



H2, 2021

**DIGITAL MEDIA &
ADVERTISING
PAYMENTS
REPORT**

PREPARED BY

**OAREX CAPITAL MARKETS,
INC.**

INTRODUCTION & BASIS

In line with the industry-wide push for transparency, we began releasing quarterly payment data in May, 2018. In 2021 we shifted our pay study report from quarterly reviews to half year. Our half year report includes data on payments OAREX has received from companies across the digital media & advertising ecosystem, including: ad networks and exchanges, Supply Side Platforms (SSPs), Demand Side Platforms (DSPs), media buyers and ad agencies (all what we refer to as "debtors" in this report). See the full list on page 12 for H2 2021 debtor data.

Factors Analyzed in this Report: Timing & Amount

Across the entire eco-system, pain points from payments are felt for two main reasons: late payments or under-payments. That is what we focus on for this semiannual report.

Timing of Payment. This inquiry asks, "How early or late does a debtor pay, relative to their stated net terms under which the invoice should be paid?". We call this factor the "Net Terms Differential".

Amount of Payment. This inquiry asks, "How much did the collected amount vary from the amount billed 30, 60 or 90 days ago?" . This inquiry takes into consideration any type of advertiser offsets or disputes and refer to it as the "Paid Differential".

How we obtain the data: first hand

We get this information first hand because we collect payments from hundreds of different debtors. Those debtors are then liable to pay OAREX directly because we take ownership in the invoice under a Purchase & Sale Agreement with our clients.

Author Word of Caution on Individual Debtor Data

On page 12, we report historical payment performance for each debtor in H2 for which we received 6+ receipts. Some of the payment data performance we report on may not represent that there is a true underlying credit concern. Rather, a debtor may consistently pay us late for any number of non-credit reasons. Or a debtor may pay us early, but have underlying credit issues. That said, please take the data with a grain of salt and read our full disclaimer at the end of this report. Also, we further note that ***if you see a debtor listed on those pages, that means they are approved or once were approved for credit internally***, despite what their pay history performance is in this or other reports.

Historical Data Change and a Note

We've updated our data for this report, so some of the historical results may be different than in prior reports. Specifically, we've updated payment terms on invoices for debtors that changed their pay terms and for debtors that have different pay terms for various clients.

This is a risk in our data, while we do our best to monitor pay terms, if we are not told of a change our data may not be accurate.

December, 2021

KEY HIGHLIGHTS OF H2, 2021 DATA

The trend in early payments continues

Early payments continued to rise over the past 6 months, representing 53% of all payments, compared to 49% in the first half of the year.

Late payments decreased

Late payments decreased to 36% of all payments, down from 46% in the first half. Payments more than 15 days decreased by 23%, falling to 10% of all payments versus 13% in the first half.

Paid	Past 6 Mo.	Prior 6 Mo.	Past Year
Early	48%	42%	45%
On Time	16%	12%	14%
Late	36%	46%	41%
Total	100%	100%	100%

Underpayments broadly unchanged

Underpayments rose to 11% of all payments compared to 10% in H1.

Paid	Past 6 Mo.	Prior 6 Mo.	Past Year
Underpaid	11%	10%	11%
+/- 1%	74%	71%	72%
Overpaid	15%	19%	17%
Total	100%	100%	100%

KEY DEBTOR HIGHLIGHTS

The following programmatic payors never paid late in the past 6 months (at least 6 payments):

33Across, Inc.
Media.net Advertising FZ-LLC
Mountain Digital, Inc.
Next Millennium Media, Inc.
OB Media LLC

OpenX Technologies, Inc.
SheMedia, LLC
Snapsort, Inc.
Tapjoy, Inc.
TripleLift, Inc.
UnderDog Media, LLC

