

COMSCORE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	As of March 31, 2023 (Unaudited)	As of December 31, 2022
(In thousands, except share and par value data)		
Assets		
Current assets:		
Cash and cash equivalents	\$ 20,274	\$ 20,044
Restricted cash	398	398
Accounts receivable, net of allowances of \$646 and \$798, respectively	62,988	68,457
Prepaid expenses and other current assets	15,839	15,922
Total current assets	99,499	104,821
Property and equipment, net	37,160	36,367
Operating right-of-use assets	23,804	23,864
Deferred tax assets	3,575	3,351
Intangible assets, net	10,516	13,327
Goodwill	388,263	387,973
Other non-current assets	10,826	10,883
Total assets	\$ 573,643	\$ 580,586
Liabilities, Convertible Redeemable Preferred Stock and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 33,694	\$ 29,090
Accrued expenses	36,289	43,393
Contract liabilities	56,868	52,944
Customer advances	11,688	11,527
Current portion of contingent consideration	3,623	7,134
Current operating lease liabilities	7,861	7,639
Warrants liability	2,533	718
Other current liabilities	14,958	12,646
Total current liabilities	167,514	165,091
Non-current operating lease liabilities	28,787	29,588
Non-current portion of accrued data costs	26,882	25,106
Revolving line of credit	16,000	16,000
Deferred tax liabilities	2,719	2,127
Other non-current liabilities	7,078	10,627
Total liabilities	248,980	248,539
Commitments and contingencies		
Convertible redeemable preferred stock, \$0.001 par value; 82,527,609 shares authorized, issued and outstanding as of March 31, 2023 and December 31, 2022; aggregate liquidation preference of \$215,688 as of March 31, 2023, and \$211,863 as of December 31, 2022	187,885	187,885
Stockholders' equity:		
Preferred stock, \$0.001 par value; 7,472,391 shares authorized as of March 31, 2023 and December 31, 2022, respectively; no shares issued or outstanding as of March 31, 2023 or December 31, 2022	—	—
Common stock, \$0.001 par value; 275,000,000 shares authorized as of March 31, 2023 and December 31, 2022; 99,124,324 shares issued and 92,359,528 shares outstanding as of March 31, 2023, and 98,869,738 shares issued and 92,104,942 shares outstanding as of December 31, 2022	92	92
Additional paid-in capital	1,694,378	1,690,783
Accumulated other comprehensive loss	(14,423)	(15,940)
Accumulated deficit	(1,313,285)	(1,300,789)
Treasury stock, at cost, 6,764,796 shares as of March 31, 2023 and December 31, 2022	(229,984)	(229,984)
Total stockholders' equity	136,778	144,162
Total liabilities, convertible redeemable preferred stock and stockholders' equity	\$ 573,643	\$ 580,586

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

(In thousands, except share and per share data)	Three Months Ended March 31,	
	2023	2022
Revenues	\$ 91,558	\$ 93,966
Cost of revenues ⁽¹⁾⁽²⁾	51,929	52,918
Selling and marketing ⁽¹⁾⁽²⁾	17,154	17,166
Research and development ⁽¹⁾⁽²⁾	8,919	9,532
General and administrative ⁽¹⁾⁽²⁾	13,574	18,117
Amortization of intangible assets	2,811	6,779
Restructuring	998	—
Total expenses from operations	95,385	104,512
Loss from operations	(3,827)	(10,546)
Other (expense) income, net	(1,812)	2,433
(Loss) gain from foreign currency transactions	(1,466)	420
Interest expense, net	(352)	(200)
Loss before income taxes	(7,457)	(7,893)
Income tax provision	(1,214)	(1,383)
Net loss	\$ (8,671)	\$ (9,276)
Net loss available to common stockholders:		
Net loss	(8,671)	(9,276)
Convertible redeemable preferred stock dividends	(3,825)	(3,825)
Total net loss available to common stockholders:	\$ (12,496)	\$ (13,101)
Net loss per common share:		
Basic and diluted	\$ (0.13)	\$ (0.14)
Weighted-average number of shares used in per share calculation - Common Stock:		
Basic and diluted	93,850,266	91,686,733
Comprehensive loss:		
Net loss	\$ (8,671)	\$ (9,276)
Other comprehensive income (loss):		
Foreign currency cumulative translation adjustment	1,517	(541)
Total comprehensive loss	\$ (7,154)	\$ (9,817)

