
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 June 30, 2019
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 checked="" type="checkbox"/>	Accelerated filer	<input 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 August 2, 2019, there were 64,148,258 shares of the registrant's Common Stock outstanding.

COMSCORE, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED JUNE 30, 2019

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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" of this 10-Q, and the information incorporated by reference in this 10-Q, that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other 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, macroeconomic trends that we expect may influence our business, plans for financing or capital expenditures, expectations regarding liquidity and compliance with financing covenants and payment obligations, expectations regarding the introduction of new products, effects of restructuring actions and changes in our management team, regulatory compliance and expected changes in the regulatory landscape affecting our business, internal control improvements, expected impact of litigation and regulatory proceedings, plans for growth and future operations, effects of acquisitions, divestitures and partnerships, 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, 2018, and those identified in other documents that we file from time to time with the U.S. Securities and Exchange Commission, or SEC, as well as factors that cannot be predicted or quantified.

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 per share data)

	As of June 30, 2019 (Unaudited)	As of December 31, 2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 48,963	\$ 44,096
Restricted cash	4,863	6,102
Accounts receivable, net of allowances of \$1,598 and \$1,597, respectively (\$4,017 and \$4,024 of accounts receivable attributable to related parties, respectively)	71,231	75,609
Prepaid expenses and other current assets (\$971 and \$484 attributable to related parties, respectively)	15,579	19,972
Total current assets	140,636	145,779
Property and equipment, net	32,819	27,339
Operating right-of-use assets	39,377	—
Other non-current assets (\$35 and \$65 attributable to related parties, respectively)	5,984	8,898
Deferred tax assets	2,783	3,991
Intangible assets, net	93,458	126,945
Goodwill	416,775	641,191
Total assets	\$ 731,832	\$ 954,143
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable (\$2,566 and \$1,878 attributable to related parties, respectively)	\$ 40,303	\$ 29,836
Accrued expenses (\$1,755 and \$4,478 attributable to related parties, respectively)	54,803	58,140
Contract liability (\$2,100 and \$2,521 attributable to related parties, respectively)	58,933	64,189
Customer advances	5,926	6,688
Warrants liability	10,798	—
Current operating lease liabilities	6,548	—
Other current liabilities	10,996	10,083
Total current liabilities	188,307	168,936
Financing derivatives (related parties)	25,000	26,100
Senior secured convertible notes (related parties)	180,909	177,342
Non-current operating lease liabilities	45,928	—
Deferred rent	—	10,304
Deferred tax liabilities	314	5,527
Other non-current liabilities (\$6,120 and \$251 attributable to related parties)	21,298	14,367
Total liabilities	461,756	402,576
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.001 par value per share; 5,000,000 shares authorized at June 30, 2019 and December 31, 2018; no shares issued or outstanding as of June 30, 2019 and December 31, 2018	—	—
Common stock, \$0.001 par value per share; 150,000,000 shares authorized as of June 30, 2019 and December 31, 2018; 70,056,765 shares issued and 63,291,969 shares outstanding as of June 30, 2019, and 66,154,626 shares issued and 59,389,830 shares outstanding as of December 31, 2018	63	59
Additional paid-in capital	1,586,750	1,561,208
Accumulated other comprehensive loss	(10,565)	(10,621)
Accumulated deficit	(1,076,188)	(769,095)
Treasury stock, at cost, 6,764,796 shares as of June 30, 2019 and December 31, 2018	(229,984)	(229,984)
Total stockholders' equity	270,076	551,567
Total liabilities and stockholders' equity	\$ 731,832	\$ 954,143

See accompanying Notes to Condensed Consolidated Financial Statements.

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,	
	2019	2018	2019	2018
Revenues ⁽¹⁾	\$ 96,888	\$ 101,389	\$ 199,182	\$ 207,308
Cost of revenues ⁽¹⁾⁽²⁾⁽³⁾	51,994	51,526	105,401	98,780
Selling and marketing ⁽¹⁾⁽²⁾⁽³⁾	23,329	29,647	48,169	55,552
Research and development ⁽¹⁾⁽²⁾⁽³⁾	16,883	20,889	35,099	39,605
General and administrative ⁽¹⁾⁽²⁾⁽³⁾	16,932	28,699	36,477	47,360
Investigation and audit related	2,354	4,883	3,196	36,750
Amortization of intangible assets	8,076	8,266	16,181	16,810
Impairment of goodwill	224,272	—	224,272	—
Impairment of intangible asset ⁽¹⁾	17,308	—	17,308	—
Settlement of litigation, net	5,000	5,250	5,000	5,250
Restructuring ⁽²⁾	2,949	3,833	2,879	5,090
Total expenses from operations	369,097	152,993	493,982	305,197
Loss from operations	(272,209)	(51,604)	(294,800)	(97,889)
Interest expense, net ⁽¹⁾	(8,242)	(4,124)	(15,001)	(7,029)
Other (expense) income, net	(3,081)	807	(112)	884
(Loss) gain from foreign currency transactions	(464)	1,045	(426)	123
Loss before income taxes	(283,996)	(53,876)	(310,339)	(103,911)
Income tax benefit (provision)	4,463	(2,101)	3,292	(3,516)
Net loss	\$ (279,533)	\$ (55,977)	\$ (307,047)	\$ (107,427)
Net loss per common share:				
Basic and diluted	\$ (4.61)	\$ (1.02)	\$ (5.09)	\$ (1.90)
Weighted-average number of shares used in per share calculation - Common Stock:				
Basic and diluted	60,697,608	55,192,741	60,315,528	56,703,795
Comprehensive loss:				
Net loss	\$ (279,533)	\$ (55,977)	\$ (307,047)	\$ (107,427)
Other comprehensive income (loss):				
Foreign currency cumulative translation adjustment	677	(3,975)	56	(2,360)
Total comprehensive loss	\$ (278,856)	\$ (59,952)	\$ (306,991)	\$ (109,787)

⁽¹⁾ Transactions with related parties are included in the line items above (refer to Footnote 9, Related Party Transactions, of the Notes to Condensed Consolidated Financial Statements for additional information).

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Cost of revenues	\$ 636	\$ 3,774	\$ 1,484	\$ 3,987
Selling and marketing	1,087	5,792	2,403	6,367
Research and development	668	3,972	1,394	4,316
General and administrative	1,913	9,461	5,976	10,210
Restructuring	(266)	—	(266)	—
Total stock-based compensation expense	\$ 4,038	\$ 22,999	\$ 10,991	\$ 24,880

⁽³⁾ Excludes amortization of intangible assets, which is presented separately in the Condensed Consolidated Statements of Operations and Comprehensive Loss.

See accompanying Notes to Condensed Consolidated Financial Statements.

COMSCORE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)
(In thousands, except share data)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Treasury stock, at cost	Total Stockholders' Equity
	Shares	Amount					
Balance as of December 31, 2018	59,389,830	\$ 59	\$ 1,561,208	\$ (10,621)	\$ (769,095)	\$ (229,984)	\$ 551,567
Adoption of ASC 842	—	—	—	—	(46)	—	(46)
Net loss	—	—	—	—	(27,514)	—	(27,514)
Foreign currency translation adjustment	—	—	—	(621)	—	—	(621)
Exercise of Common Stock options, net	68,259	—	1,191	—	—	—	1,191
Restricted stock units vested	552,651	1	4,610	—	—	—	4,611
Payments for taxes related to net share settlement of equity awards	(52,853)	—	(1,138)	—	—	—	(1,138)
Stock-based compensation	—	—	5,888	—	—	—	5,888
Balance as of March 31, 2019	59,957,887	\$ 60	\$ 1,571,759	\$ (11,242)	\$ (796,655)	\$ (229,984)	\$ 533,938
Net loss	—	—	—	—	(279,533)	—	(279,533)
Foreign currency translation adjustment	—	—	—	677	—	—	677
Issuance of Common Stock	2,728,513	3	7,575	—	—	—	7,578
Common Stock warrants exercised	323,448	—	—	—	—	—	—
Interest paid in Common Stock	243,261	—	5,134	—	—	—	5,134
Restricted stock units vested	46,078	—	—	—	—	—	—
Payments for taxes related to net share settlement of equity awards	(7,218)	—	(72)	—	—	—	(72)
Stock-based compensation	—	—	2,354	—	—	—	2,354
Balance as of June 30, 2019	63,291,969	\$ 63	\$ 1,586,750	\$ (10,565)	\$ (1,076,188)	\$ (229,984)	\$ 270,076

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Treasury stock, at cost	Total Stockholders' Equity
	Shares	Amount					
Balance as of December 31, 2017	57,289,047	\$ 60	\$ 1,407,717	\$ (6,224)	\$ (609,091)	\$ (135,970)	\$ 656,492
Adoption of ASC 606	—	—	—	—	(736)	—	(736)
Net loss	—	—	—	—	(51,450)	—	(51,450)
Foreign currency translation adjustment	—	—	—	1,615	—	—	1,615
Subscription receivable	—	—	3,065	—	—	—	3,065
Common Stock warrants issuable	—	—	5,545	—	—	—	5,545
Repurchase of Common Stock in exchange for senior secured convertible notes	(2,600,000)	—	—	—	—	(63,570)	(63,570)
Restricted stock units vested	487,027	—	—	—	—	—	—
Payments for taxes related to net share settlement of equity awards	(158,404)	—	(4,099)	—	—	—	(4,099)
Stock-based compensation	—	—	1,881	—	—	—	1,881
Balance as of March 31, 2018	55,017,670	\$ 60	\$ 1,414,109	\$ (4,609)	\$ (661,277)	\$ (199,540)	\$ 548,743
Net loss	—	—	—	—	(55,977)	—	(55,977)
Foreign currency translation adjustment	—	—	—	(3,975)	—	—	(3,975)
Subscription receivable	—	—	1,611	—	—	—	1,611
Exercise of Common Stock options, net	21,809	—	164	—	—	—	164
Shares issued in connection with settlement of litigation	4,024,115	4	90,764	—	—	—	90,768
Repurchase of Common Stock in exchange for senior secured convertible notes	(1,400,000)	(7)	—	—	—	(30,444)	(30,451)
Restricted stock units vested	233,320	1	(1)	—	—	—	—
Payments for taxes related to net share settlement of equity awards	(9,996)	—	(176)	—	—	—	(176)
Stock-based compensation	—	—	22,248	—	—	—	22,248
Balance as of June 30, 2018	57,886,918	\$ 58	\$ 1,528,719	\$ (8,584)	\$ (717,254)	\$ (229,984)	\$ 572,955

See accompanying Notes to Condensed Consolidated Financial Statements.

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

	Six Months Ended June 30,	
	2019	2018
Operating activities:		
Net loss	\$ (307,047)	\$ (107,427)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	6,111	8,839
Non-cash operating lease expense	2,747	—
Amortization expense of finance leases	1,361	—
Amortization of intangible assets	16,181	16,810
Impairment of goodwill	224,272	—
Impairment of intangible asset (related party)	17,308	—
Stock-based compensation	10,991	24,880
Deferred tax (benefit) provision	(3,983)	2,477
Change in fair value of financing derivatives	(1,100)	4,460
Change in fair value of investment in equity securities	2,016	(265)
Accretion of debt discount	3,042	1,978
Amortization of deferred financing costs	525	445
Other	(20)	510
Changes in operating assets and liabilities:		
Accounts receivable	4,442	10,638
Prepaid expenses and other assets	3,190	(5,255)
Accounts payable, accrued expenses, and other liabilities	20,176	(18,138)
Contract liability and customer advances	(6,552)	(14,321)
Operating lease liabilities	(4,364)	—
Net cash used in operating activities	(10,704)	(74,369)
Investing activities:		
Proceeds from sale of investment in equity securities	705	—
Purchases of property and equipment	(1,893)	(1,287)
Capitalized internal-use software costs	(5,619)	(5,228)
Net cash used in investing activities	(6,807)	(6,515)
Financing activities:		
Proceeds from borrowings on senior secured convertible notes (related party)	—	100,000
Debt issuance costs	—	(5,123)
Proceeds from private placement, net of issuance costs paid	19,894	—
Financing proceeds received on subscription receivable (related party)	—	4,676
Proceeds from sale-leaseback financing transaction	4,252	—
Proceeds from the exercise of stock options	1,191	164
Payments for taxes related to net share settlement of equity awards	(1,210)	(4,275)
Principal payments on finance leases	(1,417)	—
Principal payments on capital lease and software license arrangements	(1,662)	(5,359)
Net cash provided by financing activities	21,048	90,083
Effect of exchange rate changes on cash, cash equivalents and restricted cash	91	(1,136)
Net increase in cash, cash equivalents and restricted cash	3,628	8,063
Cash, cash equivalents and restricted cash at beginning of period	50,198	45,125
Cash, cash equivalents and restricted cash at end of period	\$ 53,826	\$ 53,188

	As of June 30,	
	2019	2018
Cash and cash equivalents	\$ 48,963	\$ 46,589
Restricted cash	4,863	6,599
Total cash, cash equivalents and restricted cash	<u>\$ 53,826</u>	<u>\$ 53,188</u>

	Six Months Ended June 30,	
	2019	2018
Supplemental cash flow disclosures:		
Interest paid (\$3,046 and \$1,850 attributable to related party)	\$ 3,413	\$ 2,286
Income taxes paid	373	484

Supplemental disclosures of non-cash activities:

Leasehold improvements acquired through lease incentives	\$ 1,427	\$ —
Change in accrued capital expenditures	1,630	257
Settlement of restricted stock unit liability	4,611	—
Interest paid in Common Stock	5,134	—
Fair value of warrants issued in private placement	10,798	—
Repurchase of Common Stock in exchange for senior secured convertible notes	—	94,021
Shares issued in connection with settlement of litigation	—	90,768
Insurance recovery on litigation settlement	—	27,232
Common Stock warrants issued with senior secured convertible notes	—	5,733
Fair value of financing derivatives issued with senior secured convertible notes	—	17,140
Notes Option derivative liability settlement	—	5,700

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 principal 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.

On March 31, 2019, Bryan Wiener resigned as the Company's Chief Executive Officer and director and Sarah Hofstetter resigned as the Company's President, effective immediately. On the same day, the Company appointed Dale Fuller as Interim Chief Executive Officer, and Mr. Fuller assumed the role of CODM.

Uses and Sources of Liquidity and Management's Plans

The Company's primary need for liquidity is to fund working capital requirements of its businesses, capital expenditures and for general corporate purposes. Since 2017, the Company has implemented certain organizational restructuring plans to reduce staffing levels, exit certain geographic regions, and rationalize its leased properties, to enable the Company to decrease its global costs, more effectively align resources to business priorities, and maintain compliance with its financial covenants (described below). For additional information, refer to [Footnote 13](#), *Organizational Restructuring*.

To increase the Company's available working capital, 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 senior secured convertible notes as well as warrants to purchase shares of the Company's common stock, par value \$0.001 per share (the "Common Stock") in exchange for \$100.0 million in cash and 4,000,000 shares of Common Stock. The convertible notes contain certain affirmative and restrictive covenants with which the Company must comply, including covenants with respect to limitations on additional indebtedness and liens and maintenance of certain minimum cash balances, which will increase from \$20.0 million to \$40.0 million on the date the Company files its Form 10-Q for the quarterly period ended June 30, 2019. Interest on the convertible notes is payable, 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. For the interest payments due on April 1, 2019 and July 1, 2019, the Company elected to pay in shares of Common Stock. For additional information, refer to [Footnote 5](#), *Long-term Debt*.

On June 26, 2019, in order to increase liquidity and maintain compliance with the minimum cash balances covenant described above, the Company issued 2,728,513 shares of Common Stock and four series of warrants in a private placement to CVI Investments, Inc. ("CVI") in exchange for gross cash proceeds of \$20.0 million. In connection with the private placement, the Company agreed to a 105-day lock-up period related to any future offering of equity or equity-linked securities and also agreed to provide certain registration rights. For additional information, refer to [Footnote 11](#), *Stockholders' Equity*.

As of June 30, 2019, the Company was in compliance with its covenants under the Starboard convertible notes. Based on management's current plans, including actions within management's control, the Company does not anticipate any breach of these covenants that would result in an event of default under the convertible notes.

The Company continues to be focused on maintaining flexibility in terms of sources, amounts, and the timing of any potential financing transaction, in order to best position the Company for future success. The Company believes that its sources of funding, after taking into account the restructuring and financing actions discussed above, are probable of satisfying the Company's estimated liquidity needs within one year after the date that these financial statements are issued. However, the Company cannot predict with certainty the outcome of its actions to generate liquidity, including the availability of additional financing, or whether such actions would generate the expected liquidity as currently planned.

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 quarter presentation. Specifically, current deferred rent, accrued litigation settlements and current capital lease obligations have been aggregated within other current liabilities on the Condensed Consolidated Balance Sheets. Non-current capital lease obligations have been aggregated within other non-current liabilities on the Condensed Consolidated Balance Sheets.

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, 2018. The condensed consolidated results of operations for the three and six months ended June 30, 2019 are not necessarily indicative of the results to be anticipated for the entire year ending December 31, 2019 or thereafter. All references to June 30, 2019 and 2018 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 and intangible 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 valuation of assets and liabilities acquired in a business combination, the fair value determination of financing derivative liabilities and warrants, the allowance for doubtful accounts, and 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.

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.

In January 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2017-04, *Simplifying the Test for Goodwill Impairment*, which eliminated the requirement to compare the implied fair value of goodwill with its carrying amount as part of step 2 of the goodwill impairment test. As a result, under ASU 2017-04, an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the impairment loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. Early adoption is permitted for interim or annual goodwill impairment tests performed after January 1, 2017. The Company adopted the standard as of September 30, 2018.

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.