Timing of Payments

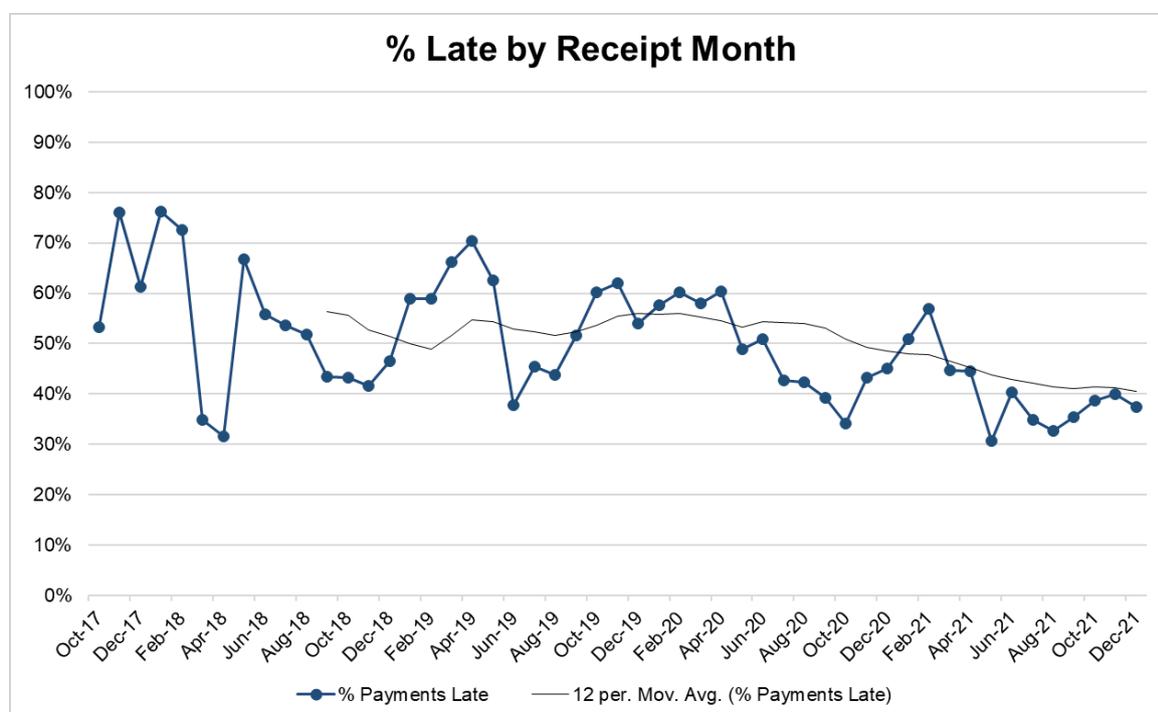
LATE PAYMENTS %, BY MONTH

Payment delays - receipts of invoices beyond the stated net terms - are endemic across the industry, so our analysis focuses heavily on this metric. We compare this timing data across time and debtors, identifying trends in digital media payments including late / early debtors (see the full list of debtors on page 12).

Chart: The percentage of all payments we received which were paid late.

Timeframe: Month-by-Month

Metric: Net Terms Differential



Quick Analysis & Commentary

- At 31% of all payments, late payments reached the lowest values recorded in both May and the second lowest in August at 33%.
- Late payments continue to be the trend, decreasing by 0.4% per month on average.

Timing of Payments

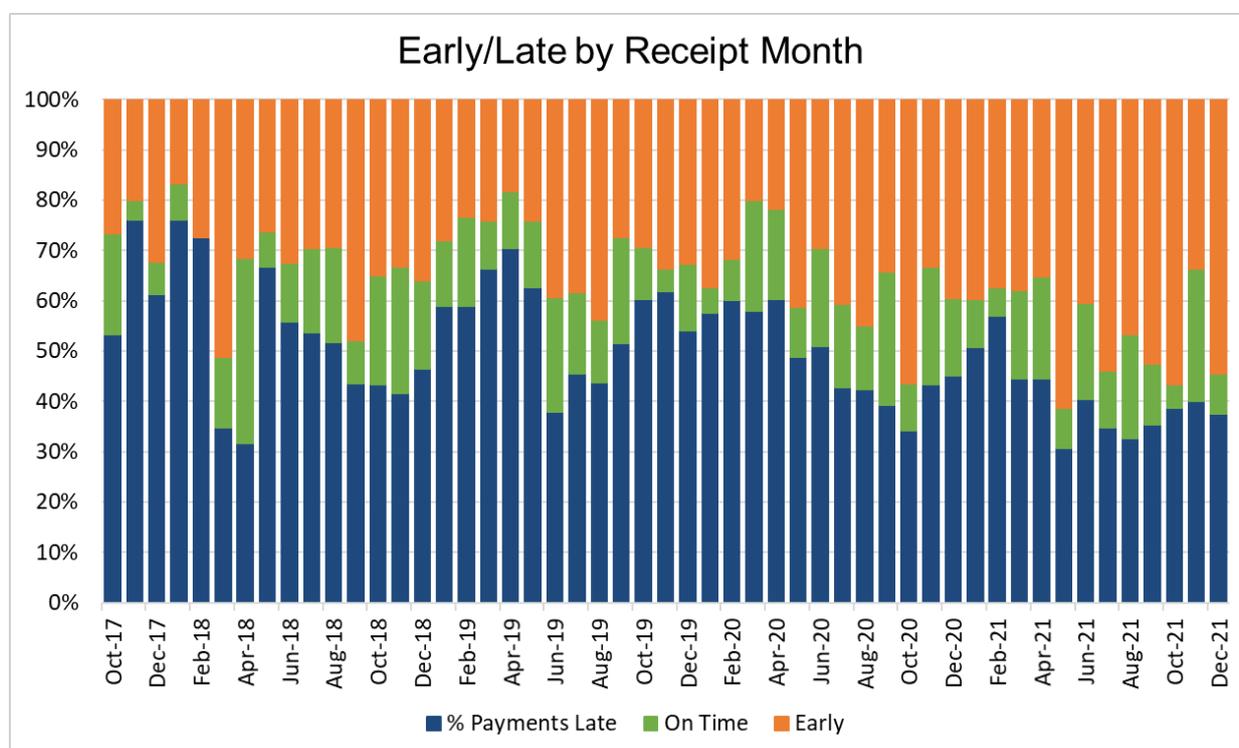
EARLY VS. LATE VS. ON-TIME PAYMENTS, BY MONTH

