

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2022

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number: 001-33520

COMSCORE, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

54-1955550

(I.R.S. Employer Identification Number)

11950 Democracy Drive, Suite 600

Reston, Virginia 20190

(Address of Principal Executive Offices)

(703) 438-2000

(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, par value \$0.001 per share	SCOR	NASDAQ Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: As of November 4, 2022, there were 92,009,609 shares of the registrant's Common Stock outstanding.

COMSCORE, INC.

QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

We may make certain statements, including in this Quarterly Report on Form 10-Q, or 10-Q, including the information contained in [Item 2](#), "Management's Discussion and Analysis of Financial Condition and Results of Operations", and the information incorporated by reference in this 10-Q, that constitute forward-looking statements within the meaning of federal and state securities laws. Forward-looking statements are all statements other than statements of historical fact. We attempt to identify these forward-looking statements by words such as "may," "will," "should," "could," "might," "expect," "plan," "anticipate," "believe," "estimate," "target," "goal," "predict," "intend," "potential," "continue," "seek" and other comparable words. Similarly, statements that describe our business strategy, goals, prospects, opportunities, outlook, objectives, plans or intentions are also forward-looking statements. These statements may relate to, but are not limited to, expectations of future operating results or financial performance; expectations regarding the impact on our business of the coronavirus ("COVID-19") pandemic and global measures to mitigate the spread of the virus; expectations regarding our restructuring activities and cost-reduction initiatives; macroeconomic trends that we expect may influence our business, including any recession or changes in consumer behavior resulting from the COVID-19 pandemic; plans for financing and capital expenditures; expectations regarding liquidity, customer payments and compliance with debt and financing covenants and other payment obligations; expectations regarding enhanced commercial relationships and the development and introduction of new products; potential limitations on our net operating loss carryforwards and other tax assets; regulatory compliance and expected changes in the regulatory or privacy landscape affecting our business; expected impact of litigation and regulatory proceedings; and plans for growth and future operations, as well as assumptions relating to the foregoing.

Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. These statements are based on expectations and assumptions as of the date of this 10-Q regarding future events and business performance and involve known and unknown risks, uncertainties and other factors that may cause actual events or results to be materially different from any future events or results expressed or implied by these statements. These factors include those set forth in the following discussion and within [Item 1A](#), "Risk Factors" of this 10-Q and elsewhere within this report; those identified within [Item 1A](#), "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2021; and those identified in other documents that we file from time to time with the U.S. Securities and Exchange Commission, or SEC.

We believe that it is important to communicate our future expectations to our investors. However, there may be events in the future that we are not able to accurately predict or control and that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements. You should not place undue reliance on forward-looking statements, which apply only as of the date of this 10-Q. You should carefully review the risk factors described in this 10-Q and in other documents that we file from time to time with the SEC. Except as required by applicable law, including the rules and regulations of the SEC, we undertake no obligation, and expressly disclaim any duty, to publicly update or revise forward-looking statements, whether as a result of any new information, future events or otherwise. Although we believe the expectations reflected in the forward-looking statements are reasonable as of the date of this 10-Q, our statements are not guarantees of future results, levels of activity, performance, or achievements, and actual outcomes and results may differ materially from those expressed in, or implied by, any of our statements.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS
**COMSCORE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS**

(In thousands, except share and par value data)	As of September 30, 2022 (Unaudited)	As of December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 25,086	\$ 21,854
Restricted cash	425	425
Accounts receivable, net of allowances of \$677 and \$1,173, respectively (\$1,335 and \$3,606 of accounts receivable attributable to related parties, respectively)	48,223	72,059
Prepaid expenses and other current assets	15,207	14,769
Total current assets	88,941	109,107
Property and equipment, net	36,661	36,451
Operating right-of-use assets	25,422	29,186
Deferred tax assets	2,636	2,811
Intangible assets, net	19,622	39,945
Goodwill	386,245	435,711
Other non-current assets	11,546	10,263
Total assets	\$ 571,073	\$ 663,474
Liabilities, Convertible Redeemable Preferred Stock and Stockholders' Equity		
Current liabilities:		
Accounts payable (\$12,809 and \$6,575 attributable to related parties, respectively)	\$ 28,763	\$ 23,575
Accrued expenses (\$4,420 and \$4,122 attributable to related parties, respectively)	41,642	45,264
Contract liabilities (\$1,729 and \$3,553 attributable to related parties, respectively)	52,564	54,011
Customer advances	10,633	11,613
Current operating lease liabilities	7,667	7,538
Warrants liability	2,049	10,520
Other current liabilities (\$3,953 and \$7,863 attributable to related parties, respectively)	12,321	12,850
Total current liabilities	155,639	165,371
Non-current operating lease liabilities	31,184	36,055
Non-current portion of accrued data costs (\$14,066 and \$7,843 attributable to related parties, respectively)	23,230	16,005
Revolving line of credit	16,000	16,000
Deferred tax liabilities	2,145	2,103
Other non-current liabilities (\$384 and \$1,582 attributable to related parties, respectively)	13,035	16,879
Total liabilities	241,233	252,413
Commitments and contingencies		
Convertible redeemable preferred stock, \$0.001 par value; 82,527,609 shares authorized, issued and outstanding as of September 30, 2022 and December 31, 2021; aggregate liquidation preference of \$207,953 as of September 30, 2022, and \$211,863 as of December 31, 2021 (related parties)	187,885	187,885
Stockholders' equity:		
Preferred stock, \$0.001 par value; 7,472,391 shares authorized as of September 30, 2022 and December 31, 2021; no shares issued or outstanding as of September 30, 2022 or December 31, 2021	—	—
Common stock, \$0.001 par value; 275,000,000 shares authorized as of September 30, 2022 and December 31, 2021; 98,774,405 shares issued and 92,009,609 shares outstanding as of September 30, 2022, and 97,172,086 shares issued and 90,407,290 shares outstanding as of December 31, 2021	92	90
Additional paid-in capital	1,690,609	1,683,883
Accumulated other comprehensive loss	(21,736)	(12,098)
Accumulated deficit	(1,297,026)	(1,218,715)
Treasury stock, at cost, 6,764,796 shares as of September 30, 2022 and December 31, 2021	(229,984)	(229,984)
Total stockholders' equity	141,955	223,176
Total liabilities, convertible redeemable preferred stock and stockholders' equity	\$ 571,073	\$ 663,474

See accompanying Notes to Condensed Consolidated Financial Statements.

COMSCORE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS) INCOME
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
(In thousands, except share and per share data)				
Revenues ⁽²⁾	\$ 92,783	\$ 92,487	\$ 278,183	\$ 270,476
Cost of revenues ⁽¹⁾⁽²⁾⁽³⁾	51,530	49,179	155,915	153,267
Selling and marketing ⁽¹⁾⁽³⁾	17,199	15,212	51,850	49,569
Research and development ⁽¹⁾⁽³⁾	8,741	9,051	28,190	29,536
General and administrative ⁽¹⁾⁽³⁾	12,899	16,895	48,119	45,609
Amortization of intangible assets	6,772	6,172	20,323	18,866
Restructuring	5,784	—	5,784	—
Impairment of goodwill	46,300	—	46,300	—
Total expenses from operations	149,225	96,509	356,481	296,847
Loss from operations	(56,442)	(4,022)	(78,298)	(26,371)
Other income (expense), net	1,477	5,713	8,467	(9,069)
Gain from foreign currency transactions	2,781	1,180	5,728	1,884
Interest expense, net ⁽²⁾	(284)	(169)	(660)	(7,569)
Loss on extinguishment of debt ⁽²⁾	—	—	—	(9,629)
(Loss) income before income taxes	(52,468)	2,702	(64,763)	(50,754)
Income tax benefit (provision)	86	(722)	(1,945)	(2,166)
Net (loss) income	\$ (52,382)	\$ 1,980	\$ (66,708)	\$ (52,920)
Net loss available to common stockholders:				
Net (loss) income	\$ (52,382)	\$ 1,980	\$ (66,708)	\$ (52,920)
Convertible redeemable preferred stock dividends ⁽²⁾	(3,910)	(3,910)	(11,603)	(8,713)
Total net loss available to common stockholders:	\$ (56,292)	\$ (1,930)	\$ (78,311)	\$ (61,633)
Net loss per common share:				
Basic and diluted	\$ (0.60)	\$ (0.02)	\$ (0.85)	\$ (0.77)
Weighted-average number of shares used in per share calculation - Common Stock:				
Basic and diluted	93,347,017	82,185,009	92,380,984	79,951,857
Comprehensive (loss) income:				
Net (loss) income	\$ (52,382)	\$ 1,980	\$ (66,708)	\$ (52,920)
Other comprehensive loss:				
Foreign currency cumulative translation adjustment	(4,553)	(1,917)	(9,638)	(3,337)
Total comprehensive (loss) income	\$ (56,935)	\$ 63	\$ (76,346)	\$ (56,257)

⁽¹⁾ Excludes amortization of intangible assets, which is presented as a separate line item.

⁽²⁾ Transactions with related parties are included in the line items above as follows (refer to [Footnote 9](#), *Related Party Transactions*, of the Notes to Condensed Consolidated Financial Statements for additional information):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues	\$ 3,527	\$ 4,170	\$ 12,125	\$ 12,045
Cost of revenues	7,938	8,109	23,379	26,143
Interest expense, net	—	—	—	4,692
Loss on extinguishment of debt	—	—	—	(9,608)
Convertible redeemable preferred stock dividends	(3,910)	(3,910)	(11,603)	(8,713)

(3) Stock-based compensation expense is included in the line items above as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Cost of revenues	\$ 155	\$ 231	\$ 877	\$ 1,554
Selling and marketing	132	208	804	1,679
Research and development	116	170	627	1,162
General and administrative	1,013	2,425	4,906	6,761
Total stock-based compensation expense	<u>\$ 1,416</u>	<u>\$ 3,034</u>	<u>\$ 7,214</u>	<u>\$ 11,156</u>

See accompanying Notes to Condensed Consolidated Financial Statements.

COMSCORE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CONVERTIBLE REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY
(Unaudited)

	Convertible Redeemable Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Treasury stock, at cost	Total Stockholders' Equity
	Shares	Amount	Shares	Amount					
(In thousands, except share data)									
Balance as of December 31, 2021	82,527,609	\$ 187,885	90,407,290	\$ 90	\$1,683,883	\$ (12,098)	\$(1,218,715)	\$ (229,984)	\$ 223,176
Net loss	—	—	—	—	—	—	(9,276)	—	(9,276)
Convertible redeemable preferred stock dividends	—	—	—	—	—	—	(3,825)	—	(3,825)
Restricted stock units distributed	—	—	212,246	—	—	—	—	—	—
Exercise of Common Stock options	—	—	86,941	1	102	—	—	—	103
Payments for taxes related to net share settlement of equity awards	—	—	(474)	—	(1)	—	—	—	(1)
Amortization of stock-based compensation	—	—	—	—	1,908	—	—	—	1,908
Settlement of restricted stock unit liability	—	—	—	—	1,719	—	—	—	1,719
Foreign currency translation adjustment	—	—	—	—	—	(541)	—	—	(541)
Other	—	—	(661)	—	(3)	—	—	—	(3)
Balance as of March 31, 2022	82,527,609	\$ 187,885	90,705,342	\$ 91	\$1,687,608	\$ (12,639)	\$(1,231,816)	\$ (229,984)	\$ 213,260
Net loss	—	—	—	—	—	—	(5,050)	—	(5,050)
Convertible redeemable preferred stock dividends	—	—	—	—	—	—	(3,868)	—	(3,868)
Restricted stock units distributed	—	—	958,594	1	—	—	—	—	1
Exercise of Common Stock options	—	—	745	—	—	—	—	—	—
Payments for taxes related to net share settlement of equity awards	—	—	(12,646)	—	(23)	—	—	—	(23)
Amortization of stock-based compensation	—	—	—	—	2,011	—	—	—	2,011
Foreign currency translation adjustment	—	—	—	—	—	(4,544)	—	—	(4,544)
Other	—	—	121,357	—	—	—	—	—	—
Balance as of June 30, 2022	82,527,609	\$ 187,885	91,773,392	\$ 92	\$1,689,596	\$ (17,183)	\$(1,240,734)	\$ (229,984)	\$ 201,787
Net loss	—	—	—	—	—	—	(52,382)	—	(52,382)
Convertible redeemable preferred stock dividends	—	—	—	—	—	—	(3,910)	—	(3,910)
Restricted stock units distributed	—	—	226,948	—	—	—	—	—	—
Amortization of stock-based compensation	—	—	—	—	1,013	—	—	—	1,013
Foreign currency translation adjustment	—	—	—	—	—	(4,553)	—	—	(4,553)
Exercise of Common Stock options	—	—	9,269	—	—	—	—	—	—
Balance as of September 30, 2022	82,527,609	\$ 187,885	92,009,609	\$ 92	\$1,690,609	\$ (21,736)	\$(1,297,026)	\$ (229,984)	\$ 141,955

⁽¹⁾ Transactions for these line items were exclusively with related parties (refer to [Footnote 5](#), *Convertible Redeemable Preferred Stock and Stockholders' Equity*, and [Footnote 9](#), *Related Party Transactions*, of the Notes to Condensed Consolidated Financial Statements for additional information).

(In thousands, except share data)	Convertible Redeemable Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Treasury stock, at cost	Total Stockholders' Equity
	Shares	Amount	Shares	Amount					
Balance as of December 31, 2020	—	\$ —	72,938,546	\$ 73	\$1,621,986	\$ (7,030)	\$ (1,156,055)	\$ (229,984)	\$ 228,990
Net loss	—	—	—	—	—	—	(36,355)	—	(36,355)
Convertible redeemable preferred stock, net of issuance costs ⁽¹⁾	82,527,609	188,183	—	—	—	—	—	—	—
Convertible redeemable preferred stock dividends	—	—	—	—	—	—	(935)	—	(935)
Interest paid in Common Stock ⁽¹⁾	—	—	4,165,781	4	10,808	—	—	—	10,812
Conversion shares issued as extinguishment cost on senior secured convertible notes ⁽¹⁾	—	—	3,150,000	3	9,605	—	—	—	9,608
Restricted stock units distributed	—	—	442,051	1	—	—	—	—	1
Payments for taxes related to net share settlement of equity awards	—	—	(10,231)	—	(37)	—	—	—	(37)
Settlement of restricted stock unit liability	—	—	—	—	7,117	—	—	—	7,117
Amortization of stock-based compensation	—	—	—	—	1,358	—	—	—	1,358
Foreign currency translation adjustment	—	—	—	—	—	(2,151)	—	—	(2,151)
Balance as of March 31, 2021	82,527,609	\$ 188,183	80,686,147	\$ 81	\$1,650,837	\$ (9,181)	\$ (1,193,345)	\$ (229,984)	\$ 218,408
Net loss	—	—	—	—	—	—	(18,545)	—	(18,545)
Adjustment to issuance costs on convertible redeemable preferred stock	—	(298)	—	—	—	—	—	—	—
Convertible redeemable preferred stock dividends	—	—	—	—	—	—	(3,868)	—	(3,868)
Restricted stock units distributed	—	—	1,486,344	1	—	—	—	—	1
Payments for taxes related to net share settlement of equity awards	—	—	(414)	—	(1)	—	—	—	(1)
Amortization of stock-based compensation	—	—	—	—	1,895	—	—	—	1,895
Foreign currency translation adjustment	—	—	—	—	—	731	—	—	731
Balance as of June 30, 2021	82,527,609	\$ 187,885	82,172,077	\$ 82	\$1,652,731	\$ (8,450)	\$ (1,215,758)	\$ (229,984)	\$ 198,621
Net income	—	—	—	—	—	—	1,980	0	1,980
Convertible redeemable preferred stock dividends	—	—	—	—	—	—	(3,910)	—	(3,910)
Restricted stock units distributed	—	—	28,989	—	—	—	—	—	—
Amortization of stock-based compensation	—	—	—	—	2,563	—	—	—	2,563
Foreign currency translation adjustment	—	—	—	—	—	(1,917)	—	—	(1,917)
Payments for taxes related to net share settlement of equity awards	—	—	(1,840)	—	(6)	—	—	—	(6)
Balance as of September 30, 2021	82,527,609	\$ 187,885	82,199,226	\$ 82	\$1,655,288	\$ (10,367)	\$ (1,217,688)	\$ (229,984)	\$ 197,331

⁽¹⁾ Transactions for these line items were exclusively with related parties (refer to [Footnote 5](#), *Convertible Redeemable Preferred Stock and Stockholders' Equity*, [Footnote 6](#), *Debt*, and [Footnote 9](#), *Related Party Transactions*, of the Notes to Condensed Consolidated Financial Statements for additional information). Gross proceeds from related parties for the issuance of convertible redeemable preferred stock were \$204.0 million.

See accompanying Notes to Condensed Consolidated Financial Statements.

COMSCORE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(In thousands)	Nine Months Ended September 30,	
	2022	2021
Operating activities:		
Net loss	\$ (66,708)	\$ (52,920)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Amortization of intangible assets	20,323	18,866
Depreciation	12,542	11,873
Stock-based compensation expense	7,214	11,156
Non-cash operating lease expense	4,540	3,952
Change in fair value of contingent consideration liability	2,447	—
Amortization expense of finance leases	1,875	1,485
Deferred tax (benefit) provision	(90)	652
Change in fair value of warrants liability	(8,471)	10,938
Loss on extinguishment of debt	—	9,629
Non-cash interest expense on senior secured convertible notes ⁽¹⁾	—	4,692
Impairment of goodwill	46,300	—
Other	1,456	660
Changes in operating assets and liabilities:		
Accounts receivable	22,143	(12,661)
Prepaid expenses and other assets	(1,081)	283
Accounts payable, accrued expenses and other liabilities	3,159	6,632
Contract liabilities and customer advances	(3,448)	(12,563)
Operating lease liabilities	(5,665)	(3,795)
Net cash provided by (used in) operating activities	36,536	(1,121)
Investing activities:		
Capitalized internal-use software costs	(12,402)	(10,925)
Purchases of property and equipment	(823)	(744)
Net cash used in investing activities	(13,225)	(11,669)
Financing activities:		
Payments for dividends on convertible redeemable preferred stock ⁽¹⁾	(15,512)	(4,760)
Principal payments on finance leases	(2,004)	(1,475)
Principal payment and extinguishment costs on senior secured convertible notes ⁽¹⁾	—	(204,014)
Principal payment and extinguishment costs on secured term note	—	(14,031)
Proceeds from borrowing on revolving line of credit	—	16,000
Proceeds from issuance of convertible redeemable preferred stock, net of issuance costs ⁽¹⁾	—	188,183
Other	(61)	(429)
Net cash used in financing activities	(17,577)	(20,526)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(2,502)	(691)
Net increase (decrease) in cash, cash equivalents and restricted cash	3,232	(34,007)
Cash, cash equivalents and restricted cash at beginning of period	22,279	50,741
Cash, cash equivalents and restricted cash at end of period	\$ 25,511	\$ 16,734
As of September 30,		
	2022	2021
Cash and cash equivalents	\$ 25,086	\$ 15,940
Restricted cash	425	794
Total cash, cash equivalents and restricted cash	\$ 25,511	\$ 16,734

	Nine Months Ended September 30,	
	2022	2021
Supplemental disclosures of non-cash investing and financing activities:		
Settlement of restricted stock unit liability	\$ 1,719	\$ 7,117
Right-of-use assets obtained in exchange for finance lease liabilities	1,106	2,041
Change in accounts payable and accrued expenses related to capital expenditures	810	494
Right-of-use assets obtained in exchange for new operating lease liabilities	847	5,211
Interest paid in Common Stock ⁽¹⁾	—	10,812
Conversion shares issued as extinguishment cost on senior secured convertible notes ⁽¹⁾	—	9,608
Convertible redeemable preferred stock dividends accrued but not yet paid (related parties)	3,953	3,953

⁽¹⁾ Transactions for these line items were exclusively with related parties (refer to [Footnote 5](#), *Convertible Redeemable Preferred Stock and Stockholders' Equity*, [Footnote 6](#), *Debt*, and [Footnote 9](#), *Related Party Transactions*, of the Notes to Condensed Consolidated Financial Statements for additional information). Gross proceeds from related parties for the issuance of convertible redeemable preferred stock were \$204.0 million.

See accompanying Notes to Condensed Consolidated Financial Statements.

COMSCORE, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Organization

comScore, Inc., together with its consolidated subsidiaries (collectively, "Comscore" or the "Company"), headquartered in Reston, Virginia, is a global information and analytics company that measures audiences, consumer behavior and advertising across media platforms.

Operating segments are defined as components of a business that can earn revenues and incur expenses for which discrete financial information is available that is evaluated on a regular basis by the chief operating decision maker ("CODM"). The Company's CODM is its Chief Executive Officer, who decides how to allocate resources and assess performance. The Company has one operating segment. A single management team reports to the CODM, who manages the entire business. The Company's CODM reviews consolidated results of operations to make decisions, allocate resources and assess performance and does not evaluate the profit or loss from any separate geography or product line.