The Company completed its annual analysis for the year ended December 31, 2018 and determined that there was no impairment of goodwill at that time. The Company performed an interim analysis as of June 30, 2019 and determined that goodwill was then impaired. Refer to [Footnote 4, Goodwill and Intangible Assets](#) for further information.

Impairment of Long-Lived Assets

The Company's long-lived assets consist of property and equipment and finite-lived intangible assets. The Company evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying value of such assets may not be recoverable. If an indication of impairment is present, the Company compares the estimated undiscounted future cash flows to be generated by the asset group to its carrying amount. Recoverability measurement and estimation of undiscounted cash flows are grouped at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. If the undiscounted future cash flows are less than the carrying amount of the asset group, the Company records an impairment loss equal to the excess of the asset group's carrying amount over its fair value. The fair value is determined based on valuation techniques such as a comparison to fair values of similar assets or using a discounted cash flow analysis.

There were no impairment charges recognized during the year ended December 31, 2018. The Company performed an interim analysis as of June 30, 2019, as events or changes in circumstances indicated the carrying value of certain assets may not be recoverable, and determined that the Company's 2015 strategic alliance (the "strategic alliance") with WPP plc and its affiliates ("WPP") was impaired. Refer to [Footnote 4, Goodwill and Intangible Assets](#) for further information.

Although the Company believes that the carrying values of its long-lived assets are appropriately stated, changes in strategy or market conditions, significant technological developments or significant changes in legal or regulatory factors could significantly impact these judgments and require adjustments to recorded asset balances.

Accounting for Warrants

During the period ended June 30, 2019, the Company issued warrants that were determined to be freestanding financial instruments that qualify for liability treatment as a result of a net cash settlement feature associated with a cap on the issuance of shares under certain circumstances. Changes in the fair value of these instruments are immediately recorded in other (expense) income, net in the Condensed Consolidated Statements of Operations and Comprehensive Loss.

The fair value of the warrants is determined using a Monte Carlo simulation analysis within an option pricing model. The fair value estimate is determined using an estimate for the Company's credit rating, probability of change of control, dividend yield, risk-free rate, remaining term of the warrants and volatility. The fair values of the Company's warrants are estimated using forward projections of stock issuances with relative certainty and estimated cash payments at each exercise date discounted back to the valuation date with the remaining term of the related warrant. The primary sensitivity in the valuation of each warrant liability is driven by the Common Stock price at the measurement date and the observable volatility of the Common Stock.

Cost-Method Investment

As of June 30, 2019 and December 31, 2018, the Company had one cost-method investment in common stock of an entity. The investment in equity securities is measured at fair value and is included in other non-current assets in the Condensed Consolidated Balance Sheets. Gains or losses related to the change in the fair value of the securities are recorded in other (expense) income, net within the Condensed Consolidated Statements of Operations and Comprehensive Loss.

The Company sold its investment in equity securities in July 2019 for gross cash proceeds of \$3.1 million. Because changes in the equity security's fair value are reported in earnings as they occur, the sale of an equity security does not result in a gain or loss to earnings.

Other (Expense) Income, Net

The following is a summary of other (expense) income, net:

(In thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Change in fair value of financing derivatives	\$ (3,000)	\$ (2,280)	\$ 1,100	\$ (4,460)
Change in fair value of investment in equity securities	(304)	714	(2,016)	265
Transition services agreement income	—	2,182	534	4,847
Other	223	191	270	232
Total other (expense) income, net	\$ (3,081)	\$ 807	\$ (112)	\$ 884

Loss Per Share

Basic net loss per common share excludes dilution for potential Common Stock issuances and is computed by dividing net loss by the weighted-average number of shares of Common Stock outstanding for the period. 250,000 shares of Common Stock issuable upon the exercise of warrants held by Starboard ("penny warrants") were included in the number of outstanding shares used for the computation of basic net loss per share prior to the exercise of those warrants on April 3, 2019. In periods where the Company reports a net loss, the effect of anti-dilutive stock options, stock appreciation rights, restricted stock units, senior secured convertible notes and warrants are excluded and diluted net loss per share is equal to basic 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 June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Stock options, stock appreciation rights, restricted stock units, senior secured convertible notes and warrants	9,209,577	8,857,858	8,511,550	7,874,656

Leases

The Company applies the provisions of Accounting Standards Codification ("ASC") 842, *Leases*. The Company's lease portfolio is comprised of three major classes. Real estate leases, which are the majority of the Company's leased assets, are accounted for as operating leases. Computer equipment and automobile leases, which comprise the remaining two major lease classes in the Company's portfolio, are generally accounted for as finance leases.

The Company determines if an arrangement is a lease at inception by evaluating whether the arrangement conveys the right to use an identified asset and whether the Company obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. Right-of-use ("ROU") assets and lease liabilities are recognized at the lease commencement date based on the present value of the future minimum lease payments over the lease term. Operating ROU assets also include the impact of any lease incentives.

For any leases in which an asset is not specifically identified, the Company performs a discrete analysis to identify whether there is an implicitly identified asset based on the contractual or other known requirements, such as the presence of substantive substitution rights on the part of the supplier or the right of the Company to sublease the asset. As part of this analysis, the Company also determines whether there are any restrictions on the use of the asset placed on the Company that are not considered protective rights on the part of the supplier and thus would allow the Company to assume which specific assets have been identified.

The Company identifies separate lease and non-lease components within the contract. Non-lease components primarily include payments for common-area maintenance and management charges. The Company has elected to combine lease and non-lease payments and account for them together as a single lease component, which increases the amount of the Company's ROU assets and lease liabilities.

The interest rate used to determine the present value of the future lease payments is the Company's incremental borrowing rate, because the interest rate implicit in the Company's leases is not readily determinable. The incremental borrowing rate is estimated to approximate the interest rate on a collateralized basis with similar terms and payments, and in economic environments where the leased asset is located. The Company's current discount rates range from 12% to 15% depending on the term of the arrangement.

The Company's lease terms include periods under options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. The Company considers contractual-based factors such as the nature and terms of the renewal or termination, asset-based factors such as physical location of the asset and entity-based factors such as the importance of the

leased asset to the Company's operations to determine the lease term. The Company generally uses the base, non-cancelable, lease term when determining the ROU assets and lease liabilities.

Payments under the Company's lease arrangements are primarily fixed; however, certain lease agreements contain variable payments, which are expensed as incurred and not included in the measurement of ROU assets and lease liabilities. These amounts include payments affected by changes in the Consumer Price Index and payments for common-area maintenance, real estate taxes and utilities, which are based on usage or performance.

Operating leases are included in operating ROU assets, current operating lease liability, and non-current operating lease liability in the Condensed Consolidated Balance Sheets. The Company recognizes lease expense for its operating leases on a straight-line basis over the term of the lease. Finance lease activity is included in property and equipment, net; current finance lease liabilities are aggregated into other current liabilities; and non-current finance lease obligations are aggregated in other non-current liabilities in the Company's Condensed Consolidated Balance Sheets. Finance ROU assets are amortized on a straight-line basis over their estimated useful lives.

Income from subleased properties is recognized on a straight-line basis and presented as a reduction of general and administrative expense in the Company's Condensed Consolidated Statement of Operations. In addition to sublease rent, variable non-lease costs such as common-area maintenance and utilities are charged to subtenants over the duration of the lease for their proportionate share of these costs. These variable non-lease income receipts are recognized in operating expenses as a reduction to costs incurred by the Company in relation to the head lease.

The Company determines the nature of a sale-leaseback transaction based on the determination of whether the transaction qualifies as a sale and whether there is a transfer in the control of assets. If the transaction does not qualify as a sale, the Company recognizes the transaction as a failed sale-leaseback transaction (financing arrangement). The Company records a financing obligation, and the assets that are included in the failed sale-leaseback transaction remain on the Condensed Consolidated Balance Sheet until the end of the lease term.

Change in Accounting Policy

The Company adopted ASC 842, with a date of initial application of January 1, 2019, using the modified retrospective transition method with optional transition relief, under which the Company did not restate prior comparative periods and instead recorded an adjustment to stockholders' equity as of the date of initial implementation for the cumulative impact of adoption.

As part of the transition, the Company implemented new internal controls and key system functionality to enable the preparation of financial information on adoption, and elected the following practical expedients:

- Not to reassess whether any expired or existing contracts are or contain leases.
- Not to reassess the lease classification for any expired or existing leases.
- Not to reassess initial direct costs for any existing leases.
- The hindsight practical expedient in determining the lease term.
- The practical expedient whereby the lease and non-lease components will not be separated for all classes of assets.
- Not to record ROU assets and corresponding lease liabilities with a lease term of 12 months or less.

The Company has elected to net its sublease exit liabilities recognized under ASC 420, *Exit or Disposal Cost Obligations* as an adjustment to the opening ROU asset for the corresponding head lease established upon the adoption of ASC 842. Sublease exit liabilities had a carrying value of \$2.5 million as of December 31, 2018.

Upon adoption, ASC 842 had an impact on the Condensed Consolidated Balance Sheets, but did not have an impact on its Condensed Consolidated Statement of Operations. The adoption of ASC 842 impacted the Company's previously reported results as follows:

<i>(In thousands)</i>	As previously reported as of December 31, 2018	New lease standard adjustments	As adjusted as of January 1, 2019
Operating right-of-use assets	\$ —	\$ 42,472	\$ 42,472
Property and equipment, net	27,339	(203)	27,136
Current capital lease obligations	2,421	(161)	2,260
Current restructuring accrual	5,479	(708)	4,771
Current deferred rent	1,884	(1,884)	—
Current operating lease liabilities	—	7,846	7,846
Non-current restructuring accrual	1,810	(1,810)	—
Non-current deferred rent	10,304	(10,304)	—
Non-current capital lease obligations	1,182	3	1,185
Non-current operating lease liabilities	—	49,333	49,333
Stockholders' equity	551,567	(46)	551,521

Accounting Standards Recently Adopted

In July 2017, the FASB issued ASU 2017-11, *Earnings Per Share, Distinguishing Liabilities from Equity; Derivatives and Hedging*. This update was issued to address complexities in accounting for certain equity-linked financial instruments containing down round features. The amendments in ASU 2017-11 change the classification analysis of these financial instruments (or embedded features) so that equity classification is no longer precluded. The amendments in ASU 2017-11 are effective for annual reporting periods beginning after December 15, 2018, including interim reporting periods within those annual reporting periods. Early adoption is permitted. The adoption of the standard did not have an impact on the Condensed Consolidated Financial Statements.

In February 2018, the FASB issued ASU 2018-02, *Income Statement-Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*. This update was issued to allow companies to reclassify tax effects stranded in accumulated other comprehensive income as a result of tax reform to retained earnings. Companies that elect to reclassify these amounts must reclassify stranded tax effects for all items accounted for in accumulated other comprehensive income. The amendments in ASU 2018-02 are effective for annual reporting periods beginning after December 15, 2018, including interim reporting periods within those annual reporting periods. Early adoption is permitted. Upon adoption of the standard, the Company did not elect to reclassify stranded tax effects to retained earnings. The adoption of the standard did not have an impact on the Condensed Consolidated Financial Statements.

In June 2018, the FASB issued ASU 2018-07, *Compensation—Stock Compensation (Topic 718): Improvements to Non-employee Share-Based Payment Accounting*. This update was issued to allow companies to account for share-based payment transactions with non-employees in the same way as share-based payment transactions with employees, with the main differences being the accounting for attribution and a contractual term election for valuing non-employee equity share options. The amendments in ASU 2018-07 are effective for annual reporting periods beginning after December 15, 2018, including interim reporting periods within those annual reporting periods. Per ASU 2018-07, this update should be applied on a modified retrospective basis via a cumulative effect adjustment to retained earnings as of the beginning of the fiscal year of adoption. Early adoption is permitted only if the Company has adopted ASC 606, *Revenue from Contracts with Customers*. The adoption of the standard did not have an impact on the Condensed Consolidated Financial Statements.

In August 2018, the FASB issued ASU 2018-15, *Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract*. This update was issued to align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). The amendments in ASU 2018-15 are effective for annual periods beginning after December 15, 2019, including interim reporting periods within those annual periods. Early adoption is permitted. The Company early adopted this standard, effective January 1, 2019, on a prospective basis. The adoption did not have an impact on the Condensed Consolidated Financial Statements.

Recently Issued Accounting Pronouncements

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820)*, which removes and modifies certain disclosure requirements under Topic 820. The amendments are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. An entity is permitted to early adopt any removed or modified disclosures upon issuance of the update and to delay adoption of the additional disclosures until their effective date. The Company is evaluating the impact to its Condensed Consolidated Financial Statements.

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 June 30,		Six Months Ended June 30,	
	2019	2018 ⁽¹⁾	2019	2018 ⁽¹⁾
By Solution group:				
Ratings and Planning	\$ 68,922	\$ 70,501	\$ 139,499	\$ 140,070
Analytics and Optimization	17,293	20,533	38,751	46,264
Movies Reporting and Analytics	10,673	10,355	20,932	20,974
Total	\$ 96,888	\$ 101,389	\$ 199,182	\$ 207,308
By Geographical market:				
United States	\$ 83,971	\$ 88,057	\$ 171,947	\$ 179,534
Europe	7,504	8,737	15,916	17,872
Latin America	2,284	2,170	4,686	4,781
Canada	1,758	1,731	3,598	3,651
Other	1,371	694	3,035	1,470
Total	\$ 96,888	\$ 101,389	\$ 199,182	\$ 207,308
Timing of revenue recognition:				
Products and services transferred at a point in time	\$ 21,708	\$ 29,633	\$ 47,541	\$ 58,928
Products and services transferred over time	75,180	71,756	151,641	148,380
Total	\$ 96,888	\$ 101,389	\$ 199,182	\$ 207,308

⁽¹⁾ During the third quarter of 2018, the Company determined that results should be reviewed around three solution groups that address customer needs instead of the four previous product offerings. Revenues for the comparative 2018 periods have been recast to conform to the current presentation by solution group. For a detailed discussion of the change to these solution groups during 2018, refer to [Item 2](#), "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Quarterly Report on [Form 10-Q](#) for the period ended September 30, 2018.

Contract Balances

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

(In thousands)	As of	As of
	June 30, 2019	December 31, 2018
Accounts receivable, net	\$ 71,231	\$ 75,609
Current and non-current contract assets	2,191	2,438
Current and non-current contract costs	1,156	1,402
Current contract liability	58,933	64,189
Current customer advances	5,926	6,688
Non-current contract liability	442	508

Significant changes in the contract assets and the contract liabilities balances during the six months ended June 30, 2019 are as follows:

<i>(In thousands)</i>	Contract Liability (Current)	
	Six Months Ended June 30,	
	2019	2018
Revenue recognized that was included in the contract liability balance at the beginning of period	\$ (50,758)	\$ (69,819)
Cash received or amounts billed in advance and not recognized as revenue	44,780	58,870

Transaction Price Allocated to the Remaining Performance Obligations

As of June 30, 2019, approximately \$240.0 million of revenue is expected to be recognized from remaining performance obligations that are unsatisfied (or partially unsatisfied) for non-cancelable contracts. The Company expects to recognize revenue on approximately 38% of these remaining performance obligations during the remainder of 2019, approximately 43% in 2020, and approximately 13% in 2021, with the remainder recognized thereafter.

Costs to Obtain or Fulfill a Contract

As of June 30, 2019 and December 31, 2018, the Company had \$1.2 million and \$1.4 million, respectively, in capitalized contract costs. For the three months ended June 30, 2019 and 2018, amortized and expensed contract costs were \$0.8 million and \$0.2 million, respectively. For the six months ended June 30, 2019 and 2018, amortized and expensed contract costs were \$1.4 million and \$0.2 million, respectively.

4. Goodwill and Intangible Assets

As of June 30, 2019, 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 sustained decline in the Company's stock price and market capitalization, changes in management, and lower revenue, among other factors. Accordingly, the Company performed a quantitative goodwill impairment test as of June 30, 2019, 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 failed the goodwill impairment test; and as a result the Company recorded a \$224.3 million impairment charge for the three months ended June 30, 2019.

In addition, the Company recorded a \$17.3 million impairment charge related to its strategic alliance intangible asset for the three months ended June 30, 2019. Changes in the Company's projected revenue in certain non-U.S. geographic markets due to the changing international competitive landscape as well as significant reductions in international staffing during the quarter, resulted in a change in the Company's long-term view of the viability of the intangible asset. As such, the Company's assessment yielded that the benefit of the alliance would not be realized. The fair value of the strategic alliance intangible asset was estimated using an income approach resulting in an impairment charge for the full carrying value of the long-lived asset of \$17.3 million.

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

<i>(In thousands)</i>	
Balance as of December 31, 2017	\$ 642,424
Translation adjustments	(1,233)
Balance as of December 31, 2018	\$ 641,191
Translation adjustments	(144)
Impairment charge	(224,272)
Balance as of June 30, 2019	
Goodwill	641,047
Accumulated impairment	(224,272)
Total	\$ 416,775

The carrying values of the Company's amortizable intangible assets are as follows:

<i>(In thousands)</i>	June 30, 2019			December 31, 2018			
	Gross Carrying Amount	Accumulated Amortization	Impairment	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Acquired methodologies/technology	\$ 148,374	\$ (76,754)	\$ —	\$ 71,620	\$ 148,374	\$ (66,690)	\$ 81,684
Strategic alliance	30,100	(12,792)	(17,308)	—	30,100	(11,288)	18,812
Customer relationships	40,142	(23,105)	—	17,037	40,127	(20,338)	19,789
Intellectual property	14,366	(12,122)	—	2,244	14,366	(11,905)	2,461
Trade names	775	(670)	—	105	775	(636)	139
Acquired software	9,287	(7,089)	—	2,198	9,287	(5,531)	3,756
Other	600	(346)	—	254	600	(296)	304
Total intangible assets	\$ 243,644	\$ (132,878)	\$ (17,308)	\$ 93,458	\$ 243,629	\$ (116,684)	\$ 126,945

Amortization expense related to intangible assets was \$8.1 million and \$8.3 million for the three months ended June 30, 2019 and 2018, respectively. Amortization expense related to intangible assets was \$16.2 million and \$16.8 million for the six months ended June 30, 2019 and 2018, respectively.

