

COMSCORE, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)

	As of December 31,	
	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 20,044	\$ 21,854
Restricted cash	398	425
Accounts receivable, net of allowances of \$798 and 1,173, respectively	68,457	72,059
Prepaid expenses and other current assets	15,922	14,769
Total current assets	104,821	109,107
Property and equipment, net	36,367	36,451
Operating right-of-use assets	23,864	29,186
Deferred tax assets	3,351	2,811
Intangible assets, net	13,327	39,945
Goodwill	387,973	435,711
Other non-current assets	10,883	10,263
Total assets	<u>\$ 580,586</u>	<u>\$ 663,474</u>
Liabilities, Convertible Redeemable Preferred Stock and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 29,090	\$ 23,575
Accrued expenses	43,393	45,264
Contract liabilities	52,944	54,011
Customer advances	11,527	11,613
Current operating lease liabilities	7,639	7,538
Warrants liability	718	10,520
Current portion of contingent consideration	7,134	1,037
Other current liabilities	12,646	11,813
Total current liabilities	165,091	165,371
Non-current operating lease liabilities	29,588	36,055
Non-current portion of accrued data costs	25,106	16,005
Revolving line of credit	16,000	16,000
Deferred tax liabilities	2,127	2,103
Other non-current liabilities	10,627	16,879
Total liabilities	248,539	252,413
Commitments and contingencies		
Convertible redeemable preferred stock, \$0.001 par value; 82,527,609 shares authorized, issued and outstanding as of December 31, 2022 and 2021; aggregate liquidation preference of \$211,863 as of December 31, 2022 and 2021	187,885	187,885
Stockholders' equity:		
Preferred stock, \$0.001 par value; 7,472,391 shares authorized as of December 31, 2022 and 2021; no shares issued or outstanding as of December 31, 2022 or 2021	—	—
Common stock, \$0.001 par value; 275,000,000 shares authorized as of December 31, 2022 and 2021; 98,869,738 shares issued and 92,104,942 shares outstanding as of December 31, 2022, and 97,172,086 shares issued and 90,407,290 shares outstanding as of December 31, 2021	92	90
Additional paid-in capital	1,690,783	1,683,883
Accumulated other comprehensive loss	(15,940)	(12,098)
Accumulated deficit	(1,300,789)	(1,218,715)
Treasury stock, at cost, 6,764,796 shares as of December 31, 2022 and 2021	(229,984)	(229,984)
Total stockholders' equity	144,162	223,176
Total liabilities, convertible redeemable preferred stock and stockholders' equity	<u>\$ 580,586</u>	<u>\$ 663,474</u>

COMSCORE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(In thousands, except share and per share data)

	Years Ended December 31,		
	2022	2021	2020
Revenues	\$ 376,423	\$ 367,013	\$ 356,036
Cost of revenues ⁽¹⁾⁽²⁾	205,294	203,044	180,712
Selling and marketing ⁽¹⁾⁽²⁾	68,453	66,937	70,220
Research and development ⁽¹⁾⁽²⁾	36,987	39,123	38,706
General and administrative ⁽¹⁾⁽²⁾	61,200	61,736	55,783
Amortization of intangible assets	27,096	25,038	27,219
Impairment of goodwill	46,300	—	—
Restructuring	5,810	—	—
Impairment of right-of-use and long-lived assets	156	—	4,671
Total expenses from operations	451,296	395,878	377,311
Loss from operations	(74,873)	(28,865)	(21,275)
Loss on extinguishment of debt	—	(9,629)	—
Interest expense, net	(915)	(7,801)	(35,805)
Other income (expense), net	9,785	(5,778)	14,554
Gain (loss) from foreign currency transactions	1,166	2,895	(4,490)
Loss before income taxes	(64,837)	(49,178)	(47,016)
Income tax provision	(1,724)	(859)	(902)
Net loss	\$ (66,561)	\$ (50,037)	\$ (47,918)
Net loss available to common stockholders			
Net loss	(66,561)	(50,037)	(47,918)
Convertible redeemable preferred stock dividends	(15,513)	(12,623)	—
Total net loss available to common stockholders	\$ (82,074)	\$ (62,660)	\$ (47,918)
Net loss per common share:			
Basic and diluted	\$ (0.89)	\$ (0.78)	\$ (0.67)
Weighted-average number of shares used in per share calculation - Common Stock:			
Basic and diluted	92,683,564	80,802,053	71,181,496
Comprehensive loss:			
Net loss	\$ (66,561)	\$ (50,037)	\$ (47,918)
Other comprehensive (loss) income:			
Foreign currency cumulative translation adjustment	(3,842)	(5,068)	5,303
Total comprehensive loss	\$ (70,403)	\$ (55,105)	\$ (42,615)