Management Changes

On July 5, 2022, the Company's Board of Directors ("Board") appointed Jonathan Carpenter as the Company's Chief Executive Officer, effective July 6, 2022. In connection with Mr. Carpenter's appointment, William Livek retired as the Company's Chief Executive Officer. Also on July 5, 2022, the Board of Directors appointed Mary Margaret Curry as the Company's Chief Financial Officer and Treasurer, effective July 6, 2022. Ms. Curry continues to serve as the Company's principal accounting officer.

2. Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

The accompanying Condensed Consolidated Financial Statements include the accounts of the Company and its wholly-owned domestic and foreign subsidiaries. All intercompany transactions and balances are eliminated upon consolidation.

Reclassification

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. Specifically, change in fair value of financing derivatives, accretion of debt discount, and amortization of deferred financing costs have been aggregated within other operating activities on the Condensed Consolidated Statements of Cash Flows. In addition, principal payments on software license arrangements, revolving line of credit issuance costs, and payments for taxes related to net share settlement of equity awards have been aggregated within other financing activities on the Condensed Consolidated Statements of Cash Flows.

Unaudited Interim Financial Information

The interim Condensed Consolidated Financial Statements included in this quarterly report have been prepared by the Company and are unaudited, pursuant to the rules and regulations of the United States Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States ("GAAP") have been condensed or omitted pursuant to such rules and regulations. However, the Company believes that the disclosures contained in this quarterly report comply with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), for a quarterly report on Form 10-Q and are adequate to make the information presented not misleading. The interim Condensed Consolidated Financial Statements included herein reflect all adjustments (consisting of normal recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of the financial position, results of operations and cash flows for the interim periods presented. These interim Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and Notes thereto contained in the Company's Annual Report on [Form 10-K](#) for the year ended December 31, 2021 (the "2021 10-K"). The Condensed Consolidated Results of Operations for the three and nine months ended September 30, 2022 are not necessarily indicative of the results to be anticipated for the entire year ending December 31, 2022 or thereafter. All references to September 30, 2022 and 2021 in the Notes to Condensed Consolidated Financial Statements are unaudited.

Use of Estimates and Judgments in the Preparation of the Condensed Consolidated Financial Statements

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expense during the reporting periods. Significant estimates and judgments are inherent in the analysis and the measurement of management's standalone selling price, principal versus agent revenue recognition, determination of performance obligations, determination of transaction price, including the determination of variable consideration and allocation of transaction price to performance obligations, deferred tax assets and liabilities, including the identification and quantification of income tax liabilities due to uncertain tax positions, the valuation and recoverability of goodwill, intangible and other long-lived assets, the determination of appropriate discount rates for lease accounting, the probability of exercising either lease renewal or termination clauses, the assessment of potential loss from contingencies, the fair value determination of contingent consideration from business combinations, financing-related liabilities and warrants, and the valuation of options, performance-based and market-based stock awards. Management bases its estimates and assumptions on historical experience and on various other factors that are believed to be reasonable under the circumstances.

Due to the inherent uncertainty involved in making estimates, actual results reported in future periods may be affected by changes in those estimates. The Company evaluates its estimates and assumptions on an ongoing basis.

Business Combination

In December 2021, the Company and two newly formed, wholly owned subsidiaries of the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with Shareablee, Inc. ("Shareablee"), pursuant to which the Company acquired Shareablee (the "Merger"). Total consideration paid or payable by the Company related to the Merger (valued as of the closing date of the Merger) was \$31.4 million, which included \$5.6 million for the fair value of contingent consideration payable based on the achievement of certain contractual milestones or future revenue performance. The maximum amount of contingent consideration payable under the Merger is \$8.6 million.

The contingent consideration is classified as a liability due to the fact it will be settled in cash or a variable number of shares of the Company's common stock, par value \$0.001 ("Common Stock") (or a combination thereof), and the amount of the payment is not dependent upon the fair value of the Common Stock. The contingent consideration liability is measured at fair value on a recurring basis until the contingency is resolved.

The fair value of the contingent consideration liability is estimated using a combination of valuation techniques. One technique is an option pricing model within a Monte Carlo simulation that determines an average projected payment value across numerous iterations. This technique determines projected payments based on simulated revenues derived from an internal forecast, adjusted for a selected revenue volatility and risk premium based on market data for comparable guideline public companies. The other technique is a discounted cash flow model that assumes achievement of the contractual milestones, resulting in payment of the full deferred amount. In both techniques, the projected payments are then discounted back to the valuation date at the Company's cost of debt using a term commensurate with the contractual payment dates.

In March 2022, the Company determined sufficient achievement of the milestones had been demonstrated and the full amount of the contingent consideration was reasonably certain to be payable. In April 2022, the contingency was resolved and the full amount was deemed payable, subject to reduction for any pending indemnification claims and other terms set forth in the Merger Agreement. The resolution of this contingency eliminated the option pricing model as a valuation technique, and as a result the fair value was remeasured using only the discounted cash flow model. The Company expects to settle the liability in three installments of \$3.7 million, \$3.7 million and \$1.2 million payable in any combination of cash and Common Stock (at the Company's election) in December 2022, 2023 and 2024, respectively.

The estimated fair value of the contingent consideration liability as of September 30, 2022 was \$8.0 million. The loss due to change in fair value of \$2.4 million for the nine months ended September 30, 2022 was classified within general and administrative expense in the Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income. The loss due to change in fair value for the three months ended September 30, 2022 was negligible.

Refer to [Footnote 7](#), *Fair Value Measurements*, for additional information on the fair value of the contingent consideration.

Goodwill

Goodwill is evaluated for impairment at least annually, as of October 1, by comparing the fair value of a reporting unit to its carrying value including goodwill recorded by the reporting unit.

The Company has a single reporting unit. Accordingly, the impairment assessment for goodwill is performed at the enterprise level. Goodwill is reviewed for possible impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying value. The Company initially assesses qualitative factors to determine if it is necessary to perform the goodwill impairment review. Goodwill is reviewed for impairment if, based on an assessment of the qualitative factors, it is determined that it is more likely than not that the fair value of its reporting unit is less than its carrying value, or the Company decides to bypass the qualitative assessment. The carrying value of the reporting unit is reviewed utilizing a discounted cash flow model, and a market value approach is utilized to supplement the discounted cash flow model. The estimated fair value of a reporting unit is determined based on assumptions regarding estimated future cash flows, discount rates, long-term growth rates and market values. Additionally, the Company considers income tax effects from any tax-deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment loss.

The Company monitors for events and circumstances that could negatively impact the key assumptions in determining fair value, including long-term revenue growth projections, profitability, discount rates, volatility in the Company's market capitalization, and general industry, market and macro-economic conditions.

As of September 30, 2022, the Company concluded that it was more likely than not that the estimated fair value of its reporting unit was less than its carrying value. In its assessment, the Company considered the decline in the Company's stock price and market capitalization among other factors. The Company performed a quantitative goodwill impairment test in conjunction with the annual test using a discounted cash flow model, supported by a market approach. The Company's reporting unit did not pass the goodwill impairment test, and as a result the Company recorded a \$46.3 million non-cash impairment charge.

The Company completed its annual analysis for the year ended December 31, 2021 and determined that there was no impairment of goodwill at that time.

For further information refer to [Footnote 4](#), *Goodwill*.

Preferred Stock

In January 2021, the Company entered into separate Securities Purchase Agreements with each of Charter Communications Holding Company, LLC ("Charter"), Qurate Retail, Inc. ("Qurate") and Pine Investor, LLC ("Pine") (the "Securities Purchase Agreements") for the issuance and sale of shares of Series B Convertible Preferred Stock, par value \$0.001 ("Preferred Stock") described in [Footnote 5, Convertible Redeemable Preferred Stock and Stockholders' Equity](#). The issuance of the Preferred Stock pursuant to the Securities Purchase Agreements (the "Transactions") and related matters were approved by the Company's stockholders on March 9, 2021 and completed on March 10, 2021.

The Preferred Stock is contingently redeemable upon certain deemed liquidation events, such as a change in control. Because a deemed liquidation event could constitute a redemption event outside of the Company's control, all shares of Preferred Stock have been presented outside of permanent equity in mezzanine equity on the Condensed Consolidated Balance Sheets. The instrument was initially recognized at fair value net of issuance costs. The Company reassesses whether the Preferred Stock is currently redeemable, or probable to become redeemable in the future, as of each reporting date. If the instrument meets either of these criteria, the Company will accrete the carrying value to the redemption value. The Preferred Stock has not been adjusted to its redemption amount as of September 30, 2022 because a deemed liquidation event is not considered probable.

The Preferred Stock includes a change of control put option which allows the holders of the Preferred Stock to require the Company to repurchase such holders' shares in cash in an amount equal to the initial purchase price plus accrued dividends. The change of control put option was determined to be a derivative liability. As of September 30, 2022, the probability of a change of control was determined to be remote and the fair value of the change of control derivative was determined to be negligible.

Warrants Liability

In June 2019, the Company issued warrants to CVI Investments, Inc. ("CVI") in connection with the private placement described in [Footnote 5, Convertible Redeemable Preferred Stock and Stockholders' Equity](#). The warrants were determined to be freestanding financial instruments that qualify for liability treatment as a result of net cash settlement features associated with a cap on the issuance of shares, under certain circumstances, or upon a change of control. Changes in the fair value of these instruments are recorded in other income (expense), net in the Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income.

The fair value of each warrant is estimated utilizing an option pricing model. Significant valuation inputs include the price and expected volatility of the Company's Common Stock, risk-free rate, and the remaining term of the warrants. As of September 30, 2022, the probability of a change of control was determined to be remote and did not require an enhancement to the valuation technique.

Loss on Extinguishment of Debt

In March 2021, the Company recorded a \$9.6 million loss on debt extinguishment related to the payoff of its senior secured convertible notes (the "Notes") and a foreign secured promissory note (the "Secured Term Note"). Loss on extinguishment of debt represents the difference between the carrying value of the Company's debt instruments and any consideration paid to its creditors in the form of cash or shares of the Company's Common Stock on the extinguishment date. These transactions are described in [Footnote 6, Debt](#).

Other Income (Expense), Net

Other income (expense), net represents income and expenses incurred that are generally not recurring in nature or are not part of the Company's normal operations. The following is a summary of the significant components of other income (expense), net:

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Change in fair value of warrants liability	\$ 1,476	\$ 5,582	\$ 8,471	\$ (10,938)
Change in fair value of financing derivatives	—	—	—	1,800
Other	1	131	(4)	69
Total other income (expense), net	\$ 1,477	\$ 5,713	\$ 8,467	\$ (9,069)

Loss Per Share

The Company uses the two-class method to calculate net loss per share. The two-class method is an earnings allocation formula that treats a participating security as having rights to earnings that otherwise would have been available to common stockholders. Under the two-class method, earnings for the period are allocated between common stockholders and participating security holders based on their respective rights to receive dividends as if all undistributed book earnings for the period were distributed.

Basic loss per share is computed by dividing total net loss available to common stockholders by the weighted-average number of common shares outstanding for the period. This includes the effect of vested and deferred restricted stock units granted to members of the Company's Board and certain employees. These awards are expected to be settled in shares of Common Stock and generally distributed upon the earlier of the individual's separation from service or a change of control. Diluted loss per share includes the effect of potential common shares, such as the Company's Preferred Stock, Notes, warrants, stock options and restricted stock units, and contingent consideration liability to the extent the effect

is dilutive. In periods with a net loss available to common stockholders, the anti-dilutive effect of these potential common shares is excluded and diluted net loss per share is equal to basic net loss per share.

The following is a summary of the Common Stock equivalents for the securities outstanding during the respective periods that have been excluded from the computation of diluted net loss per common share, as their effect would be anti-dilutive:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Preferred stock ⁽¹⁾	82,544,802	82,527,609	85,708,361	61,895,707
Warrants	5,457,026	5,457,026	5,457,026	5,457,026
Stock options and restricted stock units	5,244,552	4,865,544	4,899,973	5,065,139
Contingent consideration ⁽²⁾	5,212,121	—	5,212,121	—
Senior secured convertible notes	—	—	—	1,629,914
Total	98,458,501	92,850,179	101,277,481	74,047,786

⁽¹⁾ Includes the effect of potential Common Stock that would be issued to settle unpaid dividends accrued to holders of the Preferred Stock if they elected to convert their shares at the beginning of the period (or at the time of issuance, if later).

⁽²⁾ A contingent consideration liability was recognized as part of the Shareablee acquisition described in [Footnote 2, Summary of Significant Accounting Policies](#). The liability payments may be settled in any combination of cash or shares of Common Stock (at the Company's election) based on the volume-weighted average trading price of the Common Stock for the ten trading days prior to the date of each payment. Settlement of this liability in Common Stock could potentially dilute basic earnings per share in future periods. The Company calculated a potential anti-dilutive share count based on the expected payments totaling \$8.6 million and the \$1.65 per share closing price of the Company's Common Stock on the Nasdaq Global Select Market on September 30, 2022.

Income Taxes

A significant portion of the Company's net operating loss carryforwards are subject to an annual limitation under Section 382 of the Internal Revenue Code. The Company anticipates the Transactions may have triggered further limitations but has not yet reached a final conclusion as to whether an ownership change occurred and to what extent its net operating loss carryforwards are further limited. If an ownership change occurred as a result of the Transactions, the annual limitation under Section 382 may cause a significant portion of the Company's net operating loss carryforwards to expire prior to use. Due to the Company's valuation allowance position in the United States, the required revaluation of its deferred tax assets related to these limited U.S. federal and state net operating loss carryforwards is not expected to have a material impact on the Condensed Consolidated Financial Statements or related disclosures.

3. Revenue Recognition

The following table presents the Company's revenue disaggregated by solution group, geographical market and timing of transfer of products and services. The Company has one reportable segment in accordance with ASC 280, *Segment Reporting*; as such, the disaggregation of revenue below reconciles directly to its unique reportable segment.

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
By solution group:				
Digital Ad Solutions	\$ 52,360	\$ 57,039	\$ 157,127	\$ 162,581
Cross Platform Solutions	40,423	35,448	121,056	107,895
Total	\$ 92,783	\$ 92,487	\$ 278,183	\$ 270,476
By geographical market:				
United States	\$ 83,780	\$ 81,187	\$ 249,493	\$ 236,593
Europe	4,497	6,312	14,179	20,025
Canada	1,675	1,914	5,668	5,475
Latin America	1,839	1,947	5,765	5,227
Other	992	1,127	3,078	3,156
Total	\$ 92,783	\$ 92,487	\$ 278,183	\$ 270,476
By timing of revenue recognition:				
Products and services transferred over time	\$ 77,264	\$ 72,660	\$ 231,946	\$ 210,432
Products and services transferred at a point in time	15,519	19,827	46,237	60,044
Total	\$ 92,783	\$ 92,487	\$ 278,183	\$ 270,476

Contract Balances

The following table provides information about receivables, contract assets, contract liabilities and customer advances from contracts with customers:

(In thousands)	As of September 30, 2022	As of December 31, 2021
Accounts receivable, net	\$ 48,223	\$ 72,059
Current and non-current contract assets	6,991	4,875
Current contract liabilities	52,564	54,011
Current customer advances	10,633	11,613
Non-current contract liabilities	516	1,262

Significant changes in the current contract liabilities balance are as follows:

(In thousands)	Nine Months Ended September 30,	
	2022	2021
Revenue recognized that was included in the opening contract liabilities balance	\$ (47,662)	\$ (46,734)
Cash received or amounts billed in advance and not recognized as revenue	46,969	41,160

Remaining Performance Obligations

As of September 30, 2022, approximately \$195.0 million of revenue is expected to be recognized from remaining performance obligations that are unsatisfied (or partially unsatisfied) for non-cancelable contracts with an original expected duration of longer than one year. The Company expects to recognize revenue on approximately 17% of these remaining performance obligations during the remainder of 2022, approximately 45% in 2023, and approximately 19% in 2024, with the remainder recognized thereafter.

4. Goodwill

As of September 30, 2022, the Company concluded that it was more likely than not that the estimated fair value of its reporting unit was less than its carrying value. In its assessment, the Company considered the decline in the Company's stock price and market capitalization, among other factors. Accordingly, in conjunction with its annual test as of October 1, 2022, the Company performed a quantitative goodwill impairment test as of September 30, 2022, relying in part on the work of an independent valuation firm engaged by the Company to provide inputs as to the fair value of the reporting unit and to assist in the related calculations and analysis.

The fair value of the reporting unit was determined using a discounted cash flow model, supported by a market approach. The Company's reporting unit did not pass the goodwill impairment test, and as a result the Company recorded a \$46.3 million impairment charge for the three months ended September 30, 2022.

The change in the carrying value of goodwill is as follows:

(In thousands)		
Balance as of December 31, 2020	\$	418,327
Goodwill recognized from acquisition		19,202
Translation adjustments		(1,818)
Balance as of December 31, 2021	\$	435,711
Translation adjustments		(3,166)
Impairment charge		(46,300)
Balance as of September 30, 2022	\$	386,245

5. Convertible Redeemable Preferred Stock and Stockholders' Equity

2021 Issuance of Preferred Stock

On March 10, 2021, the Company issued and sold 82,527,609 shares of Preferred Stock in exchange for aggregate gross proceeds of \$204.0 million. Net proceeds from the Transactions totaled \$187.9 million after deducting issuance costs.

The Preferred Stock is convertible at the option of the holders at any time into shares of Common Stock based on a conversion rate set in accordance with the Certificate of Designations of the Preferred Stock. The conversion right is subject to certain anti-dilution adjustments and customary provisions related to partial dividend periods. As of September 30, 2022, each share of Preferred Stock would have been convertible into 1.019375 shares of Common Stock, with such assumed conversion rate scheduled to return to 1.00 upon payment of accrued dividends on June 30, 2023.

As of September 30, 2022, no shares of Preferred Stock have been converted into Common Stock.

The holders of Preferred Stock are entitled to participate in all dividends declared on the Common Stock on an as-converted basis and are also entitled to a cumulative dividend at the rate of 7.5% per annum, payable annually in arrears and subject to increase under certain circumstances. In addition, such holders are entitled to request, and the Company will take all actions reasonably necessary to pay, a one-time dividend ("Special Dividend") equal to the highest dividend that the Company's Board determines can be paid at the applicable time (or a lesser amount agreed upon by the holders), subject to additional conditions and limitations set forth in a Stockholders Agreement entered into by the Company and the holders on March 10, 2021 (the "Stockholders Agreement"). As set forth in the Stockholders Agreement, the Company may be obligated to obtain debt financing in order to effectuate the Special Dividend.

2019 Issuance and Sale of Common Stock and Warrants

On June 23, 2019, the Company entered into a Securities Purchase Agreement with CVI, pursuant to which CVI agreed to purchase (i) 2,728,513 shares of Common Stock (the "Initial Shares"), at a price of \$7.33 per share and (ii) Series A Warrants, Series B-1 Warrants, Series B-2 Warrants and Series C Warrants, for aggregate gross proceeds of \$20.0 million (the "Private Placement"). The Private Placement closed on June 26, 2019 (the "CVI Closing Date"). The Series B-1 Warrants and Series B-2 Warrants expired in 2020.

The Series C Warrants were exercised on October 10, 2019. As a result of this exercise, the Company issued 2,728,513 shares of Common Stock to CVI on October 14, 2019. In addition, the number of shares issuable under the Company's Series A Warrants was increased by 2,728,513.

The Series A Warrants are exercisable by the holders for a period of five years from the CVI Closing Date and are currently exercisable into 5,457,026 shares of Common Stock. The Series A Warrants may be exercised for cash or through a net settlement feature under certain circumstances.

The exercise price for the Series A Warrants is subject to anti-dilution adjustment in certain circumstances, including upon certain issuances of capital stock. Upon the issuance of the Preferred Stock, the Company adjusted the exercise price of the Series A Warrants from \$12.00 to \$2.4719 per share, the closing price of the Transactions.

CVI will not have the right to exercise any warrant that would result in CVI beneficially owning more than 4.99% of the outstanding Common Stock after giving effect to such exercise. CVI has the right, in its discretion, to raise this threshold up to 9.99% with 60 days' notice to the Company. In addition, if and to the extent the exercise of any warrants would, together with the issuances of the Initial Shares and the shares issued pursuant to the exercise of any other warrants, result in the issuance of 20.0% or more of the outstanding Common Stock of the Company on the CVI Closing Date, the Company intends to, in lieu of issuing such shares, settle the obligation to issue such shares in cash.

The estimated fair value of the Series A Warrants as of September 30, 2022 was \$2.0 million. Refer to [Footnote 7, Fair Value Measurements](#), for information on the Level 3 inputs utilized for the determination of the fair value of the warrants.

6. Debt

Revolving Credit Agreement

On May 5, 2021, the Company entered into a senior secured revolving credit agreement (the "Revolving Credit Agreement") among the Company, as borrower, certain subsidiaries of the Company, as guarantors, Bank of America N.A., as administrative agent (in such capacity, the "Agent"), and the lenders from time to time party thereto.