The weighted-average remaining amortization period by major asset class as of June 30, 2019 is as follows:

	<i>(In years)</i>
Acquired methodologies/technology	2.9
Customer relationships	3.1
Intellectual property	5.2
Trade names	1.8
Acquired software	1.4
Other	1.8

The estimated future amortization of intangible assets is as follows:

	<i>(In thousands)</i>
2019	\$ 13,896
2020	27,222
2021	25,038
2022	24,567
2023	2,445
Thereafter	290
Total	\$ 93,458

5. Long-term Debt

Issuance and Sale of Initial Notes

On January 16, 2018, the Company entered into certain agreements with Starboard, pursuant to which, among other things, the Company issued and sold to Starboard \$150.0 million of senior secured convertible notes (the "Initial Notes") in exchange for \$85.0 million in cash and 2,600,000 shares of Common Stock valued at \$65.0 million. Based upon the fair value of the Common Stock on the closing date of the Initial Notes issuance, January 16, 2018, which was \$24.45 per share, the difference of \$1.4 million was recorded as an issuance discount to the Initial Notes. The Company also granted to Starboard an option (the "Notes Option") to acquire up to an additional \$50.0 million in senior secured convertible notes (the "Option Notes" and together with the Initial Notes, the "Notes") and agreed to grant Starboard warrants to purchase 250,000 shares of Common Stock at a price of \$0.01 per share, as adjusted pursuant to the terms of the warrants. The warrants were issued on October 12, 2018 and were exercised in full by Starboard on April 3, 2019 for 323,448 shares of Common Stock.

The conversion price for the Notes (the "Conversion Price") is equal to a 30% premium to the volume weighted average trading prices ("VWAP") of the Common Stock on each trading day during the 10 consecutive trading days commencing on January 16,

2018, subject to a Conversion Price floor of \$28.00 per share. In accordance with the foregoing, the Conversion Price was set at \$31.29.

The Notes mature on January 16, 2022. Based upon the determination of the Conversion Price, interest on the Notes accrued at 6.0% per year through January 30, 2019, when the interest rate reset to 12.0% per year through January 30, 2020. On each of January 30, 2020 and February 1, 2021, the interest rate on the Notes will reset, and interest will thereafter accrue at a minimum of 4.0% per year and a maximum of 12.0% per year, based upon the then-applicable conversion premium in accordance with the terms of the Notes. The interest rate reset feature of the Initial Notes was determined by management to be a derivative instrument that qualifies for liability treatment. The derivative instrument is initially measured at fair value and classified as a liability on the balance sheet, with subsequent changes in fair value being recorded in earnings. To determine the fair value of the interest rate reset feature, management utilizes a "with-and-without" convertible bond model, modified to incorporate the interest rate reset feature.

Interest on the Notes is payable on a quarterly basis in arrears from April 1, 2018, 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"). Any PIK Interest Shares so issued will be valued at the arithmetic average of the VWAP of the Common Stock on each trading day during the 10 consecutive trading days ending immediately preceding the applicable interest payment date. On April 1, 2019, the Company paid its quarterly accrued interest liability on the Notes for the first quarter through the issuance of 243,261 PIK Interest Shares. On July 1, 2019, the Company paid its quarterly accrued interest liability on the Notes for the second quarter through the issuance of 856,289 PIK Interest Shares. The accrued interest liability of \$6.1 million was classified within other non-current liabilities in the Condensed Consolidated Financial Statements as of June 30, 2019.

The Initial Notes contain redemption provisions whereby, upon the occurrence of certain change of control transactions, a holder would have the right to require the Company to redeem all or any portion of such holder's outstanding Initial Notes for cash at a price determined in accordance with the terms of the Initial Notes. Management evaluated this change of control redemption feature and determined that it represented an embedded derivative that must be bifurcated and accounted for separately from the Initial Notes. The change of control derivative is treated as a liability, initially measured at fair value with subsequent changes in fair value recorded in earnings. Management utilizes a probability-adjusted binomial lattice model to determine the fair value of the change of control derivative.

The cash proceeds and Common Stock received by the Company in exchange for the Initial Notes were net of a \$20.1 million issuance discount and \$4.6 million in third party debt issuance costs.

The Notes also contain certain affirmative and restrictive covenants with which the Company must comply, including (i) covenants with respect to limitations on additional indebtedness, (ii) limitations on liens, (iii) limitations on certain payments, (iv) maintenance of certain minimum cash balances (which will increase to \$40.0 million on the date the Company files its Form 10-Q for the quarterly period ended June 30, 2019), and (v) the timely filing of certain disclosures with the SEC. The Company is in compliance with its Notes covenants as of the date of these financial statements.

Issuance and Sale of Option Notes

On May 17, 2018, the Notes Option was exercised by Starboard, pursuant to which the Company issued and sold to Starboard \$50.0 million of Option Notes in exchange for \$15.0 million in cash and 1,400,000 shares of Common Stock valued at \$35.0 million. Based upon the fair value of the Common Stock on the closing date of the Option Notes issuance, May 17, 2018, which was \$21.75 per share, the difference of \$4.6 million was recorded as an issuance discount to the Option Notes. The Option Notes have the same terms, including maturity, interest rate, convertibility, and security, as the Initial Notes, except with regard to the date from which interest began to accrue, which was May 17, 2018.

The interest rate reset feature of the Option Notes was determined by management to be a derivative instrument that qualifies for liability treatment. The derivative instrument is initially measured at fair value and classified as a liability on the balance sheet, with subsequent changes in fair value being recorded in earnings. To determine the fair value of the interest rate reset feature, management utilizes a "with-and-without" convertible bond model, modified to incorporate the interest rate reset feature.

The Option Notes contain redemption provisions whereby, upon the occurrence of certain change of control transactions, a holder would have the right to require the Company to redeem all or any portion of such holder's outstanding Option Notes for cash at a price determined in accordance with the terms of the Option Notes. Management evaluated this change of control redemption feature and determined that it represented an embedded derivative that must be bifurcated and accounted for separately from the Option Notes. The change of control derivative is treated as a liability, initially measured at fair value with subsequent changes in fair value recorded in earnings. Management utilizes a probability-adjusted binomial lattice model to determine the fair value of the change of control derivative.

The cash proceeds and Common Stock received by the Company in exchange for the Option Notes were net of a \$3.1 million issuance discount and \$0.2 million in third-party debt issuance costs.

Notes Modifications

As noted above, the minimum cash balance covenant increases to \$40.0 million on the date the Company files its Form 10-Q for the quarterly period ended June 30, 2019. This covenant resulted from modifications that occurred in August 2018 and November 2018, in which the outstanding Notes were amended to reduce and extend, respectively, the requirement to maintain certain minimum cash balances to \$20.0 million from the initial requirement of \$40.0 million until the date the Company files its Form 10-Q for the quarterly period ended June 30, 2019. In connection with and as consideration for these modifications, the Company issued to Starboard \$4.0 million in additional aggregate principal amount of senior secured convertible notes, \$3.5 million of which was classified as additional Initial Notes and \$0.5 million of which was classified as additional Option Notes. The November 2018 agreement also modified the provisions of the Notes and the Registration Rights Agreement between the Company and Starboard by revising the grace periods during which the Company would not be obligated to keep applicable registration statements available for use by Starboard. The terms of the additional notes are identical to the terms of the Notes, except with regard to the date from which interest began to accrue. The amendments were treated as a modification to the debt agreements, and the costs related to the issuance of the additional notes were combined with the existing unamortized discount of the Notes on the modification date and are amortized to interest expense over the remaining term of the modified debt.

The Company's long-term debt as of June 30, 2019 and December 31, 2018 was as follows:

<i>(In thousands, except interest rates)</i>	As of June 30, 2019					
	Stated Interest Rate	Effective Interest Rate	Face Value	Issuance Discount	Deferred Financing Costs	Net Carrying Value
Initial Notes, due January 16, 2022	12.0%	18.6%	\$ 153,500	\$ (17,013)	\$ (3,228)	\$ 133,259
Option Notes, due January 16, 2022	12.0%	14.7%	50,500	(2,668)	(182)	47,650
Total			\$ 204,000	\$ (19,681)	\$ (3,410)	\$ 180,909

<i>(In thousands, except interest rates)</i>	As of December 31, 2018					
	Stated Interest Rate	Effective Interest Rate	Face Value	Issuance Discount	Deferred Financing Costs	Net Carrying Value
Initial Notes, due January 16, 2022	6.0%	12.0%	\$ 153,500	\$ (19,627)	\$ (3,724)	\$ 130,149
Option Notes, due January 16, 2022	6.0%	8.5%	50,500	(3,096)	(211)	47,193
Total			\$ 204,000	\$ (22,723)	\$ (3,935)	\$ 177,342

Due to the interest rate reset feature of the Notes, the potential future cash flows associated with the Notes are variable. Accordingly, the accretion schedule of debt discount and the amortization schedule of debt issuance costs are updated annually to reflect periodic changes in the future cash flows using the effective interest rate on a prospective basis.

The Company amortized \$0.3 million and \$0.5 million in debt issuance costs related to the Notes during the three and six months ended June 30, 2019, respectively. The Company amortized \$0.2 million and \$0.4 million in debt issuance costs related to the Notes during the three and six months ended June 30, 2018, respectively. The Company accreted \$1.7 million and \$3.0 million in issuance discount related to the Notes during the three and six months ended June 30, 2019, respectively. The Company accreted \$1.1 million and \$2.0 million in issuance discount related to the Notes during the three and six months ended June 30, 2018, respectively.

The estimated fair value of the Notes, using Level 3 inputs based on interest rates available for debt with terms and maturities similar to the Company's Notes, was \$162.1 million as of June 30, 2019.

Potential Rights Offering

Under the January 16, 2018 agreements with Starboard, the Company has the right to conduct a rights offering (the "Rights Offering") for up to \$150.0 million in senior secured convertible notes ("Rights Offering Notes"). Subject to the terms of the Rights Offering, if undertaken, the Company would distribute to all of the Company's stockholders rights to acquire Rights Offering Notes. Stockholders who elect to participate in the Rights Offering could elect to have up to 30% of the Rights Offering Notes they acquire pursuant thereto delivered through the sale to or exchange with the Company of shares of Common Stock, with the per share value thereof equal to the closing price of the Common Stock on the last trading day immediately prior to the commencement of the Rights Offering. The Rights Offering Notes would be substantially similar to the Notes, except, among other things, with respect to: (i) the date from which interest thereon would begin to accrue and the maturity date thereof (which would be four years from the date of issuance of the Rights Offering Notes) and (ii) the conversion price thereof, which would be

equal to 130% of the closing price of the Common Stock on the last trading day immediately prior to the commencement of the Rights Offering (subject to a conversion price floor of \$28.00 per share). Starboard also agreed to enter into one or more backstop commitment agreements, pursuant to which Starboard would backstop up to \$100.0 million in aggregate principal amount of Rights Offering Notes through the purchase of additional Notes, with such backstop obligation reduced by the amount of Option Notes purchased (\$50.0 million). The Company is not obligated to undertake the Rights Offering, and the Company does not currently intend to do so.

Guarantee and Security of Notes

The Notes are guaranteed by certain of the Company's direct and indirect wholly-owned domestic subsidiaries (the "Guarantors") and are secured by a security interest in substantially all of the assets of the Company and the Guarantors, pursuant to a Guaranty, dated as of January 16, 2018, entered into by the Guarantors, and a Pledge and Security Agreement, dated as of January 16, 2018, among the Company, the Guarantors and Starboard Value and Opportunity Master Fund Ltd. as collateral agent.

Registration of Underlying Shares

The Company filed a registration statement on Form S-1 with the SEC allowing for the resale of the shares of Common Stock underlying the Notes, potential PIK Interest Shares, and Starboard warrants. In conjunction with this registration, WPP exercised its right to have its shares of Common Stock included in the registration statement. The registration statement on Form S-1 was declared effective as of October 16, 2018.

On May 28, 2019, the Company filed a registration statement on Form S-3 with the SEC allowing for the resale of additional shares of Common Stock underlying the Notes and potential PIK Interest Shares. The previously filed registration statement on Form S-1 was amended to convert into a registration statement on Form S-3, and the amendment was declared effective as of June 24, 2019.

Letters of Credit

On June 1, 2018, the Company entered into a Security Agreement with Wells Fargo Bank, N.A. to issue standby letters of credit. As of June 30, 2019, \$3.5 million in letters of credit are outstanding and are cash collateralized under the Security Agreement with Wells Fargo Bank, N.A.

Failed Sale-Leaseback Transaction

In June 2019, the Company entered into a sale-leaseback arrangement with a vendor to provide \$4.3 million in cash proceeds for previously acquired computer and other equipment. The arrangement is repayable over a 24-month term for total consideration of \$4.8 million, with control of the equipment transferring to the vendor at the end of the leaseback term.

The Company concluded the leaseback would be classified as a financing lease. Therefore, the transaction was deemed a failed sale-leaseback and was accounted for as a financing arrangement. The assets continue to be depreciated over their useful lives, and payments are allocated between interest expense and repayment of the financing liability. The financing obligation is included within other current and other non-current liabilities on the Condensed Consolidated Balance Sheet, with \$1.7 million classified as short-term and \$2.6 million classified as long-term.

Future minimum payments related to the financing obligations under the failed sale-leaseback transaction as of June 30, 2019 are summarized below:

	<i>(In thousands)</i>	
Remainder of 2019	\$	1,119
2020		2,239
2021		1,417
Total	\$	4,775

6. Fair Value Measurements

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

(In thousands)	As of June 30, 2019				As of December 31, 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Recurring fair value measurements								
Assets:								
Money market funds ⁽¹⁾	\$ 25,078	\$ —	\$ —	\$ 25,078	\$ 6,037	\$ —	\$ —	\$ 6,037
Investment in equity securities ⁽²⁾	3,379	—	—	3,379	6,100	—	—	6,100
Total assets measured at fair value on a recurring basis	\$ 28,457	\$ —	\$ —	\$ 28,457	\$ 12,137	\$ —	\$ —	\$ 12,137
Liabilities:								
Financing derivatives: no hedging designation:								
Interest rate reset ⁽³⁾	\$ —	\$ —	\$ 22,800	\$ 22,800	\$ —	\$ —	\$ 23,300	\$ 23,300
Change of control redemption ⁽⁴⁾	—	—	2,200	2,200	—	—	2,800	2,800
Warrants issued: ⁽⁵⁾								
Series A	—	—	3,862	3,862	—	—	—	—
Series B-1	—	—	328	328	—	—	—	—
Series B-2	—	—	376	376	—	—	—	—
Series C	—	—	6,232	6,232	—	—	—	—
Total liabilities measured at fair value on a recurring basis	\$ —	\$ —	\$ 35,798	\$ 35,798	\$ —	\$ —	\$ 26,100	\$ 26,100
Non-recurring fair value measurements								
Strategic alliance intangible asset ⁽⁶⁾	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Goodwill ⁽⁷⁾	—	—	416,775	416,775	—	—	—	—
Total assets measured at fair value on a non-recurring basis	\$ —	\$ —	\$ 416,775	\$ 416,775	\$ —	\$ —	\$ —	\$ —

⁽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 Company's investment in common stock of an entity, which is included in other non-current assets, is valued using a market approach based on the quoted market price of the security. The Company sold a portion of its investment in an equity security during the six months ended June 30, 2019, with the remainder sold in July 2019.

⁽³⁾ The fair value of the Company's interest rate reset derivative liability is determined using a with-and-without approach, using a standard binomial tree convertible bond model. The fair value estimate is determined using an estimate for the Company's credit rating, the premium attributable to the payment-in-kind feature of the Notes, and premium estimates for company-specific risk factors. The valuation is derived from techniques which utilize unobservable Level 3 inputs.

⁽⁴⁾ The fair value of the Company's change of control redemption derivative liability is determined using a probability adjusted binomial lattice model. The fair value estimate is determined using an estimate for the probability of change of control of the Company, risk-free rate, and remaining term of the redemption feature. These estimates represent Level 3 inputs within the fair value hierarchy.

⁽⁵⁾ For more information regarding the valuation method and the estimates for significant unobservable inputs for each of the Level 3 warrants, refer to [Footnote 11](#), Stockholders' Equity.

⁽⁶⁾ The strategic alliance with a carrying amount of \$17.3 million was written down to a zero fair value as of June 30, 2019, resulting in an impairment charge of \$17.3 million, which was included in net loss for the period ended June 30, 2019.

⁽⁷⁾ Goodwill with a carrying amount of \$641.0 million was written down by \$224.3 million as of June 30, 2019. The impairment charge of \$224.3 million, which was included in net loss for the period ended June 30, 2019, represents the excess of the carrying value of the Company's reporting unit over its estimated fair value.

For the quarter ended June 30, 2019, the Company recorded an intangible asset impairment charge of \$17.3 million and a goodwill impairment charge of \$224.3 million. Refer to [Footnote 4, Goodwill and Intangible Assets](#). The remeasurement of goodwill and the strategic alliance intangible asset is classified as a Level 3 fair value assessment due to the significance of unobservable inputs developed in the determination of the fair values. The Company used a discounted cash flow model to determine the estimated fair value of the reporting unit. A market approach was also utilized to supplement the discounted cash flow model. 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 fair value of the strategic alliance intangible asset was estimated using an income approach. The Company made estimates and assumptions regarding future cash flows and long-term growth rates to determine the fair value of the intangible asset.

