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Direct Digital Holdings Announces Successful Extension To Existing Non-Dilutive Debt Facility

HOUSTON , Aug. 3, 2022 /PRNewswire/ -- Direct Digital Holdings, Inc. (Nasdaq: DRCT) ("Direct Digital" or the "Company"), a leading advertising and marketing technology platform and owner of operating companies Colossus Media, LLC, Huddled Masses LLC and Orange142, LLC, today announced the successful completion of an extension to its existing debt facility.



Direct Digital upsized its existing funded credit facility with Lafayette Square, a commercially scaled investment platform. The facility now totals \$26 million, and the Company intends to deploy the additional capital to simplify and solidify its balance sheet and complete the final payment owed to a former owner, USDM Holdings, Inc., which will result in a lower blended cost of capital and increased cashflow to the Company.

Mark Walker, Chairman and Chief Executive Officer of Direct Digital, commented, "We are pleased to enhance our financial flexibility utilizing our existing debt agreement with Lafayette Square. Lafayette Square has been a committed, collaborative partner and has provided us with access to supportive non-dilutive capital as we continue to grow our business and optimize our capital structure."

Damien Dwin, Founder and Chief Executive Officer of Lafayette Square, commented, "Lafayette Square is pleased to partner with Direct Digital, fuel its growth and identify ways to support the wellbeing of its employees. We support Direct Digital's innovative approach to enact meaningful change benefitting historically marginalized communities across the advertising landscape."

Forward Looking Statements

This press release may contain forward-looking statements within the meaning of federal securities laws, including the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and which are subject to certain risks, trends and uncertainties. As

used below, "we," "us," and "our" refer to Direct Digital. We use words such as "could," "would," "may," "might," "will," "expect," "likely," "believe," "continue," "anticipate," "estimate," "intend," "plan," "prospect," "project" and other similar expressions to identify forward-looking statements, but not all forward-looking statements include these words. All statements contained in this release that do not relate to matters of historical fact should be considered forward-looking statements. 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. Our forward-looking statements 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. Although we believe that these forward-looking statements are based on reasonable assumptions, 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, including, but not limited to: our dependence on the overall demand for advertising, which could be influenced by economic downturns; any slow-down or unanticipated development in the market for programmatic advertising campaigns; the effects of health epidemics, such as the ongoing global COVID-19 pandemic; 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; 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; any unavailability or non-performance of the non-proprietary technology, software, products and services that we use; 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; restrictions on the use of third-party "cookies," mobile device IDs or other tracking technologies, which could diminish our platform's effectiveness; any inability to compete in our intensely competitive market; any significant fluctuations caused by our high customer concentration; our limited operating history, which could result in our past results not being indicative of future operating performance; any violation of legal and regulatory requirements or any misconduct by our employees, subcontractors, agents or business partners; any strain on our resources, diversion of our management's attention or impact on our ability to attract and retain qualified board members as a result of being a public company; our dependence, as a holding company, on receiving distributions from Direct Digital Holdings, LLC to pay our taxes, expenses and dividends; and other factors and assumptions discussed in the "Risk Factors," "Management's Discussion and Analysis of Financial Conditions and Results of Operations" and other sections of our filings with the SEC that we make from time to time. 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 or implied by 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 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.

About Direct Digital Holdings

Direct Digital Holdings, Inc. (Nasdaq: DRCT), owner of operating companies Colossus Media, LLC, Huddled Masses LLC and Orange142, LLC, brings state-of-the-art sell- and buy-side advertising platforms together under one umbrella company. Direct Digital Holdings, Inc.' sell-side platform, Colossus Media, LLC, offers advertisers of all sizes extensive reach within general market and multicultural media properties. The company's subsidiaries Huddled Masses LLC and Orange142, LLC deliver significant ROI for middle market advertisers by providing data-optimized programmatic solutions at scale for businesses in sectors that range from energy to healthcare to travel to financial services. Direct Digital Holdings Inc.' sell- and buy-side solutions manage approximately 70,000 clients monthly, generating over 90 billion impressions per month across display, CTV, in-app and other media channels. The company has been named a top minority-owned business by The Houston Business Journal.

About Lafayette Square

Lafayette Square is a commercially scaled investment platform built for and enhanced by our commitment to impact. The firm deploys long-term capital alongside impactful services to local communities across America through its credit, real estate, and renewables divisions. Lafayette Square's mission is to be the leading provider of impact-driven capital working toward a more inclusive economy. For more information about Lafayette Square, please visit www.lafayettesquare.com.

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