The Revolving Credit Agreement had an original borrowing capacity equal to \$25.0 million and bore interest on borrowings at a Eurodollar Rate (as defined in the Revolving Credit Agreement) that was based on LIBOR. The Company may also request the issuance of letters of credit under the Revolving Credit Agreement in an aggregate amount up to \$5.0 million, which reduces the amount of available borrowings by the amount of such issued and outstanding letters of credit. The facility has a maturity of three years from the closing date of the agreement.

On February 25, 2022, the Company entered into an amendment (the "Amendment") to the Revolving Credit Agreement to expand its aggregate borrowing capacity from \$25.0 million to \$40.0 million. The Amendment also replaced the Eurodollar Rate with a SOFR-based interest rate and modified the Applicable Rate definition in the Revolving Credit Agreement to increase the Applicable Rate payable on SOFR-based loans to 2.50% until the date a compliance certificate is received for the quarter ending March 31, 2023, with such Applicable Rate thereafter reducing to 2.25%.

The Amendment also modified certain financial covenants under the Revolving Credit Agreement. As amended, the Revolving Credit Agreement requires the Company to maintain:

- minimum Consolidated EBITDA (as defined in the Revolving Credit Agreement) of not less than \$20.0 million for the most recently ended four fiscal quarter period, tested as of the last day of each fiscal quarter ending on or before December 31, 2022;
- a minimum Consolidated Asset Coverage Ratio (as defined in the Revolving Credit Agreement) of not less than 1.5 to 1.0, tested as of the last day of each fiscal quarter ending on or before December 31, 2022; and
- a minimum Consolidated Fixed Charge Coverage Ratio (as defined in the Revolving Credit Agreement) of not less than 1.25 to 1.0 for the most recently ended four fiscal quarter period, tested as of the last day of each fiscal quarter ending on or after March 31, 2023.

Additionally, the Revolving Credit Agreement contains restrictive covenants that limit the Company's ability to, among other things, incur additional indebtedness or liens, make investments and loans, enter into mergers and acquisitions, make or declare dividends and other payments,

enter into certain contracts, sell assets and engage in transactions with affiliates. The Revolving Credit Agreement is also subject to customary events of default, including a change in control. If an event of default occurs and is continuing, the Agent or the Required Lenders may accelerate any amounts outstanding and terminate lender commitments. The Company is in compliance with the covenants under the amended Revolving Credit Agreement as of September 30, 2022.

The Revolving Credit Agreement is guaranteed by the Company and its domestic subsidiaries (other than Excluded Subsidiaries (as defined in the Revolving Credit Agreement)) and is secured by a first lien security interest in substantially all assets of the Company and its domestic subsidiaries (other than Excluded Subsidiaries), subject to certain customary exclusions.

As of September 30, 2022, the Company had outstanding borrowings of \$16.0 million, and issued and outstanding letters of credit of \$3.4 million, under the amended Revolving Credit Agreement, with remaining borrowing capacity of \$20.6 million.

Senior Secured Convertible Notes and Financing Derivatives

During 2018, the Company entered into certain agreements with funds affiliated with or managed by Starboard Value LP (collectively, "Starboard"), pursuant to which the Company issued and sold to Starboard a total of \$204.0 million in Notes, as well as warrants to purchase shares of the Company's Common Stock. The warrants were exercised in full by Starboard in 2019.

The Notes contained, among other features, an interest rate reset feature which the Company determined represented an embedded derivative that must be bifurcated and accounted for separately from the Notes. This feature reset the interest rate on the Notes based on the trading price of the Company's Common Stock.

Interest on the Notes was payable on a quarterly basis in arrears, at the option of the Company, in cash, or, subject to certain conditions, through the issuance by the Company of additional shares of Common Stock ("PIK Interest Shares"). On January 25, 2021, the Company paid quarterly accrued interest of \$6.1 million through the issuance of 2,802,454 PIK Interest Shares.

In connection with the Transactions described in [Footnote 5](#), *Convertible Redeemable Preferred Stock and Stockholders' Equity*, the Company used cash proceeds of \$204.0 million from the issuance of shares of its Preferred Stock to extinguish the Notes and related financing derivatives on March 10, 2021. The Company also issued 3,150,000 additional shares to Starboard (the "Conversion Shares"), as additional creditor consideration, which were valued at \$9.6 million. Lastly, the Company paid interest accrued of \$4.7 million for the period from January 1, 2021 to March 10, 2021 through the issuance of 1,363,327 PIK Interest Shares.

The Company recorded a loss on extinguishment of the Notes of \$9.3 million during the three months ended March 31, 2021.

Secured Term Note

During 2019, the Company's wholly owned subsidiary, Rentrak B.V., entered into an agreement with several third parties for the Secured Term Note in exchange for gross proceeds of \$13.0 million.

The Secured Term Note included a redemption feature which, upon the occurrence of certain fundamental transactions, would require the Company to redeem the Secured Term Note in full, plus accrued interest, and remit a prepayment premium equal to the remaining contractual interest cash flows (the "interest make-whole redemption"). The Company determined this feature represented an embedded derivative that must be bifurcated and accounted for separately from the Secured Term Note.

In connection with the Transactions described in [Footnote 5](#), *Convertible Redeemable Preferred Stock and Stockholders' Equity*, the Company used restricted cash from its balance sheet to extinguish the Secured Term Note and interest make-whole redemption on March 10, 2021, of which \$13.0 million and \$1.0 million were for principal repayments and settlement of the interest make-whole redemption, respectively.

The Company recorded a loss on extinguishment of the Secured Term Note of \$0.3 million during the three months ended March 31, 2021.

7. Fair Value Measurements

The Company's financial instruments measured at fair value in the accompanying Condensed Consolidated Balance Sheets on a recurring basis consist of the following:

(In thousands)	As of September 30, 2022				As of December 31, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Money market funds ⁽¹⁾	\$ 447	\$ —	\$ —	\$ 447	\$ 2,429	\$ —	\$ —	\$ 2,429
Liabilities								
Contingent consideration liability ⁽²⁾	\$ —	\$ 8,047	\$ —	\$ 8,047	\$ —	\$ —	\$ 5,600	\$ 5,600
Warrants liability ⁽³⁾	—	—	2,049	2,049	—	—	10,520	10,520
Total liabilities	\$ —	\$ 8,047	\$ 2,049	\$ 10,096	\$ —	\$ —	\$ 16,120	\$ 16,120

⁽¹⁾ Level 1 cash equivalents are invested in money market funds that are intended to maintain a stable net asset value of \$1.00 per share by investing in liquid, high quality U.S. dollar-denominated money market instruments with maturities less than three months.

⁽²⁾ The fair value of this liability as of September 30, 2022 is derived from a technique which utilizes market-corroborated inputs that result in classification as a Level 2 fair value measurement as of such date. The fair value of this liability as of December 31, 2021 was derived from techniques which utilize inputs, certain of which are significant and unobservable, that result in classification as a Level 3 fair value measurement as of such date. The current and non-current portions of the contingent consideration liability are classified within other current and non-current liabilities in the Condensed Consolidated Balance Sheets. The current portion of the contingent consideration liability was \$3.6 million and \$1.0 million as of September 30, 2022 and December 31, 2021, respectively. The non-current portion of the contingent consideration liability was \$4.4 million and \$4.6 million as of September 30, 2022 and December 31, 2021, respectively.

⁽³⁾ The fair value of this liability is derived from a technique which utilizes inputs, certain of which are significant and unobservable, that result in classification as a Level 3 fair value measurement. Warrants liability includes only the Series A warrants as of September 30, 2022 and December 31, 2021.

For the quarter ended September 30, 2022, the Company recorded a goodwill impairment charge of \$46.3 million. Refer to [Footnote 4, Goodwill](#) for further details. The remeasurement of goodwill is classified as a non-recurring Level 3 fair value assessment due to the significance of unobservable inputs developed in the determination of the fair value. The Company used a discounted cash flow model to determine the estimated fair value of the reporting unit. The Company made estimates and assumptions regarding future cash flows, discount rates, long-term growth rates and market values to determine the reporting unit's estimated fair value. It is possible that future changes in such circumstances, or in the variables associated with the judgments, assumptions and estimates used in assessing the fair value of the reporting unit, would require the Company to record additional non-cash impairment charges.

The elimination of the option pricing model used to value the contingent consideration liability reflected a change in the Company's valuation technique during the three months ended June 30, 2022. There were no other changes to the Company's valuation techniques or methodologies during the three and nine months ended September 30, 2022 or 2021.

The following tables present the changes in the Company's recurring Level 3 fair valued instruments for the nine months ended September 30, 2022 and 2021, respectively:

(In thousands)	Contingent Consideration Liability	Warrants Liability
Balance as of December 31, 2021	\$ 5,600	\$ 10,520
Total loss (gain) recognized due to remeasurement ⁽¹⁾	2,348	(8,471)
Transfer to Level 2 ⁽²⁾	(7,948)	—
Balance as of September 30, 2022	<u>\$ —</u>	<u>\$ 2,049</u>

⁽¹⁾ The loss due to remeasurement of the contingent consideration liability was recorded in general and administrative expense, and the gain on remeasurement of the warrants liability was recorded in other income (expense), net, in the Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income.

⁽²⁾ The transfer was due to the resolution of the contingency regarding the amount of consideration payable. Transfers between levels of the fair value hierarchy are recognized at the beginning of the reporting period.

(In thousands)	Interest Make-whole Derivative Liability	Financing Derivative Liabilities	Warrants Liability
Balance as of December 31, 2020	\$ 871	\$ 11,300	\$ 2,831
Total loss (gain) recognized due to remeasurement ⁽¹⁾	150	(1,800)	10,938
Settlement or derecognition upon extinguishment of host debt ⁽²⁾	(1,021)	(9,500)	—
Balance as of September 30, 2021	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 13,769</u>

⁽¹⁾ All losses and gains were recorded in other income (expense), net in the Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income.

⁽²⁾ Refer to [Footnote 6, Debt](#) for additional information on the extinguishment of the Notes and Secured Term Note.

The following table displays the valuation technique and the significant inputs, certain of which are unobservable, for the Company's Level 3 liabilities that existed as of September 30, 2022 and December 31, 2021 that are measured at fair value on a recurring basis:

	Fair Value Measurements			
	Significant Valuation Technique	Significant Valuation Inputs	September 30, 2022	December 31, 2021
Warrants liability	Option pricing	Stock price	\$1.65	\$3.34
		Exercise price	\$2.47	\$2.47
		Volatility	65.0%	85.0%
		Term	1.74 years	2.49 years
		Risk-free rate	4.2%	0.9%

The primary sensitivities in the valuation of the warrants liability are driven by the Common Stock price at the measurement date and the expected volatility of the Common Stock over the remaining term.

8. Accrued Expenses

(In thousands)	As of September 30, 2022	As of December 31, 2021
Accrued data costs	\$ 16,171	\$ 18,116
Payroll and payroll-related	12,730	16,272
Professional fees	1,989	2,978
Restructuring accrual	4,504	—
Other	6,248	7,898
Total accrued expenses	<u>\$ 41,642</u>	<u>\$ 45,264</u>

9. Related Party Transactions

Transactions with WPP plc

As of September 30, 2022 (based on public filings), WPP plc and its affiliates ("WPP") owned 11,319,363 shares of the Company's outstanding Common Stock, representing 12.3% of the outstanding Common Stock. The Company provides WPP, in the normal course of business, services amongst its different product lines and receives various services from WPP supporting the Company's data collection efforts.

The Company's results from transactions with WPP, as reflected in the Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income, are as follows:

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues	\$ 2,782	\$ 3,467	\$ 9,492	\$ 10,080
Cost of revenues	2,417	2,580	6,791	9,673

The Company has the following balances related to transactions with WPP, as reflected in the Condensed Consolidated Balance Sheets:

(In thousands)	As of September 30, 2022	As of December 31, 2021
Assets		
Accounts receivable, net	\$ 867	\$ 3,506
Liabilities		
Accounts payable	\$ 2,117	\$ 1,395
Accrued expenses	337	740
Contract liabilities	1,476	3,403
Other non-current liabilities	384	1,582

Transactions with Charter, Qurate and Pine

Charter, Qurate (through an affiliate) and Pine each hold 33.3% of the outstanding shares of Preferred Stock, which are entitled to convert into shares of Common Stock and to vote as a single class with the holders of the Common Stock as set forth in the Certificate of Designations. As of September 30, 2022 (based on public filings), Pine also owned 438,088 shares of the Company's outstanding Common Stock, representing 0.5% of the outstanding Common Stock. In addition, Charter, Qurate and Pine each designated two members of the Company's Board in accordance with the Stockholders Agreement.

As of September 30, 2022 and December 31, 2021, Charter, Qurate and Pine each owned 27,509,203 shares of the Company's outstanding Preferred Stock. On June 30, 2022, in accordance with the Certificate of Designations, the Company made cash dividend payments totaling \$15.5 million to the holders of the Preferred Stock, representing dividends accrued for the period from June 30, 2021 through June 29, 2022. Accrued dividends to the holders of Preferred Stock as of September 30, 2022 were \$4.0 million. The next scheduled dividend payment date for the Preferred Stock is June 30, 2023.

Concurrent with the closing of the Transactions on March 10, 2021, the Company entered into a ten-year Data License Agreement ("DLA") with Charter Communications Operating, LLC ("Charter Operating"), an affiliate of Charter. Under the DLA, Charter Operating will bill the Company for license fees according to a payment schedule that gradually increases from \$10.0 million in the first year of the term to \$32.3 million in the tenth year of the term. The Company recognizes expense for the license fees ratably over the term. On November 6, 2022, the Company and Charter Operating entered into an amendment to the DLA, pursuant to which the Company will receive license fee credits totaling \$7.0 million. Refer to [Footnote 12](#), *Subsequent Events* for additional information about the amendment.

The Company's results from transactions with Charter and its affiliates, as reflected in the Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income, are detailed below:

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues	\$ 501	\$ 487	\$ 1,773	\$ 1,366
Cost of revenues	5,521	5,529	16,588	16,471

The Company has the following liability balances related to transactions with Charter and its affiliates, as reflected in the Condensed Consolidated Balance Sheet:

(In thousands)	As of	As of
	September 30, 2022	December 31, 2021
Accounts payable	\$ 10,692	\$ 5,180
Accrued expenses	4,083	3,377
Non-current portion of accrued data costs	14,066	7,843

The Company recognized revenues of \$0.2 million during the three months ended September 30, 2022 and 2021, and \$0.6 million and \$0.6 million during the nine months ended September 30, 2022 and 2021, respectively, from transactions with Qurate and its affiliates in the normal course of business as reflected in the Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income.

The Company had no transactions, other than the issuance of shares of Preferred Stock and related matters, with Pine for the three and nine months ended September 30, 2022 and 2021.

Transactions with Starboard

In 2018, the Company entered into certain agreements with Starboard, then a beneficial owner of more than 5.0% of the Company's outstanding Common Stock. Refer to [Footnote 6, Debt](#), for further information regarding these agreements and the Company's issuance of Notes to Starboard in 2018. As a result of these agreements and the transactions contemplated thereby, Starboard ceased to be a beneficial owner of more than 5.0% of the Company's outstanding Common Stock in January 2018. In addition, pursuant to a prior agreement with Starboard, the Company provided Starboard the right to designate certain members to the Company's Board. As of December 31, 2018, Starboard had no remaining right to designate any directors to the Board. As of September 30, 2022, there were no directors remaining on the Board who were designated by Starboard.

In connection with the extinguishment of the Notes on March 10, 2021, the Company issued 3,150,000 Conversion Shares to Starboard valued at \$9.6 million as discussed in [Footnote 6, Debt](#), which amount was included as a component of loss on extinguishment of debt in the Condensed Consolidated Statement of Operations and Comprehensive Loss.

The Company recorded interest expense, inclusive of non-cash accretion of issuance discount and deferred financing costs, related to the Notes of \$6.6 million during the three months ended March 31, 2021.

The Company had no outstanding balances related to Starboard as of September 30, 2022 or December 31, 2021.

10. Organizational Restructuring

On September 29, 2022, the Company communicated a workforce reduction as part of its broader efforts to improve cost efficiency and better align its operating structure and resources with strategic priorities (collectively, the "Restructuring Plan"). In addition to employee terminations, the Restructuring Plan is expected to include the reallocation of commercial and product development resources; reinvestment in and modernization of key technology platforms; consolidation of data storage and processing activities to reduce the Company's data center footprint; and reduction of other operating expenses, including software and facility costs. The Company may also determine to exit certain activities in certain geographic regions in order to more effectively align resources with business priorities. In connection with the Restructuring Plan, which was authorized by the Board on September 19, 2022, the Company will incur certain exit-related costs. These costs are currently estimated to range between \$13 million and \$18 million. The Company expects implementation of the Restructuring Plan, including cash payments, to be substantially complete in the fourth quarter of 2023.

The table below summarizes the balance of the restructuring liability as of September 30, 2022, which is recorded in accrued expenses in the Condensed Consolidated Balance Sheets, and the changes in the accrued amounts for the nine months ended September 30, 2022:

(In thousands)	Severance and Related Costs	Other	Total Restructuring Expense
	Restructuring expense	\$ 4,552	\$ 1,232
Payments	—	(250)	(250)
Foreign exchange	(48)	—	(48)
Balance as of September 30, 2022 ¹	\$ 4,504	\$ 982	\$ 5,486

⁽¹⁾ As of September 30, 2022, the remaining balance of the restructuring liability includes \$4.5 million classified as Accrued expenses and \$1.0 million classified as Accounts payable.

11. Commitments and Contingencies

Contingencies

The Company is involved in various legal proceedings from time to time. The Company establishes reserves for specific legal proceedings when management determines that the likelihood of an unfavorable outcome is probable, and the amount of loss can be reasonably estimated. The Company has also identified certain other legal matters where an unfavorable outcome is reasonably possible and/or for which no estimate of possible losses can be made. In these cases, the Company does not establish a reserve until it can reasonably estimate the loss. Legal fees related to contingencies are expensed as incurred. The outcomes of legal proceedings are inherently unpredictable, subject to significant uncertainties, and could be material to the Company's operating results and cash flows for a particular period.

Current Matters

The Company is, and may become, a party to a variety of legal proceedings from time to time that arise in the normal course of the Company's business. While the results of such legal proceedings cannot be predicted with certainty, management believes that, based on current knowledge, the final outcome of any such current pending matters will not have a material effect on the Company's financial position, results of operations or cash flows. Regardless of the outcome, legal proceedings can have an adverse effect on the Company because of defense costs, diversion of management resources and other factors.

Indemnification

The Company has entered into indemnification agreements with each of the Company's directors and certain officers, and the Company's amended and restated certificate of incorporation requires it to indemnify each of its directors and officers, to the fullest extent permitted by Delaware law, who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that he or she is or was a director or officer of the Company. The Company has paid and may in the future pay legal counsel fees incurred by current and former directors and officers who are involved in legal proceedings that require indemnification.

Similarly, certain of the Company's commercial contracts require it to indemnify contract counterparties under specified circumstances, and the Company may incur legal counsel fees and other costs in connection with these obligations.

12. Subsequent Events

On November 6, 2022, the Company entered into an amendment to the DLA with Charter Operating. Under the amendment, Charter will extend its endorsement of the Company as its preferred local measurement provider to seven years (from five) at no additional cost, with an opportunity to extend to the full 10-year contract term under certain conditions. In addition, the Company will receive license fee credits totaling \$7.0 million under the amendment, to be applied toward 2022 and 2023 fee payments as set forth in the amendment. The amendment also provides for additional data parameters and specifications to assist the Company in product development and delivery speed, as well as rights to incremental Charter data sets that become available during the contract term.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our Condensed Consolidated Financial Statements and the related Notes to Condensed Consolidated Financial Statements included in Part I, [Item 1](#) of this Quarterly Report on Form 10-Q, or 10-Q. In addition to historical financial information, the following discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results and timing of selected events in future periods may differ materially from those anticipated or implied in these forward-looking statements as a result of many factors, including those discussed under [Item 1A](#), "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021 (the "2021 10-K"), under [Item 1A](#), "Risk Factors" in this 10-Q and elsewhere in this 10-Q. See also "[Cautionary Note Regarding Forward-Looking Statements](#)" at the beginning of this 10-Q.

Overview

We are a global information and analytics company that measures advertising, content, and the consumer audiences of each, across media platforms. We create our products using a global data platform that combines information on digital platforms (connected (Smart) televisions, mobile devices, tablets and computers), television ("TV"), over the top devices ("OTT"), direct to consumer applications, and movie screens with demographics and other descriptive information. We have developed proprietary data science that enables measurement of person-level and household-level audiences, removing duplicated viewing across devices and over time. This combination of data and methods enables a common standard for buyers and sellers to transact on advertising. This helps companies across the media ecosystem better understand and monetize their audiences and develop marketing plans, content and products to more efficiently and effectively reach those audiences. Our ability to unify behavioral and other descriptive data enables us to provide audience ratings, advertising verification, and granular consumer segments that describe hundreds of millions of consumers. Our customers include digital publishers, television networks, movie studios, content owners, brand advertisers, agencies and technology providers.

The information we analyze crosses geographies, types of content and activities, including websites, mobile and OTT applications ("apps"), video games, television and movie programming, electronic commerce ("e-commerce") and advertising.

