



H2 2022

DIGITAL MEDIA & ADVERTISING PAYMENTS REPORT

PREPARED BY

**OAREX CAPITAL MARKETS,
INC.**

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INTRODUCTION & BASIS

In line with the industry-wide push for transparency, we began releasing quarterly payment data in 2018. In 2021, we shifted our pay study report from quarterly reviews to semi-annual. Now, our half year report includes data on payments OAREX received from companies across the digital media and advertising ecosystem, including ad networks and exchanges, Supply Side Platforms (SSPs), Demand Side Platforms (DSPs), media buyers, and ad agencies (all referred to as "debtors" within this report). Find the list of select H2 2022 debtor data on page 8.

Factors Analyzed in this Report: Timing & Amount

Across the entire ecosystem, pain points from payments are felt for two main reasons: late payments or under-payments. This is the focus of the semiannual report.

- **Timing of Payments.** This inquiry asks, "How early or late does a debtor pay, relative to their stated net terms under which the invoice should be paid?"
- **Amount of Payments.** This inquiry asks, "How much did the collected amount vary from the amount billed?" and takes into consideration all types of advertiser offsets or disputes which may arise.

Data Source: First-Hand Data

Because we collect payments from hundreds of different debtors, the analyzed data was obtained first-hand. OAREX takes ownership in the invoices under a Purchase & Sales Agreement with clients, which means the debtors within the database are liable to pay OAREX directly.

Author Word of Caution on Debtor Data

On page 8, we report historical payment performance for each programmatic debtor over the past year for which we received 6+ receipts. Sometimes there are non-credit issues for late payments, so please take the data with a grain of salt and read the full disclaimer at the end of this report. Also, we often review our data and make changes based on improved information. For example, if we find operational errors outside of the debtor's control which led to late payments, we will remove that data from our set.

December 2022

KEY HIGHLIGHTS OF H2 2022 DATA

The trend in early payments has stalled and may have reversed

The occurrence of late payments began rising in H1 2022 and continued increasing throughout H2. That said, they still remain below 2019 and 2020 levels.

Late payments increased

Late payments increased to 43% of all payments, which is up from 41% in the first half of 2022. Payments more than 15 days late remained unchanged from H1, at 11% of all payments. These results support the trend toward later payments.

How Late	% of All Payments, 6 Months Ended						
	Dec-22	Jun-22	Dec-21	Jun-21	Dec-20	Jun-20	Dec-19
Late 0-5 days	25%	22%	19%	22%	22%	31%	28%
Late 6-15 days	7%	8%	8%	10%	7%	8%	10%
>15 days late	11%	11%	10%	11%	10%	14%	11%
All Late	43%	41%	37%	43%	39%	53%	49%
<i>Avg Days if Late</i>	12	12	17	12	15	11	16

Underpayments increased

Underpayments rose to 14% of all payments compared to 12% in H1 2022.

How Much Paid	% of All Payments, 6 Months Ended						
	Dec-22	Jun-22	Dec-21	Jun-21	Dec-20	Jun-20	Dec-19
1-10% Underpaid	11%	10%	9%	7%	8%	11%	8%
10-20% Underpaid	2%	1%	1%	2%	2%	2%	2%
>20% Underpaid	1%	1%	1%	2%	1%	3%	3%
All Underpaid	14%	12%	11%	10%	12%	16%	13%
<i>Avg if Underpaid</i>	-3%	-3%	-2%	-4%	-3%	-5%	-5%

