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Notes and Als AVID Review - OBB transparency

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Assigned to Oliver Zee

Notes and Als related to the AVID Review on Outcome Based Buying and Supply Chain Fee Transparency - on February 18 2021 [SLIDES PRESENTED]

EXECUTIVE SUMMARY

RAW NOTES ON TRANSPARENCY DISCUSSION

ACTION ITEMS

FOLLOW UP EMAIL - SENT 02/18/2021

- **Outcome based buying key accomplishments in 2020:**
 - \$82M Gross & \$25M Net rev. contribution (PPC ONLY), \$150M Peek ARR
- **Outcome based buying 2021 goals:**
 - \$350M Gross & \$100M Net rev. contribution, \$500M ARR
 - Launch PPAV: expanding to mid/upper funnel (brand) and vVTC use-cases
- **Supply Fee Transparency:**
 - Several exchanges share log level data with advertisers and agencies. Some ask for approval from DV360, while some may share this data regardless.
 - Advertisers are likely getting insights into OBB (flexible network) margin today unless we take explicit action (ack. hard to implement and enforce)
 - **PROPOSAL** is not to do anything special for OBB and allow exchanges to share data including OBB.

Keeping the notes limited due to sensitivity of the subject. Separate privileged emails will be sent to folks to follow up on explicit Als.

- For reference here are the slides presented during the review
- Need for transparency coming across the industry
 - Advertisers: aiming to identify inefficient supply paths to improve media buying efficiency
 - Exchanges: focussing on transparency as a USP to get more traffic
- DV360 inherently is a transparent platform, especially when it comes to the traditional DSP based media buys transacted on a CPM basis with a transparent and contractual agreed upon fee.
 - Today we allow exchanges to share DV360 data w/ DV360 advertisers if during the requested time range for the requested partner/advertiser ID there was no OBB activity. If there was, DV360 declined the request
 - DV360 should be under the assumption that 3PE are TODAY actively sharing supply chain data

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- with advertisers today without our permission...
- Outcome Based Buying is a GDA like buying type that charges a flexible margin that is fixed at the network level but can range across impressions, campaigns, advertisers (i.e. anything below the network level).
 - Allowing exchanges (or not actively blocking exchanges) to share media cost data with DV360 advertisers may expose insights into the flexible OBB margin
 - Advertisers can then compare their invoice received from DV360 w/ the report from the exchange
 - Expected level of joinability is campaign level
- DV360 recommendation is to not do anything special and allow exchanges to share data including OBB. Other options considered:
 - Status quo: only provide log level data when a partner does not use OBB
 - Not explicitly approve anyone to receive log level data (Limited enforcement possible)
- **Sissie:** Irrespective of the decision on one of the options, DV360 should be having comms ready to handle inbound questions on flexible margins. Comms need to be explicitly LGTMed by GDA/GAM/Legal (incl. antitrust/competition counsel).
- **Sissie:** In order to make a final decision there needs to be POV from GAM on how they are approaching transparency. Need for a 30 min follow up w/ GAM team understanding their POV on transparency and how that POV may change/be impacted by this proposal.
 - If the industry is pushing for this level of transparency and DV360 takes a stance on not blocking its exchange partners this may have an increased pressure on GAM and PR.



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Hi AVID review team,

Thank you for your time today in reviewing the Outcome Based Buying update and Supply Fee Transparency proposal.

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Please check out the [notes](#) and [detailed AIs](#) including assigned owners and links to relevant documents. Below the 3 key AIs:

- 1.
- 2.
- 3.

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Oliver,

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We will be sending out separate privileged emails actioning these AIs with relevant stakeholders soon.

Please let me know if there are any questions or concerns.

Casper on behalf of the DV360 team