Management Changes

On July 5, 2022, our Board of Directors appointed Jonathan Carpenter as our Chief Executive Officer, effective July 6, 2022. In connection with Mr. Carpenter's appointment, William Livek retired as our Chief Executive Officer. Also on July 5, 2022, the Board of Directors appointed Mary Margaret Curry as our Chief Financial Officer and Treasurer, effective July 6, 2022. Ms. Curry continues to serve as our principal accounting officer.

On August 22, 2022, our Board of Directors appointed Greg Dale as Chief Operating Officer and David Algranati as Chief Innovation Officer of the Company, effective August 23, 2022. The Company also announced that its Chief Commercial Officer, Chris Wilson, would be leaving the Company effective October 1 2022.

Results of Operations

The following table sets forth selected Condensed Consolidated Statements of Operations data as a percentage of total revenues for each of the periods indicated. Percentages may not add due to rounding.

(In thousands)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022		2021		2022		2021	
	Dollars	% of Revenue	Dollars	% of Revenue	Dollars	% of Revenue	Dollars	% of Revenue
Revenues	\$ 92,783	100.0 %	\$ 92,487	100.0 %	\$ 278,183	100.0 %	\$ 270,476	100.0 %
Cost of revenues	51,530	55.5 %	49,179	53.2 %	155,915	56.0 %	153,267	56.7 %
Selling and marketing	17,199	18.5 %	15,212	16.4 %	51,850	18.6 %	49,569	18.3 %
Research and development	8,741	9.4 %	9,051	9.8 %	28,190	10.1 %	29,536	10.9 %
General and administrative	12,899	13.9 %	16,895	18.3 %	48,119	17.3 %	45,609	16.9 %
Restructuring	5,784	6.2 %	—	— %	5,784	2.1 %	—	— %
Amortization of intangible assets	6,772	7.3 %	6,172	6.7 %	20,323	7.3 %	18,866	7.0 %
Impairment of goodwill	46,300	49.9 %	—	— %	46,300	16.6 %	—	— %
Total expenses from operations	149,225	160.8 %	96,509	104.3 %	356,481	128.1 %	296,847	109.7 %
Loss from operations	(56,442)	(60.8)%	(4,022)	(4.3)%	(78,298)	(28.1)%	(26,371)	(9.7)%
Other income (expense), net	1,477	1.6 %	5,713	6.2 %	8,467	3.0 %	(9,069)	(3.4)%
Gain from foreign currency transactions	2,781	3.0 %	1,180	1.3 %	5,728	2.1 %	1,884	0.7 %
Interest expense, net	(284)	(0.3)%	(169)	(0.2)%	(660)	(0.2)%	(7,569)	(2.8)%
Loss on extinguishment of debt	—	— %	—	— %	—	— %	(9,629)	(3.6)%
(Loss) income before income taxes	(52,468)	(56.5)%	2,702	2.9 %	(64,763)	(23.3)%	(50,754)	(18.8)%
Income tax benefit (provision)	86	0.1 %	(722)	(0.8)%	(1,945)	(0.7)%	(2,166)	(0.8)%
Net (loss) income	\$ (52,382)	(56.5)%	\$ 1,980	2.1 %	\$ (66,708)	(24.0)%	\$ (52,920)	(19.6)%

Revenues

Our products and services are organized around solution groups that address customer needs. Accordingly, we evaluate revenue around two solution groups:

- Digital Ad Solutions provide measurement of the behavior and characteristics of audiences across digital platforms, including computers, tablets, mobile and other connected devices. This solution group also includes custom offerings that provide end-to-end solutions for planning, optimization and evaluation of advertising campaigns and brand protection across digital platforms, including transactional outcome-based measurement driven by our Activation and CCR products.
- Cross Platform Solutions provide measurement of content and advertising audiences across local, national and addressable television, including consumption through connected (Smart) televisions, and are designed to help customers find the most relevant viewing audience whether that viewing is linear, non-linear, online or on-demand. This solution group also includes custom offerings that provide end-to-end solutions for planning, optimization and evaluation of advertising campaigns across platforms. In addition, this solution group includes products that measure movie viewership and box office results by capturing movie ticket sales in real time or near real time and includes box office analytics, trend analysis and insights for movie studios and movie theater operators worldwide.

We categorize our revenue along these two solution groups; however, our cost structure is tracked at the corporate level and not by our solution groups. These costs include, but are not limited to, employee costs, purchased data, operational overhead, data storage and technology that supports multiple solution groups.

Revenues for the three months ended September 30, 2022 and 2021 were as follows:

(In thousands)	Three Months Ended September 30,					
	2022	% of Revenue	2021	% of Revenue	\$ Variance	% Variance
Digital Ad Solutions	\$ 52,360	56.4 %	\$ 57,039	61.7 %	\$ (4,679)	(8.2)%
Cross Platform Solutions	40,423	43.6 %	35,448	38.3 %	4,975	14.0 %
Total revenues	\$ 92,783	100.0 %	\$ 92,487	100.0 %	\$ 296	0.3 %

Digital Ad Solutions revenue decreased primarily due to lower usage of our Activation product and lower deliveries of our custom digital solutions. We believe that macroeconomic factors (such as inflation, rising interest rates and supply chain disruptions) have caused some advertisers to reduce or delay advertising expenditures in recent months, impacting demand for certain digital products.

Cross Platform Solutions revenue increased primarily due to higher TV revenues from new partnerships, higher contract values from renewals and increased agency adoption. Our movies revenue increased due to the continued return of consumers to theaters in markets worldwide.

Revenues for the nine months ended September 30, 2022 and 2021 were as follows:

(In thousands)	Nine Months Ended September 30,					
	2022	% of Revenue	2021	% of Revenue	\$ Variance	% Variance
Digital Ad Solutions	\$ 157,127	56.5 %	\$ 162,581	60.1 %	\$ (5,454)	(3.4)%
Cross Platform Solutions	121,056	43.5 %	107,895	39.9 %	13,161	12.2 %
Total revenues	\$ 278,183	100.0 %	\$ 270,476	100.0 %	\$ 7,707	2.8 %

Digital Ad Solutions revenue decreased primarily due to lower revenue from delivery of our digital measurement products in Europe due to \$2.4 million in license revenue recognized under a multi-year contract in the first quarter of 2021. Digital Ad Solutions revenue was also impacted by lower usage of our Activation product. As noted above, we believe that macroeconomic factors have caused a reduction or delay in advertising expenditures in recent months, impacting demand for certain digital products.

Cross Platform Solutions revenue increased primarily due to higher TV revenues from new partnerships, higher contract values from renewals and increased agency adoption. In addition, we recognized \$3.8 million of revenue related to cost reimbursements of cloud computing and processing costs attributable to certain custom TV data set deliveries. Our movies revenue increased by \$3.1 million due to the continued return of consumers to theaters in markets worldwide.

Cost of Revenues

Cost of revenues consists primarily of expenses related to producing our products, operating our network infrastructure, the recruitment, maintenance and support of our consumer panels and amortization of capitalized fulfillment costs. These expenses include employee costs for salaries, benefits, stock-based compensation and other related personnel costs of network operations, survey operations, custom analytics and technical support, all of which are expensed as they are incurred. Cost of revenues also includes costs to obtain multichannel video programming distributor ("MVPD") data sets and panel, census based and other data sets used in our products as well as operational costs associated with our data centers, including depreciation expense associated with computer equipment and internally developed software that supports our panels and systems. Additionally, cost of revenues includes allocated overhead, which is comprised of lease expense and other facilities-related costs, and depreciation expense generated by general purpose equipment and software.

Cost of revenues for the three months ended September 30, 2022 and 2021 were as follows:

(In thousands)	Three Months Ended September 30,					
	2022	% of Revenue	2021	% of Revenue	\$ Change	% Change
Data costs	\$ 19,000	20.5 %	\$ 18,466	20.0 %	\$ 534	2.9 %
Employee costs	9,866	10.6 %	9,942	10.7 %	(76)	(0.8)%
Systems and bandwidth costs	7,957	8.6 %	6,207	6.7 %	1,750	28.2 %
Lease expense and depreciation	5,179	5.6 %	5,003	5.4 %	176	3.5 %
Panel costs	4,156	4.5 %	3,935	4.3 %	221	5.6 %
Sample and survey costs	1,613	1.7 %	1,856	2.0 %	(243)	(13.1)%
Professional fees	1,557	1.7 %	1,126	1.2 %	431	38.3 %
Technology	1,005	1.1 %	1,390	1.5 %	(385)	(27.7)%
Royalties and resellers	914	1.0 %	1,008	1.1 %	(94)	(9.3)%
Other	283	0.3 %	246	0.3 %	37	15.0 %
Total cost of revenues	\$ 51,530	55.5 %	\$ 49,179	53.2 %	\$ 2,351	4.8 %

Systems and bandwidth costs increased primarily due to increased cloud computing costs in 2022 due to recognition of non-recurring credits during 2021.

Cost of revenues for the nine months ended September 30, 2022 and 2021 were as follows:

(In thousands)	Nine Months Ended September 30,					
	2022	% of Revenue	2021	% of Revenue	\$ Change	% Change
Data costs	\$ 55,980	20.1 %	\$ 55,706	20.6 %	\$ 274	0.5 %
Employee costs	31,087	11.2 %	30,925	11.4 %	162	0.5 %
Systems and bandwidth costs	24,834	8.9 %	20,382	7.5 %	4,452	21.8 %
Lease expense and depreciation	15,809	5.7 %	14,775	5.5 %	1,034	7.0 %
Panel costs	11,589	4.2 %	11,614	4.3 %	(25)	(0.2)%
Sample and survey costs	5,237	1.9 %	5,227	1.9 %	10	0.2 %
Professional fees	4,464	1.6 %	3,885	1.4 %	579	14.9 %
Technology	3,568	1.3 %	4,367	1.6 %	(799)	(18.3)%
Royalties and resellers	2,540	0.9 %	2,701	1.0 %	(161)	(6.0)%
Other	807	0.3 %	3,685	1.4 %	(2,878)	(78.1)%
Total cost of revenues	\$ 155,915	56.0 %	\$ 153,267	56.7 %	\$ 2,648	1.7 %

Systems and bandwidth costs increased primarily due to cloud computing and processing costs attributable to certain custom TV data set deliveries, including \$3.8 million that was recognized as revenue as described above. Lease expense and depreciation increased primarily due to higher depreciation of capitalized internal-use software costs. Other expenses decreased primarily due to the recognition of \$2.4 million in license costs associated with the delivery of our digital measurement products in Europe in the first quarter of 2021 in connection with the multi-year contract described above.

Selling and Marketing

Selling and marketing expenses consist primarily of employee costs for salaries, benefits, commissions, stock-based compensation and other related costs for personnel associated with sales and marketing activities. They also include costs related to online and offline advertising, industry conferences, promotional materials, public relations, other sales and marketing programs and allocated overhead, which is comprised of lease expense and other facilities-related costs, and depreciation expense generated by general purpose equipment and software.

Selling and marketing expenses for the three months ended September 30, 2022 and 2021 were as follows:

(In thousands)	Three Months Ended September 30,					
	2022	% of Revenue	2021	% of Revenue	\$ Change	% Change
Employee costs	\$ 13,916	15.0 %	\$ 12,519	13.5 %	\$ 1,397	11.2 %
Lease expense and depreciation	997	1.1 %	918	1.0 %	79	8.6 %
Technology	809	0.9 %	629	0.7 %	180	28.6 %
Professional fees	612	0.7 %	480	0.5 %	132	27.5 %
Other	865	0.9 %	666	0.7 %	199	29.9 %
Total selling and marketing expenses	\$ 17,199	18.5 %	\$ 15,212	16.4 %	\$ 1,987	13.1 %

Employee costs increased primarily due to increased commissions during the three months ended September 30, 2022.

Selling and marketing expenses for the nine months ended September 30, 2022 and 2021 were as follows:

(In thousands)	Nine Months Ended September 30,					
	2022	% of Revenue	2021	% of Revenue	\$ Change	% Change
Employee costs	\$ 42,211	15.2 %	\$ 41,696	15.4 %	\$ 515	1.2 %
Lease expense and depreciation	2,898	1.0 %	2,967	1.1 %	(69)	(2.3)%
Technology	2,506	0.9 %	1,901	0.7 %	605	31.8 %
Professional fees	1,697	0.6 %	1,562	0.6 %	135	8.6 %
Other	2,538	0.9 %	1,443	0.5 %	1,095	75.9 %
Total selling and marketing expenses	\$ 51,850	18.6 %	\$ 49,569	18.3 %	\$ 2,281	4.6 %

Other expense increased primarily due to increased participation in marketing events during 2022.

Research and Development

Research and development expenses include product development costs, consisting primarily of employee costs for salaries, benefits, stock-based compensation and other related costs for personnel associated with research and development activities, third-party expenses to develop new products and third-party data costs and allocated overhead, which is comprised of lease expense and other facilities-related costs, and depreciation expense related to general purpose equipment and software.

Research and development expenses for the three months ended September 30, 2022 and 2021 were as follows:

(In thousands)	Three Months Ended September 30,					
	2022	% of Revenue	2021	% of Revenue	\$ Change	% Change
Employee costs	\$ 6,906	7.4 %	\$ 6,788	7.3 %	\$ 118	1.7 %
Technology	789	0.9 %	1,042	1.1 %	(253)	(24.3)%
Lease expense and depreciation	688	0.7 %	741	0.8 %	(53)	(7.2)%
Professional fees	236	0.3 %	354	0.4 %	(118)	(33.3)%
Other	122	0.1 %	126	0.1 %	(4)	(3.2)%
Total research and development expenses	\$ 8,741	9.4 %	\$ 9,051	9.8 %	\$ (310)	(3.4)%

Research and development expenses for the nine months ended September 30, 2022 and 2021 were as follows:

(In thousands)	Nine Months Ended September 30,					
	2022	% of Revenue	2021	% of Revenue	\$ Change	% Change
Employee costs	\$ 22,037	7.9 %	\$ 22,060	8.2 %	\$ (23)	(0.1)%
Technology	2,800	1.0 %	3,275	1.2 %	(475)	(14.5)%
Lease expense and depreciation	2,123	0.8 %	2,438	0.9 %	(315)	(12.9)%
Professional fees	823	0.3 %	1,352	0.5 %	(529)	(39.1)%
Other	407	0.1 %	411	0.2 %	(4)	(1.0)%
Total research and development expenses	\$ 28,190	10.1 %	\$ 29,536	10.9 %	\$ (1,346)	(4.6)%

General and Administrative

General and administrative expenses consist primarily of employee costs for salaries, benefits, stock-based compensation and other related costs, and related expenses for executive management, finance, human capital, legal and other administrative functions, as well as professional fees, overhead, including allocated overhead, which is comprised of lease expense and other facilities-related costs, depreciation expense related to general purpose equipment and software, amortization of cloud-computing implementation costs, changes in the fair value of our contingent consideration liability, Board of Directors compensation and expenses incurred for other general corporate purposes.

General and administrative expenses for the three months ended September 30, 2022 and 2021 were as follows:

(In thousands)	Three Months Ended September 30,					
	2022	% of Revenue	2021	% of Revenue	\$ Change	% Change
Employee costs	\$ 7,080	7.6 %	\$ 8,809	9.5 %	\$ (1,729)	(19.6)%
Professional fees	3,049	3.3 %	5,323	5.8 %	(2,274)	(42.7)%
Technology	820	0.9 %	908	1.0 %	(88)	(9.7)%
Lease expense and depreciation	395	0.4 %	394	0.4 %	1	0.3 %
Other	1,555	1.7 %	1,461	1.6 %	94	6.4 %
Total general and administrative expenses	\$ 12,899	13.9 %	\$ 16,895	18.3 %	\$ (3,996)	(23.7)%

Employee costs decreased primarily due to severance expense related to the departure of our former Chief Financial Officer in August 2021. Professional fees decreased primarily due to increased consulting and auditing fees during 2021 related to implementation support for our new enterprise resource planning system and the reclassification of consulting fees incurred in the three months ended June 30, 2022 to restructuring expense during the three months ended September 30, 2022.

General and administrative expenses for the nine months ended September 30, 2022 and 2021 were as follows:

(In thousands)	Nine Months Ended September 30,				\$ Change	% Change
	2022	% of Revenue	2021	% of Revenue		
Employee costs	\$ 25,080	9.0 %	\$ 24,710	9.1 %	\$ 370	1.5 %
Professional fees	11,671	4.2 %	11,889	4.4 %	(218)	(1.8)%
Technology	2,499	0.9 %	2,119	0.8 %	380	17.9 %
Lease expense and depreciation	1,236	0.4 %	1,285	0.5 %	(49)	(3.8)%
Other	7,633	2.7 %	5,606	2.1 %	2,027	36.2 %
Total general and administrative expenses	\$ 48,119	17.3 %	\$ 45,609	16.9 %	\$ 2,510	5.5 %

Other expense increased primarily due to a \$2.4 million loss resulting from the change in fair value of the contingent consideration recognized as part of the business combination described in [Footnote 2](#), *Summary of Significant Accounting Policies*.

Organizational Restructuring

In September 2022, we implemented a restructuring plan that included a workforce reduction. Certain other initiatives are expected to be completed as part of the restructuring plan, as described in [Footnote 10](#), *Organizational Restructuring*. We incurred \$5.8 million of restructuring expenses during the three and nine months ended September 30, 2022 related to the plan and expect these costs to continue into 2023 as other initiatives are completed. No restructuring expenses were incurred during the corresponding periods in 2021.

Impairment of Goodwill

As of September 30, 2022, as a result of a decline in our stock price and market capitalization, among other factors, we performed an interim impairment review of our goodwill in conjunction with our October 1, 2022 annual testing date. Our reporting unit did not pass the goodwill impairment test, and as a result we recorded a \$46.3 million non-cash impairment charge in the three months ended September 30, 2022. For further information on our goodwill, refer to [Footnote 4](#), *Goodwill* and [Item 2](#), "Critical Accounting Estimates" within our 2021 10-K.

Other Income (Expense), Net

Other income (expense), net represents income and expenses incurred that are generally not recurring in nature or are not part of our regular operations. The following is a summary of other income (expense), net for the three and nine months ended September 30, 2022 and 2021:

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Change in fair value of warrants liability	\$ 1,476	\$ 5,582	\$ 8,471	\$ (10,938)
Change in fair value of financing derivatives	—	—	—	1,800
Other	1	131	(4)	69
Total other income (expense), net	\$ 1,477	\$ 5,713	\$ 8,467	\$ (9,069)

The change in other income (expense), net for the three and nine months ended September 30, 2022 as compared to 2021 was largely driven by changes in the fair value of our warrants liability. The gain on the warrants liability for the three and nine months ended September 30, 2022 was primarily due to a decrease in the trading price of our Common Stock during the relevant periods. The gain on the warrants liability during the three months ended September 30, 2021 was primarily due to a decrease in the trading price of our Common Stock during the period. The loss on the warrants liability for the nine months ended September 30, 2021 was due primarily to the exercise price adjustment described in [Footnote 5](#), *Convertible Redeemable Preferred Stock and Stockholders' Equity*, and an increase in the trading price of our Common Stock during the relevant period.

Interest Expense, Net

Interest expense, net consists of interest income and interest expense. Interest income primarily consists of interest earned from our cash and cash equivalent balances. Interest expense relates to interest on our senior secured convertible notes (the "Notes"), foreign secured promissory note (the "Secured Term Note"), our senior secured revolving credit agreement (the "Revolving Credit Agreement"), our sale-leaseback agreement, and our finance leases.

We incurred interest expense, net of \$0.3 million and \$0.2 million during the three months ended September 30, 2022 and 2021, respectively, and \$0.7 million and \$7.6 million during the nine months ended September 30, 2022 and 2021, respectively. The decrease in interest expense for the nine months ended September 30, 2022 as compared to 2021 was primarily due to the extinguishment of the Notes and the Secured Term Note in March 2021, as described in [Footnote 6](#), *Debt*.

Gain From Foreign Currency Transactions

Our foreign currency transactions are recorded as a result of fluctuations in the exchange rate between the transactional currency and the functional currency of foreign subsidiary transactions. Our international currency exposures that relate to the translation to U.S. Dollars are in a net liability position and our international currency exposures that relate to the translation from U.S. Dollars are in a net asset position.

For the three months ended September 30, 2022 and 2021, the gain from foreign currency transactions was \$2.8 million and \$1.2 million, respectively. For the nine months ended September 30, 2022 and 2021, the gain from foreign currency transactions was \$5.7 million and \$1.9 million, respectively. The gain during the three and nine months ended September 30, 2022 was primarily driven by fluctuations between the Chilean Peso, Euro and U.S. Dollar exchange rates.

Loss on Extinguishment of Debt

Loss on extinguishment of debt represents the difference between the carrying value of our debt instruments and any consideration paid to our creditors in the form of cash or shares of our Common Stock on the extinguishment date.

In March 2021, we recorded a \$9.6 million loss on debt extinguishment related to the payoff of the Notes and the Secured Term Note. The primary drivers of the extinguishment loss were the write-off of unamortized deferred financing costs and issuance discounts, the issuance of additional shares of Common Stock in connection with the extinguishment, and the derecognition of the interest rate reset derivative liability on the Notes. These components are described in [Footnote 6, Debt](#).