KEY DEBTOR HIGHLIGHTS

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

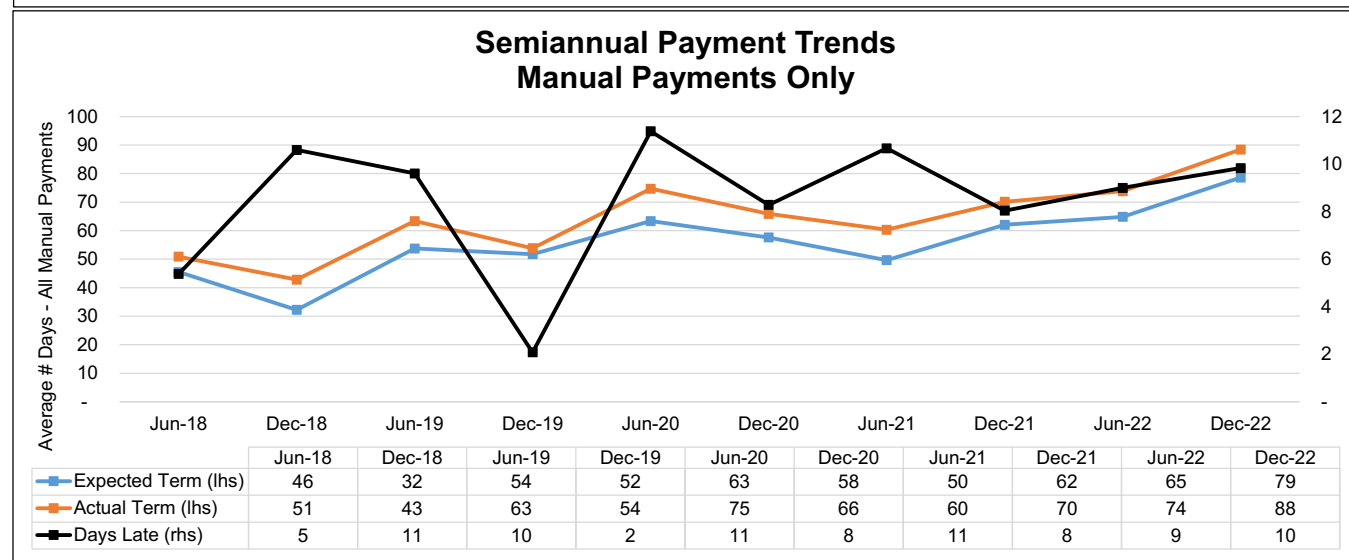
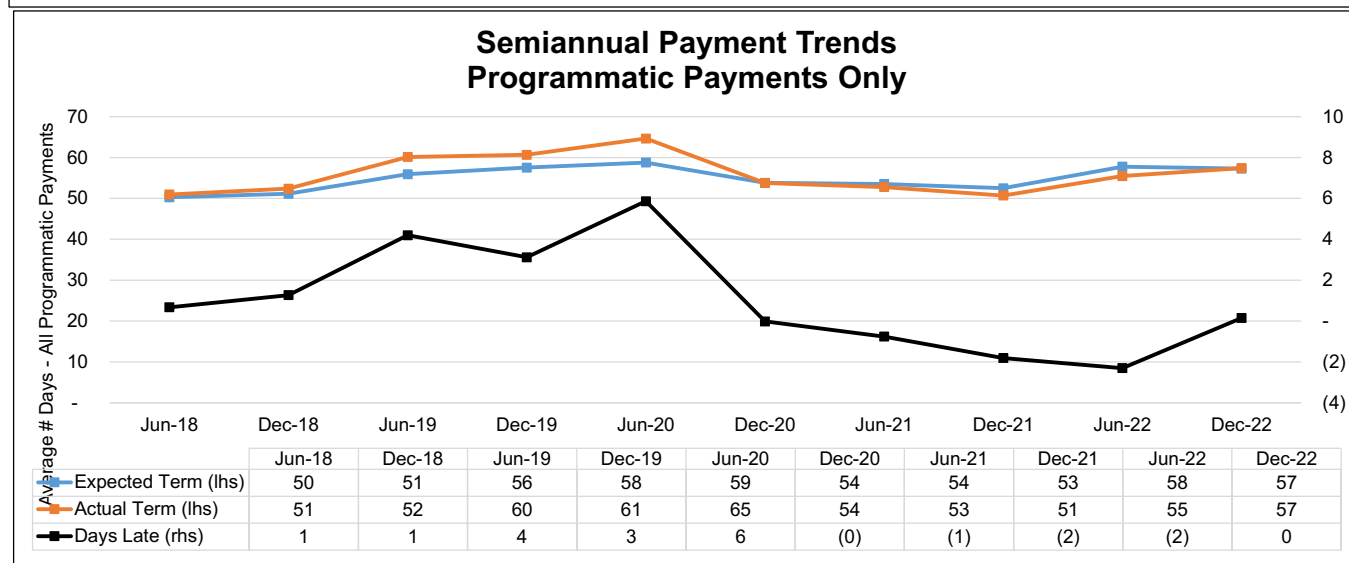