The Company did not have any transfers between fair value levels during the periods presented. There were no changes to the Company's valuation methodologies during the three and six months ended June 30, 2019 or 2018, respectively.

The following table presents the changes in the Company's recurring Level 3 fair valued instruments for the six months ended June 30, 2019 and 2018, respectively:

<i>(In thousands)</i>	<u>Financing Derivative Liabilities</u>	<u>Warrants</u>
Balance as of December 31, 2018	\$ 26,100	\$ —
Issuance of warrants	—	10,798
Total gain included in other (expense) income, net ⁽¹⁾	(1,100)	—
Balance as of June 30, 2019	<u>\$ 25,000</u>	<u>\$ 10,798</u>

⁽¹⁾ Represents \$0.5 million gain due to change in fair value of interest rate reset derivative liability and \$0.6 million gain due to change in fair value of change of control redemption derivative liability. All gains were recorded in other (expense) income, net in the Condensed Consolidated Statements of Operations and Comprehensive Loss.

<i>(In thousands)</i>	<u>Financing Derivative Liabilities</u>
Balance as of December 31, 2017	\$ —
Issuances	17,200
Total (gains) losses included in other (expense) income, net ⁽¹⁾	4,400
Settlement	(5,700)
Balance as of June 30, 2018	<u>\$ 15,900</u>

⁽¹⁾ Represents \$1.7 million loss due to change in fair value of interest rate reset derivative liability, \$3.3 million loss due to change in fair value of Notes Option liability, and \$0.6 million gain due to change in fair value of change of control redemption derivative liability. All gains and losses were recorded in other (expense) income, net in the Condensed Consolidated Statements of Operations and Comprehensive Loss.

The following table displays valuation techniques and the significant unobservable inputs for the Company's Level 3 interest rate reset and change of control redemption liabilities, which are measured at fair value on a recurring basis:

	Significant valuation technique	Fair value measurements		
		Significant unobservable inputs	June 30, 2019	December 31, 2018
Interest rate reset derivative liability	Discounted cash flow	Discount rate	25.0%	25.0%
		Stock price	\$5.16	\$14.43
		Risk-free rate	1.7%	2.5%
		Volatility	42.2%	43.9%
		Term	2.54 years	3.04 years
Change of control redemption derivative liability	Option pricing model	Probability	0-10%	0-10%
		Risk-free rate	1.7%	2.5%

The fair values of the Company's financing derivatives are estimated using forward projections and are discounted back at rates commensurate with the remaining term of the related derivative. The primary sensitivity in the interest rate reset derivative liability is driven by the Common Stock price at the measurement date, the observable volatility of the Common Stock, and the discount

rate used to determine the present value of the instrument. The primary sensitivity for the change of control redemption derivative liability is driven by the probability of the change of control.

7. Accrued Expenses

(In thousands)	As of	
	June 30, 2019	December 31, 2018
Payroll and payroll-related	\$ 10,994	\$ 18,972
Accrued data costs	22,846	14,617
Professional fees	9,909	8,477
Restructuring accrual	4,046	5,479
Accrued interest on senior secured convertible notes	—	3,046
Other	7,008	7,549
Total accrued expenses	\$ 54,803	\$ 58,140

8. Income Taxes

The Company's income tax provision for interim periods is calculated by applying its estimated annual effective tax rate on its projected ordinary book income (loss) before taxes to year-to-date ordinary book income (loss) before taxes. The income tax effects of any extraordinary, significant unusual or infrequent items not included in ordinary book income (loss) are determined separately and recognized in the period in which the items arise. During the three and six months ended June 30, 2019, the Company recorded an income tax benefit of \$4.5 million and \$3.3 million, resulting in an effective tax rate of 1.6% and 1.1%, respectively. A deferred income tax benefit of \$5.0 million related to the impairment of goodwill is included in these amounts. During the three and six months ended June 30, 2018, the Company recorded an income tax provision of \$2.1 million and \$3.5 million, resulting in an effective tax rate of 3.9% and 3.4%, respectively. These effective tax rates differ from the U.S. federal statutory rate primarily due to the effects of foreign tax rate differences, U.S. state legislative changes and changes in the Company's valuation allowance against its domestic deferred tax assets. As of June 30, 2019 and December 31, 2018, the Company had unrecognized tax benefits of approximately \$2.4 million and \$2.5 million, respectively. The Company recognizes accrued interest and penalties related to unrecognized tax benefits in income tax expense.

9. Related Party Transactions

Transactions with WPP

As of June 30, 2019, WPP owned 11,319,363 shares of the Company's outstanding Common Stock, representing 17.9% ownership in the Company. 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 has a cancelable five-year agreement with Lightspeed, a WPP subsidiary, to conduct a proof of concept and follow-on program to demonstrate the capability of designing and deploying a program to collect browsing and demographic data for individual participating households. The agreement, which relates to the Company's Total Home Panel product, provides that the Company makes payments to Lightspeed of approximately \$5 million per year.

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

(In thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Revenues ⁽¹⁾	\$ 3,926	\$ 1,909	\$ 7,771	\$ 4,000
Cost of revenues	3,584	2,696	5,679	5,186
Selling and marketing	10	42	13	85
Research and development	—	29	—	59
General and administrative	180	27	220	54
Impairment of intangible asset ⁽²⁾	17,308	—	17,308	—
Interest income	—	56	—	275

⁽¹⁾ The Company entered into certain agreements with WPP and its affiliates that were not characterized as revenue arrangements under GAAP. Accordingly, despite cash being received by the Company under these agreements, no revenue was recognized during the three and six months ended June 30, 2018 other than imputed interest income on the net present value of anticipated future cash payments from WPP.

⁽²⁾ Refer to [Footnote 4](#), Goodwill and Intangible Assets for further information.

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

<i>(In thousands)</i>	As of June 30, 2019	As of December 31, 2018
Assets		
Accounts receivable, net	\$ 3,911	\$ 3,353
Prepaid expenses and other current assets	971	429
Other non-current assets	35	65
Liabilities		
Accounts payable	\$ 2,566	\$ 1,833
Accrued expenses	1,666	1,384
Contract liability	2,023	1,945
Other non-current liabilities	—	251

Transactions with Starboard

On January 16, 2018, the Company entered into certain agreements with Starboard, then a beneficial owner of more than 5% of the Company's outstanding Common Stock. Refer to [Footnote 5](#), *Long-term Debt*, for further information regarding these agreements and subsequent amendments. As a result of these agreements and the transactions contemplated thereby, Starboard ceased to be a beneficial owner of more than 5% of the Company's outstanding Common Stock on January 16, 2018. Included in the Condensed Consolidated Statements of Operations and Comprehensive Loss, the Company recorded interest expense related to Starboard of \$8.1 million and \$14.8 million during the three and six months ended June 30, 2019, respectively, and \$4.0 million and \$7.0 million during the three and six months ended June 30, 2018, respectively.

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

<i>(In thousands)</i>	As of June 30, 2019	As of December 31, 2018
Accrued expenses	\$ —	\$ 3,046
Financing derivatives	25,000	26,100
Senior secured convertible notes	180,909	177,342
Other non-current liabilities	6,120	—

10. Leases

The Company has operating leases for real estate and finance leases for computer equipment and automobiles. These leases have remaining lease terms of one year to nine years, some of which include options to extend the leases for up to five years, and some of which include options to terminate the leases within one year. As of June 30, 2019, the weighted average remaining lease term for the Company's finance leases and operating leases was 2.56 years and 6.82 years, respectively. As of June 30, 2019, the weighted average discount rate for the Company's finance leases and operating leases was 14.7% and 13.5%, respectively.

The components of lease cost for the three and six months ended June 30, 2019 were as follows:

<i>(In thousands)</i>	Three Months Ended	Six Months Ended
	June 30, 2019	June 30, 2019
Finance lease cost		
Amortization of right-of-use assets ⁽¹⁾	\$ 787	\$ 1,361
Interest on lease liabilities	167	240
Total finance lease cost	<u>\$ 954</u>	<u>\$ 1,601</u>
Operating lease cost ⁽¹⁾		
Fixed lease cost	\$ 3,236	\$ 6,410
Short-term lease cost	180	359
Variable lease cost	546	975
Sublease income	(463)	(852)
Total operating lease cost	<u>\$ 3,499</u>	<u>\$ 6,892</u>

⁽¹⁾ The lease costs, net of sublease income, are reflected in the Condensed Consolidated Statements of Operations and Comprehensive Loss as follows:

<i>(In thousands)</i>	Three Months Ended June 30, 2019		Six Months Ended June 30, 2019	
	Amortization of Right-of-Use Assets	Operating Lease Cost	Amortization of Right-of-Use Assets	Operating Lease Cost
Cost of revenues	\$ 578	\$ 1,155	\$ 999	\$ 2,256
Selling and marketing	85	1,218	146	2,382
Research and development	80	787	141	1,536
General and administrative	44	339	75	718
	<u>\$ 787</u>	<u>\$ 3,499</u>	<u>\$ 1,361</u>	<u>\$ 6,892</u>

Other information related to leases was as follows:

<i>(In thousands)</i>	Six Months Ended
	June 30, 2019
Supplemental Cash Flows Information	
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from finance leases	\$ 240
Operating cash flows from operating leases	8,476
Financing cash flows from finance leases	1,417
Right-of-use assets obtained in exchange for lease obligations:	
Right-of-use assets obtained in exchange for new finance lease liabilities	\$ 3,487
Right-of-use assets obtained in exchange for new operating lease liabilities	397

Maturities of finance and operating lease liabilities as of June 30, 2019 were as follows:

<i>(In thousands)</i>	Operating Leases	Finance Leases
Remainder of 2019	\$ 6,633	\$ 1,486
2020	12,657	1,900
2021	12,099	1,707
2022	9,122	668
2023	9,730	44
Thereafter	31,481	—
Total lease payments	81,722	5,805
Less: imputed interest	(29,246)	(880)
Total lease liabilities	52,476	4,925
Less: current lease liabilities	(6,548)	(1,895)
Total non-current lease liabilities	\$ 45,928	\$ 3,030

The Company currently subleases four real estate properties. These subleases have remaining lease terms of one year to eight years. None of the subleases contain any options to renew or terminate the sublease agreement. Future expected cash receipts from subleases as of June 30, 2019 were as follows:

<i>(In thousands)</i>	Sublease Receipts
Remainder of 2019	\$ 773
2020	1,691
2021	1,594
2022	1,561
2023	1,144
Thereafter	2,912
Total sublease receipts	\$ 9,675

Disclosures Related to Periods Prior to Adoption of ASC 842

Capital Leases

Future minimum payments under capital leases with initial terms of one year or more were as follows:

<i>(In thousands)</i>	As of December 31, 2018
2019	\$ 2,582
2020	744
2021	417
2022	76
2023	44
Total minimum lease payments	3,863
Less amount representing interest	260
Present value of net minimum lease payments	3,603
Less current portion	2,421
Capital lease obligations, long-term	\$ 1,182

Operating Leases

Future minimum lease commitments and sublease receipts under non-cancelable lease agreements with initial terms of one year or more in effect as of December 31, 2018 were as follows:

<i>(In thousands)</i>	Operating Lease Commitment	Sublease Receipts
2019	\$ 14,780	\$ 1,385
2020	13,027	1,693
2021	12,259	1,597
2022	9,322	1,551
2023	9,722	1,145
Thereafter	31,475	2,905
Total minimum lease payments	\$ 90,585	\$ 10,276

11. Stockholders' Equity**2019 Issuance and Sale of Common Stock and Warrants**

On June 23, 2019, the Company entered into a Securities Purchase Agreement (the "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 "Closing Date").

The Series B-1 and Series B-2 Warrants are exercisable by the holders at any time prior to the six- and twelve-month anniversaries of the Closing Date, respectively. The Series B-1 Warrants provide the holders the right to purchase an aggregate of up to 2,347,418 shares of Common Stock at an exercise price equal to \$8.52, and the Series B-2 Warrants provide the holders the right to purchase an aggregate of up to 1,121,076 shares of Common Stock at an exercise price equal to \$8.92. The Series B-1 and B-2 Warrants may be exercised for cash only.

If all of the Series B-1 Warrants or Series B-2 Warrants have not been exercised prior to their respective expiration dates, the Company will have the right, subject to prior notice to the holders and certain equity, volume and other conditions, to force the exercise of any unexercised portion of the applicable Series B-1 or B-2 Warrants by such holders. Key conditions that may impact the ability of the Company to force the exercise of these warrants include a \$3.96 minimum for the VWAP of the Common Stock on the forced exercise date, a minimum threshold for trading volume, and the maintained effectiveness of a registration statement with the SEC. The forced exercise price for the Series B-1 Warrants will be 85% of the VWAP of the Common Stock as of the date immediately preceding the expiration date of the Series B-1 Warrants (the "Series B-1 Forced Exercise Price"). The forced exercise price for the Series B-2 Warrants will be the lesser of (i) 85% of the VWAP of the Common Stock on the date immediately preceding the expiration date of the Series B-2 Warrants and (ii) the Series B-1 Forced Exercise Price.

The Series A Warrants are exercisable for a period of five years from the Closing Date and are exercisable into a number of shares of Common Stock equal to the Initial Shares plus any shares issued pursuant to the exercise of the Series C Warrants (described below). The exercise price for the Series A Warrants is \$12.00. The Series A Warrants may be exercised for cash or through a net settlement feature.

The Series C Warrants are partially prepaid warrants (with a nominal remaining exercise price) that are not exercisable before September 21, 2019 and expire 90 days after the first anniversary of the Closing Date. If the VWAP of the Common Stock as of September 20, 2019, discounted by 7.5%, is less than CVI's purchase price for the Initial Shares, then, upon exercise, the Company will be required to issue to CVI a number of shares of Common Stock equal to (i) (x) CVI's purchase price for the Initial Shares divided by (y) 92.5% of the VWAP of the Common Stock as of the date immediately preceding exercise, subject to a floor of 50% of the price per Initial Share, less (ii) the number of Initial Shares issued to CVI on the Closing Date.

The exercise prices for the Series A, B-1 and B-2 Warrants are subject to anti-dilution adjustment in certain circumstances. 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% or more of the outstanding Common Stock of the Company on the Closing Date (the "Exchange Cap"), the Company intends to, in lieu of issuing such shares, settle the obligation to issue such shares in cash.

In addition, 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. If any forced exercise of a Series B-1 or B-2 Warrant would result in CVI beneficially owning more than 4.99% of the outstanding Common Stock, CVI will pay the applicable forced exercise price and no shares of

Common Stock will be issued, but instead the aggregate number of shares of Common Stock issuable upon any exercise of the Series C Warrant will increase by an equal amount.

Pursuant to the transactions described above, the Company agreed to a 105-day lock-up period related to any future offering of equity or equity-linked securities and also agreed to provide CVI with registration rights relating to the Initial Shares and any shares issuable upon the exercise of the warrants. On June 26, 2019, the Company filed a prospectus supplement to its effective registration statement on Form S-3 to permit the resale of such shares.

Management determined each warrant to be a freestanding financial instrument that qualifies for liability treatment as a result of the net cash settlement feature associated with the Exchange Cap provision. Each warrant is initially measured at fair value and classified as a current liability on the Condensed Consolidated Balance Sheet, with subsequent changes in fair value recorded in earnings. To determine the fair value of each warrant, management utilized a Monte Carlo simulation analysis within an option pricing model using the following key assumptions:

- *Stock Price:* The stock price was measured using the fair value of the Common Stock on the issuance date, June 26, 2019, which was \$5.57 per share.
- *Volatility:* The Company determined volatility to be 50.0% based on (i) the historical volatility of the Common Stock daily volume weighted average price with a look-back period commensurate with the term of the warrants and (ii) options-based implied volatility.
- *Risk-free Rate:* Management assumed the risk-free rate to be between 1.74% and 2.12%, based on the U.S. Treasury bonds on the valuation date with terms commensurate with the terms of each warrant.
- *Dividend Yield:* Management assumed the dividend yield to be zero based on the historical payout of the Company.
- *Term:* Management determined the term based on the time period of each warrant's maturity, between six months and five years from the issuance date, June 26, 2019.
- *Cost of Debt:* Management assumed the cost of debt to be between 16.7% and 18.7% based on a synthetic credit rating analysis.
- *Change of control probability:* The Company utilized a range between 0% and 10% to estimate the likelihood of occurrence.

The above estimates represent Level 3 inputs within the fair value hierarchy. Based on the option pricing valuation model, the Company determined the fair value of the warrants as of June 26, 2019 and June 30, 2019 to be the following:

<i>(in thousands)</i>	Warrants Liability	
Series A Warrant	\$	3,862
Series B-1 Warrant		328
Series B-2 Warrant		376
Series C Warrant		6,232
Total	\$	10,798

The fair values of the Company's warrants are estimated using forward projections of stock issuances with relative certainty and estimated cash payments at each exercise date discounted back to the valuation date with the remaining term of the related warrant. The primary sensitivity in the valuation of each warrant liability is driven by the Common Stock price at the measurement date and the observable volatility of the Common Stock.

The Company recorded \$2.8 million in transaction costs, of which \$1.2 million was allocated to the warrants liability and recorded in general and administrative expenses in the Condensed Consolidated Statements of Operations and Comprehensive Loss. The remaining transaction costs of \$1.6 million were recorded in additional paid-in capital in the Condensed Consolidated Balance Sheet.