Income Tax Benefit (Provision)

A valuation allowance has been established against our net U.S. federal and state deferred tax assets and certain foreign deferred tax assets, including net operating loss carryforwards. As a result, our income tax position is primarily related to foreign tax activity and U.S. deferred taxes for tax deductible goodwill and other indefinite-lived liabilities.

For the three months ended September 30, 2022 and 2021, we recorded income tax benefit of \$0.1 million and an income tax provision of \$0.7 million, respectively, resulting in effective tax rates of 0.2% and 26.7%, respectively. For the nine months ended September 30, 2022 and 2021, we recorded income tax provisions of \$1.9 million and \$2.2 million, respectively, resulting in effective tax rates of 3.0% and 4.3%, respectively. These effective tax rates differ from the U.S. federal statutory rate primarily due to the effects of certain permanent items, foreign tax rate differences, discrete items, and increases in the valuation allowance against our domestic deferred tax assets. A deferred income tax benefit of \$1.4 million related to the impairment of goodwill is included in the amounts recorded in the three and nine months ended September 30, 2022. The decrease in income tax provision during 2022 as compared to 2021 was primarily due to the income tax benefit related to the impairment of goodwill, offset by an increase in estimated foreign tax expense in 2022.

Liquidity and Capital Resources

The following table summarizes our cash flows for each of the periods identified:

(In thousands)	Nine Months Ended September 30,	
	2022	2021
Net cash provided by (used in) operating activities	\$ 36,536	\$ (1,121)
Net cash used in investing activities	(13,225)	(11,669)
Net cash used in financing activities	(17,577)	(20,526)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(2,502)	(691)
Net increase (decrease) in cash, cash equivalents and restricted cash	3,232	(34,007)

Overview

Our principal uses of cash consist of cash paid for data, payroll and other operating expenses, including expenses incurred in prior periods; payments related to investments in equipment, primarily to support our consumer panels and technical infrastructure required to deliver our products and services and support our customers; service of our debt and lease facilities; and dividend payment obligations with respect to our Series B Convertible Preferred Stock ("Preferred Stock").

As of September 30, 2022, our principal sources of liquidity consisted of cash, cash equivalents and restricted cash totaling \$25.5 million (including \$0.4 million in restricted cash), cash flows from our operations, and \$20.6 million available to us under our Revolving Credit Agreement, as described below.

On March 10, 2021, we entered into separate Securities Purchase Agreements with each of Charter Communications Holding Company, LLC ("Charter"), Qurate Retail, Inc. ("Qurate") and Pine Investor, LLC ("Pine") (the "Transactions"). At the closing of the Transactions, we issued 82,527,609 shares of Preferred Stock in exchange for gross cash proceeds of \$204.0 million.

The proceeds from the Transactions were used to repay the Notes issued to Starboard. For additional information on the Transactions and the extinguishment of the Notes, refer to [Footnote 5, Convertible Redeemable Preferred Stock and Stockholders' Equity](#) and [Footnote 6, Debt](#).

On May 5, 2021, we entered into the Revolving Credit Agreement, which was subsequently amended in February 2022. The Revolving Credit Agreement provides a borrowing capacity equal to \$40.0 million. During 2021, we borrowed \$16.0 million under the Revolving Credit

Agreement. In addition to these borrowings, we have issued and outstanding letters of credit totaling \$3.4 million under the Revolving Credit Agreement, leaving a remaining borrowing capacity of \$20.6 million as of September 30, 2022.

On June 30, 2022, we made cash dividend payments totaling \$15.5 million to the holders of the Preferred Stock, representing dividends accrued for the period from June 30, 2021 through June 29, 2022. The next scheduled dividend payment date for the Preferred Stock is June 30, 2023.

Pandemic Impact

The COVID-19 pandemic and related government mandates and restrictions have had a significant impact on the media, advertising and entertainment industries in which we operate. To date, the COVID-19 pandemic has had some impact on our business, including with respect to the execution of new and renewal contracts, the impact of closed movie theaters on our customers, customer payment delays and requests to modify contractual payment terms. These conditions have negatively impacted our revenue and cash flows, particularly in our movies business, and could continue to have an impact in future periods.

It is possible that long-term changes in consumer behavior will impact our customers' operations, and thus their demand for our services and ability to pay, even after the spread of COVID-19 has been contained and businesses are permitted to resume normal operations. While we have taken actions to mitigate the impact of the COVID-19 pandemic, control costs and improve our working capital balance, these steps may not be successful or adequate if customer demand or cash collection efforts are further impacted by the COVID-19 pandemic or other factors.

Preferred Stock

On March 10, 2021, in connection with the Securities Purchase Agreements described above, we issued 82,527,609 shares of Preferred Stock in exchange for gross cash proceeds of \$204.0 million. Net proceeds from the Transactions totaled \$187.9 million after deducting issuance costs. Shares of Preferred Stock are convertible into Common Stock as described in [Footnote 5](#), *Convertible Redeemable Preferred Stock and Stockholders' Equity*. As of September 30, 2022, each share of Preferred Stock would have been convertible into 1.019375 shares of Common Stock, with such assumed conversion rate scheduled to return to 1.00 upon payment of accrued dividends on June 30, 2023.

The holders of Preferred Stock are entitled to participate in all dividends declared on the Common Stock on an as-converted basis and are also entitled to a cumulative dividend at the rate of 7.5% per annum, payable annually in arrears and subject to increase under certain specified circumstances. In addition, such holders are entitled to request, and we must take all actions reasonably necessary to pay, a one-time special dividend on the Preferred Stock equal to the highest dividend that our Board determines can be paid at the applicable time (or a lesser amount agreed by the holders), subject to additional conditions and limitations described in [Footnote 5](#), *Convertible Redeemable Preferred Stock and Stockholders' Equity*. We may be obligated to obtain debt financing in order to effectuate the special dividend, which could significantly impact our financial position and liquidity depending on the timing and scope of the dividend payment and related financing. Moreover, this obligation could lead us to refinance or terminate the Revolving Credit Agreement prior to its maturity, due to its restrictions on our ability to incur additional debt.

Revolving Credit Agreement

On May 5, 2021, we entered into the Revolving Credit Agreement. The Revolving Credit Agreement had an original borrowing capacity equal to \$25.0 million and bore interest on borrowings at a Eurodollar Rate (as defined in the Revolving Credit Agreement) that was based on LIBOR. We may also request the issuance of letters of credit under the Revolving Credit Agreement in an aggregate amount up to \$5.0 million, which reduces the amount of available borrowings by the amount of such issued and outstanding letters of credit. The facility has a maturity of three years from the closing date of the agreement.

On February 25, 2022, we entered into an amendment (the "Amendment") to the Revolving Credit Agreement to expand our aggregate borrowing capacity from \$25.0 million to \$40.0 million. The Amendment also replaced the Eurodollar Rate with a SOFR-based interest rate and modified the Applicable Rate definition in the Revolving Credit Agreement to increase the Applicable Rate payable on SOFR-based loans to 2.50% until the date a compliance certificate is received for the quarter ending March 31, 2023, with such Applicable Rate thereafter reducing to 2.25%.

The amount we are able to borrow under the Revolving Credit Agreement is subject to compliance with financial covenants, satisfaction of various conditions precedent to borrowing and other provisions of the Revolving Credit Agreement. Notably, the Revolving Credit Agreement contains financial covenants that require us to maintain minimum Consolidated EBITDA for periods through December 31, 2022, a minimum Consolidated Asset Coverage Ratio for periods ending March 31, 2022 through December 31, 2022, and a minimum Consolidated Fixed Charge Coverage Ratio for periods after December 31, 2022 (each term as defined in the Revolving Credit Agreement). As of September 30, 2022, we were in compliance with our covenants under the Revolving Credit Agreement, and based on our current plans, we do not anticipate a breach of these covenants that would result in an event of default under the Revolving Credit Agreement.

As of September 30, 2022, we had outstanding borrowings of \$16.0 million and outstanding letters of credit totaling \$3.4 million under the Revolving Credit Agreement, leaving a remaining borrowing capacity of \$20.6 million. The borrowed funds were used to reduce our accounts payable balances, primarily related to expenses incurred in prior periods, and support our working capital position. While we continue to take steps to reduce our outstanding trade payables and improve our working capital position, our liquidity and operations could be negatively affected if we are unable to generate sufficient cash from operations to satisfy outstanding payables and meet our other financial obligations as they come due.

For additional information on the Revolving Credit Agreement, refer to [Footnote 6, Debt](#).

Sale of Common Stock and Warrants

On June 23, 2019, we entered into a Securities Purchase Agreement with CVI pursuant to which we sold to CVI for aggregate gross proceeds of \$20.0 million (i) 2,728,513 shares of Common Stock and (ii) Series A Warrants, Series B-1 Warrants, Series B-2 Warrants and Series C Warrants to initially purchase up to 11,654,033 shares of Common Stock (the "Private Placement"). On October 14, 2019, we issued 2,728,513 shares of Common Stock to CVI upon exercise by CVI of the Series C Warrants. As a result of this exercise, the number of shares issuable under our Series A Warrants was increased by 2,728,513. On January 29, 2020, the Series B-1 Warrants expired unexercised. On August 3, 2020, the Series B-2 Warrants expired unexercised.

For additional information on the Private Placement and the adjustment to the exercise price of our Series A Warrants in connection with the Transactions (which adjustment could reduce the cash proceeds we receive upon exercise of the Series A Warrants), refer to [Footnote 5, Convertible Redeemable Preferred Stock and Stockholders' Equity](#).

Operating Activities

Our primary source of cash provided by operating activities is revenues generated from sales of our products and services. Our primary uses of cash from operating activities include personnel costs and costs related to data and infrastructure used to develop and maintain our products and services.

Cash provided by operating activities is calculated by adjusting our net loss for changes in working capital, as well as by excluding non-cash items such as: depreciation, non-cash operating lease expense, amortization expense of finance leases and intangible assets, goodwill impairment, stock-based compensation, deferred tax provision, change in the fair value of contingent consideration, financing derivatives and warrants liability, loss on extinguishment of debt, non-cash interest expense on the Notes, accretion of debt discount, and amortization of deferred financing costs.

Net cash provided by operating activities for the nine months ended September 30, 2022 was \$36.5 million, compared to net cash used in operating activities of \$1.1 million for the nine months ended September 30, 2021. The increase in cash provided by operating activities was primarily attributable to a net increase in cash generated from operating assets and liabilities of \$15.1 million for the nine months ended September 30, 2022 as compared to \$22.1 million for the nine months ended September 30, 2021. The higher amount of cash generated from operating assets and liabilities in 2022 is primarily reflective of higher revenues, shorter billing cycles, and improved cash collections during 2022 as compared to 2021. These increases were partially offset by higher amounts paid to reduce our outstanding accounts payable and accrued expense balances during 2022 as compared to 2021.

Investing Activities

Cash used in investing activities primarily consists of payments related to capitalized internal-use software costs, purchases of computer and network equipment to support our technical infrastructure, and furniture and equipment. The extent of these investments will be affected by our ability to expand relationships with existing customers, grow our customer base and introduce new digital formats, as well as constraints on cash expenditures due to our financial position and the current economic environment.

Net cash used in investing activities for the nine months ended September 30, 2022 was \$13.2 million compared to \$11.7 million for the nine months ended September 30, 2021. The increase in cash used in investing activities was primarily due to an increase in cash paid for capitalized internally developed software.

Financing Activities

Net cash used in financing activities during the nine months ended September 30, 2022 was \$17.6 million compared to \$20.5 million during the nine months ended September 30, 2021. The decrease in cash used for financing activities was due to repayment of our Notes and the Secured Term Note, which outflows were partially offset by cash proceeds received from the issuance of the Preferred Stock (net of related transaction costs), during 2021. These decreases were partially offset by a net increase of \$10.8 million in cash dividends paid to holders of the Preferred Stock in 2022, reflecting a full annual dividend period, as compared to 2021, which included only a partial dividend period.

Contractual Payment Obligations

We have certain long-term contractual arrangements that have fixed and determinable payment obligations including purchase obligations with MVPDs and connected (Smart) television providers, operating and financing leases, and data storage and bandwidth arrangements.

We have data licensing agreements with a number of MVPDs and other providers for set-top box and connected (Smart) television data. These agreements have remaining terms from one to nine years. As of September 30, 2022, the total fixed payment obligations related to set-top box and connected (Smart) television data agreements are \$301.9 million and \$9.8 million, respectively. In addition, we expect to make variable payments related to a set-top box data agreement totaling an estimated \$11.6 million over the next two years. Balances as of September 30, 2022 do not reflect the impact of the November 6, 2022 amendment to our Charter data licensing agreement, which includes fee credits totaling \$7.0 million for 2022 and 2023. For additional information about the Charter amendment, refer to [Footnote 12, Subsequent Events](#).

We have both operating and financing leases related to corporate office space and equipment. Our leases have remaining terms from one to six years. As of September 30, 2022, the total fixed payment obligation related to these agreements is \$53.2 million.

We have an agreement for cloud-based data storage and bandwidth to help process and store our data. The remaining term for this agreement is two years. As of September 30, 2022, the total fixed payment obligation related to this agreement is \$12.2 million.

Future Capital Requirements

Our ability to generate cash is subject to our performance, general economic conditions, industry trends and other factors, including the timing of cash collections from our customers, data costs and other trade payables, service of our debt and lease facilities and dividend payment obligations, and expenses from ongoing compliance efforts and legal matters. To the extent that our existing cash, cash equivalents and operating cash flow, together with savings from repayment of the Notes and Secured Term Note, cost-reduction initiatives undertaken by our management and borrowing capacity under our Revolving Credit Agreement, are insufficient to fund our future activities and requirements, we may need to raise additional funds through public or private equity or debt financing. We may also be required to raise additional funds in order to pay a special dividend to holders of our Preferred Stock, as described above. Our history of net losses, as well as disruption and volatility in global capital and credit markets, could impact our ability to access capital resources on terms acceptable to us or allowable under applicable financing arrangements, or at all. If we issue additional equity securities in order to raise additional funds, pay dividends or for other purposes, further dilution to existing stockholders may occur.

Critical Accounting Estimates

Our discussion and analysis of our financial condition and results of operations are based on our Condensed Consolidated Financial Statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates, assumptions and judgments that affect the amounts reported in our Condensed Consolidated Financial Statements and the accompanying Notes to Condensed Consolidated Financial Statements. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances.

Refer to the critical accounting estimates disclosed in [Item 7](#), "Management's Discussion and Analysis of Financial Condition and Results of Operations," in our 2021 10-K for detailed information about the estimates and assumptions that we consider to be the most critical to an understanding of our financial condition and results of operations. These estimates and assumptions involve significant judgments and uncertainties, and actual results in these areas could differ from our estimates.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. We have outstanding warrants that are subject to market risk. We also have interest rate risk for amounts outstanding under our Revolving Credit Agreement, and we have foreign currency exchange rate risk from our global operations.

Warrants liability financial instrument risk

As a result of having \$2.0 million in liability related to outstanding warrants as of September 30, 2022, which warrants are exercisable for shares of Common Stock under certain conditions, we are subject to market risk. The value of the warrants is impacted by changes in the market price of our Common Stock.

As of September 30, 2022, a 10% increase in the market price of our Common Stock would result in a \$0.5 million increase in the fair value of the Series A Warrants, while a 10% decrease in the market price of our Common Stock would result in a \$0.4 million decrease in the fair value of the Series A Warrants.

For further information on our outstanding warrants, refer to [Footnote 5](#), *Convertible Redeemable Preferred Stock and Stockholders' Equity*.

Interest rate and foreign currency risks

For discussion of the market risk associated with our interest rate and foreign currency risks, refer to [Item 7A](#), "Quantitative and Qualitative Disclosures About Market Risk" within the 2021 10-K.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We carried out an evaluation required by the Securities Exchange Act of 1934 (the "Exchange Act"), under the supervision and with the participation of our principal executive officer and our principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act, as of September 30, 2022. Based on this evaluation, our principal executive officer and principal financial officer concluded that as of September 30, 2022, these disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and to provide reasonable assurance that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

Under Exchange Act Rules 13a-15(d) and 15d-15(d), management is required to evaluate, with the participation of our principal executive officer and our principal financial officer, any changes in internal control over financial reporting that occurred during each fiscal quarter that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. There were no changes in our internal control over financial reporting during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitation on the Effectiveness of Internal Controls

The effectiveness of any system of internal control over financial reporting is subject to inherent limitations, including the exercise of judgment in designing, implementing, operating, and evaluating the controls and procedures, and the inability to eliminate misconduct completely. Accordingly, any system of internal control over financial reporting can only provide reasonable, not absolute, assurance that its objectives will be met. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. We intend to continue to monitor and upgrade our internal controls as necessary or appropriate for our business, but we cannot assure that such improvements will be sufficient to provide us with effective internal control over financial reporting in future periods.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Refer to [Footnote 11](#), *Commitments and Contingencies* of the Notes to Condensed Consolidated Financial Statements included in Part I, [Item 1](#) of this 10-Q, which is incorporated herein by reference.

ITEM 1A. RISK FACTORS

An investment in our Common Stock involves a substantial risk of loss. In addition to the information in this report, you should carefully consider the risks discussed in [Item 1A](#), "Risk Factors" of our 2021 10-K before you decide whether to invest in our stock. The risks identified below and in our 2021 10-K could materially and adversely affect our business, financial condition and operating results. In that case, the trading price of our Common Stock could decline, and you could lose part or all of your investment. The risks described below and in our 2021 10-K are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect our business, financial condition and operating results, and may result in the loss of part or all of your investment.

Our restructuring activities and cost reduction initiatives may not deliver the expected results and could disrupt our business operations.

Achieving our long-term revenue and profitability goals depends significantly on our ability to allocate resources in line with our strategic objectives and control our operating costs. As described in [Footnote 10](#), *Organizational Restructuring* of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this 10-Q, we recently communicated a workforce reduction as part of our broader efforts to improve cost efficiency and better align our operating structure and resources with strategic priorities (collectively, the "Restructuring Plan"). In addition to employee terminations, the Restructuring Plan is expected to include the reallocation of commercial and product development resources; reinvestment in and modernization of key technology platforms; consolidation of data storage and processing activities to reduce our data center footprint; and reduction of other operating expenses, including software and facility costs. We may also determine to exit certain activities in certain geographic regions in order to more effectively align resources with business priorities.

If we are not able to implement the Restructuring Plan as currently contemplated, if the Restructuring Plan does not generate the expected cost savings, or if we incur higher than expected costs to implement the Restructuring Plan, our business and financial results could be adversely affected. Moreover, some of the organizational and operational changes we are making in connection with the Restructuring Plan will require careful management to avoid disrupting customer, partner and employee relationships. If we do not successfully manage our restructuring activities, including the Restructuring Plan, the expected benefits may be delayed or not realized, and our operations and business could be disrupted.

Macroeconomic factors could adversely affect our business and financial results.

Our business depends on the health of the media and advertising industries in which we operate. The strength of the advertising market can fluctuate in response to the economic prospects of specific advertisers or industries, advertisers' spending priorities, and the economy in general. In recent months, macroeconomic factors such as inflation, rising interest rates and supply chain disruptions have caused some advertisers to reduce or delay advertising expenditures. These declines, which may continue in future periods, have a direct impact on demand for our products, which measure advertising campaigns and audiences across platforms.

Sustained reductions in advertising spending could result in customers terminating their subscriptions for our products, delaying renewals, or renewing on terms less favorable to us. Furthermore, our newer products, for which we recognize revenue based on impressions used, may be subject to higher fluctuations in revenue from changes in our customers' advertising budgets and spending. Macroeconomic factors could also increase our costs, reducing margins and preventing us from meeting our profitability goals. Finally, these factors make it difficult for us to predict our future revenue and costs, which could result in misallocation of resources or operating inefficiencies that could harm our business. The extent of the impact of these macroeconomic factors on our business is uncertain and may continue to adversely affect our operations and financial results.

We face risks related to the Russian invasion of Ukraine, including from the resulting geopolitical effects.

The Russian invasion of Ukraine has resulted in worldwide geopolitical and macroeconomic uncertainty. The United States and others have imposed financial and economic sanctions on certain industry sectors and parties in and associated with Russia and Belarus, and additional sanctions continue to be proposed and adopted. Compliance with the evolving sanctions and export controls regime is complex and may lead to increased regulatory scrutiny, particularly with respect to data collection and data transfer in affected regions. The conflict may also heighten risks relating to employee safety, cybersecurity incidents or disruptions to our information systems, operational costs, reputational damage and potential retaliatory action by the Russian government or other actors. As the situation develops and the regulatory environment continues to evolve, we may adjust our business practices as required or appropriate to respond to the changes. While we do not currently expect the conflict to have a direct material impact on our business, it is not possible to predict the broader consequences, which could include additional sanctions, embargoes, regional instability, geopolitical shifts and adverse effects on the global economy or on our business and operations, as well as those

of our customers, partners and third-party service providers. Further, the effects of the ongoing conflict could serve to heighten many of the known risks we described in [Item 1A](#), "Risk Factors" of our 2021 10-K.