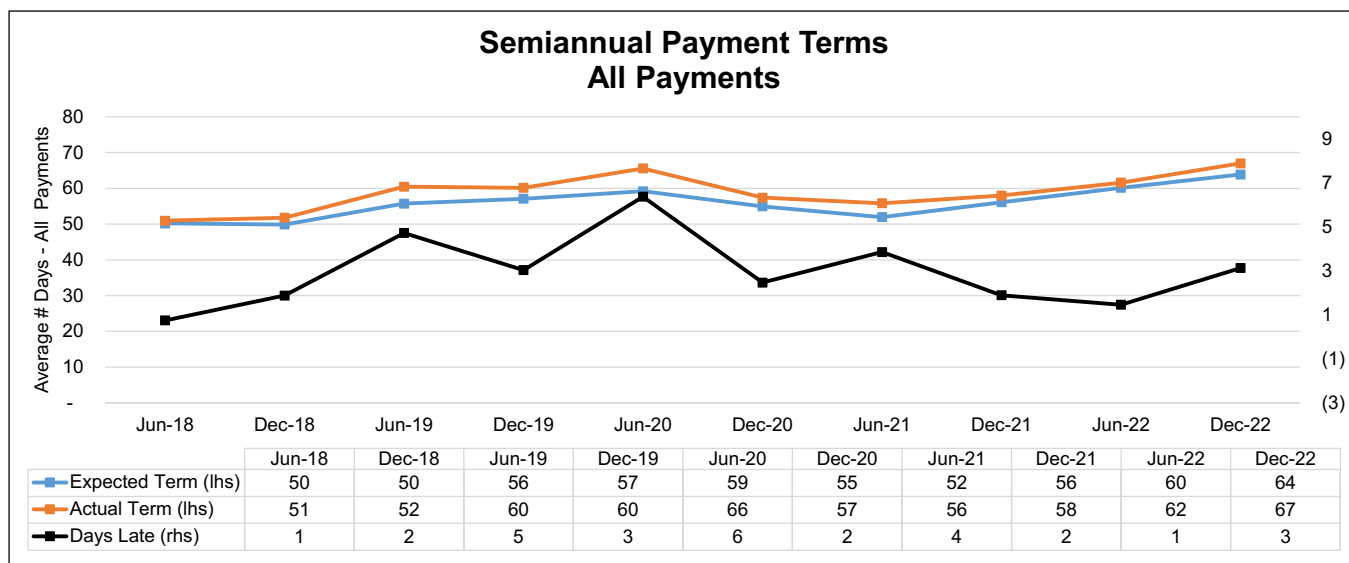
Google, Inc.	Sedo.com, LLC
OB Media LLC	SheMedia, LLC
Ogury Ltd.	Triplelift, Inc.