2018 Equity and Incentive Compensation Plan

The Company's stockholders approved the 2018 Equity and Incentive Compensation Plan (the "2018 Plan") at the Company's 2018 annual meeting of stockholders. Under the 2018 Plan, the Company may grant option rights, appreciation rights, restricted stock awards, restricted stock units, performance shares and performance units up to 10,650,000 shares of Common Stock. The aggregate number of shares of Common Stock available will be reduced by: (i) one share of Common Stock for every one share of Common Stock subject to an award of option rights or appreciation rights granted under the 2018 Plan and (ii) two shares of Common Stock for every one share of Common Stock subject to an award other than option rights or appreciation rights granted under the 2018 Plan. If any award granted under the 2018 Plan (in whole or in part) is cancelled or forfeited, expires, is settled in cash, or is unearned, the shares of Common Stock subject to such award will, to the extent of such cancellation, forfeiture, expiration,

cash settlement, or unearned amount, again be available at a rate of one share of Common Stock for every one share of Common Stock subject to awards of option rights or appreciation rights and two shares of Common Stock for every one share of Common Stock subject to awards other than of option rights or appreciation rights. Additionally, if, after December 31, 2017, any shares of Common Stock subject to an award granted under the 2007 Equity Incentive Plan (the "2007 Plan") are forfeited, or an award granted under the 2007 Plan (in whole or in part) is canceled or forfeited, expires, is settled in cash, or is unearned, the shares of Common Stock subject to such award will, to the extent of such cancellation, forfeiture, expiration, cash settlement, or unearned amount, be available for awards under the 2018 Plan at a rate of one share for every one share subject to such award. The Company registered the securities under the 2018 Plan with the SEC effective June 1, 2018. The maximum number of shares available for issuance under the 2018 Plan as of June 30, 2019 is 4,807,850.

Stock Awards

On June 5, 2018, the Company's Compensation Committee approved and awarded 2,078,151 restricted stock units ("RSUs") under the 2018 Plan to employees, directors and consultants of the Company that were recommended in 2016, 2017 and 2018. On June 5, 2018, the closing price of Common Stock on Nasdaq was \$24.23.

Of these RSUs granted, 1,264,115 vested immediately, of which 229,173 shares were delivered to certain consultants during the three months ended June 30, 2018. 165,086 of the consultant shares related to the compensation of one of the Company's former chief executive officers as part of his retirement and transition services agreement.

Undelivered shares were classified as unvested awards until the date of delivery of the shares underlying these awards. Upon the grant of the awards, the Company recognized \$21.1 million in stock-based compensation expense during the three months ended June 30, 2018.

During the six months ended June 30, 2019, the Company's Compensation Committee approved and awarded 884,462 time-based RSUs (of which 206,108 RSUs relate to the settlement of the accrued 2018 annual incentive plan liability) and 300,000 market-based RSUs to employees, directors and consultants of the Company. The time-based RSUs generally vest after one to three years contingent on continued service. Market-based awards vest annually over ten years based on the achievement of certain stock price goals.

A summary of the unvested stock awards as of June 30, 2019 and June 30, 2018 is presented below:

Unvested Stock Awards	Restricted Stock Awards	Restricted Stock Units	Number of Shares Underlying Awards	Weighted Average Grant-Date Fair Value
Unvested as of December 31, 2018	—	1,466,135	1,466,135	\$ 22.62
Granted	—	1,184,462	1,184,462	14.36
Vested and delivered	—	(598,729)	(598,729)	24.65
Forfeited	—	(335,403)	(335,403)	19.91
Unvested as of June 30, 2019	—	1,716,465	1,716,465	\$ 16.97

Unvested Stock Awards	Restricted Stock Awards	Restricted Stock Units	Number of Shares Underlying Awards	Weighted Average Grant-Date Fair Value
Unvested as of December 31, 2017	2,125	779,912	782,037	\$ 37.22
Granted	—	2,078,151	2,078,151	24.07
Vested and delivered	(2,125)	(720,347)	(722,472)	32.74
Forfeited	—	(15,090)	(15,090)	36.65
Unvested as of June 30, 2018	—	2,122,626	2,122,626	\$ 25.29

The weighted-average remaining vesting period for unvested RSUs as of June 30, 2019 was 2.63 years. As of June 30, 2019, total unrecognized compensation expense related to unvested RSUs was \$19.5 million, of which \$5.8 million is expected to be recognized in the second half of 2019. As of June 30, 2018, total unrecognized compensation expense related to unvested RSUs was \$19.2 million. Total unrecognized compensation expense may be increased or decreased in future periods for subsequent grants or forfeitures.

Stock Options

During the six months ended June 30, 2019, the Company's Compensation Committee approved and awarded 290,000 stock options under the 2018 Plan to employees and consultants of the Company. The fair value of options at date of grant was estimated using the Black-Scholes method utilizing the following assumptions:

Dividend yield	0.00%
Expected volatility	44.94% - 46.16%
Risk-free interest rate	2.15% - 2.72%
Expected life of options (in years)	6.25 - 10.0

Dividend yield — The Company has never declared or paid a cash dividend on its Common Stock and has no plans to pay cash dividends in the foreseeable future.

Expected volatility — Volatility is a measure of the amount by which a financial variable such as a share price has fluctuated (historical volatility) or is expected to fluctuate (expected volatility) during a period. The Company considered the historical volatility of its stock price over a term similar to the expected life of the options in determining expected volatility.

Risk-free interest rate — The Company used rates on the grant date of zero-coupon government bonds with maturities over periods covering the term of the awards, converted to continuously compounded forward rates.

Expected life of the options — This is the period of time that the options granted are expected to remain outstanding.

Activity related to options outstanding during the six months ended June 30, 2019 and June 30, 2018 is presented below:

	Number of shares	Weighted-Average Exercise Price
Options outstanding as of December 31, 2018	1,045,913	\$ 17.89
Options granted	290,000	10.18
Options exercised	(68,259)	17.44
Options forfeited	(337,812)	14.90
Options outstanding as of June 30, 2019	929,842	\$ 16.74
Options exercisable as of June 30, 2019	639,842	\$ 19.71
	Number of shares	Weighted-Average Exercise Price
Options outstanding as of December 31, 2017	3,444,252	\$ 30.65
Options exercised	(21,809)	12.94
Options expired	(298)	5.99
Options outstanding as of June 30, 2018	3,422,145	\$ 30.77
Options exercisable as of June 30, 2018	3,422,145	\$ 30.77

The following table summarizes information about options outstanding as of June 30, 2019:

Range of Exercise Prices	Options Outstanding			Options Exercisable		
	Options Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Options Exercisable	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
\$10 - \$19.31	658,510	\$ 13.12	5.81	368,510	\$ 15.43	2.53
\$20.11 - \$25.86	265,275	25.18	1.66	265,275	25.18	1.66
\$40.80	6,057	40.80	5.13	6,057	40.80	5.13
	929,842	\$ 16.74	4.62	639,842	\$ 19.71	2.19

The intrinsic value of exercised stock options is calculated based on the difference between the exercise price and the quoted market price of the Common Stock as of the close of the exercise date. There were 68,259 and 21,809 options exercised during the six months ended June 30, 2019 and 2018, respectively. The total intrinsic value of the options exercised as of June 30, 2019 and June 30, 2018 was \$0.3 million and \$0.2 million respectively. As of June 30, 2019, the total unrecognized compensation

expense related to outstanding options is \$1.3 million, of which \$0.4 million is expected to be recognized in the remainder of 2019. As of June 30, 2018, there was no unrecognized compensation expense related to outstanding options.

Stock Appreciation Rights ("SAR")

The Company assumed an, as-converted, SAR with respect to 86,250 shares of Common Stock originally granted pursuant to the terms of the Rentrak Corporation 2005 Stock Incentive Plan at an, as-converted, base price of \$12.61 per share. The SAR was fully vested prior to the consummation of the Company's 2016 merger with Rentrak Corporation and expired unexercised on June 15, 2019.

12. 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 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.

Privacy Class Action Litigation

On September 11, 2017, the Company and a wholly-owned subsidiary, Full Circle Studies, Inc., ("Full Circle"), received demand letters on behalf of named plaintiffs and all others similarly situated alleging that the Company and Full Circle collected personal information from users under the age of 13 without verifiable parental consent in violation of Massachusetts law and the federal Children's Online Privacy Protection Act. The letters alleged that the Company and Full Circle collected such personal information by embedding advertising software development kits ("SDKs") in applications created or developed by The Walt Disney Company. The letters sought monetary damages, attorneys' fees and damages under Massachusetts law. On June 4, 2018, the plaintiffs filed amended complaints with the U.S. District Court for the Northern District of California adding the Company and Full Circle as defendants in a purported class action (captioned *Rushing, et al v. The Walt Disney Company, et al.*, Case No. 3:17-cv-04419-JD) against Disney, Twitter and other defendants, alleging violations of California's constitutional right to privacy and intrusion upon seclusion law, New York's deceptive trade practices statute, and Massachusetts' deceptive trade practices and right to privacy statutes. The complaints allege damages in excess of \$5 million, with any award to be apportioned among the defendants. On May 22, 2019, the Court denied the defendants' motion to dismiss the complaints. The Company and Full Circle deny any wrongdoing or liability and intend to vigorously defend against these claims. Although the ultimate outcome of this matter is unknown, the Company believes that a material loss was not probable or estimable as of June 30, 2019.

Securities Class Action Litigation

On April 10, 2019, Sergii Bratusov, a purported shareholder of the Company, filed a putative class action complaint against the Company on behalf of all persons and entities that acquired securities of the Company between November 9, 2018 and March 29, 2019. The case, captioned *Bratusov v. comScore, Inc., et al.*, Case No. 19 Civ. 03210, was filed in the U.S. District Court for the Southern District of New York and also names the Company's Chief Financial Officer, Gregory Fink, and the Company's former Chief Executive Officer, Bryan Wiener, as defendants. The complaint alleges that the Company, Mr. Wiener, and Mr. Fink violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder, by allegedly failing to disclose in public statements between November 2018 and March 2019 material information concerning unspecified difficulties implementing the Company's business strategy and the impact of these alleged difficulties on the Company's financial results. The complaint also alleges that Mr. Wiener and Mr. Fink, acting as control persons of the Company, violated Section 20(a) of the Exchange Act in connection with the Company's alleged failure to disclose material information. The complaint seeks a determination of the propriety of the class, compensatory damages and the award of reasonable costs and expenses incurred in the action. The defendants deny any wrongdoing or liability and intend to vigorously defend against these claims. Although the ultimate outcome of this matter is unknown, the Company believes that a material loss was not probable or estimable as of June 30, 2019.

SEC Investigation

The SEC is investigating allegations with respect to the Company regarding revenue recognition, internal controls, non-GAAP disclosures, tone at the top and whistleblower retaliation. The SEC has made no decisions regarding this matter including whether any securities laws have been violated. The Company is cooperating fully with the SEC and is seeking to resolve this matter as

soon as possible. The Company has accrued a \$5.0 million liability in connection with the SEC investigation, which management has determined is a reasonable estimate of the Company's probable liability in connection with this matter.

Export Controls Review

In March 2018, the Company became aware of possible violations of U.S. export controls and economic sanctions laws and regulations involving the Company. The circumstances giving rise to these possible violations pertained to the Company's collection of survey data from panelists within U.S. embargoed countries, as a part of the Company's larger global survey efforts not intentionally targeted at such countries. The Company filed a joint initial notice of voluntary disclosure with the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") and the U.S. Commerce Department's Bureau of Industry and Security ("BIS") and commenced an internal review to identify the causes and scope of transactions that could constitute violations of the OFAC and BIS regulations. On May 31, 2018, the Company filed a final voluntary disclosure with OFAC and BIS. On September 10, 2018, the Company was notified that BIS did not find a violation of export regulations and closed the matter. If OFAC moves forward with this matter, the Company could be subject to fines or penalties. Although the ultimate outcome of this matter is unknown, the Company believes that a material loss was not probable or estimable as of June 30, 2019.

Other Matters

In addition to the matters described above, 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 adverse 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 officers and directors, 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 continues to pay legal counsel fees incurred by the present 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.

13. Organizational Restructuring

In 2017, the Company implemented a reduction in force plan that resulted in the termination of approximately 10% of its workforce. That plan was complete as of December 31, 2018.

In June and December 2018, the Company's Board of Directors authorized management to implement additional reductions in its workforce (less than 10%) and rationalize its portfolio of leased properties due to the reductions in headcount ("2018 Restructuring Plans"). In connection with the 2018 Restructuring Plans, the Company expects to incur total exit-related costs of up to \$13.0 million, including \$10.3 million that was recorded in 2018. The remaining expense is expected to be recognized through the remainder of 2019 primarily as stock-based compensation.

In May 2019, the Company implemented an additional reduction in force plan ("2019 Restructuring Plan") in order to reduce costs and more effectively align resources with business priorities. Together with attrition, the 2019 Restructuring Plan resulted in the termination of approximately 10% of the Company's workforce. In connection with the 2019 Restructuring Plan, the Company expects to incur total exit-related costs of up to \$4.0 million, including \$3.3 million that was recorded in the second quarter of 2019. The remaining expense is expected to be recognized during the third quarter of 2019.

During the three and six months ended June 30, 2019, the Company recognized approximately \$2.9 million in restructuring costs. During the three and six months ended June 30, 2018, the Company recognized restructuring costs of \$3.8 million and \$5.1 million, respectively.

The total amount accrued for restructuring expenses as of June 30, 2019 is \$4.0 million. The tables below summarize the balance of accrued restructuring expenses as of June 30, 2019, which is recorded in accrued expenses in the Condensed Consolidated Balance Sheets, and the changes in the accrued amounts for the six months ended June 30, 2019, by restructuring plan:

2018 Restructuring Plans

<i>(In thousands)</i>	Severance pay and benefits	Short-term lease exit and other direct costs	Long-term lease exit and other direct costs	Total
Accrued Balance as of December 31, 2018	\$ 4,493	\$ 708	\$ 1,810	\$ 7,011
Adoption of ASC 842 ⁽¹⁾	—	(708)	(1,810)	(2,518)
Restructuring ⁽²⁾	(201)	—	—	(201)
Payments	(2,098)	—	—	(2,098)
Accrued Balance as of June 30, 2019	\$ 2,194	\$ —	\$ —	\$ 2,194

⁽¹⁾ The Company adopted ASC 842, Leases, as of January 1, 2019. For additional details regarding the adoption, please refer to [Footnote 2](#), Summary of Significant Accounting Policies.

⁽²⁾ The Company recognized restructuring income due to adjustments to the year-end restructuring accrual, primarily driven by the re-hiring of certain individuals.

2019 Restructuring Plan

<i>(In thousands)</i>	Severance pay and benefits	Total
Accrued Balance as of December 31, 2018	\$ —	\$ —
Restructuring	3,346	3,346
Payments	(1,494)	(1,494)
Accrued Balance as of June 30, 2019	\$ 1,852	\$ 1,852

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, 2018, or [2018 10-K, Item 1A](#), "Risk Factors" in our Quarterly Report on Form 10-Q for the period ended March 31, 2019, and [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 consumer audiences and advertising across media platforms. We create our products using a global data platform that combines information about content and advertising consumption on digital platforms (smartphones, tablets and computers), television 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 helps companies across the media ecosystem better understand and monetize audiences and develop marketing plans and products to more efficiently and effectively reach those audiences. Our ability to unify behavioral and other descriptive data enables us to provide accredited audience ratings, advertising verification, and granular consumer segments that describe hundreds of millions of consumers. Our customers include buyers and sellers of advertising including digital publishers, television networks, content owners, advertisers, agencies and technology providers.

The platforms we measure include televisions, smartphones, computers, tablets, over-the-top ("OTT") devices and movie theaters. The information we analyze crosses geographies, types of content and activities, including websites, mobile applications, video games, television and movie programming, e-commerce and advertising.

Management Changes

On March 31, 2019, Bryan Wiener resigned as our Chief Executive Officer ("CEO") and director and Sarah Hofstetter resigned as our President, effective immediately. On the same day, we appointed Dale Fuller as our Interim CEO. On April 17, 2019, Daniel Hess resigned as our Chief Product Officer, and on May 29, 2019, Kathryn Bachmann resigned as our Chief Operating Officer.

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 June 30,				Six Months Ended June 30,			
	2019		2018		2019		2018	
	Dollars	% of Revenue	Dollars	% of Revenue	Dollars	% of Revenue	Dollars	% of Revenue
Revenues	\$ 96,888	100.0 %	\$ 101,389	100.0 %	\$ 199,182	100.0 %	\$ 207,308	100.0 %
Cost of revenues	51,994	53.7 %	51,526	50.8 %	105,401	52.9 %	98,780	47.6 %
Selling and marketing	23,329	24.1 %	29,647	29.2 %	48,169	24.2 %	55,552	26.8 %
Research and development	16,883	17.4 %	20,889	20.6 %	35,099	17.6 %	39,605	19.1 %
General and administrative	16,932	17.5 %	28,699	28.3 %	36,477	18.3 %	47,360	22.8 %
Investigation and audit related	2,354	2.4 %	4,883	4.8 %	3,196	1.6 %	36,750	17.7 %
Amortization of intangible assets	8,076	8.3 %	8,266	8.2 %	16,181	8.1 %	16,810	8.1 %
Impairment of goodwill	224,272	231.5 %	—	— %	224,272	112.6 %	—	— %
Impairment of intangible asset	17,308	17.9 %	—	— %	17,308	8.7 %	—	— %
Settlement of litigation, net	5,000	5.2 %	5,250	5.2 %	5,000	2.5 %	5,250	2.5 %
Restructuring	2,949	3.0 %	3,833	3.8 %	2,879	1.4 %	5,090	2.5 %
Total expenses from operations	369,097	381.0 %	152,993	150.9 %	493,982	248.0 %	305,197	147.2 %
Loss from operations	(272,209)	(281.0)%	(51,604)	(50.9)%	(294,800)	(148.0)%	(97,889)	(47.2)%
Interest expense, net	(8,242)	(8.5)%	(4,124)	(4.1)%	(15,001)	(7.5)%	(7,029)	(3.4)%
Other (expense) income, net	(3,081)	(3.2)%	807	0.8 %	(112)	(0.1)%	884	0.4 %
(Loss) gain from foreign currency transactions	(464)	(0.5)%	1,045	1.0 %	(426)	(0.2)%	123	0.1 %
Loss before income taxes	(283,996)	(293.1)%	(53,876)	(53.1)%	(310,339)	(155.8)%	(103,911)	(50.1)%
Income tax benefit (provision)	4,463	4.6 %	(2,101)	(2.1)%	3,292	1.7 %	(3,516)	(1.7)%
Net loss	\$ (279,533)	(288.5)%	\$ (55,977)	(55.2)%	\$ (307,047)	(154.2)%	\$ (107,427)	(51.8)%

Revenues

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

- Ratings and Planning provides measurement of the behavior and characteristics of audiences of content and advertising across television and digital platforms including computers, tablets, smartphones, and other connected devices. These products and services are designed to help customers find the most relevant viewing audience, whether that viewing is linear, time shifted/recorded, online or on-demand.
- Analytics and Optimization includes activation and survey-based products that provide end-to-end solutions for planning, optimization and evaluation of advertising campaigns and brand protection.
- Movies Reporting and Analytics measures 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 three offerings; 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, operational overhead, data centers and our technology that supports multiple solution groups. (For a discussion of our change to these solution groups during 2018, refer to [Item 2](#), "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Quarterly Report on Form 10-Q for the period ended September 30, 2018.)