Our outstanding securities, the stock or securities that we may become obligated to issue under existing or future agreements, and certain provisions of those securities, may cause immediate and substantial dilution to our existing stockholders.

Our existing stockholders have and may continue to experience substantial dilution as a result of our obligations to issue shares of Common Stock. As of September 30, 2022, our Preferred Stock was convertible into an aggregate of 84,126,583 shares of Common Stock at the election of the holders. Furthermore, we have reserved 5,457,026 shares of Common Stock for issuance pursuant to our Series A Warrants. We have also issued 8,066,876 shares of Common Stock for distribution to the selling stockholders of Shareablee (which we acquired in December 2021). In addition, we may elect to pay any deferred consideration due to the Shareablee sellers in 2022, 2023 and 2024 in shares of Common Stock.

As of September 30, 2022, 2,322,861 shares of Common Stock were reserved for issuance pursuant to outstanding stock options under our equity incentive plans (including stock option awards we assumed in the Shareablee acquisition), 4,964,952 shares of Common Stock were reserved for issuance pursuant to outstanding restricted stock unit awards under our equity incentive plans and arrangements (including assumed Shareablee awards and an employment inducement award we granted in 2021), 5,204,437 shares of Common Stock were available for future equity awards under our 2018 Equity and Incentive Compensation Plan ("2018 Plan") and 176,228 shares of Common Stock were available for future equity awards under our acquired Shareablee plan.

The issuance of shares of Common Stock (i) upon the conversion of our Preferred Stock, (ii) upon the exercise of warrants, (iii) as deferred consideration to the Shareablee sellers, (iv) pursuant to outstanding and future equity awards, or (v) upon the conversion of other existing or future convertible securities, may result in substantial dilution to each of our stockholders by reducing that stockholder's percentage ownership of our outstanding Common Stock.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(a) Unregistered Sales of Equity Securities during the Nine Months Ended September 30, 2022

On May 16, 2022, we issued 121,357 shares of Common Stock to certain former holders of capital stock and warrants of Shareablee, Inc. (which we acquired in December 2021) in connection with a working capital adjustment. The issuance of shares was made in reliance upon an exemption from the registration requirements provided by Section 4(a)(2) of the Securities Act of 1933, as amended.

(b) Use of Proceeds from Sale of Registered Equity Securities

None.

(c) Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

Exhibit No.	Exhibit Document
3.1	Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.3 to the Registrant's Registration Statement on Form S-1, as amended, filed June 12, 2007) (File No. 333-141740)
3.2	Certificate of Amendment of Amended and Restated Certificate of Incorporation of comScore, Inc. (incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form S-8, filed June 4, 2018) (File No. 333-225400)
3.3	Certificate of Designation of Series A Junior Participating Preferred Stock of comScore, Inc., as filed with the Secretary of State of the State of Delaware on February 9, 2017 (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed February 9, 2017) (File No. 001-33520)
3.4	Certificate of Elimination of Designation of Series A Junior Participating Preferred Stock of comScore, Inc., as filed with the Secretary of State of the State of Delaware on September 29, 2017 (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed October 4, 2017) (File No. 001-33520)
3.5	Certificate of Amendment to Amended and Restated Certificate of Incorporation of comScore, Inc., dated March 10, 2021 (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed March 15, 2021) (File No. 001-33520)
3.6	Certificate of Designations of Series B Convertible Preferred Stock, par value \$0.001, of comScore, Inc. (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K, filed March 15, 2021) (File No. 001-33520)
3.7	Amended and Restated Bylaws of comScore, Inc. (incorporated by reference to Exhibit 3.2 to the Registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2018, filed August 10, 2018) (File No. 001-33520)
10.1*	Letter Agreement, dated July 5, 2022, by and between comScore, Inc. and Jonathan Carpenter (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed July 8, 2022) (File No. 001-33520)
10.2*	First Amendment to the comScore, Inc. Change of Control Agreement, effective as of July 6, 2022, by and between comScore, Inc. and Jonathan Carpenter (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K, filed July 8, 2022) (File No. 001-33520)
10.3*	First Amendment to the comScore, Inc. Severance Agreement, effective as of July 6, 2022, by and between comScore, Inc. and Jonathan Carpenter (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K, filed July 8, 2022) (File No. 001-33520)
10.4*	Letter Agreement, dated July 5, 2022, by and between comScore, Inc. and Mary Margaret Curry (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K, filed July 8, 2022) (File No. 001-33520)
10.5*	Change of Control Agreement, effective as of July 6, 2022, by and between comScore, Inc. and Mary Margaret Curry (incorporated by reference to Exhibit 10.5 to the Registrant's Current Report on Form 8-K, filed July 8, 2022) (File No. 001-33520)
10.6*	Severance Agreement, effective as of July 6, 2022, by and between comScore, Inc. and Mary Margaret Curry (incorporated by reference to Exhibit 10.6 to the Registrant's Current Report on Form 8-K, filed July 8, 2022) (File No. 001-33520)
10.7*	Form of Performance Restricted Stock Units Award Agreement for CEO (incorporated by reference to Exhibit 10.8 to the Registrant's Quarterly Report on Form 10-Q, filed August 9, 2022) (File No. 001-33520)
10.8*	Form of Performance Restricted Stock Units Award Agreement for CFO (incorporated by reference to Exhibit 10.9 to the Registrant's Quarterly Report on Form 10-Q, filed August 9, 2022) (File No. 001-33520)
10.9*	Letter Agreement, dated August 22, 2022, by and between comScore, Inc. and Greg Dale (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed August 26, 2022) (File No. 001-33520)
10.10*	Change of Control Agreement, effective as of August 23, 2022, by and between comScore, Inc. and Greg Dale (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K, filed August 26, 2022) (File No. 001-33520)
10.11*	Severance Agreement, effective as of August 23, 2022, by and between comScore, Inc. and Greg Dale (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K, filed August 26, 2022) (File No. 001-33520)
10.12*+	Form of Performance Restricted Stock Units Award Agreement for COO
10.13*+	Change of Control Agreement, effective as of May 28, 2019, by and between comScore, Inc. and David Algranati
10.14*+	Severance Agreement, effective as of May 28, 2019, by and between comScore, Inc. and David Algranati
10.15*	Separation and General Release Agreement, dated August 25, 2022, by and between comScore, Inc. and Chris Wilson (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K, filed August 26, 2022) (File No. 001-33520)

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10.16^	Second Amendment to Data License Agreement, dated as of November 6, 2022, by and between comScore, Inc. and Charter Communications Operating, LLC (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed November 7, 2022) (File No. 001-33520)
31.1+	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2+	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1+	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2+	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File - the cover page iXBRL tags are embedded within the Inline XBRL document

+ Filed or furnished herewith

^ Specific terms in this exhibit (indicated therein by asterisks) have been omitted because such terms are both not material and of the type that the Registrant treats as private and confidential.

* Management contract or compensatory plan or arrangement

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

COMSCORE, INC.

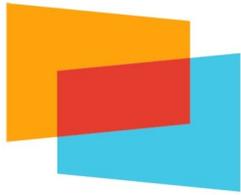
By: /s/ Mary Margaret Curry

Mary Margaret Curry

Chief Financial Officer and Treasurer

(Principal Financial Officer, Principal Accounting Officer and Duly Authorized Officer)

November 8, 2022



comscore

COMSCORE, INC.

Performance Restricted Stock Units Award Agreement

This PERFORMANCE RESTRICTED STOCK UNITS AWARD AGREEMENT (this “**Agreement**”) is made as of August 24, 2022 (the “**Date of Grant**”), by and between comScore, Inc., a Delaware corporation (the “**Company**”), and Gregory Dale (the “**Grantee**”).

1. **Certain Definitions.** Capitalized terms used, but not otherwise defined, in this Agreement will have the meanings given to such terms in the comScore, Inc. 2018 Equity and Incentive Compensation Plan, as amended and restated (the “**Plan**”).

2. **Grant of PRSUs.** Subject to and upon the terms, conditions and restrictions set forth in this Agreement and in the Plan, pursuant to authorization under a resolution of the Committee, the Company has granted to the Grantee as of the Date of Grant 110,000 performance-based Restricted Stock Units (“**PRSUs**”), which shall constitute an award of Performance Shares under the Plan. Subject to the degree of attainment of the performance goals established for these PRSUs as set forth in **Sections 5(a)** and **5(b)**, the Grantee may earn up to a maximum of 100% of the PRSUs. Each earned PRSU shall then represent the right of the Grantee to receive one share of Common Stock subject to and upon the terms and conditions of this Agreement.

3. **Payment of PRSUs.** The PRSUs will become payable in accordance with the provisions of **Section 6** of this Agreement if the Restriction Period lapses and Grantee’s right to receive payment for the PRSUs becomes nonforfeitable (“**Vest**,” “**Vesting**” or “**Vested**”) in accordance with **Section 5** of this Agreement.

4. **Restrictions on Transfer of PRSUs.** Subject to Section 15 of the Plan, neither the PRSUs evidenced hereby nor any interest therein or in the shares of Common Stock underlying such PRSUs shall be transferable prior to payment to the Grantee pursuant to **Section 6** hereof other than by will or pursuant to the laws of descent and distribution.

5. **Earning and Vesting of PRSUs.**

(a) **Performance Periods.** Subject to the terms and conditions of this Agreement, a number of PRSUs determined in accordance with **Section 5(b)** shall Vest on the last day of each three-month period beginning on the Date of Grant and ending on August 24, 2032 (each such date, a “**Vesting Date**” and each three-month period ending on each Vesting Date, a “**Performance Period**”) to the extent that the Stock-Price Hurdle (as defined below) is achieved during such Performance Period, subject to the Grantee’s continuous service with the Company or a Subsidiary through the applicable Vesting Date. For purposes of this Agreement, “continuous service” (or substantially similar terms) means the absence of any interruption or termination of the Grantee’s service as an Employee, Director or consultant to the Company or a Subsidiary. Continuous service shall not be considered interrupted or terminated in the case of transfers between locations of the Company and its Subsidiaries. Further, continuous service shall not be considered interrupted or terminated in the case of the Grantee’s cessation of service as an Employee, Director or consultant to the Company or a Subsidiary (each, a “**Participant Class**”), so long as the Grantee continues serving in another Participant Class.

(b) **Performance Goals.** A number of PRSUs will be earned based on achievement of the Stock-Price Hurdle during each applicable Performance Period as follows:

Stock-Price Hurdle	Percentage of PRSUs That Vest
\$5.00	18.0%
\$7.00	18.0%
\$9.00	12.0%
\$11.00	12.0%
\$12.00	10.0%
\$13.00	10.0%
\$14.00	10.0%
\$15.00	10.0%

Following each Vesting Date, the Committee shall determine whether and to what extent the Stock-Price Hurdle goals have been satisfied as of such time for the applicable Performance Period and shall determine the number of PRSUs that shall become Vested under this Agreement. As used herein, “**Stock-Price Hurdle**” means the highest Market Value per Share that is maintained during any period of 65 consecutive trading days that fall within the applicable Performance Period. For purposes of this Agreement, any Stock-Price Hurdle that is achieved during a period of 65 consecutive trading days that commences in one Performance Period and ends in another Performance Period will be deemed to have been achieved in the later Performance Period. Further, following achievement of any Stock-Price Hurdle during one Performance Period, the number of PRSUs earned with respect to such Stock-Price Hurdle cannot subsequently be earned upon achievement of the same Stock-Price Hurdle during any subsequent Performance Period.

(c) **Change in Control.** Notwithstanding Sections 5(a) or 5(b), if at any time before the PRSUs have become fully Vested or forfeited, a Change in Control occurs, then on the date of such Change in Control, the PRSUs shall become Vested (to the extent they have not already become Vested) by applying the per share price paid in connection with the Change in Control as the “Stock-Price Hurdle” for purposes of determining attainment of the performance goals described in Section 5(b), with linear interpolation for any per share price that falls between the Stock-Price Hurdle goals above. Any PRSUs that do not become Vested as of such time shall be immediately forfeited.

(d) **Certain Terminations of Employment.** Notwithstanding Section 5(a), upon the termination of the Grantee’s service with the Company at any time before the PRSUs have become fully Vested or forfeited (i) by the Company without Cause (as defined in the Grantee’s Change of Control and Severance Agreements with the Company (collectively, the “**Severance Agreement**”)), (ii) by the Grantee, or (iii) as a result of the Grantee’s death or Disability (as defined in the Severance Agreement), the PRSUs shall become Vested (to the extent they have not already become Vested) based on achievement, if any, of the Stock-Price Hurdle during the period beginning on the most recent Vesting Date preceding the date of such termination and ending on the date of such termination. Any PRSUs that do not become Vested as of such time shall be immediately forfeited.

(e) **Forfeiture.** Any PRSUs that have not Vested or become forfeited pursuant to Section 5 as of the end of the tenth anniversary of the Date of Grant will be forfeited automatically and without further notice after the end of such tenth anniversary (or earlier, with respect to all PRSUs covered under this Agreement that have not previously become Vested, if, and on such date that, the Grantee ceases to be in continuous service with the Company or a Subsidiary prior to the tenth anniversary of the Date of Grant for any reason).

6. **Form and Time of Payment of PRSUs.**

(f) Payment for the PRSUs, after and to the extent they have become nonforfeitable (“**Vested PRSUs**”), shall be made in the form of Common Stock. To the extent the PRSUs are Vested PRSUs on the dates set forth in clauses (i) and (ii) below and to the extent such Vested PRSUs have not previously been settled, the PRSUs will become payable upon the earlier to occur of the following:

(i) The Grantee’s “separation from service” with the Company and its Subsidiaries within the meaning of Section 409A(a)(2)(A)(i) of the Code; or

(ii) The occurrence of a Change in Control, so long as such Change in Control qualifies as a “change in control event” within the meaning of Section 409A(a)(2)(A)(v) of the Code.

Subject to **Section 6(b)** below, the date of settlement of the Vested PRSUs that become payable pursuant to this **Section 6(a)** shall be (A) as soon as administratively practicable following (but no later than 30 days following) the date of the Grantee’s separation from service, if the Vested PRSUs become payable pursuant to clause (i) above, or (B) the date of the occurrence of the Change in Control, if the Vested PRSUs become payable pursuant to clause (ii) above.

(g) If the PRSUs become payable on the Grantee’s “separation from service” with the Company and its Subsidiaries within the meaning of Section 409A(a)(2)(A)(i) of the Code and the Grantee is a “specified employee” as determined pursuant to procedures adopted by the Company in compliance with Section 409A of the Code, then, to the extent necessary to comply with Section 409A of the Code, payment for the PRSUs shall be made on the first payroll date that occurs on or after the date six months and one day following the date of the Grantee’s “separation from service.” Notwithstanding the foregoing, if the Grantee dies following the Grantee’s “separation from service,” but before the six-month anniversary of the “separation from service,” then any payment delayed in accordance with this **Section 6(b)** will be payable as soon as administratively practicable after the date of the Grantee’s death.

(h) The Company’s obligations to the Grantee with respect to the PRSUs will be satisfied in full upon the issuance or transfer of Common Stock corresponding to any such earned PRSUs.

7. **Dividend Equivalents; Voting and Other Rights.**

(i) The Grantee shall have no rights of ownership in the Common Stock underlying the PRSUs and no right to vote the Common Stock underlying the PRSUs until the date on which the Common Stock underlying the PRSUs is issued or transferred to the Grantee pursuant to **Section 6** above.

(j) From and after the Date of Grant and until the earlier of (i) the time when the PRSUs Vest and are paid in accordance with **Section 6** hereof or (ii) the time when the Grantee’s right to receive Common Stock in payment of the PRSUs is forfeited in accordance with **Section 5** hereof, on the date that the Company pays a cash dividend (if any) to holders of Common Stock generally, the Grantee shall be credited with cash per PRSU equal to the amount of such dividend. Any amounts credited pursuant to the immediately preceding sentence shall be subject to the same applicable terms and conditions (including Vesting, payment and forfeitability) as apply to the PRSUs based on which the dividend equivalents were credited, and such amounts shall be paid in cash at the same time as the PRSUs to which they relate are settled.

(k) The obligations of the Company under this Agreement will be merely that of an unfunded and unsecured promise of the Company to deliver Common Stock in the future, and the rights of the Grantee will be no greater than that of an unsecured general creditor. No assets of the Company will be held or set aside as security for the obligations of the Company under this Agreement.

8. **Adjustments.** The PRSUs and the number of shares of Common Stock issuable for each PRSU and the other terms and conditions of the grant evidenced by this Agreement are subject to mandatory adjustment, including as provided in Section 11 of the Plan.

9. **Withholding Taxes.** To the extent that the Company is required to withhold federal, state, local or foreign taxes or other amounts in connection with the delivery to the Grantee of Common Stock or any other payment to the Grantee or any other payment or vesting event under this Agreement, the Grantee agrees that the Grantee will satisfy such requirement in a manner determined by the Committee prior to any payment to the Grantee, including but not limited to a “sell to cover” transaction through a bank or broker. It shall be a condition to the obligation of the Company to make any such delivery or payment that the Grantee has satisfied such requirement in the form or manner specified by the Company. In no event will the market value of the Common Stock to be withheld, sold and/or delivered pursuant to this **Section 9** to satisfy applicable withholding taxes exceed the maximum amount of taxes or other amounts that could be required to be withheld without creating adverse accounting treatment for the Company with respect to the award of PRSUs covered by this Agreement, as determined by the Committee.

10. **Compliance with Law.** The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of the Plan and this Agreement, the Company shall not be obligated to issue any Common Stock pursuant to this Agreement if the issuance thereof would result in a violation of any such law.

11. **Compliance with or Exemption from Section 409A of the Code.** To the extent applicable, it is intended that this Agreement and the Plan comply with or be exempt from the provisions of Section 409A of the Code. This Agreement and the Plan shall be administered in a manner consistent with this intent, and any provision that would cause this Agreement or the Plan to fail to satisfy Section 409A of the Code shall have no force or effect until amended to comply with or be exempt from Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Company without the consent of the Grantee). Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A of the Code, and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest, or other expenses that may be incurred by the Grantee on account of non-compliance with Section 409A of the Code.

12. **Interpretation.** Any reference in this Agreement to Section 409A of the Code will also include any proposed, temporary or final regulations, or any other guidance, promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service.

13. **No Right to Future Awards or Employment.** The grant of the PRSUs under this Agreement to the Grantee is a voluntary, discretionary award being made on a one-time basis and it does not constitute a commitment to make any future awards. The grant of the PRSUs and any payments made hereunder will not be considered salary or other compensation for purposes of any severance pay or similar allowance, except as otherwise required by law. Nothing contained in this Agreement shall confer upon the Grantee any right to be employed or

remain employed by the Company or any of its Subsidiaries, nor limit or affect in any manner the right of the Company or any of its Subsidiaries to terminate the employment or adjust the compensation of the Grantee.

14. **Relation to Other Benefits.** Any economic or other benefit to the Grantee under this Agreement or the Plan shall not be taken into account in determining any benefits to which the Grantee may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or any of its Subsidiaries and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or any of its Subsidiaries.

15. **Entire Agreement; Amendments.** This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to the grant of the PRSUs; provided, however, that the terms of this Agreement shall not modify the application of the Severance Agreement to the Grantee's other awards under the Plan. Without limiting the scope of the preceding sentence, except as provided therein, all prior understandings and agreements, if any, among the parties hereto relating to the subject matter hereof are hereby null and void and of no further force and effect. For the avoidance of doubt, the PRSUs covered by this Agreement shall not be considered an "Equity Award" for purposes of Section 3 of the Severance Agreement. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto, and the Committee has the right to amend, alter, suspend, discontinue or cancel the PRSUs, prospectively or retroactively; provided, however, that (a) no amendment shall adversely affect the rights of the Grantee under this Agreement without the Grantee's written consent, and (b) the Grantee's consent shall not be required to an amendment that is deemed necessary by the Company to ensure compliance with Section 409A of the Code or Section 10D of the Exchange Act.

16. **Severability and Waiver.** In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable. Waiver by any party of any breach of this Agreement or failure to exercise any right hereunder shall not be deemed to be a waiver of any other breach or right. The failure of any party to take action by reason of such breach or to exercise any such right shall not deprive the party of the right to take action at any time while or after such breach or condition giving rise to such right continues.

17. **Relation to Plan.** This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. The Committee acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein or in the Plan, have the right to determine any questions which arise in connection with this Agreement, and the resolution of any such questions by the Committee shall be final and binding on the Grantee and the Company.

18. **Electronic Delivery.** The Company may, in its sole discretion, deliver any documents related to the PRSUs and the Grantee's participation in the Plan, or future awards that may be granted under the Plan, by electronic means or request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and, if requested, agrees to participate in the Plan through an online or electronic system established and maintained by the Company or another third party designated by the Company.

19. **Governing Law.** This Agreement shall be governed by and construed with the internal substantive laws of the State of Delaware, without giving effect to any principle of law that would result in the application of the law of any other jurisdiction.