December 2022

OVERALL PAYMENT TRENDS

Payments continue to be made later

Overall payments were three days late compared to one day late in HI 2022. The increase was driven mostly by later programmatic payments.

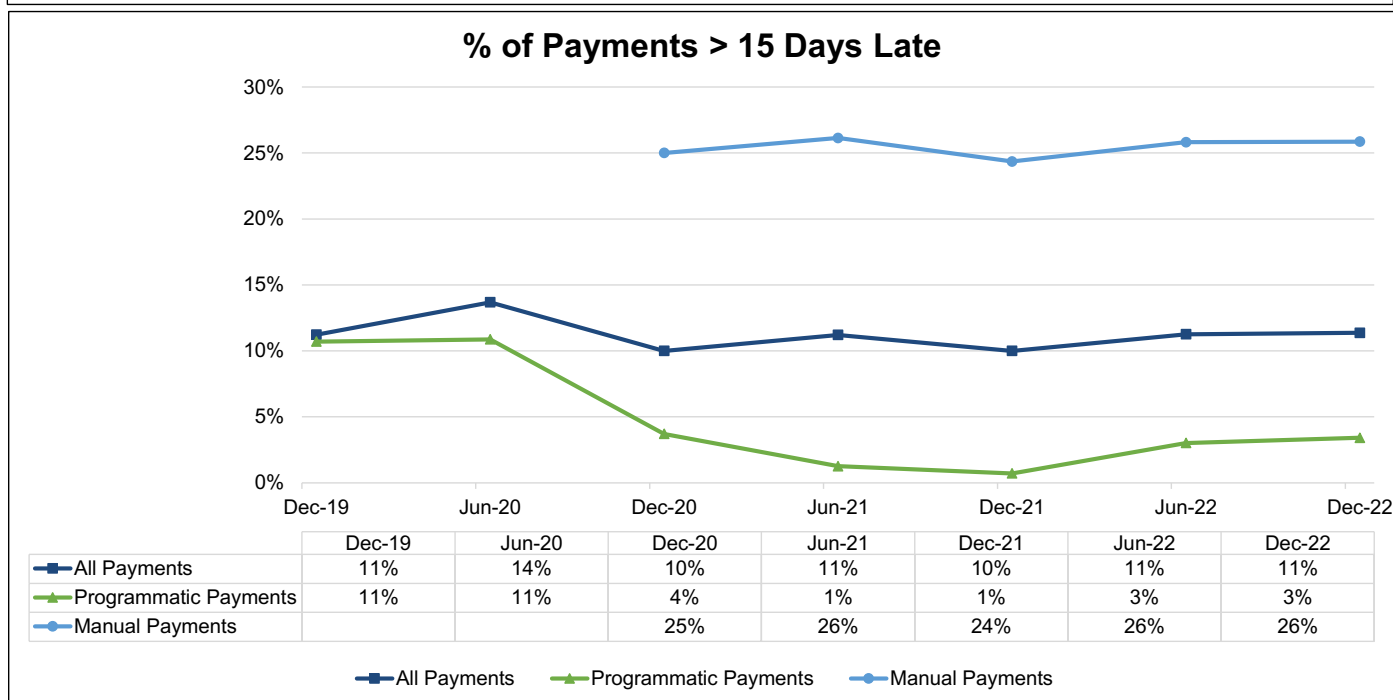
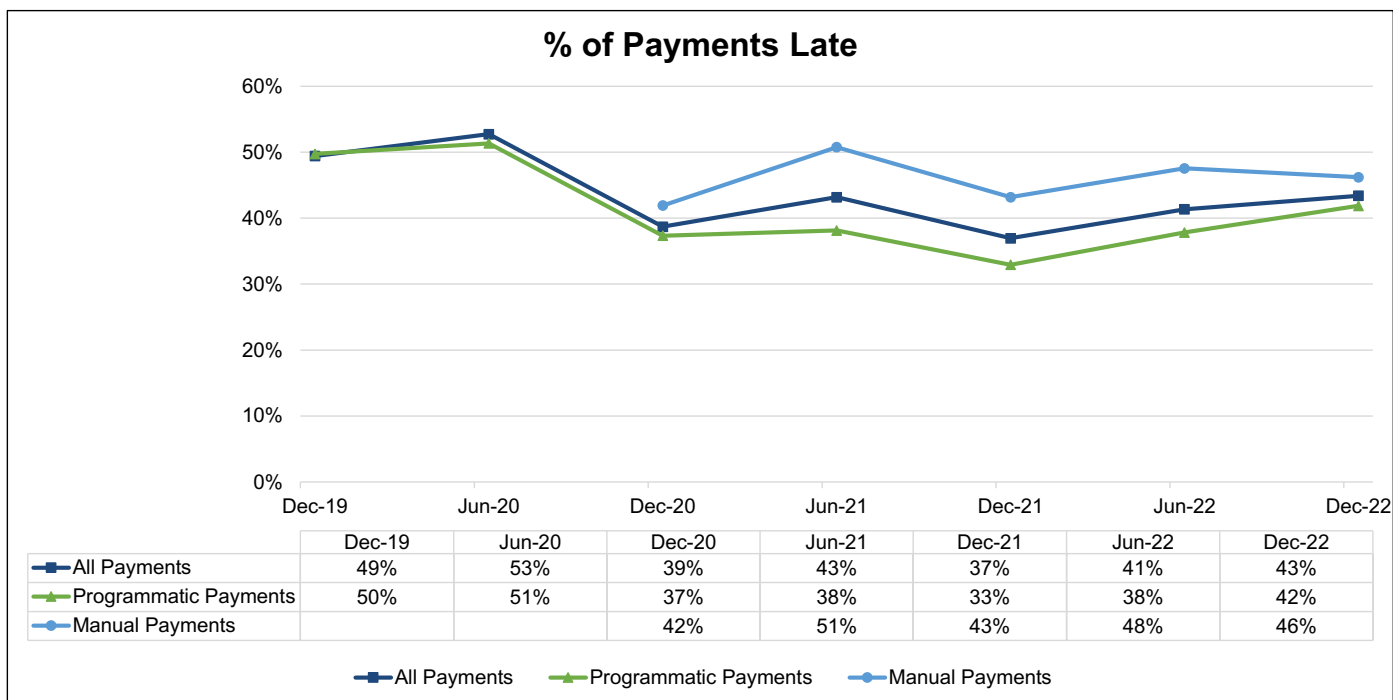