Revenues from these three solution groups are as follows:

<i>(In thousands)</i>	Three Months Ended June 30,					
	2019	% of Revenue	2018	% of Revenue	\$ Variance	% Variance
Ratings and Planning	\$ 68,922	71.1%	\$ 70,501	69.5%	\$ (1,579)	(2.2)%
Analytics and Optimization	17,293	17.9%	20,533	20.3%	(3,240)	(15.8)%
Movies Reporting and Analytics	10,673	11.0%	10,355	10.2%	318	3.1%
Total revenues	\$ 96,888	100.0%	\$ 101,389	100.0%	\$ (4,501)	(4.4)%

Revenues decreased by \$4.5 million, or 4.4%, for the three months ended June 30, 2019 as compared to the three months ended June 30, 2018.

Ratings and Planning revenue is comprised of revenue from our digital, television ("TV") and cross-platform products. Ratings and Planning revenue decreased \$1.6 million in the three months ended June 30, 2019 as compared to the three months ended June 30, 2018. The decrease was largely driven by lower revenue from our syndicated digital products, which continued to be negatively impacted by ongoing industry changes in ad buying and consolidation. Revenue from our syndicated digital products represented 50.4% and 54.7% of our Ratings and Planning revenue in the second quarter of 2019 and 2018, respectively. Revenue from our TV and cross-platform products increased in the three months ended June 30, 2019 as compared to the three months ended June 30, 2018, primarily due to deliveries to certain international customers; however, those increases were offset by lower comparable revenue from customers who purchased data for election campaigns in the second quarter of 2018 that did not occur in 2019.

Analytics and Optimization revenue decreased by \$3.2 million in the three months ended June 30, 2019 as compared to the three months ended June 30, 2018, due primarily to lower digital custom marketing solution sales and deliveries. These decreases were partially offset by increased Activation revenue, which continued to experience year-over-year growth.

Movies Reporting and Analytics revenue increased by \$0.3 million in the three months ended June 30, 2019 as compared to the three months ended June 30, 2018. The increase related to revenue from new products and from new customers gained in the second half of 2018.

<i>(In thousands)</i>	Six Months Ended June 30,					
	2019	% of Revenue	2018	% of Revenue	\$ Variance	% Variance
Ratings and Planning	\$ 139,499	70.0%	\$ 140,070	67.6%	\$ (571)	(0.4)%
Analytics and Optimization	38,751	19.5%	46,264	22.3%	(7,513)	(16.2)%
Movies Reporting and Analytics	20,932	10.5%	20,974	10.1%	(42)	(0.2)%
Total revenues	\$ 199,182	100.0%	\$ 207,308	100.0%	\$ (8,126)	(3.9)%

Revenues decreased by \$8.1 million, or 3.9%, for the six months ended June 30, 2019 as compared to the six months ended June 30, 2018.

Ratings and Planning revenue decreased \$0.6 million in the six months ended June 30, 2019 as compared to the six months ended June 30, 2018. The decrease was largely driven by lower revenue from our syndicated digital products, which continued to be impacted by ongoing industry changes in ad buying and consolidation. Revenue from our syndicated digital products represented 50.6% and 57.7% of our Ratings and Planning revenue for the six months ended June 30, 2019 and 2018, respectively. This decrease was largely offset by an increase in cross-platform revenue due to several one-time deliverables and an increase in national TV revenue due to increases in existing customer contract values as well as the establishment of standalone selling price over certain distinct performance obligations in arrangements that include the purchase and sale of services. For more information regarding our establishment of standalone selling price, refer to our [2018 10-K](#).

Analytics and Optimization revenue decreased by \$7.5 million in the six months ended June 30, 2019 as compared to the six months ended June 30, 2018 due primarily to lower digital custom marketing solution sales and deliveries. These decreases were partially offset by increased Activation revenue, which continued to experience year-over-year growth.

Cost of Revenues

Cost of revenues consists primarily of expenses related to operating our network infrastructure, producing our products, amortizing capitalized fulfillment costs and recruiting, maintaining, and supporting our consumer panels. Expenses associated with these areas include employee costs including 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, process and cleanse our panel and census-based data 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, lease expense and other facilities-related costs.

(In thousands)	Three Months Ended June 30,					
	2019	% of Revenue	2018	% of Revenue	\$ Change	% Change
Data costs	\$ 16,737	17.3%	\$ 14,451	14.3%	\$ 2,286	15.8 %
Employee costs	14,137	14.6%	15,805	15.6%	(1,668)	(10.6)%
Systems and bandwidth costs	5,495	5.7%	5,955	5.9%	(460)	(7.7)%
Panel costs	4,884	5.0%	5,837	5.8%	(953)	(16.3)%
Lease expense and depreciation ⁽¹⁾	3,853	4.0%	3,130	3.1%	723	23.1 %
Professional fees	1,920	2.0%	1,156	1.1%	764	66.1 %
Sample and survey costs	1,489	1.5%	1,462	1.4%	27	1.8 %
Technology	1,444	1.5%	1,566	1.5%	(122)	(7.8)%
Royalties and resellers	802	0.8%	1,043	1.0%	(241)	(23.1)%
Other	1,233	1.3%	1,121	1.1%	112	10.0 %
Total cost of revenues	\$ 51,994	53.7%	\$ 51,526	50.8%	\$ 468	0.9 %

⁽¹⁾ As discussed in [Footnote 2, Summary of Significant Accounting Policies](#), lease expense and depreciation for the three months ended June 30, 2018 is not comparable to the three months ended June 30, 2019 due to our adoption of ASC 842.

Cost of revenues increased \$0.5 million, or 0.9%, for the three months ended June 30, 2019 as compared to the three months ended June 30, 2018. The increase was largely attributable to increases in data costs, professional fees, and lease expense and depreciation, offset by a decrease in employee and panel costs.

Data costs increased \$2.3 million due to costs associated with the acquisition of data for distinct services provided under certain arrangements that include the purchase and sale of services, as well as increases in our long-term contracts with multichannel video programming distributors ("MVPD"). Professional fees increased \$0.8 million due to an increase in data governance consulting services to improve operational processes; we expect these fees to decrease in future periods. Lease expense and depreciation increased \$0.7 million primarily due to increases in depreciation related to the capitalization of internally developed software, offset by decreases in lease expense resulting from various lease terminations. Offsetting these increases was a decrease in employee costs of \$1.7 million primarily as a result of a decrease in stock-based compensation. Panel costs decreased by \$1.0 million due to lower costs associated with the incentive plans used in certain countries and the use of more cost-effective recruitment solutions.

(In thousands)	Six Months Ended June 30,					
	2019	% of Revenue	2018	% of Revenue	\$ Change	% Change
Data costs	\$ 32,798	16.5%	\$ 26,767	12.9%	\$ 6,031	22.5 %
Employee costs	29,102	14.6%	29,665	14.3%	(563)	(1.9)%
Systems and bandwidth costs	10,776	5.4%	11,880	5.7%	(1,104)	(9.3)%
Panel costs	10,322	5.2%	11,456	5.5%	(1,134)	(9.9)%
Lease expense and depreciation ⁽¹⁾	7,264	3.6%	6,432	3.1%	832	12.9 %
Professional fees	4,252	2.1%	2,730	1.3%	1,522	55.8 %
Sample and survey costs	3,938	2.0%	3,178	1.5%	760	23.9 %
Technology	2,916	1.5%	3,100	1.5%	(184)	(5.9)%
Royalties and resellers	1,708	0.9%	1,492	0.7%	216	14.5 %
Other	2,325	1.2%	2,080	1.0%	245	11.8 %
Total cost of revenues	\$ 105,401	52.9%	\$ 98,780	47.6%	\$ 6,621	6.7 %

¹⁾ As discussed in [Footnote 2, Summary of Significant Accounting Policies](#), lease expense and depreciation for the six months ended June 30, 2018 is not comparable to the six months ended June 30, 2019 due to our adoption of ASC 842.

Cost of revenues increased \$6.6 million, or 6.7%, for the six months ended June 30, 2019 as compared to the six months ended June 30, 2018. The increase was largely attributable to increases in data costs, professional fees, lease expense and depreciation and sample and survey costs, offset by a decrease in panel costs, systems and bandwidth costs, and employee costs.

Data costs increased \$6.0 million due to costs associated with the acquisition of data for distinct services provided under certain arrangements that include the purchase and sale of services, including increases in our long-term contracts with MVPDs. Professional fees increased \$1.5 million due to an increase in data governance consulting services to improve operational processes. Lease expense and depreciation increased \$0.8 million primarily due to increased depreciation related to capitalized software. Sample and survey costs increased \$0.8 million due to increased costs associated with specialized sample projects, which are ultimately charged to the customer. Offsetting these increases is a decrease of \$1.1 million in panel costs due to lower costs associated with the incentive plans used in certain countries and the use of more cost-effective recruitment solutions. Systems and bandwidth costs decreased \$1.1 million due to our ongoing technology transformation to reduce complexity, increase capacity, and transition to a cloud-based environment from data centers. Employee costs decreased \$0.6 million primarily due to a decrease in stock-based compensation.

Selling and Marketing

Selling and marketing expenses consist primarily of employee costs, including salaries, benefits, commissions, stock-based compensation and other related costs paid to our direct sales force, as well as 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.

(In thousands)	Three Months Ended June 30,					
	2019	% of Revenue	2018	% of Revenue	\$ Change	% Change
Employee costs	\$ 18,591	19.2%	\$ 24,237	23.9%	\$ (5,646)	(23.3)%
Lease expense and depreciation ⁽¹⁾	1,599	1.7%	1,824	1.8%	(225)	(12.3)%
Travel	880	0.9%	1,314	1.3%	(434)	(33.0)%
Professional fees	754	0.8%	972	1.0%	(218)	(22.4)%
Other	1,505	1.6%	1,300	1.3%	205	15.8 %
Total selling and marketing expenses	\$ 23,329	24.1%	\$ 29,647	29.2%	\$ (6,318)	(21.3)%

⁽¹⁾ As discussed in [Footnote 2, Summary of Significant Accounting Policies](#), lease expense and depreciation for the three months ended June 30, 2018 is not comparable to the three months ended June 30, 2019 due to our adoption of ASC 842.

Selling and marketing expenses decreased by \$6.3 million, or 21.3%, for the three months ended June 30, 2019 as compared to the three months ended June 30, 2018. The decrease was primarily attributable to a decrease in employee costs as a result of a decrease in stock compensation expense and lower headcount.

(In thousands)	Six Months Ended June 30,					
	2019	% of Revenue	2018	% of Revenue	\$ Change	% Change
Employee costs	\$ 38,954	19.6%	\$ 44,475	21.5%	\$ (5,521)	(12.4)%
Lease expense and depreciation ⁽¹⁾	3,205	1.6%	3,972	1.9%	(767)	(19.3)%
Travel	1,704	0.9%	2,320	1.1%	(616)	(26.6)%
Professional fees	1,460	0.7%	2,137	1.0%	(677)	(31.7)%
Other	2,846	1.4%	2,648	1.3%	198	7.5 %
Total selling and marketing expenses	\$ 48,169	24.2%	\$ 55,552	26.8%	\$ (7,383)	(13.3)%

⁽¹⁾ As discussed in [Footnote 2, Summary of Significant Accounting Policies](#), lease expense and depreciation for the six months ended June 30, 2018 is not comparable to the six months ended June 30, 2019 due to our adoption of ASC 842.

Selling and marketing expenses decreased by \$7.4 million, or 13.3%, for the six months ended June 30, 2019 as compared to the six months ended June 30, 2018. The decrease was primarily the result of a decrease in employee costs, lease expense and depreciation, professional fees and travel.

Employee costs decreased \$5.5 million primarily as a result of a decrease in stock compensation expense and lower headcount. Lease expense and depreciation decreased \$0.8 million primarily as a result of decreased depreciation expense as various assets

reached the end of their depreciable lives and a decrease in lease expense as a result of various lease terminations. Professional fees decreased \$0.7 million primarily due to reduced use of consultants in selling and marketing activities. Travel decreased \$0.6 million as part of our ongoing corporate efforts to increase operational efficiency and reduce costs.

Research and Development

Research and development expenses include new product development costs, consisting primarily of employee costs including 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.

(In thousands)	Three Months Ended June 30,					
	2019	% of Revenue	2018	% of Revenue	\$ Change	% Change
Employee costs	\$ 13,018	13.4%	\$ 17,051	16.8%	\$ (4,033)	(23.7)%
Lease expense and depreciation ⁽¹⁾	1,498	1.5%	1,704	1.7%	(206)	(12.1)%
Technology	1,040	1.1%	1,261	1.2%	(221)	(17.5)%
Professional fees	840	0.9%	429	0.4%	411	95.8 %
Other	487	0.5%	444	0.4%	43	9.7 %
Total research and development expenses	\$ 16,883	17.4%	\$ 20,889	20.6%	\$ (4,006)	(19.2)%

⁽¹⁾ As discussed in [Footnote 2, Summary of Significant Accounting Policies](#), lease expense and depreciation for the three months ended June 30, 2018 is not comparable to the three months ended June 30, 2019 due to our adoption of ASC 842.

Research and development expenses decreased by \$4.0 million, or 19.2%, for the three months ended June 30, 2019 as compared to the three months ended June 30, 2018. The decrease was primarily attributable to a decrease in employee costs due to a decrease in stock compensation expense and lower headcount.

(In thousands)	Six Months Ended June 30,					
	2019	% of Revenue	2018	% of Revenue	\$ Change	% Change
Employee costs	\$ 26,788	13.4%	\$ 31,717	15.3%	\$ (4,929)	(15.5)%
Lease expense and depreciation ⁽¹⁾	3,066	1.5%	3,531	1.7%	(465)	(13.2)%
Professional fees	2,209	1.1%	951	0.5%	1,258	132.3 %
Technology	2,119	1.1%	2,573	1.2%	(454)	(17.6)%
Other	917	0.5%	833	0.4%	84	10.1 %
Total research and development expenses	\$ 35,099	17.6%	\$ 39,605	19.1%	\$ (4,506)	(11.4)%

⁽¹⁾ As discussed in [Footnote 2, Summary of Significant Accounting Policies](#), lease expense and depreciation for the six months ended June 30, 2018 is not comparable to the six months ended June 30, 2019 due to our adoption of ASC 842.

Research and development expenses decreased by \$4.5 million, or 11.4%, for the six months ended June 30, 2019 as compared to the six months ended June 30, 2018. The decrease was primarily attributable to a decrease in employee costs offset by an increase in professional fees. Employee costs decreased \$4.9 million primarily due to a decrease in stock compensation expense and lower headcount. The decrease in expense was offset by an increase in professional fees of \$1.3 million due to an increase in data governance consulting services.

General and Administrative

General and administrative expenses consist primarily of employee costs including salaries, benefits, stock-based compensation and other related costs, and related expenses for executive management, finance, accounting, 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, and expenses incurred for other general corporate purposes.

(In thousands)	Three Months Ended June 30,					
	2019	% of Revenue	2018	% of Revenue	\$ Change	% Change
Employee costs	\$ 8,548	8.8%	\$ 15,764	15.5%	\$ (7,216)	(45.8)%
Professional fees	4,770	4.9%	6,137	6.1%	(1,367)	(22.3)%
Lease expense and depreciation ⁽¹⁾	651	0.7%	1,070	1.1%	(419)	(39.2)%
Transition services agreement	—	—%	2,183	2.2%	(2,183)	(100.0)%
Other	2,963	3.1%	3,545	3.5%	(582)	(16.4)%
Total general and administrative expenses	\$ 16,932	17.5%	\$ 28,699	28.3%	\$ (11,767)	(41.0)%

⁽¹⁾ As discussed in [Footnote 2, Summary of Significant Accounting Policies](#), lease expense and depreciation for the three months ended June 30, 2018 is not comparable to the three months ended June 30, 2019 due to our adoption of ASC 842.

General and administrative expenses decreased by \$11.8 million, or 41.0%, for the three months ended June 30, 2019 as compared to the three months ended June 30, 2018. The decrease was primarily attributable to a decrease in employee costs, transition services agreement costs, and professional fees. Employee costs decreased \$7.2 million primarily due to a decrease in stock compensation expense. Professional fees decreased by \$1.4 million primarily as a result of lower audit and compliance costs, offset by transaction costs associated with the sale of shares of Common Stock and warrants in the Private Placement. Transition services agreement costs decreased \$2.2 million as a result of the completion of the three-year Digital Analytix ("DAX") transition services agreement in January 2019.