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

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

	Three Months Ended March 31,	
	2023	2022
Cost of revenues	\$ 78	\$ 301
Selling and marketing	105	263
Research and development	55	200
General and administrative	879	1,772
Total stock-based compensation expense	\$ 1,117	\$ 2,536

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

(In thousands)	Three Months Ended March 31,	
	2023	2022
Operating activities:		
Net loss	\$ (8,671)	\$ (9,276)
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation	4,724	4,191
Amortization of intangible assets	2,811	6,779
Change in fair value of warrants liability	1,815	(2,435)
Non-cash operating lease expense	1,395	1,483
Stock-based compensation expense	1,117	2,536
Deferred tax provision	566	513
Amortization expense of finance leases	429	704
Change in fair value of contingent consideration liability	96	2,348
Other	254	469
Changes in operating assets and liabilities:		
Accounts receivable	5,868	7,301
Prepaid expenses and other assets	38	(1,270)
Accounts payable, accrued expenses and other liabilities	(4,914)	(2,288)
Contract liabilities and customer advances	3,540	3,209
Operating lease liabilities	(1,817)	(1,856)
Net cash provided by operating activities	7,251	12,408
Investing activities:		
Capitalized internal-use software costs	(5,345)	(3,452)
Purchases of property and equipment	(487)	(347)
Net cash used in investing activities	(5,832)	(3,799)
Financing activities:		
Contingent consideration payment at initial value	(1,037)	—
Principal payments on finance leases	(445)	(796)
Other	(174)	48
Net cash used in financing activities	(1,656)	(748)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	467	(86)
Net increase in cash, cash equivalents and restricted cash	230	7,775
Cash, cash equivalents and restricted cash at beginning of period	20,442	22,279
Cash, cash equivalents and restricted cash at end of period	\$ 20,672	\$ 30,054
As of March 31,		
	2023	2022
Cash and cash equivalents	\$ 20,274	\$ 29,629
Restricted cash	398	425
Total cash, cash equivalents and restricted cash	\$ 20,672	\$ 30,054

Reconciliation of Non-GAAP Financial Measures

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

(In thousands)	Three Months Ended March 31,	
	2023 (Unaudited)	2022 (Unaudited)
GAAP net loss	\$ (8,671)	\$ (9,276)
Depreciation	4,724	4,191
Amortization of intangible assets	2,811	6,779
Income tax provision	1,214	1,383
Amortization expense of finance leases	429	704
Interest expense, net	352	200
EBITDA	859	3,981
Adjustments:		
Stock-based compensation expense	1,117	2,536
Restructuring	998	—
Amortization of cloud-computing implementation costs	359	359
Change in fair value of contingent consideration liability	96	2,348
Other expense (income), net ⁽¹⁾	1,815	(2,435)
Non-GAAP adjusted EBITDA	\$ 5,244	\$ 6,789
Non-GAAP adjusted EBITDA margin ⁽²⁾	5.7 %	7.2 %
Adjustments:		
Loss (gain) from foreign currency transactions	1,466	(420)
Non-GAAP FX adjusted EBITDA	\$ 6,710	\$ 6,369

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

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

Revenues

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

(In thousands)	Three Months Ended March 31,					
	2023 (Unaudited)	% of Revenue	2022 (Unaudited)	% of Revenue	\$ Variance	% Variance
Digital Ad Solutions	\$ 50,447	55.1 %	\$ 53,137	56.5 %	\$ (2,690)	(5.1)%
Cross Platform Solutions ⁽¹⁾	41,111	44.9 %	40,829	43.5 %	282	0.7 %
Total revenues	<u>\$ 91,558</u>	<u>100.0 %</u>	<u>\$ 93,966</u>	<u>100.0 %</u>	<u>\$ (2,408)</u>	<u>(2.6)%</u>

⁽¹⁾ Cross Platform Solutions revenue includes revenue from our movies business, which grew from \$8.2 million in the first quarter of 2022 to \$8.8 million in the first quarter of 2023.