December 2022

LATE PAYMENTS BY TYPE

More payments were late

In H2 2022, 43% of all payments were late, which was an increase from 41% in H1. Also, in H2 2022, 11% of all payments were more than 15 days late, which was the same in H1. Manual payments continue to make up the bulk of very late payments.

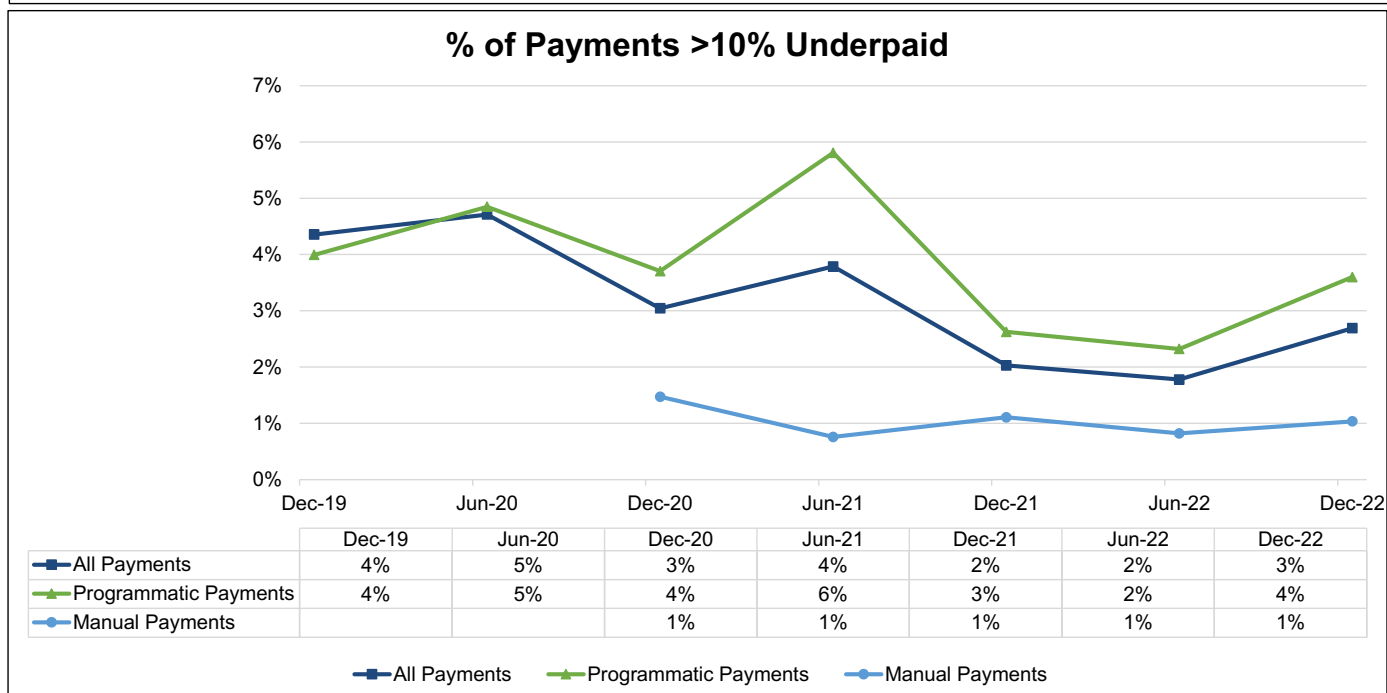
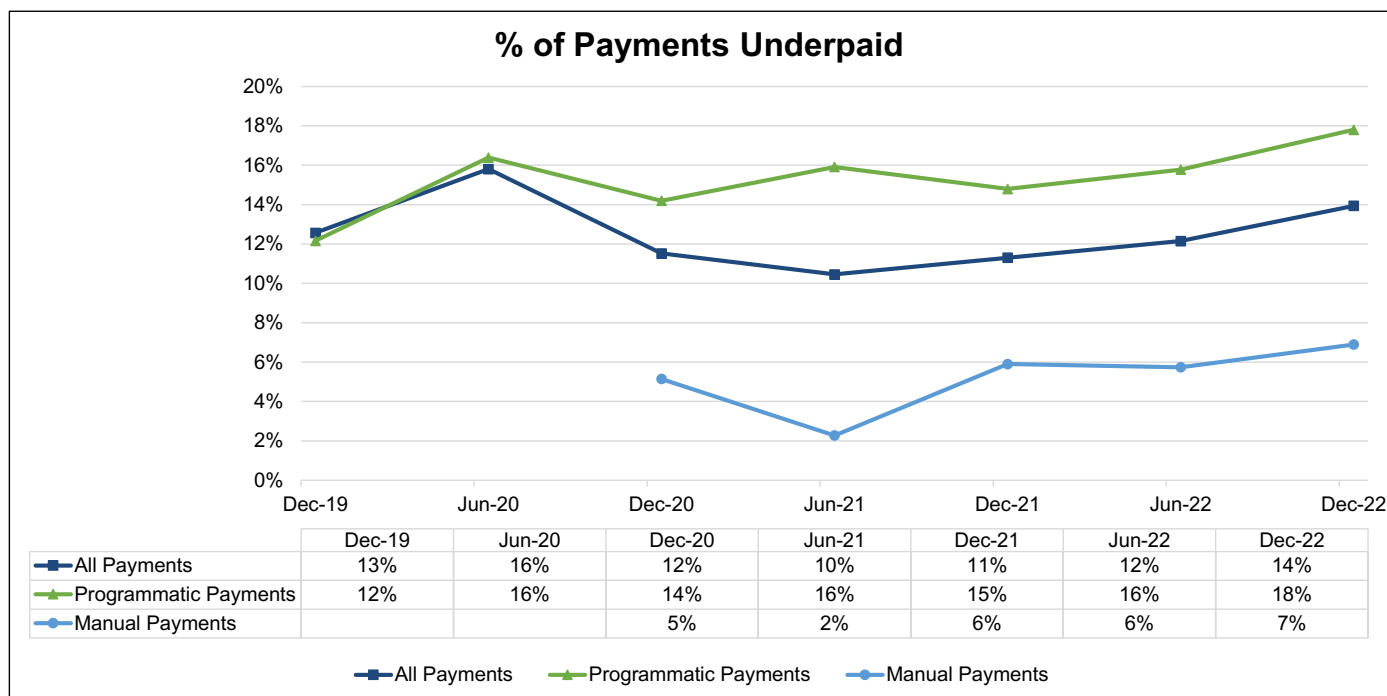


December 2022

UNDERPAYMENTS BY TYPE

More payments were underpaid, especially programmatic payments.