Below is the same chart as above, but in direct comparison with the percentage of payments that we received on-time or prior to stated terms, i.e. stated terms are net 60, we collected net 59.

Chart: The percentage of all payments we received that were late, early or on-time.

Timeframe: Month-by-Month

Metric: Net Terms Differential



Quick Analysis & Commentary

- Rule of thumb: the more green and orange you see on this chart, the better.
- Late payments decreased 21.7% – 36% in H2 compared to 46% in H1.
- Early payments increased 14.3% – 48% in H2 compared to 42% in H1.
- On time payments also increased to 33.3% – 16% in H2 compared to 12% in H1.

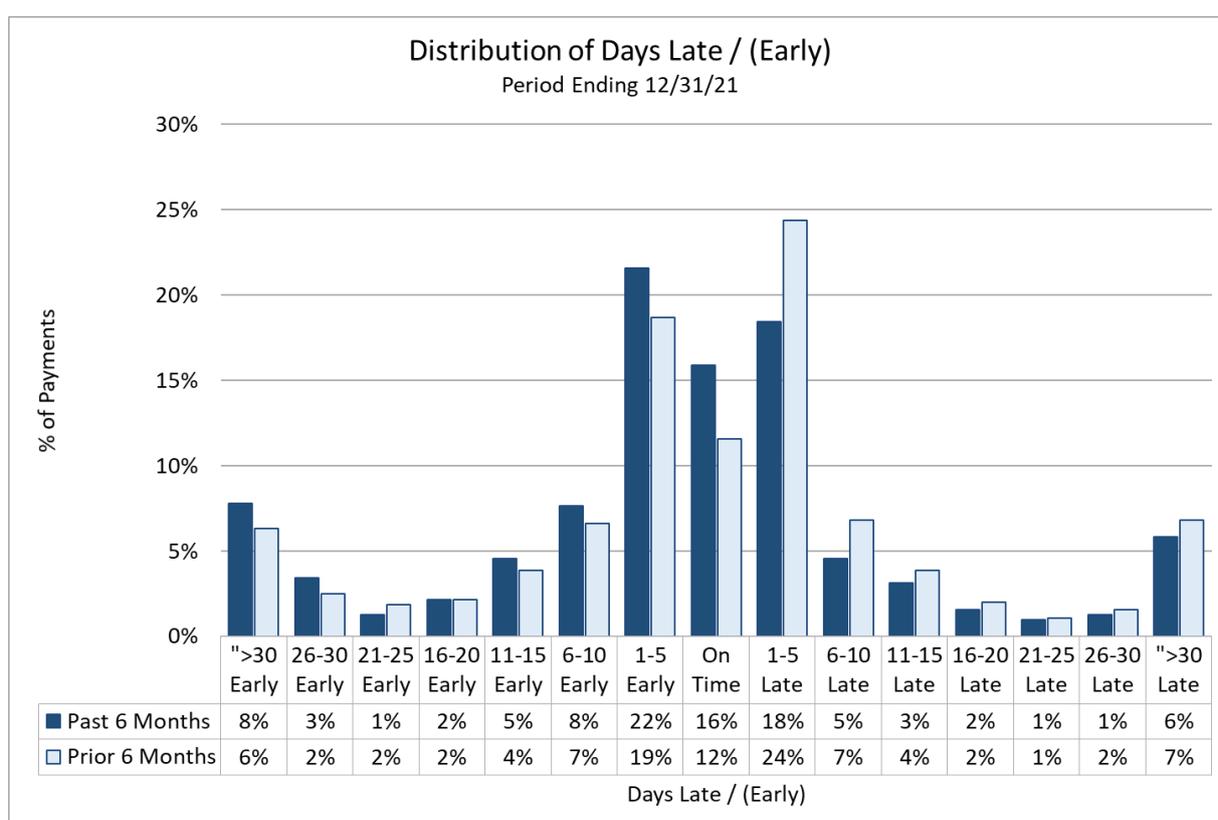
Timing of Payments

LATE DAYS, SHOWN IN 5-DAY BUCKETS, ACROSS TIME

Chart: This shows the distribution of late payments, in 5-day buckets (i.e. 6-10 days late) and compares the data from the last 6 months with the prior 6 months.