20. **Successors and Assigns.** Without limiting **Section 4** hereof, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

21. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Delivery of an executed counterpart of the Agreement by facsimile or in electronic format shall be effective as delivery of a manually executed counterpart of the Agreement.

22. **Acknowledgement.** The Grantee acknowledges that the Grantee (a) has received a copy of the Plan, (b) has had an opportunity to review the terms of this Agreement and the Plan, (c) understands the terms and conditions of this Agreement and the Plan and (d) agrees to such terms and conditions.

23. **Company Recoupment of Awards.** Notwithstanding anything in this Agreement to the contrary, the Grantee acknowledges and agrees that this Agreement and the award described herein are subject to the terms and conditions of the Company's clawback policy (if any) as may be in effect from time to time, including any clawback policy adopted specifically to implement Section 10D of the Exchange Act and any applicable rules or regulations promulgated thereunder (including applicable rules and regulations of any national securities exchange on which the Common Stock may be traded).

IN ORDER TO RECEIVE THE BENEFITS OF THIS AGREEMENT, AND FOR THE AWARD TO BE EFFECTIVE, GRANTEE MUST ACCEPT THE AWARD IN THE COMPANY'S ONLINE EQUITY ADMINISTRATION SYSTEM. IF GRANTEE FAILS TO SATISFY THE ACCEPTANCE REQUIREMENT WITHIN 90 DAYS AFTER THE DATE OF GRANT, THEN (1) THIS AGREEMENT WILL BE OF NO FORCE OR EFFECT AND THE AWARD GRANTED HEREIN WILL BE AUTOMATICALLY FORFEITED TO THE COMPANY WITHOUT CONSIDERATION, AND (2) NEITHER GRANTEE NOR THE COMPANY WILL HAVE ANY FUTURE RIGHTS OR OBLIGATIONS UNDER THIS AGREEMENT.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by an officer thereunto duly authorized, and the Grantee has executed this Agreement, effective for all purposes as provided above.

COMSCORE, INC.

By: /s/ Sara Dunn

Name: Sara Dunn

Title: Chief People Officer

GRANTEE

By: /s/ Gregory Dale

Name: Gregory Dale

Signature Page to
Performance Restricted Stock Units Award Agreement

COMSCORE, INC.

CHANGE OF CONTROL AGREEMENT

This Change of Control Agreement (the “**Agreement**”) is made and entered into by and between David Algranati (“**Executive**”) and comScore, Inc., a Delaware corporation (the “**Company**”), effective as of May 28, 2019 (the “**Effective Date**”).

RECITALS

1. The Compensation Committee (the “**Committee**”) of the Board of Directors of the Company (the “**Board**”) believes that it is in the best interests of the Company and its stockholders to assure that the Company will have the continued dedication and objectivity of Executive, to provide Executive with an incentive to continue his/her employment, and to motivate Executive to maximize the value of the Company for the benefit of its stockholders.

2. The Committee believes that it is imperative to provide Executive with certain severance benefits upon Executive’s termination of employment under certain circumstances. These benefits will provide Executive with enhanced financial security and incentive and encouragement to remain with the Company.

3. Certain capitalized terms used in the Agreement are defined in Section 6 below.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. Term of Agreement. This Agreement will have an initial term of three (3) years commencing on the Effective Date (the “**Initial Term**”). On the third anniversary of the Effective Date, this Agreement will renew automatically for additional one (1) year terms (each an “**Additional Term**” and together with the Initial Term, the “**Term**”), unless either party provides the other party with written notice of non-renewal at least sixty (60) days prior to the date of automatic renewal; provided, however, that if the Company enters into a definitive agreement to be acquired and the transactions contemplated thereby would result in the occurrence of a Change of Control if consummated, then the Company will no longer be permitted to provide Executive with written notice to not renew this Agreement, and if the Change of Control is consummated, the Agreement will continue in effect through the longer of the date that is twelve (12) months following the effective date of the Change of Control or the remainder of the Term then in effect (for purposes of clarification, it will be possible for the Term of the Agreement to automatically extend after the Company enters into the definitive agreement, but before the Change of Control is consummated). If the definitive agreement is terminated without the transactions contemplated thereby having been consummated and at the time of such termination there is at least twelve (12) months remaining in the Term, the Agreement will continue in effect for the remainder of the Term then in effect, but if there is less than twelve (12) months remaining in the Term then in effect, the Agreement will automatically extend for an additional one (1) year from the date the definitive agreement is terminated. If Executive becomes entitled to benefits under Section 3 during the term of this Agreement, the Agreement will not terminate until all of the obligations of the parties hereto with respect to this Agreement have been satisfied.

2. At-Will Employment. The Company and Executive acknowledge that Executive’s employment is and will continue to be at-will, as defined under applicable law. If Executive’s employment terminates for any reason, Executive will not be entitled to any

payments, benefits, damages, awards or compensation other than as provided by this Agreement, the payment of accrued but unpaid wages or other compensation, as required by law, as may otherwise be available in accordance with the Company's established employee plans, and any unreimbursed reimbursable expenses, and this Agreement supersedes all prior agreements or arrangements relating to the same.

3. Severance Benefits.

(a) Termination without Cause or Resignation for Good Reason in Connection with a Change of Control. If the Company terminates Executive's employment with the Company without Cause (and not as a result of Executive's death or Disability) or if Executive resigns from such employment for Good Reason, and such termination occurs on or within twelve (12) months after a Change of Control, then subject to Section 4, Executive will receive the following:

(i) Accrued Compensation. The Company will pay Executive all accrued but unpaid vacation, expense reimbursements, wages, and other benefits due to Executive under any Company-provided plans, policies, and arrangements (collectively, the "**Accrued Items**").

(ii) Severance Payment. (A) On the sixtieth (60th) day following the termination of employment, Executive will receive a lump sum cash payment in an amount equal to 12 months of Executive's annual base salary as in effect immediately prior to Executive's termination date or, if greater, at the level in effect immediately prior to the Change of Control; and (B) on the sixtieth (60th) day following the termination of employment, Executive will receive a lump sum cash payment in an amount equal to 12 months of Executive's target short-term incentive award for the year in which the termination of employment occurred.

(iii) Short-Term Incentive. On the sixtieth (60th) day following the termination of employment, the Company shall pay Executive a lump sum cash amount equal to the product obtained by multiplying (A) an amount equal to the greater of (x) Executive's target short-term incentive award for the year of termination of employment and (y) the full-year short-term incentive award that Executive would have earned had Executive remained employed through the end of the calendar year in which the termination of employment occurs based on the degree of satisfaction of the applicable performance objectives, to the extent determinable (except that any individual subjective performance objectives will be deemed achieved at the target level), by (B) a fraction, the numerator of which is the total number of days that have elapsed during the calendar year through the date of termination of employment and the denominator of which is the total number of days in such calendar year.

(iv) Continued Executive Benefits. If Executive elects continuation coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**"), within the time period prescribed pursuant to COBRA for Executive and Executive's eligible dependents, then the Company will reimburse Executive for the COBRA premiums for such coverage (at the coverage levels in effect immediately prior to Executive's termination) for the 12 month period coincident with the severance benefit period set forth above. The reimbursements will be made by the Company to Executive consistent with the Company's normal expense reimbursement policy. Notwithstanding the foregoing, should the Company determine in its sole discretion that it cannot provide the above COBRA benefits without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company will in lieu thereof provide to Executive a taxable monthly payment for the same period in an amount equal to the monthly COBRA premium Executive would be required to pay to continue his or her group health coverage in effect on the date of his or her termination of employment (which amount will be based on the premium for

the first month of COBRA coverage), which payments will be made regardless of whether Executive elects COBRA continuation coverage.

(v) Vesting Acceleration of Equity Awards. Except as otherwise provided in the applicable award agreement, Executive's then outstanding and unvested Equity Awards as of the date of the termination of employment will be subject to the following treatment (and otherwise be subject to the terms consistent with the applicable plan and award agreements, including the time for payment of such award):

(A) Equity Awards that are not subject to the attainment of performance goals will become vested in full; and

(B) Equity Awards that are subject to vesting upon the attainment of performance goals shall become vested in amount equal to either (a) the target number of shares subject to the Equity Award or (b) if at least fifty percent (50%) of the applicable performance period has been completed as of the date of termination and it would result in a greater number of shares becoming vested based on the degree of satisfaction of the applicable performance objectives through such date, the total number of shares that would have been earned had Executive remained employed through the end of the applicable performance period (as determined in good faith by the Committee), in each case less the number of shares that had already become vested as of the date of such termination of employment in respect of such Equity Award.

(b) Exclusive Remedy. In the event of a termination of Executive's employment as set forth in Section 3, the provisions of Section 3 are intended to be and are exclusive and in lieu of any other rights or remedies to which Executive otherwise may be entitled, whether at law, tort or contract, in equity, or under this Agreement (other than the payment of accrued but unpaid wages, as required by law, and any unreimbursed reimbursable expenses). Executive will be entitled to no benefits, compensation or other payments or rights upon a termination of employment other than those benefits expressly set forth in Section 3 of this Agreement. ***For the avoidance of doubt, Executive will not be eligible to receive benefits under both this Agreement and that certain Severance Agreement by and between Executive and the Company dated as of the date hereof (the "Severance Agreement"), as, upon Executive's receipt of any payment or benefit set forth in Section 3 of the Severance Agreement, Executive shall no longer be eligible to receive any of the payments or benefits set forth in this Section 3.***

4. Conditions to Receipt of Severance.

(a) Release of Claims Agreement. The receipt of any severance payments or benefits pursuant to this Agreement (except for the Accrued Items) is subject to Executive signing and not revoking a separation agreement and release of claims in a form acceptable to the Company (the "**Release**"), which must become effective and irrevocable no later than the sixtieth (60th) day following Executive's termination of employment (the "**Release Deadline**"). If the Release does not become effective and irrevocable by the Release Deadline, Executive will forfeit any right to severance payments or benefits under this Agreement. In no event will severance payments or benefits be paid or provided until the Release actually becomes effective and irrevocable. Except as required by Section 4(c) or as otherwise specified in Section 3, any severance payments or benefits under this Agreement will be paid, or, in the case of installments, will commence, in the first payroll following the effective date of the Release, but not later than fourteen (14) days following the effective date of the Release.

(b) Confidential Information and Invention Assignment Agreements. Executive's receipt of any payments or benefits under Section 3 (except for the Accrued Items) will be subject to Executive continuing to comply with the terms of the At Will Employment.

Confidential Information, Invention Assignment and Arbitration Agreement (the “**Confidentiality Agreement**”) most recently entered into between the Company and Executive, as such agreement may be amended from time to time. Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement prevents Executive from providing, without prior notice to the Company, information to governmental authorities regarding possible legal violations or otherwise testifying or participating in any investigation or proceeding by any governmental authorities regarding possible legal violations, and for purpose of clarity Executive is not prohibited from providing information voluntarily to the Securities and Exchange Commission pursuant to Section 21F of the Securities Exchange Act of 1934, as amended.

(c) Section 409A.

(i) Notwithstanding anything to the contrary in this Agreement, no severance pay or benefits to be paid or provided to Executive, if any, pursuant to this Agreement that, when considered together with any other severance payments or separation benefits, are considered deferred compensation under Section 409A of the Internal Revenue Code of 1986, as amended (the “**Code**”), and the final regulations and any guidance promulgated thereunder (“**Section 409A**”) (together, the “**Deferred Payments**”) will be paid or otherwise provided until Executive has a “separation from service” within the meaning of Section 409A. Similarly, no severance payable to Executive, if any, pursuant to this Agreement that otherwise would be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(9) will be payable until Executive has a “separation from service” within the meaning of Section 409A.

(ii) It is intended that none of the severance payments under this Agreement will constitute “**Deferred Payments**” but rather will be exempt from Section 409A as a payment that would fall within the “short-term deferral period” as described in Section 4(c)(iv) below or resulting from an involuntary separation from service as described in Section 4(c)(v) below. However, any severance payments or benefits under this Agreement that would be considered Deferred Payments will be paid on, or, in the case of installments, will not commence until, the sixtieth (60th) day following Executive’s separation from service, or, if later, such time as required by Section 4(c)(iii). Except as required by Section 4(c)(iii), any installment payments that would have been made to Executive during the sixty (60) day period immediately following Executive’s separation from service but for the preceding sentence will be paid to Executive on the sixtieth (60th) day following Executive’s separation from service and the remaining payments shall be made as provided in this Agreement.

(iii) Notwithstanding anything to the contrary in this Agreement, if Executive is a “specified employee” within the meaning of Section 409A at the time of Executive’s termination (other than due to death), then the Deferred Payments, if any, that are payable within the first six (6) months following Executive’s separation from service, will become payable on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Executive’s separation from service. All subsequent Deferred Payments, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Executive dies following Executive’s separation from service, but before the six (6)-month anniversary of the separation from service, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Executive’s death and all other Deferred Payments will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment and benefit payable under this Agreement is intended to constitute a separate payment under Section 1.409A-2(b)(2) of the Treasury Regulations.

(iv) Any amount paid under this Agreement that satisfies the requirements of the “short-term deferral” rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations will not constitute Deferred Payments for purposes of Section 4(c)(i).

(v) Any amount paid under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that does not exceed the Section 409A Limit will not constitute Deferred Payments for purposes of Section 4(c)(i).

(vi) The foregoing provisions are intended to comply with the requirements of Section 409A so that none of the severance payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to so comply. The Company and Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition before actual payment to Executive under Section 409A.

(vii) To the extent any reimbursement or in-kind benefit provided under this Agreement is a Deferred Payment (i) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year; (ii) the reimbursement of an eligible expense must be made on or before the last day of the calendar year following the calendar year in which the expense was incurred; and (iii) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

5. Limitation on Payments. In the event that the severance and other benefits provided for in this Agreement or otherwise payable to Executive (i) constitute “parachute payments” within the meaning of Section 280G of the Code, and (ii) but for this Section 5, would be subject to the excise tax imposed by Section 4999 of the Code, then Executive’s benefits under Section 3 will be either:

(a) delivered in full, or

(b) delivered as to such lesser extent which would result in no portion of such benefits being subject to excise tax under Section 4999 of the Code,

whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999 of the Code, results in the receipt by Executive on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code. If a reduction in severance and other benefits constituting “parachute payments” is necessary so that benefits are delivered to a lesser extent, reduction will occur in the following order: (i) reduction of cash payments; (ii) cancellation of awards granted “contingent on a change in ownership or control” (within the meaning of Section 280G of the Code), (iii) cancellation of accelerated vesting of equity awards; (iv) reduction of employee benefits. In the event that acceleration of vesting of equity award compensation is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant of Executive’s equity awards.

Unless the Company and Executive otherwise agree in writing, any determination required under this Section 5 will be made in writing by the Company’s independent public accountants immediately prior to a Change of Control or such other person or entity to which the parties mutually agree (the “**Accountants**”), whose determination will be conclusive and binding upon Executive and the Company. For purposes of making the calculations required by this Section 5, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and Executive will furnish to the Accountants such information and documents as the Accountants may reasonably request in

order to make a determination under this Section 5. The Company will bear all costs the Accountants may incur in connection with any calculations contemplated by this Section 5.

6. Definition of Terms. The following terms referred to in this Agreement will have the following meanings:

(a) Cause. “**Cause**” will mean:

(i) Executive’s indictment, plea of nolo contendere or conviction, of any felony or of any crime involving dishonesty by Executive;

(ii) a material breach by Executive of Executive’s duties or of a Company policy that is not cured by Executive within thirty (30) days following written notice of same to Executive by the Company, to the extent such breach is curable; or

(iii) a commission of any act of dishonesty, embezzlement, theft, fraud or misconduct by Executive with respect to the Company, any of which in the good faith and reasonable determination of the Board or the Committee is materially detrimental to the Company, its business or its reputation.

(b) Change of Control. “**Change of Control**” will mean the occurrence of any of the following events:

(i) Change in Ownership of the Company. A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group (“**Person**”), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than fifty percent (50%) of the total voting power of the stock of the Company, except that any change in the ownership of the stock of the Company as a result of a private financing of the Company that is approved by the Board will not be considered a Change of Control; or

(ii) Change in Effective Control of the Company. A change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any twelve (12)-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this Section 6(b)(ii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change of Control; or

(iii) Change in Ownership of a Substantial Portion of the Company’s Assets. A change in the ownership of a substantial portion of the Company’s assets which occurs on the date that any Person acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than fifty percent (50%) of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions. For purposes of this Section 6(b)(iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For these purposes, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing provisions of this definition, a transaction will not be deemed a Change of Control unless the transaction qualifies as a change in control event within the meaning of Section 409A.

(c) Disability. “**Disability**” will mean that Executive is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months. Termination resulting from Disability may only be effected after at least thirty (30) days’ written notice by the Company of its intention to terminate Executive’s employment. In the event that Executive resumes the performance of substantially all of his or her duties hereunder before the termination of his or her employment becomes effective, the notice of intent to terminate will automatically be deemed to have been revoked.

(d) Equity Awards. “**Equity Awards**” will mean an Executive’s then unvested outstanding stock options, stock appreciation rights, restricted stock units and other Company equity compensation awards.

(e) Good Reason. “**Good Reason**” will mean Executive’s termination of employment within ninety (90) days following the expiration of any cure period (discussed below) following the occurrence of one or more of the following, without Executive’s consent:

(i) A material diminution in Executive’s base compensation (unless such reduction is done as part of a reduction program effective for all of the Company’s senior level executives); or

(ii) the relocation of Executive’s primary workplace to a location more than fifty (50) miles away from Executive’s workplace in effect immediately prior to such relocation.

In addition, in order for a voluntary termination to be considered a termination for “Good Reason” under this Agreement, Executive must provide written notice to the Company of the existence of one or more of the above conditions within ninety (90) days of its initial existence and the Company must be provided thirty (30) days from the notice to remedy the condition. Notwithstanding the foregoing, a termination will not be considered a termination for “Good Reason” if (x) Executive’s conduct is such that Executive’s compensation is subject to clawback provisions under any policy or agreement of the Company, or pursuant to applicable law, statute, rule or regulation of any branch of the federal government, or (y) the event described in Section 6(e)(i) is caused by the intentional or reckless conduct of Executive.

(f) Section 409A Limit. “**Section 409A Limit**” will mean the lesser of two (2) times: (i) Executive’s annualized compensation based upon the annual rate of pay paid to Executive during the Executive’s taxable year preceding the Executive’s taxable year of Executive’s termination of employment as determined under, and with such adjustments as are set forth in, Treasury Regulation 1.409A-1(b)(9)(iii)(A)(1) and any Internal Revenue Service guidance issued with respect thereto; or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which Executive’s employment is terminated.

7. Successors.

(a) The Company’s Successors. Any successor to the Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company’s business and/or assets will assume the obligations under this Agreement and agree expressly to perform the obligations under this Agreement in the same

manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term “**Company**” will include any successor to the Company’s business and/or assets which executes and delivers the assumption agreement described in this Section 7 or which becomes bound by the terms of this Agreement by operation of law.

(b) Executive’s Successors. The terms of this Agreement and all rights of Executive hereunder will inure to the benefit of, and be enforceable by, Executive’s personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

8. Notice.

(a) General. Notices and all other communications contemplated by this Agreement will be in writing and will be deemed to have been duly given when sent electronically or personally delivered, when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid, or when delivered by a private courier service such as UPS, DHL or Federal Express that has tracking capability. In the case of Executive, notices will be sent to the e-mail address or addressed to Executive at the home address, in either case which Executive most recently communicated to the Company in writing. In the case of the Company, electronic notices will be sent to the e-mail address of the Chief Executive Officer and the General Counsel and mailed notices will be addressed to its corporate headquarters, and all notices will be directed to the attention of its Chief Executive Officer and General Counsel.

(b) Notice of Termination. Any termination by the Company for Cause or by Executive for Good Reason will be communicated by a notice of termination to the other party hereto given in accordance with Section 8 of this Agreement. Such notice will indicate the specific termination provision in this Agreement relied upon, will set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and will specify the termination date (which will be not more than ninety (90) days after the giving of such notice and expiration of any applicable cure period).

9. Miscellaneous Provisions.

(a) No Duty to Mitigate. Executive will not be required to mitigate the amount of any payment contemplated by this Agreement, nor will any such payment be reduced by any earnings that Executive may receive from any other source.

(b) Waiver. No provision of this Agreement will be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized officer of the Company (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party will be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

(d) Entire Agreement. This Agreement, the Severance Agreement and the Confidentiality Agreement constitute the entire agreement of the parties hereto and supersede in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties with respect to the subject matter hereof. No waiver, alteration, or modification of any of the provisions of this Agreement will be

binding unless in writing and signed by duly authorized representatives of the parties hereto and which specifically mentions this Agreement.

(e) Compensation Recovery. Notwithstanding anything in this Agreement to the contrary, Executive acknowledges and agrees that this Agreement and any compensation described herein are subject to the terms and conditions of the Company's clawback policy (if any) as may be in effect from time to time specifically to implement Section 10D of the Securities Exchange Act of 1934, as amended, and any applicable rules or regulations promulgated thereunder (including applicable rules and regulations of any national securities exchange on which the common stock of the Company may be traded) (the "**Compensation Recovery Policy**"), and that applicable sections of this Agreement and any related documents shall be deemed superseded by and subject to the terms and conditions of the Compensation Recovery Policy from and after the effective date thereof.