⁽¹⁾ Excludes amortization of intangible assets, which is presented separately in the Consolidated Statements of Operations and Comprehensive Loss.

⁽²⁾ Stock-based compensation expense is included in the line items above as follows:

	Years Ended December 31,		
	2022	2021	2020
Cost of revenues	\$ 1,144	\$ 1,603	\$ 1,288
Selling and marketing	1,021	1,791	2,226
Research and development	827	1,079	886
General and administrative	5,186	9,375	5,673
Total stock-based compensation expense	\$ 8,178	\$ 13,848	\$ 10,073

COMSCORE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Years Ended December 31,		
	2022	2021	2020
Operating activities:			
Net loss	\$ (66,561)	\$ (50,037)	\$ (47,918)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Impairment of goodwill	46,300	—	—
Amortization of intangible assets	27,096	25,038	27,219
Depreciation	16,828	15,793	14,064
Stock-based compensation expense	8,178	13,848	10,073
Non-cash operating lease expense	6,060	5,345	5,555
Change in fair value of contingent consideration liability	2,558	—	—
Amortization expense of finance leases	2,364	2,188	1,652
Bad debt expense (benefit)	312	(80)	1,693
Amortization of deferred financing costs	163	378	1,560
Impairment of right-of-use and long-lived assets	156	—	4,671
Deferred tax (benefit) provision	(475)	(1,719)	10
Change in fair value of warrant liability	(9,802)	7,689	(4,894)
Loss on extinguishment of debt	—	9,629	—
Non-cash interest expense on senior secured convertible notes	—	4,692	9,180
Accretion of debt discount	—	1,620	7,571
Change in fair value of financing derivatives	—	(1,800)	(10,287)
Other	1,435	1,082	908
Changes in operating assets and liabilities, net of effect of acquisition:			
Accounts receivable	2,596	(2,081)	2,024
Prepaid expenses and other assets	(805)	(1,145)	(6,283)
Accounts payable, accrued expenses, and other liabilities	7,396	(4,210)	(17,095)
Contract liability and customer advances	(1,587)	(10,777)	7,341
Operating lease liabilities	(7,275)	(5,597)	(6,327)
Net cash provided by operating activities	34,937	9,856	717
Investing activities:			
Capitalized internal-use software costs	(16,685)	(14,747)	(15,078)
Purchases of property and equipment	(1,137)	(803)	(477)
Cash and restricted cash acquired from acquisition	—	902	—
Net cash used in investing activities	(17,822)	(14,648)	(15,555)
Financing activities:			
Payments for dividends on convertible redeemable preferred stock	(15,512)	(4,760)	—
Principal payments on finance leases	(2,519)	(2,138)	(1,754)
Principal payment and extinguishment costs on senior secured convertible notes	—	(204,014)	—
Principal payment and extinguishment costs on secured term note	—	(14,031)	—
Proceeds from borrowings on revolving line of credit	—	16,000	—
Proceeds from issuance of convertible redeemable preferred stock, net of issuance costs	—	187,885	—
Other	(101)	(1,394)	(342)
Net cash used in financing activities	(18,132)	(22,452)	(2,096)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(820)	(1,218)	902
Net decrease in cash, cash equivalents and restricted cash	(1,837)	(28,462)	(16,032)
Cash, cash equivalents and restricted cash at beginning of period	22,279	50,741	66,773
Cash, cash equivalents and restricted cash at end of period	<u>\$ 20,442</u>	<u>\$ 22,279</u>	<u>\$ 50,741</u>
	As of December 31,		
	2022	2021	2020
Cash and cash equivalents	\$ 20,044	\$ 21,854	\$ 31,126
Restricted cash	398	425	19,615
Total cash, cash equivalents and restricted cash	<u>\$ 20,442</u>	<u>\$ 22,279</u>	<u>\$ 50,741</u>