Timeframe: The past 6 months and the prior 6 months ending 12/31/2021.

Metric: Net Terms Differential



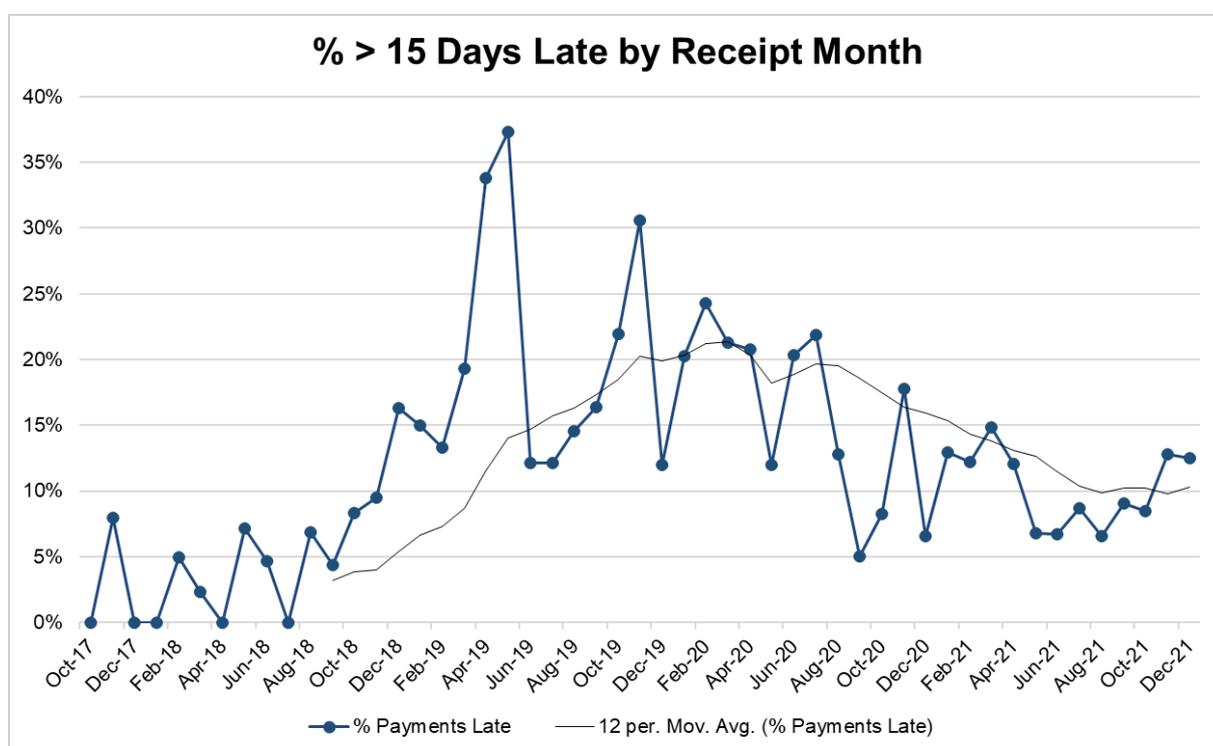
Quick Analysis & Commentary

- The decrease in late payments has been driven by a decrease in the 1-5 late bucket (was 24%, now 18%) and an increase in the 1-5 early bucket (was 19%, now 22%).
- Significantly early or late payments have not changed substantially versus the prior 6 months.

Timing of Payments

PAYMENTS 15+ DAYS LATE BY MONTH

This is an important metric we focus on. The reason why is that payment delays less than 2 weeks are common, and really not indicative of any potential credit concern. However, payments consistently late beyond 15 days tell us two things. First, at the individual debtor level, there might be some cash flow issues. Second, when viewed collectively, it gives us a reading of the industry as a whole.



