

COMSCORE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	As of June 30, 2023 (Unaudited)	As of December 31, 2022
(In thousands, except share and par value data)		
Assets		
Current assets:		
Cash and cash equivalents	\$ 22,657	\$ 20,044
Restricted cash	398	398
Accounts receivable, net of allowances of \$864 and \$798, respectively	54,404	68,457
Prepaid expenses and other current assets	13,852	15,922
Total current assets	91,311	104,821
Property and equipment, net	37,835	36,367
Operating right-of-use assets	22,721	23,864
Deferred tax assets	3,479	3,351
Intangible assets, net	9,716	13,327
Goodwill	344,066	387,973
Other non-current assets	10,350	10,883
Total assets	\$ 519,478	\$ 580,586
Liabilities, Convertible Redeemable Preferred Stock and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 31,354	\$ 29,090
Accrued expenses	38,237	43,393
Contract liabilities	52,737	52,944
Revolving line of credit	16,000	—
Accrued dividends	15,559	7,863
Customer advances	9,567	11,527
Current portion of contingent consideration	3,648	7,134
Current operating lease liabilities	8,053	7,639
Warrants liability	945	718
Other current liabilities	2,255	4,783
Total current liabilities	178,355	165,091
Non-current operating lease liabilities	26,990	29,588
Non-current portion of accrued data costs	28,918	25,106
Non-current revolving line of credit	—	16,000
Deferred tax liabilities	1,418	2,127
Other non-current liabilities	7,128	10,627
Total liabilities	242,809	248,539
Commitments and contingencies		
Convertible redeemable preferred stock, \$0.001 par value; 100,000,000 shares authorized and 82,527,609 shares issued and outstanding as of June 30, 2023 and 82,527,609 shares authorized, issued and outstanding as of December 31, 2022; aggregate liquidation preference of \$219,559 as of June 30, 2023, and \$211.863 as of December 31, 2022	187,885	187,885
Stockholders' equity:		
Preferred stock, \$0.001 par value; 5,000,000 shares authorized as of June 30, 2023 and 7,472,391 shares authorized as of December 31, 2022; no shares issued or outstanding as of June 30, 2023 or December 31, 2022	—	—
Common stock, \$0.001 par value; 275,000,000 shares authorized as of June 30, 2023 and December 31, 2022; 101,851,130 shares issued and 95,086,334 shares outstanding as of June 30, 2023 and 98,869,738 shares issued and 92,104,942 shares outstanding as of December 31, 2022	95	92
Additional paid-in capital	1,695,281	1,690,783
Accumulated other comprehensive loss	(14,542)	(15,940)
Accumulated deficit	(1,362,066)	(1,300,789)
Treasury stock, at cost, 6,764,796 shares as of June 30, 2023 and December 31, 2022	(229,984)	(229,984)
Total stockholders' equity	88,784	144,162
Total liabilities, convertible redeemable preferred stock and stockholders' equity	\$ 519,478	\$ 580,586

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

(In thousands, except share and per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenues	\$ 93,684	\$ 91,434	\$ 185,242	\$ 185,400
Cost of revenues ⁽¹⁾⁽²⁾	52,958	51,467	104,887	104,385
Selling and marketing ⁽¹⁾⁽²⁾	17,036	17,485	34,190	34,651
Research and development ⁽¹⁾⁽²⁾	8,790	9,917	17,709	19,449
General and administrative ⁽¹⁾⁽²⁾	13,274	17,103	26,848	35,220
Impairment of goodwill	44,100	—	44,100	—
Restructuring	4,104	—	5,102	—
Amortization of intangible assets	801	6,772	3,612	13,551
Total expenses from operations	141,063	102,744	236,448	207,256
Loss from operations	(47,379)	(11,310)	(51,206)	(21,856)
Other income (expense), net	1,609	4,557	(203)	6,990
(Loss) gain from foreign currency transactions	(168)	2,527	(1,634)	2,947
Interest expense, net	(363)	(176)	(715)	(376)
Loss before income taxes	(46,301)	(4,402)	(53,758)	(12,295)
Income tax benefit (provision)	1,392	(648)	178	(2,031)
Net loss	\$ (44,909)	\$ (5,050)	\$ (53,580)	\$ (14,326)
Net loss available to common stockholders:				
Net loss	\$ (44,909)	\$ (5,050)	\$ (53,580)	\$ (14,326)
Convertible redeemable preferred stock dividends	(3,872)	(3,868)	(7,697)	(7,693)
Total net loss available to common stockholders:	\$ (48,781)	\$ (8,918)	\$ (61,277)	\$ (22,019)
Net loss per common share:				
Basic and diluted	\$ (0.51)	\$ (0.10)	\$ (0.65)	\$ (0.24)
Weighted-average number of shares used in per share calculation - Common Stock:				
Basic and diluted	95,528,637	92,405,250	94,690,383	92,048,120
Comprehensive loss:				
Net loss	\$ (44,909)	\$ (5,050)	\$ (53,580)	\$ (14,326)
Other comprehensive (loss) income:				
Foreign currency cumulative translation adjustment	(119)	(4,544)	1,398	(5,085)
Total comprehensive loss	\$ (45,028)	\$ (9,594)	\$ (52,182)	\$ (19,411)