In H2 2022, 14% of all payments were underpaid, which was an increase from 12% in H1. Additionally, underpayments that were greater than 10% rose to 3% of all payments, up from 2% in H1. Both changes were driven by more underpayments among programmatic debtors.

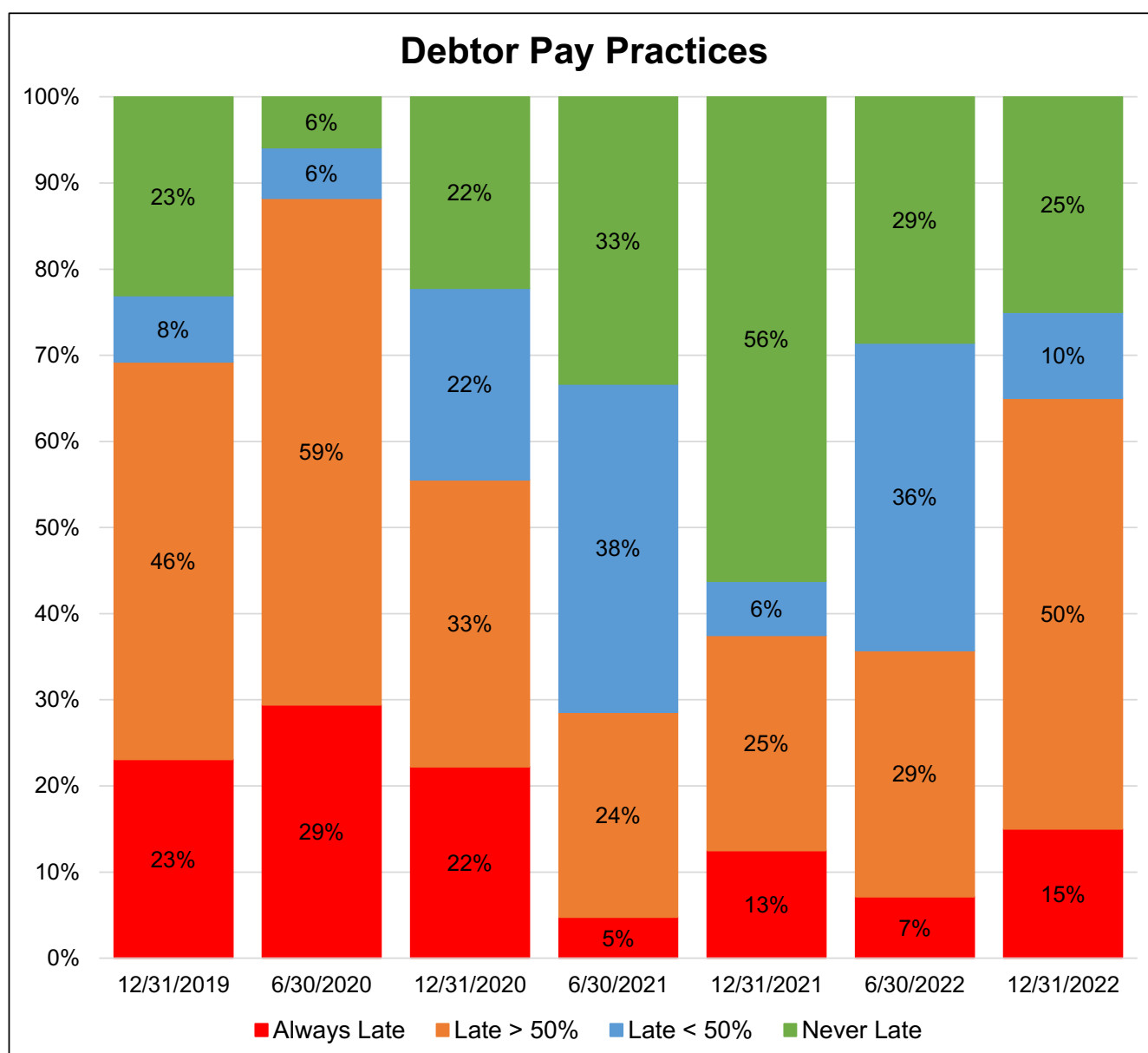


December 2022

DEBTOR PAY PRACTICES

With data collected from over 900 digital media and advertising debtors, we analyzed the percentage that pay late versus on time. Below is a breakdown of pay practices over time (only including debtors with at least 3 payments per period).