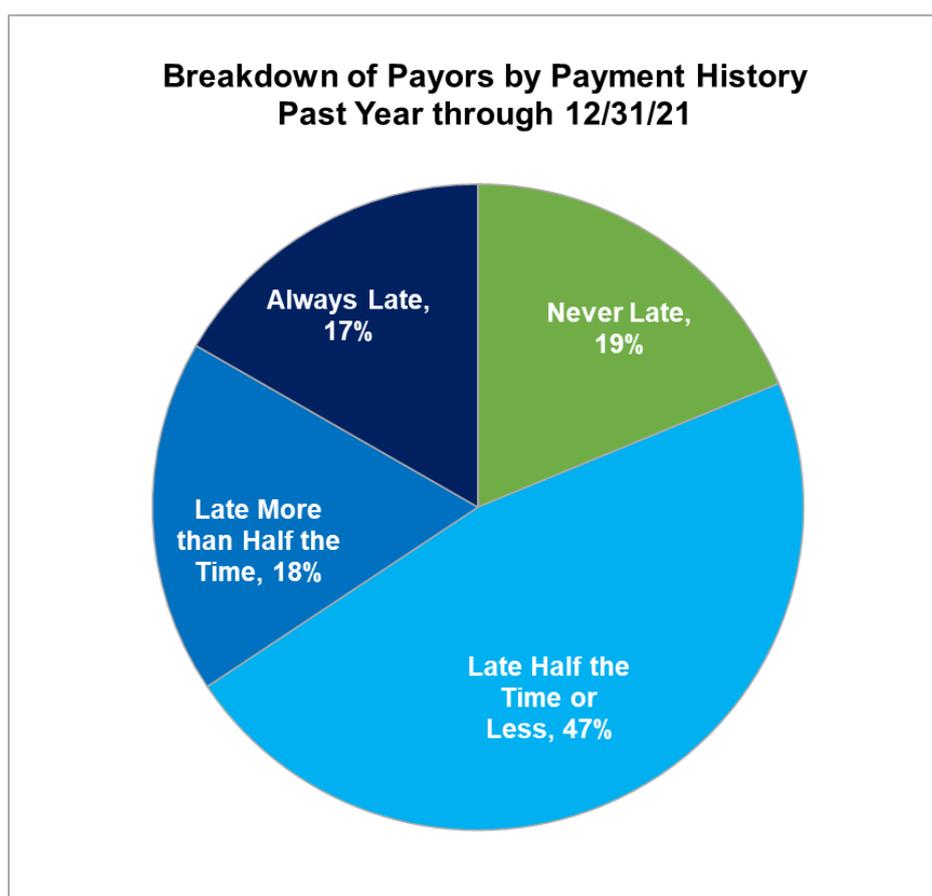
Quick Analysis & Commentary

- When compared to H1, payments more than 15 days late were generally unchanged in H2.
- For the last two months of 2021 payments more than 15 days late increased to 13%, compared to 10% for H2. This may be part of the normal volatility.

Timing of Payments

TIMING OF PAYMENTS BY DEBTOR

With collection data on over 300 digital media & advertising debtors, we like to analyze what percentage of them pay late, versus on time. Here is a breakdown of the most recent 12 months ending December 31, 2021.



Quick Analysis & Commentary

- In the past 12 months, the percentage of actual debtors (not invoices) that *paid late more than half the time* was 18%, compared to 23% from the prior year.
- During that same period, debtors that always *paid late* increased to 17% from 13%.
- The combined total of the two were basically unchanged at 35% versus 36% the prior year. However, the shift towards debtors always paying late is noteworthy.

