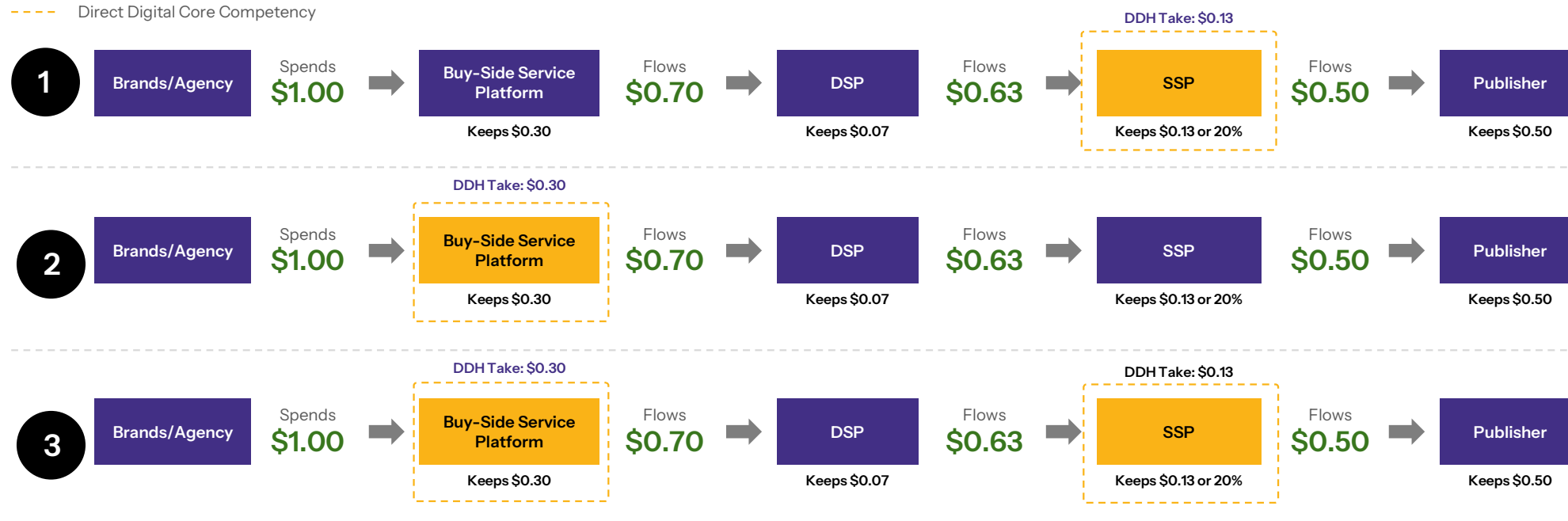
Reconciliation of total operating expenses to adjusted operating expenses

	Three Months Ended								YTD FY2024
	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	
Total Operating Expenses	\$ 6,574	\$ 7,818	\$ 7,259	\$ 18,107	\$ 7,804	\$ 7,772	\$ 7,172	\$ 7,877	\$ 30,624
Deduct:									
Non-recurring publisher payments				8,830					-
Costs to regain compliance related to delinquent SEC filings						160	1,113	453	1,726
Adjusted Operating Expenses	\$ 6,574	\$ 7,818	\$ 7,259	\$ 9,277	\$ 7,804	\$ 7,612	\$ 6,059	\$ 7,423	\$ 28,898

How Ad Tech Companies Make Money

Flow \$1.00 of ad space spend through the ad tech ecosystem

--- Direct Digital Core Competency



Direct Digital Buy-Side and Sell-Side platforms give the Company the ability to participate in multiple steps of the transaction within the same ad spend.



Direct Digital
Holdings

 Colossus SSP®  Orange 142®

COMPANY OVERVIEW

Thank you.