The results: In H2 2022, there was a significant increase in debtors that paid late most of the time, with 65% always paying late or more than 50% of the time.



Appendix A - Payment Performance

BREAKDOWN BY DEBTOR

Below is a breakdown of individual debtor performance based on payments received in the past year. To best represent accurate information, we limit our analysis to debtors with a sufficient sample size (i.e. number of invoices paid). Also, only programmatic debtors are displayed, which is for client confidentiality.

Payor	Early	On Time	Late	Late / (Early)	Days Early	Days Late
33Across, Inc.	36%	52%	12%	(8.8)	(24.8)	1.0
Adcolony, Inc.	0%	0%	100%	4.8		4.8
AdsWizz, Inc.	13%	0%	88%	34.1	(15.0)	41.1
Amazon, Inc.	52%	33%	15%	3.7	(3.0)	35.3
Click Sales, Inc.	11%	78%	11%	0.0	(0.9)	1.3
Connatix Native Exchange, Inc.	5%	5%	91%	2.0	(6.1)	2.5
Conversant, LLC	87%	9%	4%	(8.3)	(9.6)	1.2
District M, Inc.	0%	0%	100%	4.5		4.5
Ebsco Industries, Inc.	18%	0%	82%	2.9	(5.8)	4.8
EMX Digital, LLC	0%	0%	100%	19.5		19.5
Fyber GmbH	43%	0%	57%	2.8	(5.5)	9.0
Google, Inc.	85%	15%	0%	(1.9)	(2.3)	
GumGum, Inc.	25%	33%	42%	(0.3)	(10.4)	5.6
Index Exchange USA, LLC	23%	49%	28%	(2.1)	(10.6)	1.3
Magnite, Inc.	38%	8%	55%	(0.2)	(5.3)	3.4
Media.Net Advertising FZ-LLC	43%	43%	13%	(2.3)	(6.0)	2.3
Nativo, Inc.	38%	31%	31%	(2.6)	(11.1)	5.4
Next Millennium Media, Inc.	50%	0%	50%	(5.6)	(21.0)	9.8
Oath Inc. (Verizon / AOL)	93%	5%	3%	(3.7)	(4.8)	29.0
OB Media LLC	75%	25%	0%	(5.3)	(7.0)	
Ogury Ltd.	100%	0%	0%	(10.8)	(10.8)	
OpenX Technologies, Inc.	54%	42%	4%	(2.0)	(3.6)	0.0
Proper Media, LLC	17%	67%	17%	(0.3)	(3.0)	1.0
Publisher First, Inc.	44%	22%	33%	(8.3)	(19.8)	1.5
Pubmatic, Inc.	84%	7%	9%	(2.6)	(3.8)	6.4
Pulsepoint, Inc.	40%	44%	16%	(0.5)	(1.6)	1.0
Sabio Mobile, Inc.	56%	22%	22%	3.3	(2.6)	21.2
Sedo.com, LLC	100%	0%	0%	(4.7)	(4.7)	
Sharethrough, Inc.	15%	8%	77%	0.4	(17.6)	4.0
SheMedia, LLC	67%	33%	0%	(2.2)	(3.3)	
Sonobi, Inc.	0%	0%	100%	2.8		2.8
Sovrn Holdings, Inc.	4%	0%	96%	4.0	(7.8)	4.5
System1, Inc.	0%	13%	88%	3.8		4.3
Teads, Inc.	68%	0%	32%	(0.1)	(8.1)	16.9
Triplelift, Inc.	92%	8%	0%	(3.5)	(3.9)	
Triton Digital, LLC	38%	0%	63%	11.0	(3.3)	19.5
VDO.AI	43%	0%	57%	2.1	(1.7)	5.0
Xandr, Inc.	5%	12%	83%	1.0	(9.8)	1.8

Read This

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