⁽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 June 30,		Six Months Ended June 30,	
	2023	2022	2022	2022
Cost of revenues	\$ 244	\$ 421	\$ 322	\$ 722
Selling and marketing	210	409	315	672
Research and development	193	311	248	511
General and administrative	1,014	2,121	1,893	3,893
Total stock-based compensation expense	\$ 1,661	\$ 3,262	\$ 2,778	\$ 5,798

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

(In thousands)	Six Months Ended June 30,	
	2023	2022
Operating activities:		
Net loss	\$ (53,580)	\$ (14,326)
Adjustments to reconcile to net cash provided by operating activities:		
Impairment of goodwill	44,100	—
Depreciation	9,593	8,356
Amortization of intangible assets	3,612	13,551
Non-cash operating lease expense	2,847	2,990
Stock-based compensation expense	2,778	5,798
Amortization expense of finance leases	849	1,360
Deferred tax (benefit) provision	(675)	781
Change in fair value of warrants liability	227	(6,995)
Change in fair value of contingent consideration liability	155	2,403
Other	860	1,128
Changes in operating assets and liabilities:		
Accounts receivable	14,301	14,413
Prepaid expenses and other assets	2,093	(2,278)
Accounts payable, accrued expenses and other liabilities	(4,094)	2,544
Contract liabilities and customer advances	(3,070)	(1,642)
Operating lease liabilities	(3,778)	(3,850)
Net cash provided by operating activities	16,218	24,233
Investing activities:		
Capitalized internal-use software costs	(10,884)	(7,587)
Purchases of property and equipment	(1,122)	(669)
Net cash used in investing activities	(12,006)	(8,256)
Financing activities:		
Contingent consideration payment at initial value	(1,037)	—
Principal payments on finance leases	(888)	(1,456)
Payments for dividends on convertible redeemable preferred stock	—	(15,512)
Other	(254)	(21)
Net cash used in financing activities	(2,179)	(16,989)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	580	(1,208)
Net increase (decrease) in cash, cash equivalents and restricted cash	2,613	(2,220)
Cash, cash equivalents and restricted cash at beginning of period	20,442	22,279
Cash, cash equivalents and restricted cash at end of period	\$ 23,055	\$ 20,059

	As of June 30,	
	2023	2022
Cash and cash equivalents	\$ 22,657	\$ 19,634
Restricted cash	398	425
Total cash, cash equivalents and restricted cash	\$ 23,055	\$ 20,059

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 June 30,		Six Months Ended June 30,	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
GAAP net loss	\$ (44,909)	\$ (5,050)	\$ (53,580)	\$ (14,326)
Depreciation	4,869	4,165	9,593	8,356
Amortization of intangible assets	801	6,772	3,612	13,551
Amortization expense of finance leases	420	656	849	1,360
Interest expense, net	363	176	715	376
Income tax (benefit) provision	(1,392)	648	(178)	2,031
EBITDA	(39,848)	7,367	(38,989)	11,348
Adjustments:				
Impairment of goodwill	44,100	—	44,100	—
Restructuring	4,104	—	5,102	—
Stock-based compensation expense	1,661	3,262	2,778	5,798
Amortization of cloud-computing implementation costs	359	359	718	718
Change in fair value of contingent consideration liability	59	55	155	2,403
Other (income) expense, net ⁽¹⁾	(1,588)	(4,560)	227	(6,995)
Non-GAAP adjusted EBITDA	\$ 8,847	\$ 6,483	\$ 14,091	\$ 13,272
Non-GAAP adjusted EBITDA margin ⁽²⁾	9.4 %	7.1 %	7.6 %	7.2 %
Adjustments:				
Loss (gain) from foreign currency transactions	168	(2,527)	1,634	(2,947)
Non-GAAP FX adjusted EBITDA	\$ 9,015	\$ 3,956	\$ 15,725	\$ 10,325

⁽¹⁾ Adjustments to other (income) expense, 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 June 30,					
	2023 (Unaudited)	% of Revenue	2022 (Unaudited)	% of Revenue	\$ Variance	% Variance
Digital Ad Solutions	\$ 52,649	56.2 %	\$ 51,630	56.5 %	\$ 1,019	2.0 %
Cross Platform Solutions ⁽¹⁾	41,035	43.8 %	39,804	43.5 %	1,231	3.1 %
Total revenues	<u>\$ 93,684</u>	<u>100.0 %</u>	<u>\$ 91,434</u>	<u>100.0 %</u>	<u>\$ 2,250</u>	<u>2.5 %</u>

⁽¹⁾ Cross Platform Solutions revenue includes revenue from our movies business, which grew from \$8.4 million in the second quarter of 2022 to \$8.8 million in the second quarter of 2023.

(In thousands)	Six Months Ended June 30,					
	2023 (Unaudited)	% of Revenue	2022 (Unaudited)	% of Revenue	\$ Variance	% Variance
Digital Ad Solutions	\$ 103,096	55.7 %	\$ 104,767	56.5 %	\$ (1,671)	(1.6)%
Cross Platform Solutions ⁽¹⁾	82,146	44.3 %	80,633	43.5 %	1,513	1.9 %
Total revenues	<u>\$ 185,242</u>	<u>100.0 %</u>	<u>\$ 185,400</u>	<u>100.0 %</u>	<u>\$ (158)</u>	<u>(0.1)%</u>

⁽¹⁾ Cross Platform Solutions revenue includes revenue from our movies business, which grew from \$16.5 million in the first half of 2022 to \$17.5 million in the first half of 2023.