Amount of Payments

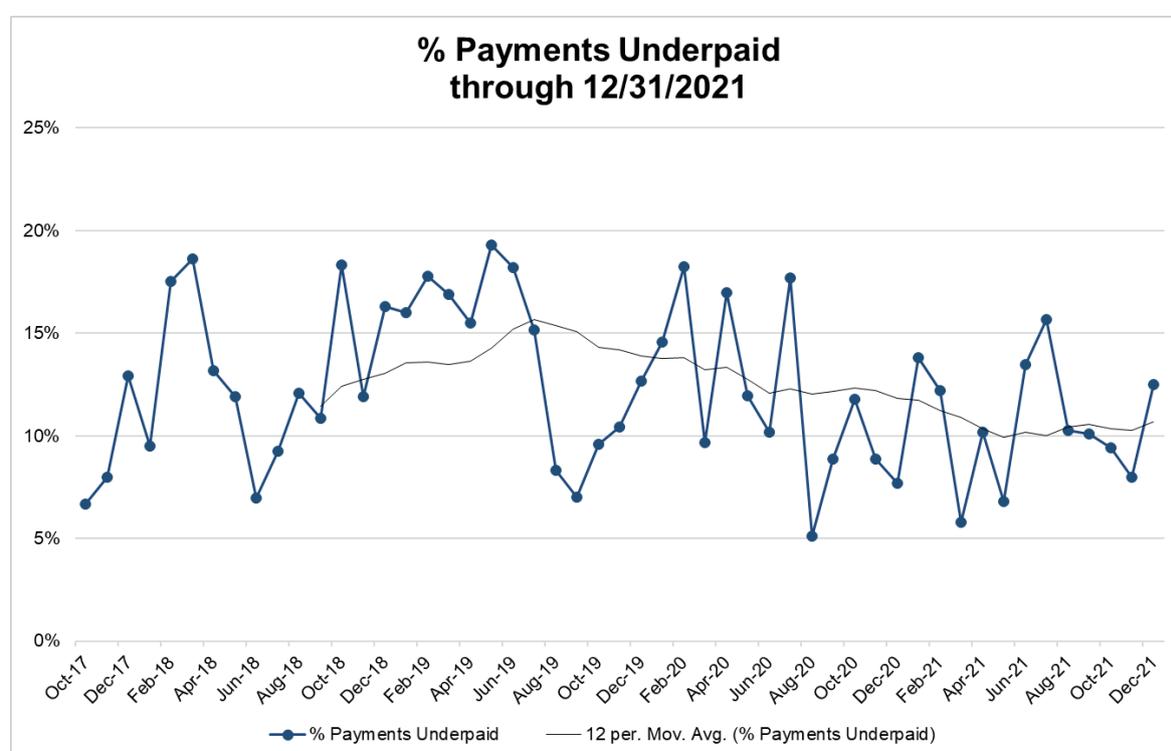
UNDERPAYMENT PERCENTAGES BY MONTH

Another major issue with payments is that the actual collected amount almost always varies from the stated invoice amount. Again, we call this the "Paid Differential".

Chart: This shows the percentage amount of all payments that were underpaid according to the billed or invoiced amount.

Timeframe: Month-by-Month

Metric: Paid Differential



Quick Analysis & Commentary

- Payment fluctuations between billed amounts and collected amounts still remains highly volatile. However, as a whole, performance has improved.
- The average underpayment in H2 was 11%, effectively unchanged from H1.

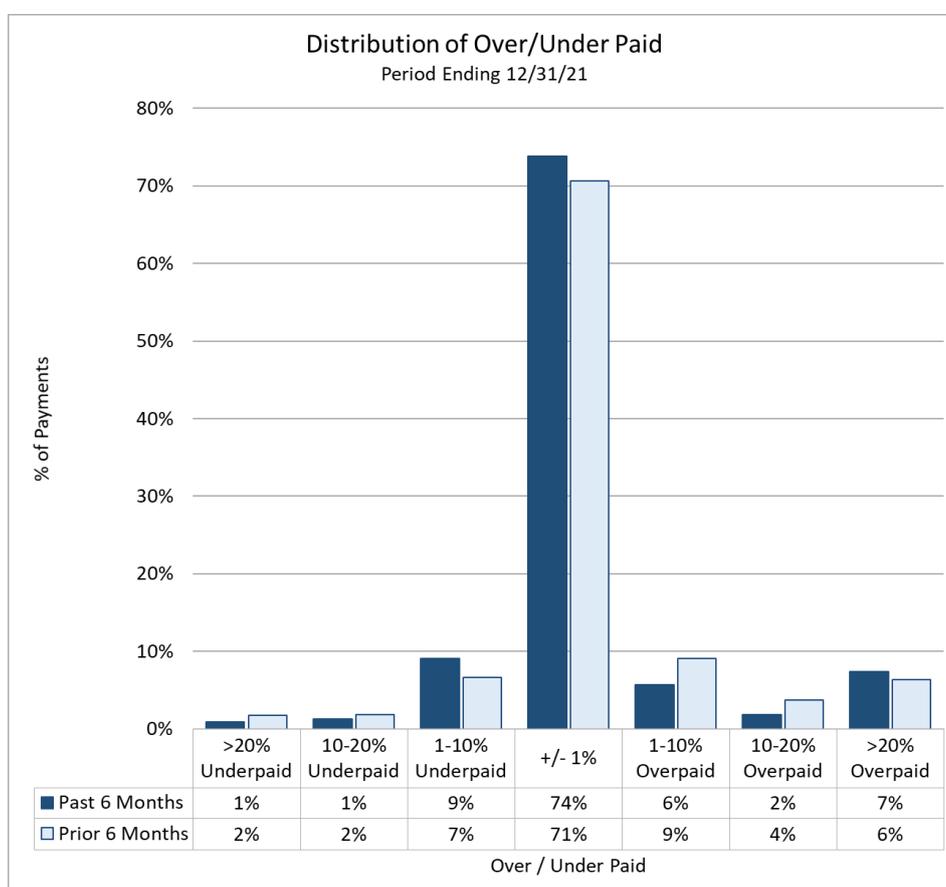
Amount of Payments

VARIATIONS OF AMOUNTS PAID VS. PRIOR PERIODS

Chart: This shows the percentage amount of all payments that were underpaid according to the billed or invoiced amount, and the distribution by the amount of the negative offset and compares the last 6 months versus the prior 6 months.

Timeframe: The past 6 ending 12/31/2021 and the prior 6 month period.