Reconciliation of Non-GAAP Financial Measures

The following table presents a reconciliation of GAAP net loss to non-GAAP adjusted EBITDA and adjusted EBITDA margin for each of the periods identified:

	Years Ended December 31,		
	2022 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
<i>(In thousands)</i>			
GAAP net loss	\$ (66,561)	\$ (50,037)	\$ (47,918)
Amortization of intangible assets	27,096	25,038	27,219
Depreciation	16,828	15,793	14,064
Income tax provision	1,724	859	902
Interest expense, net	915	7,801	35,805
Amortization expense of finance leases	2,364	2,188	1,652
EBITDA	(17,634)	1,642	31,724
Adjustments:			
Stock-based compensation expense	8,178	13,848	10,073
Loss on extinguishment of debt	—	9,629	—
Amortization of cloud-computing implementation costs	1,435	712	—
Change in fair value of contingent consideration liability	2,558	—	—
Impairment of right-of-use and long-lived assets	156	—	4,671
Impairment of goodwill	46,300	—	—
Restructuring	5,810	—	—
Loss on asset disposition	7	—	—
Other (income) expense, net ⁽¹⁾	(9,802)	6,039	(14,164)
Non-GAAP adjusted EBITDA	\$ 37,008	\$ 31,870	\$ 32,304
Non-GAAP adjusted EBITDA margin ⁽²⁾	9.8 %	8.7 %	9.1 %

⁽¹⁾ Adjustments to other (income) expense, net reflect non-cash changes in the fair value of warrants liability, financing derivatives, and interest make-whole derivative included in other (income) expense, net on our Consolidated Statements of Operations and Comprehensive Loss.

⁽²⁾ Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue reported on our Consolidated Statements of Operations and Comprehensive Loss for the applicable period.

COMSCORE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Unaudited)
(In thousands, except share and per share data)

	Three Months Ended December 31,	
	2022	2021
Revenues	\$ 98,240	\$ 96,537
Cost of revenues ⁽¹⁾⁽²⁾	49,379	49,777
Selling and marketing ⁽¹⁾⁽²⁾	16,603	17,368
Research and development ⁽¹⁾⁽²⁾	8,797	9,587
General and administrative ⁽¹⁾⁽²⁾	13,081	16,127
Impairment of right-of-use and long-lived assets	156	—
Restructuring	26	—
Amortization of intangible assets	6,773	6,172
Total expenses from operations	94,815	99,031
Income (loss) from operations	3,425	(2,494)
Other income, net	1,318	3,291
(Loss) gain from foreign currency transactions	(4,562)	1,011
Interest expense, net	(255)	(232)
(Loss) income before income taxes	(74)	1,576
Income tax benefit	221	1,307
Net income	\$ 147	\$ 2,883
Net loss available to common stockholders		
Net income	147	2,883
Convertible redeemable preferred stock dividends	(3,910)	(3,910)
Total net loss available to common stockholders	\$ (3,763)	\$ (1,027)
Net loss per common share:		
Basic and diluted	\$ (0.04)	\$ (0.01)
Weighted-average number of shares used in per share calculation - Common Stock:		
Basic and diluted	93,580,777	83,495,247
Comprehensive income:		
Net income	\$ 147	\$ 2,883
Other comprehensive income (loss):		
Foreign currency cumulative translation adjustment	5,796	(1,731)
Total comprehensive income	\$ 5,943	\$ 1,152

⁽¹⁾ Excludes amortization of intangible assets, which is presented separately in the Consolidated Statements of Operations and Comprehensive Income.