(f) Choice of Law. The validity, interpretation, construction and performance of this Agreement will be governed by the laws of the Commonwealth of Virginia (with the exception of its conflict of laws provisions). Any claims or legal actions by one party against the other arising out of the relationship between the parties contemplated herein (whether or not arising under this Agreement) will be commenced or maintained in any state or federal court located in the jurisdiction where Executive resides, and Executive and the Company hereby submit to the jurisdiction and venue of any such court.

(g) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement will not affect the validity or enforceability of any other provision hereof, which will remain in full force and effect.

(h) Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable income, employment and other taxes.

(i) Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

[Signature Page to Follow]

COMSCORE, INC.
SEVERANCE AGREEMENT

This Severance Agreement (the “**Agreement**”) is made and entered into by and between David Algranati (“**Executive**”) and comScore, Inc., a Delaware corporation (the “**Company**”), effective as of May 28, 2019 (the “**Effective Date**”).

RECITALS

1. The Compensation Committee (the “**Committee**”) of the Board of Directors of the Company (the “**Board**”) believes that it is in the best interests of the Company and its stockholders to assure that the Company will have the continued dedication and objectivity of Executive, to provide Executive with an incentive to continue his/her employment, and to motivate Executive to maximize the value of the Company for the benefit of its stockholders.

2. The Committee believes that it is imperative to provide Executive with certain severance benefits upon Executive’s termination of employment under certain circumstances. These benefits will provide Executive with enhanced financial security and incentive and encouragement to remain with the Company.

3. Certain capitalized terms used in the Agreement are defined in Section 6 below.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. Term of Agreement. This Agreement will have an initial term of three (3) years commencing on the Effective Date (the “Initial Term”). On the third anniversary of the Effective Date, this Agreement will renew automatically for additional one (1) year terms (each an “Additional Term” and together with the Initial Term, the “Term”), unless either party provides the other party with written notice of non-renewal at least sixty (60) days prior to the date of automatic renewal; provided, however, that if the Company enters into a definitive agreement to be acquired and the transactions contemplated thereby would result in the occurrence of a Change of Control if consummated, then, during the interim period between the date that the definitive agreement is effective and the date that either the definitive agreement is terminated or the Change of Control is consummated, the Company will no longer be permitted to provide Executive with written notice to not renew this Agreement, and if the Change of Control is consummated, the Agreement will expire on the effective date of the Change of Control. If the definitive agreement is terminated without the transactions contemplated thereby having been consummated and at the time of such termination there is at least twelve (12) months remaining in the Term, the Agreement will continue in effect for the remainder of the Term then in effect, but if there is less than twelve (12) months remaining in the Term then in effect, the Agreement will automatically extend for an additional one (1) year from the date the definitive agreement is terminated. If Executive becomes entitled to benefits under Section 3 during the term of this Agreement, the Agreement will not terminate until all of the obligations of the parties hereto with respect to this Agreement have been satisfied.

2. At-Will Employment. The Company and Executive acknowledge that Executive’s employment is and will continue to be at-will, as defined under applicable law. If Executive’s employment terminates for any reason, Executive will not be entitled to any payments, benefits, damages, awards or compensation other than as provided by this Agreement, the payment of accrued but unpaid wages or other compensation, as required by law, as may

otherwise be available in accordance with the Company's established employee plans, and any unreimbursed reimbursable expenses, and this Agreement supersedes all prior agreements or arrangements relating to the same.

3. Severance Benefits.

(a) Termination without Cause or Resignation for Good Reason. If the Company terminates Executive's employment with the Company without Cause or if Executive resigns from such employment for Good Reason, and such termination occurs prior to a Change of Control, then subject to Section 4, Executive will receive the following:

(i) Accrued Compensation. The Company will pay Executive all accrued but unpaid vacation, expense reimbursements, wages, and other benefits due to Executive under any Company-provided plans, policies, and arrangements (collectively, the "Accrued Items").

(ii) Severance Payment. (A) Executive will be paid continuing payments of severance pay at a rate equal to Executive's annual base salary, as then in effect, for 12 months from the date of such termination of employment, to be paid in equal installments in accordance with the Company's normal payroll policies; and (B) Executive will be paid continuing payments of severance pay at a rate equal to Executive's target short-term incentive award, as then in effect, for 12 months from the date of such termination of employment, to be paid in equal installments in accordance with the Company's normal payroll policies.

(iii) Short-Term Incentive. At such time as the Company pays short-term incentive awards, if any, to senior executives of the Company for the year in which Executive's termination occurs, the Company shall pay Executive a lump sum cash amount equal to the product obtained by multiplying (A) the full-year short-term incentive award that Executive would have earned had Executive remained employed through the end of the calendar year in which the termination of employment occurs based on the degree of satisfaction of the applicable performance objectives, as determined in good faith by the Committee (except that any individual subjective performance objectives will be deemed achieved at the target level), by (B) a fraction, the numerator of which is the total number of days that have elapsed during the calendar year through the date of termination of employment and the denominator of which is the total number of days in such calendar year.

(iv) Continued Executive Benefits. If Executive elects continuation coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") within the time period prescribed pursuant to COBRA for Executive and Executive's eligible dependents, then the Company will reimburse Executive for the COBRA premiums for such coverage (at the coverage levels in effect immediately prior to Executive's termination) for the period coincident with the severance benefit period set forth above. The reimbursements will be made by the Company to Executive consistent with the Company's normal expense reimbursement policy. Notwithstanding the foregoing, should the Company determine in its sole discretion that it cannot provide the above COBRA benefits without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company will in lieu thereof provide to Executive a taxable monthly payment for the same period in an amount equal to the monthly COBRA premium Executive would be required to pay to continue his or her group health coverage in effect on the date of his or her termination of employment (which amount will be based on the premium for the first month of COBRA coverage), which payments will be made regardless of whether Executive elects COBRA continuation coverage.

(b) Voluntary Resignation; Termination for Cause. If Executive's employment with the Company terminates (i) voluntarily by Executive (other than for Good Reason) or (ii) for Cause by the Company, then Executive will not be entitled to receive severance or other benefits except for those (if any) as may then be established under the Company's then existing severance and benefits plans and practices or pursuant to other written agreements with the Company.

(c) Disability; Death. If the Company terminates Executive's employment as a result of Executive's Disability, or Executive's employment terminates due to his or her death, then Executive will not be entitled to receive any other severance or other benefits, except for (i) Accrued Items, and (ii) those severance or other benefits (if any) as may then be established under the Company's then existing written severance and benefits plans and practices or pursuant to other written agreements with the Company.

(d) Exclusive Remedy. In the event of a termination of Executive's employment as set forth in Section 3, the provisions of Section 3 are intended to be and are exclusive and in lieu of any other rights or remedies to which Executive otherwise may be entitled, whether at law, tort or contract, in equity, or under this Agreement (other than the payment of accrued but unpaid wages, as required by law, and any unreimbursed reimbursable expenses). Executive will be entitled to no benefits, compensation or other payments or rights upon a termination of employment other than those benefits expressly set forth in Section 3 of this Agreement. ***For the avoidance of doubt, Executive will not be eligible to receive benefits under both this Agreement and that certain Change of Control Agreement by and between Executive and the Company dated as of the date hereof (the "COC Agreement"), as, upon Executive's receipt of any payment or benefit set forth in Section 3 of the COC Agreement, Executive shall no longer be eligible to receive any of the payments or benefits set forth in this Section 3.***

4. Conditions to Receipt of Severance

(a) Release of Claims Agreement. The receipt of any severance payments or benefits pursuant to this Agreement (except for the Accrued Items) is subject to Executive signing and not revoking a separation agreement and release of claims in a form acceptable to the Company (the "**Release**"), which must become effective and irrevocable no later than the sixtieth (60th) day following Executive's termination of employment (the "**Release Deadline**"). If the Release does not become effective and irrevocable by the Release Deadline, Executive will forfeit any right to severance payments or benefits under this Agreement. In no event will severance payments or benefits be paid or provided until the Release actually becomes effective and irrevocable. Except as required by Section 4(c) or as otherwise specified in Section 3, any severance payments or benefits under this Agreement will be paid, or, in the case of installments, will commence, in the first payroll following the effective date of the Release, but not later than fourteen (14) days following the effective date of the Release.

(b) Confidential Information and Invention Assignment Agreements. Executive's receipt of any payments or benefits under Section 3 (except for the Accrued Items) will be subject to Executive continuing to comply with the terms of the At Will Employment, Confidential Information, Invention Assignment and Arbitration Agreement (the "**Confidentiality Agreement**") most recently entered into between the Company and Executive, as such agreement may be amended from time to time. Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement prevents Executive from providing, without prior notice to the Company, information to governmental authorities regarding possible legal violations or otherwise testifying or participating in any investigation or proceeding by any governmental authorities regarding possible legal violations, and for purpose of clarity Executive

is not prohibited from providing information voluntarily to the Securities and Exchange Commission pursuant to Section 21F of the Securities Exchange Act of 1934, as amended.

(c) Section 409A.

(i) Notwithstanding anything to the contrary in this Agreement, no severance pay or benefits to be paid or provided to Executive, if any, pursuant to this Agreement that, when considered together with any other severance payments or separation benefits, are considered deferred compensation under Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), and the final regulations and any guidance promulgated thereunder (“Section 409A”) (together, the “Deferred Payments”) will be paid or otherwise provided until Executive has a “separation from service” within the meaning of Section 409A. Similarly, no severance payable to Executive, if any, pursuant to this Agreement that otherwise would be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(9) will be payable until Executive has a “separation from service” within the meaning of Section 409A.

(ii) It is intended that none of the severance payments under this Agreement will constitute “Deferred Payments” but rather will be exempt from Section 409A as a payment that would fall within the “short-term deferral period” as described in Section 4(c)(iv) below or resulting from an involuntary separation from service as described in Section 4(c)(v) below. However, any severance payments or benefits under this Agreement that would be considered Deferred Payments will be paid on, or, in the case of installments, will not commence until, the sixtieth (60th) day following Executive’s separation from service, or, if later, such time as required by Section 4(c)(iii). Except as required by Section 4(c)(iii), any installment payments that would have been made to Executive during the sixty (60)-day period immediately following Executive’s separation from service but for the preceding sentence will be paid to Executive on the sixtieth (60th) day following Executive’s separation from service and the remaining payments shall be made as provided in this Agreement.

(iii) Notwithstanding anything to the contrary in this Agreement, if Executive is a “specified employee” within the meaning of Section 409A at the time of Executive’s termination (other than due to death), then the Deferred Payments, if any, that are payable within the first six (6) months following Executive’s separation from service, will become payable on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Executive’s separation from service. All subsequent Deferred Payments, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Executive dies following Executive’s separation from service, but before the six (6)-month anniversary of the separation from service, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Executive’s death and all other Deferred Payments will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment and benefit payable under this Agreement is intended to constitute a separate payment under Section 1.409A-2(b)(2) of the Treasury Regulations.

(iv) Any amount paid under this Agreement that satisfies the requirements of the “short-term deferral” rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations will not constitute Deferred Payments for purposes of Section 4(c)(i).

(v) Any amount paid under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that does not exceed the Section 409A Limit will not constitute Deferred Payments for purposes of Section 4(c)(i).

(vi) The foregoing provisions are intended to comply with the requirements of Section 409A so that none of the severance payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to so comply. The Company and Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition before actual payment to Executive under Section 409A.

(vii) To the extent any reimbursement or in-kind benefit provided under this Agreement is a Deferred Payment (i) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year; (ii) the reimbursement of an eligible expense must be made on or before the last day of the calendar year following the calendar year in which the expense was incurred; and (iii) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

5. Limitation on Payments. In the event that the severance and other benefits provided for in this Agreement or otherwise payable to Executive (i) constitute “parachute payments” within the meaning of Section 280G of the Code, and (ii) but for this Section 5, would be subject to the excise tax imposed by Section 4999 of the Code, then Executive’s benefits under Section 3 will be either:

(a) delivered in full, or

(b) delivered as to such lesser extent which would result in no portion of such benefits being subject to excise tax under Section 4999 of the Code,

whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999 of the Code, results in the receipt by Executive on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code. If a reduction in severance and other benefits constituting “parachute payments” is necessary so that benefits are delivered to a lesser extent, reduction will occur in the following order: (i) reduction of cash payments; (ii) cancellation of awards granted “contingent on a change in ownership or control” (within the meaning of Section 280G of the Code), (iii) cancellation of accelerated vesting of equity awards; (iv) reduction of employee benefits. In the event that acceleration of vesting of equity award compensation is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant of Executive’s equity awards.

Unless the Company and Executive otherwise agree in writing, any determination required under this Section 5 will be made in writing by the Company’s independent public accountants immediately prior to a Change of Control or such other person or entity to which the parties mutually agree (the “**Accountants**”), whose determination will be conclusive and binding upon Executive and the Company. For purposes of making the calculations required by this Section 5, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and Executive will furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this Section 5. The Company will bear all costs the Accountants may incur in connection with any calculations contemplated by this Section 5.

6. Definition of Terms. The following terms referred to in this Agreement will have the following meanings:

(a) Cause. “**Cause**” will mean:

(i) Executive’s indictment, plea of nolo contendere or conviction, of any felony or of any crime involving dishonesty by Executive;

(ii) a material breach by Executive of Executive’s duties or of a Company policy that is not cured by Executive within thirty (30) days following written notice of same to Executive by the Company, to the extent such breach is curable; or

(iii) a commission of any act of dishonesty, embezzlement, theft, fraud or misconduct by Executive with respect to the Company, any of which in the good faith and reasonable determination of the Board or the Committee is materially detrimental to the Company, its business or its reputation.

(b) Change of Control. “**Change of Control**” will mean the occurrence of any of the following events:

(i) Change in Ownership of the Company. A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group (“**Person**”), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than fifty percent (50%) of the total voting power of the stock of the Company, except that any change in the ownership of the stock of the Company as a result of a private financing of the Company that is approved by the Board will not be considered a Change of Control; or

(ii) Change in Effective Control of the Company. A change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any twelve (12)-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this Section 6(b)(ii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change of Control; or

(iii) Change in Ownership of a Substantial Portion of the Company’s Assets. A change in the ownership of a substantial portion of the Company’s assets which occurs on the date that any Person acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than fifty percent (50%) of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions. For purposes of this Section 6(b)(iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For these purposes, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing provisions of this definition, a transaction will not be deemed a Change of Control unless the transaction qualifies as a change in control event within the meaning of Section 409A.

(c) Disability. “**Disability**” will mean that Executive is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months. Termination resulting from Disability may only be effected after at least thirty (30) days’ written notice by the Company of its intention to terminate Executive’s employment. In the event that Executive resumes the performance of substantially all of his or her duties hereunder before the termination of his or her employment becomes effective, the notice of intent to terminate will automatically be deemed to have been revoked.

(d) Good Reason. “**Good Reason**” will mean Executive’s termination of employment within ninety (90) days following the expiration of any cure period (discussed below) following the occurrence of one or more of the following, without Executive’s consent:

(i) A material diminution in Executive’s base compensation (unless such reduction is done as part of a reduction program effective for all of the Company’s senior level executives); or

(ii) the relocation of Executive’s primary workplace to a location more than fifty (50) miles away from Executive’s workplace in effect immediately prior to such relocation.

In addition, in order for a voluntary termination to be considered a termination for “Good Reason” under this Agreement, Executive must provide written notice to the Company of the existence of one or more of the above conditions within ninety (90) days of its initial existence and the Company must be provided thirty (30) days from the notice to remedy the condition. Notwithstanding the foregoing, a termination will not be considered a termination for “Good Reason” if (x) Executive’s conduct is such that Executive’s compensation is subject to clawback provisions under any policy or agreement of the Company, or pursuant to applicable law, statute, rule or regulation of any branch of the federal government, or (y) the event described in Section 6(d)(i) is caused by the intentional or reckless conduct of Executive.

(e) Section 409A Limit. “**Section 409A Limit**” will mean the lesser of two (2) times: (i) Executive’s annualized compensation based upon the annual rate of pay paid to Executive during the Executive’s taxable year preceding the Executive’s taxable year of Executive’s termination of employment as determined under, and with such adjustments as are set forth in, Treasury Regulation 1.409A-1(b)(9)(iii)(A)(1) and any Internal Revenue Service guidance issued with respect thereto; or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which Executive’s employment is terminated.

7. Successors.

(a) The Company’s Successors. Any successor to the Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company’s business and/or assets will assume the obligations under this Agreement and agree expressly to perform the obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term “**Company**” will include any successor to the Company’s business and/or assets which executes and delivers the assumption agreement described in this Section 7 or which becomes bound by the terms of this Agreement by operation of law.

(b) Executive’s Successors. The terms of this Agreement and all rights of Executive hereunder will inure to the benefit of, and be enforceable by, Executive’s personal or

legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

8. Notice.

(a) General. Notices and all other communications contemplated by this Agreement will be in writing and will be deemed to have been duly given when sent electronically or personally delivered, when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid, or when delivered by a private courier service such as UPS, DHL or Federal Express that has tracking capability. In the case of Executive, notices will be sent to the e-mail address or addressed to Executive at the home address, in either case which Executive most recently communicated to the Company in writing. In the case of the Company, electronic notices will be sent to the e-mail address of the Chief Executive Officer and the General Counsel and mailed notices will be addressed to its corporate headquarters, and all notices will be directed to the attention of its Chief Executive Officer and General Counsel.

(b) Notice of Termination. Any termination by the Company for Cause or by Executive for Good Reason will be communicated by a notice of termination to the other party hereto given in accordance with Section 8 of this Agreement. Such notice will indicate the specific termination provision in this Agreement relied upon, will set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and will specify the termination date (which will be not more than ninety (90) days after the giving of such notice and expiration of any applicable cure period).

9. Miscellaneous Provisions.

(a) No Duty to Mitigate. Executive will not be required to mitigate the amount of any payment contemplated by this Agreement, nor will any such payment be reduced by any earnings that Executive may receive from any other source.

(b) Waiver. No provision of this Agreement will be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized officer of the Company (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party will be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

(d) Entire Agreement. This Agreement, the COC Agreement and the Confidentiality Agreement constitute the entire agreement of the parties hereto and supersede in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties with respect to the subject matter hereof. No waiver, alteration, or modification of any of the provisions of this Agreement will be binding unless in writing and signed by duly authorized representatives of the parties hereto and which specifically mentions this Agreement.

(e) Compensation Recovery. Notwithstanding anything in this Agreement to the contrary, Executive acknowledges and agrees that this Agreement and any compensation described herein are subject to the terms and conditions of the Company's clawback policy (if any) as may be in effect from time to time specifically to implement Section 10D of the Securities Exchange Act of 1934, as amended, and any applicable rules or regulations promulgated thereunder (including applicable rules and regulations of any national securities

exchange on which the common stock of the Company may be traded) (the “**Compensation Recovery Policy**”), and that applicable sections of this Agreement and any related documents shall be deemed superseded by and subject to the terms and conditions of the Compensation Recovery Policy from and after the effective date thereof.

(f) Choice of Law. The validity, interpretation, construction and performance of this Agreement will be governed by the laws of the Commonwealth of Virginia (with the exception of its conflict of laws provisions). Any claims or legal actions by one party against the other arising out of the relationship between the parties contemplated herein (whether or not arising under this Agreement) will be commenced or maintained in any state or federal court located in the jurisdiction where Executive resides, and Executive and the Company hereby submit to the jurisdiction and venue of any such court.

(g) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement will not affect the validity or enforceability of any other provision hereof, which will remain in full force and effect.

(h) Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable income, employment and other taxes.

(i) Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

[Signature Page to Follow]

CERTIFICATIONS

I, Jonathan Carpenter, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of comScore, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Jonathan Carpenter

Jonathan Carpenter
Chief Executive Officer
(Principal Executive Officer)

Date: November 8, 2022

CERTIFICATIONS

I, Mary Margaret Curry, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of comScore, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Mary Margaret Curry

Mary Margaret Curry
Chief Financial Officer and Treasurer
(Principal Financial Officer)

Date: November 8, 2022

Certification Pursuant to 18 U.S.C. Section 1350

In connection with the Quarterly Report of comScore, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2022, as filed with the Securities and Exchange Commission (the "SEC") on the date hereof (the "Report"), I, Jonathan Carpenter, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.

/s/ Jonathan Carpenter

Jonathan Carpenter
Chief Executive Officer
(Principal Executive Officer)

Date: November 8, 2022

Certification Pursuant to 18 U.S.C. Section 1350

In connection with the Quarterly Report of comScore, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2022, as filed with the Securities and Exchange Commission (the "SEC") on the date hereof (the "Report"), I, Mary Margaret Curry, Chief Financial Officer and Treasurer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.

/s/ Mary Margaret Curry

Mary Margaret Curry
Chief Financial Officer and Treasurer
(Principal Financial Officer)

Date: November 8, 2022