(In thousands)	Six Months Ended June 30,					
	2019	% of Revenue	2018	% of Revenue	\$ Change	% Change
Employee costs	\$ 19,809	9.9%	\$ 22,405	10.8%	\$ (2,596)	(11.6)%
Professional fees	9,559	4.8%	11,880	5.7%	(2,321)	(19.5)%
Lease expense and depreciation ⁽¹⁾	1,311	0.7%	2,159	1.0%	(848)	(39.3)%
Transition services agreement	667	0.3%	4,848	2.3%	(4,181)	(86.2)%
Other	5,131	2.6%	6,068	2.9%	(937)	(15.4)%
Total general and administrative expenses	\$ 36,477	18.3%	\$ 47,360	22.8%	\$ (10,883)	(23.0)%

⁽¹⁾ As discussed in [Footnote 2, Summary of Significant Accounting Policies](#), lease expense and depreciation for the six months ended June 30, 2018 is not comparable to the six months ended June 30, 2019 due to our adoption of ASC 842.

General and administrative expenses decreased by \$10.9 million, or 23.0%, for the six months ended June 30, 2019 as compared to the six months ended June 30, 2018. The decrease was primarily attributable to a decrease in transition services agreement costs, employee costs, professional fees, and lease expense and depreciation. Transition services agreement costs decreased \$4.2 million as a result of the completion of the three-year DAX transition services agreement in January 2019. Professional fees decreased by \$2.3 million primarily as a result of lower audit and compliance costs, offset by transaction costs associated with the sale of shares of Common Stock and warrants in the Private Placement. Employee costs decreased \$2.6 million primarily due to a decrease in stock compensation expense, offset by an increase of \$3.3 million in severance expense related to the departure of our CEO and President in March 2019. Lease expense and depreciation decreased \$0.8 million as a result of decreased depreciation expense as various assets reached the end of their depreciable lives and a decrease in lease expense as a result of various lease terminations and executed sublease agreements.

Investigation and Audit Related

Investigation and audit related expenses were \$2.4 million and \$4.9 million for the three months ended June 30, 2019 and 2018, respectively, and \$3.2 million and \$36.8 million for the six months ended June 30, 2019 and 2018, respectively. The decrease in investigation and audit related expenses in 2019 as compared to 2018 is due to the conclusion of the Audit Committee investigation and multi-year audit in 2018. We will continue to incur legal fees until the conclusion of the SEC investigation regarding the Company and prior Company management.

Settlement of Litigation, Net

Settlement of litigation, net, consists of losses (or expected losses) from the settlement of various litigation matters. The net settlement of litigation expense for the three and six months ended June 30, 2019 relates to our estimate of the Company's probable liability in connection with the SEC investigation. The net settlement of litigation expense for the three and six months ended June 30, 2018 primarily relates to the settlement and final resolution of the federal securities class action and the derivative actions.

Organizational Restructuring

In 2017, we implemented a reduction in force plan that resulted in the termination of approximately 10% of our workforce. That plan was complete as of December 31, 2018.

During 2018, our Board of Directors authorized management to implement further reductions in headcount (less than 10%) and rationalize our portfolio of leased properties, which resulted in the termination of one operating lease, the extension of the lease related to our headquarters, and the sublease of office space in various locations. In connection with the 2018 restructuring plans, we expect to incur total exit-related costs of up to \$13.0 million, including \$10.3 million that was recorded in 2018. The remaining expense is expected to be recognized through the remainder of 2019 primarily as stock-based compensation.

In the second quarter of 2019, our Board of Directors authorized management to implement an additional reduction in force plan. The reduction in force was implemented in order to reduce costs and better align resources with business priorities. In connection with the 2019 restructuring plan, we expect to incur total exit-related costs of up to \$4.0 million, including \$3.3 million that was recorded in the second quarter of 2019. The remaining expense is expected to be recognized during the third quarter of 2019.

We recognized restructuring expense of \$2.9 million during the three months ended June 30, 2019, compared with \$3.8 million during the three months ended June 30, 2018. We recognized restructuring expense of \$2.9 million during the six months ended June 30, 2019, compared with \$5.1 million during the six months ended June 30, 2018.

Impairment of Goodwill and Intangible Asset

In the second quarter of 2019, as a result of a sustained decline in our stock price and market capitalization, changes in management, and lower revenue, among other factors, we performed an interim impairment review of our goodwill and long-lived assets. Our reporting unit did not pass the goodwill impairment test, and as a result we recorded a \$224.3 million impairment charge in the second quarter.

We also recorded a \$17.3 million impairment charge related to our 2015 strategic alliance (the "strategic alliance") intangible asset. Changes in our projected revenue in certain non-U.S. geographic markets due to the changing international competitive landscape as well as significant reductions in international staffing during the quarter, resulted in a change in our long-term view of the viability of the intangible asset. As such, our assessment yielded that the benefit of the alliance would not be realized. The fair value of the strategic alliance intangible asset was estimated using an income approach, resulting in an impairment charge for the full carrying value of the long-lived asset of \$17.3 million. While this is a non-cash charge, it is expected to reduce amortization expense by \$3.0 million on an annualized basis.

For further information refer to [Footnote 4](#), *Goodwill and Intangible Assets* and [Item 2](#), *Critical Accounting Policies*.

Interest Expense, Net

Interest expense, net consists of interest income and interest expense. Interest income consists of interest earned from our cash and cash equivalent balances and imputed interest on our minimum commitment agreements with WPP plc and its affiliates. Interest expense relates to interest on our senior secured convertible notes ("Notes") and our finance leases of computer equipment and automobiles.

During the three months ended June 30, 2019 and 2018, we incurred interest expense, net of \$8.2 million and \$4.1 million, respectively, and \$15.0 million and \$7.0 million during the six months ended June 30, 2019 and 2018, respectively. The increase in interest expense, net was primarily driven by the increase in the interest rate on our Notes from 6.0% to 12.0% in January 2019. For more information regarding the change in interest rate, refer to [Footnote 5](#), *Long-term Debt*.

Other (Expense) Income, Net

Other (expense) income, net represents income and expenses incurred that are generally not part of our regular operations.

Transition services agreement income represents Adobe Inc.'s reimbursement of costs incurred under the DAX transition services agreement and is offset as expense in general and administrative expenses. Reimbursement under the transition services agreement ended in January 2019.

The following is a summary of other (expense) income, net:

<i>(In thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Change in fair value of financing derivatives	\$ (3,000)	\$ (2,280)	\$ 1,100	\$ (4,460)
Change in fair value of investment in equity securities	(304)	714	(2,016)	265
Transition services agreement income	—	2,182	534	4,847
Other	223	191	270	232
Total other (expense) income, net	\$ (3,081)	\$ 807	\$ (112)	\$ 884

Other (expense) income, net for the three and six months ended June 30, 2019 was driven primarily by the change in fair value of our financing derivatives, offset by a decrease in the DAX transition services agreement as well as a further decline in the fair value of our investment in equity securities, due to a decline in the investment's stock price. Other (expense) income, net for the three and six months ended June 30, 2018 primarily relates to activity under the DAX transition services agreement, in addition to the changes in fair value of our financing derivatives and equity securities investment.

(Loss) 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. For the three and six months ended June 30, 2019, the loss from foreign currency transactions was \$0.5 million and \$0.4 million, respectively. The losses were primarily driven by fluctuations in the Chilean Peso against the U.S. Dollar, Euro, and Brazilian Real exchange rates and the U.S. Dollar against the Euro and Canadian Dollar exchange rates. For the three and six months ended June 30, 2018, the gain from foreign currency transactions was \$1.0 million and \$0.1 million, respectively. The gains were primarily driven by fluctuations in the U.S. Dollar to Euro and Chilean Peso exchange rates.

Provision for Income Taxes

A valuation allowance has been established against our net U.S. federal and state deferred tax assets, including net operating loss carryforwards. As a result, our income tax position is primarily related to foreign tax activity.

During the three and six months ended June 30, 2019, we recorded an income tax benefit of \$4.5 million and \$3.3 million, resulting in an effective tax rate of 1.6% and 1.1%, respectively. A deferred income tax benefit of \$5.0 million related to the impairment of goodwill is included in these amounts. During the three and six months ended June 30, 2018, we recorded an income tax provision of \$2.1 million and \$3.5 million, resulting in an effective tax rate of 3.9% and 3.4%, respectively. These effective tax rates differ from the U.S. federal statutory rate primarily due to the effects of foreign tax rate differences, U.S. state legislative changes and changes in the valuation allowance against our domestic deferred tax assets.

Recent Accounting Pronouncements

For a discussion of recent accounting pronouncements, refer to [Footnote 2, Summary of Significant Accounting Policies](#).

Non-GAAP Financial Measures

To provide investors with additional information regarding our financial results, and to comply with a covenant under our Notes (described below), we are disclosing herein Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") and non-GAAP net loss, each of which are non-GAAP financial measures used by our management to understand and evaluate our core operating performance and trends. We believe that these non-GAAP financial measures provide useful information to investors and others in understanding and evaluating our operating results, as they permit our investors to view our core business performance using the same metrics that management uses to evaluate our performance.

EBITDA is defined as GAAP net income (loss) plus or minus interest, taxes, depreciation and amortization of intangible assets and finance leases. We define Adjusted EBITDA as EBITDA plus or minus stock-based compensation expense as well as other items and amounts that we view as not indicative of our core operating performance, specifically: charges for matters relating to the Audit Committee investigation, such as litigation and investigation-related costs, costs associated with tax projects, audits, consulting and other professional fees; other legal proceedings specified in the Notes; settlement of certain litigation; restructuring expense; transaction costs related to the issuance of equity securities; non-cash impairment charges; and non-cash changes in the fair value of financing derivatives and investments in equity securities.

We define non-GAAP net loss as GAAP net income (loss) plus or minus stock-based compensation expense and amortization of intangible assets, as well as other items and amounts that we view as not indicative of our core operating performance,

specifically: charges for matters relating to the Audit Committee investigation, such as litigation and investigation-related costs, costs associated with tax projects, audits, consulting and other professional fees; other legal proceedings specified in the Notes; settlement of certain litigation; restructuring expense; transaction costs related to the issuance of equity securities; non-cash impairment charges; and non-cash changes in the fair value of financing derivatives and investments in equity securities. We changed our definition of non-GAAP net loss in 2018 to adjust for amortization of intangible assets, a change that is intended to better reflect our core operating performance.

Our use of these non-GAAP financial measures has limitations as an analytical tool, and investors should not consider these measures in isolation or as a substitute for analysis of our results as reported under GAAP. The limitations of such non-GAAP measures include the following:

- Adjusted EBITDA does not reflect tax or interest payments that represent a reduction in cash available to us (or, in the case of interest paid in Common Stock, that represent additional dilution to our existing stockholders);
- Depreciation and amortization are non-cash charges and the assets being depreciated may have to be replaced in the future. Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA and non-GAAP net loss do not reflect cash payments relating to fees incurred in connection with issuance of equity securities, restructuring, litigation and the Audit Committee investigation, such as litigation and investigation-related costs, costs associated with tax projects, audits and other professional, consulting or other fees incurred in connection with our prior-year audits and certain legal proceedings, all of which represent a reduction in cash available to us;
- Adjusted EBITDA and non-GAAP net loss do not consider the impact of stock-based compensation and similar arrangements that represent dilution to our existing stockholders;
- Adjusted EBITDA and non-GAAP net loss do not consider impairment of goodwill and long-lived assets, which represents a decline in the value of our assets;
- Adjusted EBITDA and non-GAAP net loss do not consider possible cash gains or losses related to our financing derivatives or investment in equity securities; and
- Other companies, including companies in our industry, may calculate any of these non-GAAP financial measures differently, which reduces their usefulness as comparative measures.

Because of these and other limitations, you should consider Adjusted EBITDA and non-GAAP net loss alongside GAAP-based financial performance measures, including GAAP revenue and various cash flow metrics, net income (loss) and our other GAAP financial results. Management addresses the inherent limitations associated with using non-GAAP financial measures through disclosure of such limitations, presentation of our financial statements in accordance with GAAP and a reconciliation of Adjusted EBITDA and non-GAAP net loss to the most directly comparable GAAP measure, net income (loss).

Under our Notes, we are required to disclose Consolidated EBITDA, a non-GAAP financial measure, on a quarterly basis. Consolidated EBITDA, as defined for purposes of the Notes, was the same as Adjusted EBITDA as presented below.

The following table presents a reconciliation of net loss (GAAP) to Adjusted EBITDA for each of the periods identified:

(In thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net loss (GAAP)	\$ (279,533)	\$ (55,977)	\$ (307,047)	\$ (107,427)
Income tax (benefit) provision	(4,463)	2,101	(3,292)	3,516
Interest expense, net	8,242	4,124	15,001	7,029
Depreciation	3,005	4,276	6,111	8,839
Amortization expense of finance leases	787	—	1,361	—
Amortization of intangible assets	8,076	8,266	16,181	16,810
EBITDA	(263,886)	(37,210)	(271,685)	(71,233)
Adjustments:				
Stock-based compensation	4,304	22,999	11,257	24,880
Investigation and audit related	2,354	4,883	3,196	36,750
Settlement of litigation, net	5,000	5,250	5,000	5,250
Restructuring	2,949	3,833	2,879	5,090
Impairment of goodwill	224,272	—	224,272	—
Impairment of intangible asset	17,308	—	17,308	—
Private placement issuance cost	1,154	—	1,154	—
Other expense, net ⁽¹⁾	3,304	1,506	916	4,135
Adjusted EBITDA	\$ (3,241)	\$ 1,261	\$ (5,703)	\$ 4,872

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

The following table presents a reconciliation of net loss (GAAP) to non-GAAP net loss for each of the periods identified:

(In thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net loss (GAAP)	\$ (279,533)	\$ (55,977)	\$ (307,047)	\$ (107,427)
Adjustments:				
Stock-based compensation	4,304	22,999	11,257	24,880
Investigation and audit related	2,354	4,883	3,196	36,750
Amortization of intangible assets ⁽¹⁾	8,076	8,266	16,181	16,810
Settlement of litigation, net	5,000	5,250	5,000	5,250
Restructuring	2,949	3,833	2,879	5,090
Impairment of goodwill	224,272	—	224,272	—
Impairment of intangible asset	17,308	—	17,308	—
Private placement issuance cost	1,154	—	1,154	—
Other expense, net ⁽²⁾	3,304	1,506	916	4,135
Non-GAAP net loss	\$ (10,812)	\$ (9,240)	\$ (24,884)	\$ (14,512)

⁽¹⁾ In the fourth quarter of 2018, amortization of intangible assets was added as an adjustment in our calculation of non-GAAP net loss. Prior year non-GAAP net loss has been recast to include this adjustment, which is intended to better reflect our core operating performance.

⁽²⁾ Adjustments to other expense, net, reflect non-cash changes in the fair value of financing derivatives and equity securities investment included in other (expense) income, net on our Condensed Consolidated Statements of Operations and Comprehensive Loss.

Liquidity and Capital Resources

The following table summarizes our cash flows:

<i>(In thousands)</i>	Six Months Ended June 30,	
	2019	2018
Net cash used in operating activities	\$ (10,704)	\$ (74,369)
Net cash used in investing activities	(6,807)	(6,515)
Net cash provided by financing activities	21,048	90,083
Effect of exchange rate changes on cash, cash equivalents and restricted cash	91	(1,136)
Net increase in cash, cash equivalents and restricted cash	3,628	8,063

Our principal uses of cash historically consisted of cash paid for payroll and other operating expenses, 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, and service of our debt and lease facilities. We have incurred significant professional fees primarily consisting of legal, forensic accounting and related advisory services as a result of our Audit Committee's investigation and subsequent audit and compliance efforts relating to the filing of our Annual Report on [Form 10-K](#) for the year ended December 31, 2017, or 2017 10-K.

As of June 30, 2019, our principal sources of liquidity consisted of cash, cash equivalents and restricted cash totaling \$53.8 million, including \$4.9 million in restricted cash.

Our principal sources of liquidity have historically been our cash and cash equivalents, as well as cash flow generated from our operations. Our recent operating losses, including the significant costs associated with the investigation and completing the audit of our prior years' consolidated financial statements, resulted in a need to secure long-term financing. In 2018, we entered into agreements with funds affiliated with or managed by Starboard Value LP (collectively, "Starboard"), pursuant to which we issued and sold to Starboard a total of \$204.0 million in Notes as well as warrants to purchase shares of our common stock, par value \$0.001 per share (the "Common Stock") in exchange for \$100.0 million in cash and 4,000,000 shares of Common Stock. See "Issuance and Sale of Senior Secured Convertible Notes and Warrants" below.

Prior to April 2019, we paid our quarterly accrued interest liability on the Notes in cash. In April 2019 and July 2019, we paid our quarterly accrued interest liability on the Notes through the issuance of Common Stock.

In June 2019, in order to increase our liquidity and maintain compliance with the minimum cash balance covenant in the Notes described below, we issued 2,728,513 shares of our Common Stock and four series of warrants in a private placement to CVI Investments, Inc. ("CVI") in exchange for gross cash proceeds of \$20.0 million. See "Issuance and Sale of Common Stock and Warrants" below.