Metric: Paid Differential



Quick Analysis & Commentary

- Underpayments remained broadly unchanged over 2021.
- Total underpayments represented only 11% of all payments.
- Underpayments greater than 20% remained quite low at 1%.

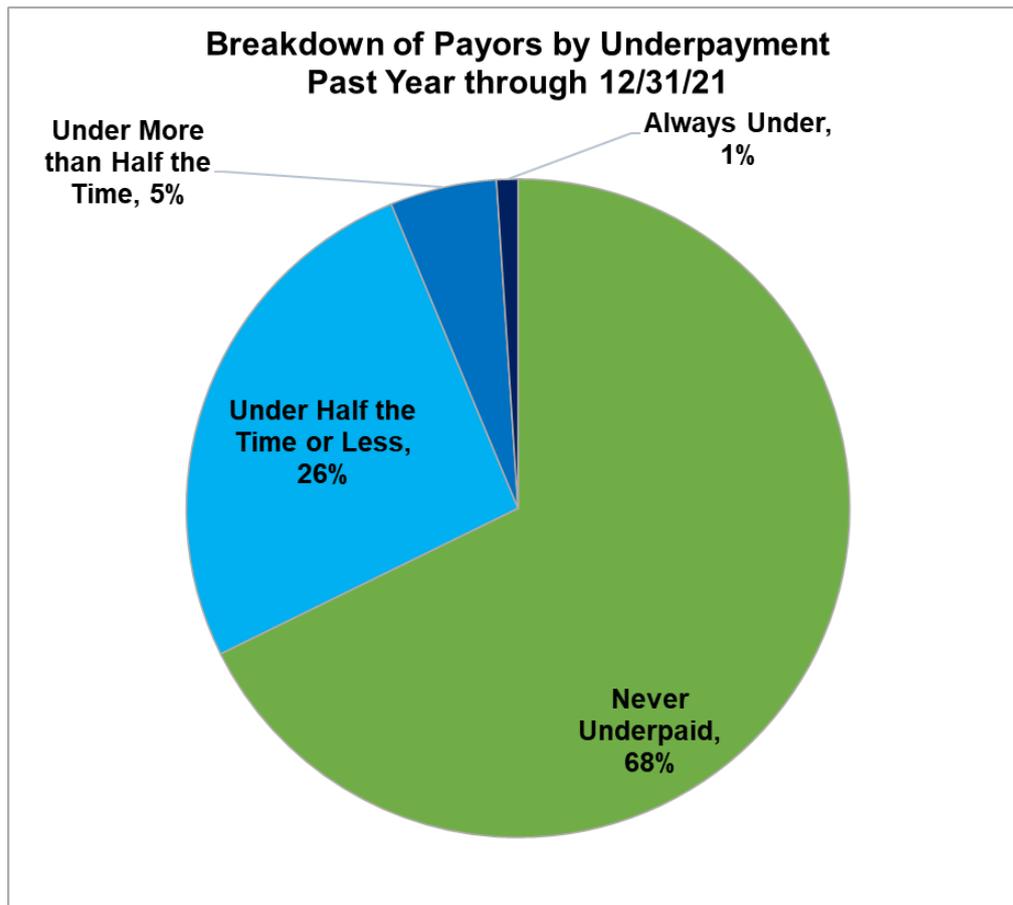
Amount of Payments

BREAKDOWN BY DEBTOR

Chart: This provides a breakdown of debtor offsets for the prior 12 month period.

Timeframe Prior 12 months ending 6/30/2021.

Metric: Paid Differential



Quick Analysis & Commentary

- The metric we'd like to highlight here is the green portion, showing debtors that *never underpaid* (i.e. never negatively offset the invoice when they paid it).
- When compared to our prior study, the percentage of debtors that *never underpaid* improved by 3%.
- The largest change came from those that *underpaid half the time or less*, decreasing by 13.3% when compared to H1.

Appendix A - Payment Performance

BREAKDOWN BY DEBTOR

Below is a breakdown of individual debtor performance based on payments received in 2021. Note that, to best represent accurate information, we limit our analysis to debtors with a sufficient sample size (i.e. # of invoices paid).