⁽²⁾ Stock-based compensation expense is included in the line items above as follows:

	Three Months Ended December 31,	
	2022	2021
Cost of revenues	\$ 267	\$ 49
Selling and marketing	217	112
Research and development	200	(83)
General and administrative	280	2,614
Total stock-based compensation expense	\$ 964	\$ 2,692

Reconciliation of Non-GAAP Financial Measures

The following table presents a reconciliation of GAAP net income to non-GAAP adjusted EBITDA and adjusted EBITDA margin for each of the periods identified:

	Three Months Ended December 31,	
	2022	2021
<i>(In thousands)</i>	(Unaudited)	(Unaudited)
GAAP net income	\$ 147	\$ 2,883
Amortization of intangible assets	6,773	6,172
Depreciation	4,286	3,920
Income tax benefit	(221)	(1,307)
Amortization expense of finance leases	489	703
Interest expense, net	255	232
EBITDA	11,729	12,603
Adjustments:		
Stock-based compensation expense	964	2,692
Amortization of cloud-computing implementation costs	359	370
Restructuring	26	—
Change in fair value of contingent consideration liability	111	—
Right-of-use asset impairment	156	—
Other income, net ⁽¹⁾	(1,324)	(3,249)
Non-GAAP adjusted EBITDA	<u>\$ 12,021</u>	<u>\$ 12,416</u>
Non-GAAP adjusted EBITDA margin ⁽²⁾	12.2 %	12.9 %

⁽¹⁾ Adjustments to other income, net reflect non-cash changes in the fair value of warrants liability included in other income, net on our Consolidated Statements of Operations and Comprehensive Income.

⁽²⁾ Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue reported on our Consolidated Statements of Operations and Comprehensive Income for the applicable period.

Revenues

Revenues from our two offerings of products and services are as follows:

<i>(In thousands)</i>	Year Ended December 31,					
	2022	% of Revenue	2021	% of Revenue	\$ Variance	% Variance
Digital Ad Solutions	\$ 212,510	56.5 %	\$ 221,979	60.5 %	\$ (9,469)	(4.3)%
Cross Platform Solutions ⁽¹⁾	163,913	43.5 %	145,034	39.5 %	18,879	13.0 %
Total revenues	\$ 376,423	100.0 %	\$ 367,013	100.0 %	\$ 9,410	2.6 %

⁽¹⁾ Cross Platform Solutions revenue includes revenue from our movies business, which grew from \$30.6 million in the year ended December 31, 2021 to \$33.9 million in the year ended December 31, 2022.

<i>(In thousands)</i>	Three Months Ended December 31,					
	2022 (Unaudited)	% of Revenue	2021 (Unaudited)	% of Revenue	\$ Variance	% Variance
Digital Ad Solutions	\$ 55,383	56.4 %	\$ 59,398	61.5 %	\$ (4,015)	(6.8)%
Cross Platform Solutions ⁽¹⁾	42,857	43.6 %	37,139	38.5 %	5,718	15.4 %
Total revenues	\$ 98,240	100.0 %	\$ 96,537	100.0 %	\$ 1,703	1.8 %

⁽¹⁾ Cross Platform Solutions revenue includes revenue from our movies business, which grew from \$8.5 million in the fourth quarter of 2021 to \$8.6 million in the fourth quarter of 2022.

<i>(In thousands)</i>	Three Months Ended (Unaudited)				Year Ended	% of Total 2022 Revenue
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	December 31, 2022	
Digital Ad Solutions	\$ 53,137	\$ 51,630	\$ 52,360	\$ 55,383	\$ 212,510	56.5 %
Cross Platform Solutions	40,829	39,804	40,423	42,857	163,913	43.5 %
Total revenues	\$ 93,966	\$ 91,434	\$ 92,783	\$ 98,240	\$ 376,423	100.0 %