12 months ending 12/31/2021 Payor	% of Payments			Avg. Days vs. Terms		
	Early	On Time	Late	Late / (Early)	Days Early	Days Late
33Across, Inc.	40%	48%	12%	(0.6)	(2.6)	3.7
AAA Club Alliance, Inc.	100%	0%	0%	(38.4)	(38.4)	
Access Health CT	100%	0%	0%	(52.9)	(52.9)	
Acuity Insurance	67%	17%	17%	5.0	(3.8)	45.0
Adcolony, Inc.	0%	0%	100%	4.3		4.3
AdPushup, Inc.	33%	0%	67%	(3.4)	(13.6)	1.8
Ally Financial Inc.	67%	0%	33%	(8.2)	(19.2)	13.7
Amazon, Inc.	56%	6%	38%	(2.6)	(13.8)	13.7
American Medical Association	100%	0%	0%	(50.3)	(50.3)	
Apple, Inc.	37%	11%	53%	0.3	(2.3)	2.1
Connatix Native Exchange, Inc.	8%	4%	88%	3.2	(6.0)	4.1
Corteva, Inc.	57%	14%	29%	7.7	(3.5)	34.0
Ebsco Industries, Inc.	21%	0%	79%	3.5	(7.8)	6.5
Epion Brands, LLC	100%	0%	0%	(30.3)	(30.3)	
Etsy, Inc.	91%	0%	9%	(14.5)	(16.2)	3.0
Fyber GmbH	17%	0%	83%	5.8	(3.5)	7.7
Gladly Software, Inc.	0%	0%	100%	7.2		7.2
Google Play	0%	86%	14%	0.1		1.0
Google, Inc.	74%	23%	3%	(1.4)	(1.9)	1.0
Green Mountain Energy Company	100%	0%	0%	(37.8)	(37.8)	
Huhtamaki, Inc.	100%	0%	0%	(26.8)	(26.8)	
Index Exchange USA, LLC	38%	25%	38%	0.1	(2.7)	3.0
Infolinks Media, LLC	50%	25%	25%	2.5	(2.8)	15.5
Kindred Healthcare, LLC	100%	0%	0%	(47.8)	(47.8)	
Listrak, Inc.	38%	13%	50%	20.5	(2.0)	42.5
Magnite, Inc.	23%	20%	56%	1.3	(2.7)	3.4
Media.net Advertising FZ-LLC	58%	42%	0%	(1.3)	(2.1)	
Mopub, Inc.	53%	32%	16%	(1.6)	(3.3)	1.0
Mountain Digital, Inc.	56%	33%	11%	0.2	(2.4)	14.0
Mutual of Omaha Insurance Company	64%	9%	27%	(10.1)	(25.3)	21.9
Nativo, Inc.	25%	25%	50%	-	(2.0)	1.0
Nevada Division of Tourism	50%	17%	33%	4.3	(9.3)	26.8
Next Millennium Media, Inc.	82%	9%	9%	(1.9)	(2.4)	1.0
Oath Inc. (Verizon / AOL)	53%	26%	21%	1.5	(4.1)	17.7
OB Media LLC	95%	0%	5%	(4.7)	(5.0)	1.0
Ogury Ltd.	67%	17%	17%	(0.6)	(3.5)	10.5
OpenX Technologies, Inc.	56%	44%	0%	(1.6)	(3.0)	
Outbrain, Inc.	0%	0%	100%	2.9		2.9
Perion Network Ltd.	71%	0%	29%	(1.6)	(7.6)	13.5
Permutive, Inc.	13%	0%	88%	9.8	(1.0)	11.3
Playbuzz Ltd.	33%	43%	24%	(0.4)	(2.6)	2.2
Proper Media, LLC	13%	50%	38%	1.3	(3.0)	4.5
Pubmatic, Inc.	65%	12%	22%	(0.6)	(3.1)	6.3
Pulsepoint, Inc.	33%	42%	25%	-	(2.0)	2.7
QuinStreet, Inc.	77%	15%	8%	(8.6)	(11.2)	1.0
Sanofi-Aventis Groupe SA	8%	0%	92%	16.8	(3.3)	18.6
SheMedia, LLC	45%	55%	0%	(1.2)	(2.6)	
Snapsort, Inc.	20%	73%	7%	(1.5)	(7.7)	1.0
Sovrn Holdings, Inc.	0%	0%	100%	2.9		2.9
Sun Life Financial, Inc.	33%	0%	67%	13.1	(15.5)	27.3
Tapjoy, Inc.	100%	0%	0%	(3.6)	(3.6)	
Teads, Inc.	29%	0%	71%	4.0	(16.0)	12.0
The Alliance for Lifetime Income	100%	0%	0%	(24.1)	(24.1)	
The Bank of Nova Scotia	75%	0%	25%	(42.5)	(59.5)	8.5
Toll Brothers, Inc.	93%	0%	7%	(15.7)	(22.3)	69.0
TripleLift, Inc.	92%	4%	4%	(6.9)	(9.3)	44.7
UnderDog Media, LLC	100%	0%	0%	(9.1)	(9.1)	
Unity Technologies, Inc.	57%	29%	14%	(2.1)	(4.0)	1.0
Williamsburg Tourism Council	90%	0%	10%	(12.5)	(14.1)	2.0
Xandr, Inc.	2%	20%	79%	1.4	(31.0)	2.4

Read This

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