Our liquidity could be negatively affected by a decrease in demand for our products and services or additional losses from operations, including ongoing costs relating to compliance and legal proceedings and management changes, as well as payment of expenses incurred in prior periods in addition to current-period expenses. Our liquidity could also be negatively affected by the interest rate reset feature of the Notes, which increased the interest rate for the Notes from 6.0% to 12.0%, effective January 30, 2019 through January 30, 2020. For additional information on the interest rate reset feature, refer to [Item 3, Quantitative and Qualitative Disclosures About Market Risk](#). Finally, our liquidity could be significantly affected if we are unable to maintain compliance with the affirmative and negative covenants in our Notes, including the minimum cash balance requirement described below. If we fail to comply with our covenants, we could be required to redeem the Notes at a premium. The source of funds for any such redemption would be our available cash or, possibly, other financing. Based on our current plans, including actions within management's control, we do not anticipate a breach of these covenants that would result in an event of default under the Notes; however, any such breach could have a material impact on our liquidity.

We continue to be focused on maintaining flexibility in terms of sources, amounts, and the timing of any potential financing transaction, in order to best position the company for future success. We believe that our sources of funding, after taking into account the financing transactions described below and the restructuring actions described in [Footnote 13, Organizational Restructuring](#), will be sufficient to satisfy our currently anticipated requirements for at least the next 12 months. However, we cannot predict with certainty the outcome of our actions to generate liquidity, including the availability of additional financing.

Restricted Cash

Restricted cash represents our requirement to collateralize outstanding letters of credit and lines of credit related to certain of our corporate credit card programs, as well as certain international treasury exposure. As of June 30, 2019 and December 31, 2018, we had \$4.9 million and \$6.1 million of restricted cash, respectively. The decrease was due to the release of collateralized cash for international payroll processing.

Letters of Credit

On June 1, 2018, we entered into a Security Agreement with Wells Fargo Bank, N.A. to issue standby letters of credit on our behalf. As of June 30, 2019, \$3.5 million in letters of credit are outstanding and are cash collateralized under the Security Agreement with Wells Fargo Bank, N.A.

Sale-Leaseback Financing Transaction

In June 2019, we entered into an arrangement with a vendor to sell and lease back certain previously acquired computer and other equipment. The arrangement, which resulted in cash proceeds of \$4.3 million to us in June 2019, requires lease payments over a 24-month term for total consideration of \$4.8 million, with control of the equipment transferring to the vendor at the end of the lease term.

Issuance and 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"). The warrants are exercisable at various prices and, in certain circumstances, could result in an additional \$30.0 million in proceeds within 12 months. Pursuant to the Private Placement, which closed on June 26, 2019, we agreed to a 105-day lockup period related to any future offering of equity or equity-linked securities and also agreed to provide CVI with registration rights. For additional information on the Private Placement, refer to [Footnote 11](#), *Stockholders' Equity*.

Issuance and Sale of Senior Secured Convertible Notes and Warrants

On January 16, 2018, we entered into certain agreements with Starboard, pursuant to which we issued and sold to Starboard \$150.0 million in Notes in exchange for \$85.0 million in cash and 2,600,000 shares of Common Stock. We also agreed to issue to Starboard warrants to purchase 250,000 shares of Common Stock at a price of \$0.01 per share, as adjusted pursuant to the terms of the warrants. The warrants were issued on October 12, 2018 and exercised in full on April 3, 2019 for 323,448 shares of Common Stock. On May 17, 2018, we issued and sold to Starboard \$50.0 million of Notes in exchange for \$15.0 million in cash and 1,400,000 shares of Common Stock. Later in 2018 we issued an aggregate of \$4.0 million in Notes to Starboard, bringing the total balance of the Notes as of June 30, 2019 to \$204.0 million.

The Notes contain certain affirmative and restrictive covenants with which we must comply, including (i) covenants with respect to limitations on additional indebtedness, (ii) limitations on liens, (iii) limitations on certain payments, (iv) maintenance of certain minimum cash balances (set at \$40.0 million beginning on the date we file our Form 10-Q for the quarterly period ended June 30, 2019) and (v) the timely filing of certain disclosures with the SEC. We are in compliance with the Notes covenants as of June 30, 2019. As discussed above, any breach of these covenants could have a significant negative effect on our liquidity.

For additional information on the Notes, refer to [Footnote 5](#), *Long-term Debt*.

Operating Activities

Our primary source of cash provided by operating activities is revenues generated from sales of our Ratings and Planning, Analytics and Optimization, and Movies Reporting and Analytics 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. We have also incurred significant professional fees relating to the Audit Committee's investigation, subsequent audit and compliance efforts, management changes, and various legal proceedings.

Cash used in 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, impairment of goodwill and intangible asset, stock-based compensation, deferred tax (benefit) provision, change in the fair value of financing derivatives and equity securities, accretion of debt discount, and amortization of deferred financing costs.

Net cash used in operating activities for the six months ended June 30, 2019 was \$10.7 million compared to net cash used of \$74.4 million for the six months ended June 30, 2018. The decrease in cash used in operating activities during the six months ended June 30, 2019 as compared to the six months ended June 30, 2018 was primarily attributable to an increase in the year-to-date net losses of \$199.6 million, offset by a shift in changes in operating assets and liabilities from a net increase of \$16.9 million for the six months ended June 30, 2019 as compared to a net decrease of \$27.1 million for the six months ended June 30, 2018, a decrease in stock-based compensation expense recognized of \$13.9 million, a decrease in depreciation expense, and a change from a deferred tax provision to a deferred tax benefit.

During the three months ended June 30, 2019, our working capital was negatively impacted by an increase in accounts payable of \$2.1 million and an increase in accrued liabilities of \$12.7 million over the previous quarter (ended March 31, 2019), due in

part to delayed payment of certain expenses incurred in the ordinary course of business. During the three months ended June 30, 2019, we took certain steps, including delayed payment of expenses, in order to maximize our flexibility and plan for potential liquidity needs prior to closing the Private Placement on June 26, 2019.

Investing Activities

Cash used in investing activities primarily consists of payments related to purchases of computer and network equipment to support our technical infrastructure, furniture and equipment, and capitalized internal-use software costs. 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.

Net cash used in investing activities for the six months ended June 30, 2019 was \$6.8 million compared to net cash used in investing activities of \$6.5 million for the six months ended June 30, 2018. This increase in cash used in investing activities was mainly attributable to increased costs of \$0.4 million to develop internal-use software and a \$0.6 million increase in purchases of property and equipment primarily related to leasehold improvements in our headquarters office in Reston, Virginia, a portion of which has been reimbursed by our landlord. Cash used in investing activities was offset by \$0.7 million in cash received from the sale of a portion of our investment in equity securities.

Financing Activities

Net cash provided by financing activities during the six months ended June 30, 2019 was \$21.0 million compared to net cash provided by financing activities of \$90.1 million during the six months ended June 30, 2018. The change was largely due to gross cash proceeds of \$100.0 million from the 2018 issuance of Notes, as well as a \$4.7 million decrease in proceeds from our subscription receivables (as the associated contracts ended in 2018), offset by \$20.0 million in gross proceeds from the sale of shares of Common Stock and warrants in the Private Placement, \$4.3 million in proceeds from the sale-leaseback transaction described above, a decrease in payment of debt issuance costs of \$5.1 million, a decrease in principal payments on finance lease and software license arrangements, and a decrease in tax payments related to net share settlement of equity awards.

Contractual Payment Obligations

We are subject to certain contractual arrangements that are long-term in nature.

In the second quarter of 2019, we entered into a \$4.4 million equipment lease and also executed a sale-leaseback transaction. See [Footnote 10, Leases](#) for more details regarding our lease portfolio and [Footnote 5, Long-term Debt](#) for more information on the sale-leaseback transaction.

The information set forth below summarizes our contractual obligations as of June 30, 2019 that are fixed and determinable.

<i>(In thousands)</i>	Total	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
Operating lease obligations	\$ 81,722	\$ 13,021	\$ 23,677	\$ 18,050	\$ 26,974
Finance lease obligations	5,805	2,398	3,324	83	—
Software license arrangements	1,096	633	463	—	—
Sale-leaseback financing transaction	4,775	2,239	2,536	—	—
Long-term debt obligations	204,000	—	204,000	—	—
Unconditional purchase obligations with MVPDs	122,268	40,190	54,119	27,959	—
Other purchase obligations	706	706	—	—	—
Total	\$ 420,372	\$ 59,187	\$ 288,119	\$ 46,092	\$ 26,974

Future Capital Requirements

Our ability to generate cash is subject to our performance, general economic conditions, industry trends and other factors, including expenses from ongoing compliance efforts and related to various legal proceedings, as well as trade payables and service of our debt and lease facilities. To the extent that our existing cash, cash equivalents and operating cash flow, together with any proceeds from the exercise of warrants sold in the Private Placement, are insufficient to fund our future activities and requirements, we may need to raise additional funds through public or private equity or debt financing. If we issue additional equity securities in order to raise additional funds or pay interest on the Notes, further dilution to existing stockholders may occur.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements (as defined in Item 303 of Regulation S-K) other than certain purchase obligations with MVPDs, which are disclosed in the Contractual Payment Obligations table above.

Critical Accounting Policies

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. Actual results may differ from these estimates.

Our critical accounting policies are those that are both material to the presentation of our financial condition and results of operations and require management's most subjective and complex judgments. Other than our accounting policies related to the accounting for warrants and the impairment charges recorded for goodwill and long-lived assets, there have been no material changes to our critical accounting policies and estimates as compared to the critical accounting policies and estimates disclosed in our [2018 10-K](#).

Accounting for Warrants

During the second quarter of 2019, we issued warrants which were determined to be freestanding financial instruments that qualify for liability treatment as a result of a net cash settlement feature associated with a cap on the issuance of shares under certain circumstances. Changes in the fair value of these instruments are immediately recorded in other (expense) income, net in the Condensed Consolidated Statements of Operations and Comprehensive Loss.

The fair value of the warrants is determined using a Monte Carlo simulation analysis within an option pricing model. The fair value estimate is determined using an estimate for the Company's credit rating, probability of change of control, dividend yield, risk-free rate, remaining term of the warrants and volatility. The valuation is derived from techniques which utilize unobservable Level 3 inputs.

The fair value of the warrants is estimated using forward projections of stock issuances with relative certainty and estimated cash payments at each exercise date discounted back to the valuation date with the remaining term of the related warrant. The primary sensitivity in the valuation of each warrant liability is driven by our Common Stock price at the measurement date and the observable volatility of the Common Stock.

Refer to [Footnote 11](#), *Stockholders' Equity* for the significant unobservable inputs used to determine the fair value of the warrants as of June 30, 2019.

Impairment of Long-Lived Assets

Our long-lived assets consist of property and equipment and finite-lived intangible assets. We evaluate our long-lived assets for impairment whenever events or changes in circumstances indicate the carrying value of such assets may not be recoverable. If an indication of impairment is present, we compare the estimated undiscounted future cash flows to be generated by the asset group to its carrying amount. Recoverability measurement and estimation of undiscounted cash flows are grouped at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. If the undiscounted future cash flows are less than the carrying amount of the asset group, we record an impairment loss equal to the excess of the asset group's carrying amount over its fair value. The fair value is determined based on valuation techniques such as a comparison to fair values of similar assets or using a discounted cash flow analysis.

During the second quarter of 2019, we evaluated our strategic alliance asset group for recoverability. Our assessment considered the changes in our projected revenue in certain non-U.S. geographic markets due to the changing international competitive landscape as well as significant reductions in international staffing during the quarter, which resulted in a change in our long-term view of the viability of the intangible asset. As such, our analysis yielded that the benefit of the strategic alliance would not be realized and the related investment would not be recoverable. The fair value of the strategic alliance intangible asset was estimated using the income approach, resulting in a non-cash impairment charge for the full carrying value of the asset. Consequently, we recorded a \$17.3 million impairment charge during the three months and six months ended June 30, 2019 in our Condensed Consolidated Statements of Operations and Comprehensive Loss.

Although we believe that the carrying values of our long-lived assets are appropriately stated, changes in strategy or market conditions, significant technological developments or significant changes in legal or regulatory factors could significantly impact these judgments and require future adjustments to recorded asset balances.

Goodwill

Goodwill is evaluated for impairment at least annually, as of October 1, by comparing the fair value of a reporting unit with its carrying value. We recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; limited to the total amount of goodwill allocated to that reporting unit. Additionally, we consider income tax effects from any tax-deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment loss.

We have one reporting unit. As such, we perform the impairment assessment for goodwill 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 the carrying value. We initially assess qualitative factors to determine if it is necessary to perform the goodwill impairment review. We review the goodwill for impairment if, based on our assessment of the qualitative factors, we determine that it is more likely than not that the fair value of the reporting unit is less than the carrying value, or if we decide to bypass the qualitative assessment. We monitor for events and circumstances that could negatively impact the key assumptions used in determining fair value, including long-term revenue growth projections, profitability, discount rates, volatility in our market capitalization, and general industry, market and macro-economic conditions.

As of June 30, 2019, we concluded that it was more likely than not that the estimated fair value of our reporting unit was less than its carrying value. As such, further analysis was required. In our assessment, we considered a sustained decline of our stock price during the three months ended June 30, 2019 and the related market capitalization as of the valuation date both in absolute terms and relative to our peers. Other relevant factors such as the resignation of members of our senior management team, lower revenue and continued negative operating cash flows were considered. Accordingly, we performed an interim quantitative goodwill impairment test as of June 30, 2019, relying in part on the work of an independent valuation firm engaged by us to provide inputs as to the fair value of the reporting unit and to assist in the related calculations and analysis.

We used a discounted cash flow model to determine the estimated fair value of the reporting unit. We made estimates and assumptions, including expectations of future cash flows, growth rates, tax rates, and discount rates, in developing the present value of projected cash flows. Cash flow forecasts are generally based on operating plans for upcoming years and historical relationships in subsequent years. The following assumptions are significant to our discounted cash flow analysis:

Projected Financial Performance: Expected future cash flows and growth rates are based upon assumptions of our future revenue growth and operating costs. Actual results of operations and cash flows will likely differ from those utilized in our discounted cash flow analysis, and it is possible that those differences could be material. We monitor 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 our market capitalization, and general industry, micro and macro-economic conditions.

Long-term growth rate: The long-term growth rate represents the rate at which our single reporting unit's earnings are expected to grow or losses to decrease. Our assumed long-term growth rate was based on projected long-term inflation and gross domestic product growth estimates for the countries in which we operate and a long-term growth estimate for our business and the industry in which we operate.

Discount rate: Our reporting unit's future cash flows are discounted at a rate that is consistent with our weighted-average cost of capital that is likely to be utilized by market participants. The weighted-average cost of capital is our estimate of the overall returns required by both debt and equity investors, weighted by their respective contributions of capital.

In addition, we used a market-based approach to estimate the value of our reporting unit. The market value is estimated by comparing the reporting unit to other publicly-traded companies and/or to publicly-disclosed business mergers and acquisitions in similar lines of business. The value of the reporting unit is based on pricing multiples of certain financial parameters observed in the comparable companies. We also made estimates and assumptions for market values to determine the reporting unit's estimated fair value.

Goodwill allocated to our single reporting unit immediately prior to the June 30, 2019 interim impairment test was \$641.0 million. The results of the interim impairment test indicated that the carrying value of our reporting unit exceeded the fair value by \$224.3 million. The decrease in our reporting unit's fair value was primarily due to current and estimated short-term future performance, which impacted the estimated operating cash flows, and a higher discount rate mainly due to an increase in the company-specific risk premium. Accordingly, we recorded an impairment charge of \$224.3 million for the three months and six months ended June 30, 2019 in our Condensed Consolidated Statements of Operations and Comprehensive Loss.

It is possible that future changes in our circumstances, or in the variables associated with the judgments, assumptions and estimates used in assessing the fair value of our reporting unit, could require us to record additional non-cash impairment charges in the future.

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 are subject to interest rate risk in connection with the Notes, and we hold derivative financial instruments and have outstanding warrants that are subject to market risk. We also have foreign currency exchange rate risk from our global operations, although we do not believe this risk to be significant. Finally, during the three and six months ended June 30, 2019, we held equity securities that were subject to market risk. Except as set forth below, there have been no material changes in our exposure to market risk during the three and six months ended June 30, 2019 as compared to our market risk disclosures set forth in [Item 7A](#), "Quantitative and Qualitative Disclosures About Market Risk" within the 2018 10-K.

Interest rate risk

As a result of having \$204.0 million aggregate principal amount of Notes outstanding, which are convertible into shares of Common Stock at a conversion price of \$31.29 per share (the "Conversion Price"), we are subject to interest rate risk. As of June 30, 2019, the interest rate on the Notes was 12.0% per year. The interest rate resets at each of January 30, 2020 and February 1, 2021 (each an "Interest Reset Date") based on the then-applicable Conversion Premium which is calculated by dividing the Conversion Price by the arithmetic average of the volume-weighted average trading prices of our Common Stock on each of the ten consecutive trading days immediately preceding the applicable Interest Reset Date (the "VWAP"). The interest rate is then determined in accordance with the table below, which includes theoretical VWAP calculations:

If the Conversion Premium (as of the applicable Interest Reset Date) is:	Implied VWAP	Then the Interest Rate from the applicable Interest Reset Date until the next subsequent Interest Reset Date shall be:
1.0 or less	\$31.29 or higher	4.0%
1.05	\$29.80	4.3%
1.10	\$28.45	4.7%
1.15	\$27.21	5.0%
1.20	\$26.08	5.3%
1.25	\$25.03	5.7%
1.30	\$24.07	6.0%
1.35	\$23.18	8.0%
1.40	\$22.35	10.0%
1.45 or higher	\$21.58 or less	12.0%

If the Conversion Premium is between two Conversion Premium amounts in the table above, the interest rate is determined by straight-line interpolation between the interest rates for the higher and lower Conversion Premium amounts.

As of June 30, 2019, the VWAP of our Common Stock for the immediately preceding ten consecutive trading days was \$7.15, which would equate to a 4.38 Conversion Premium and, accordingly, would not result in a change to the current 12.0% annual interest rate on the outstanding Notes if June 30, 2019 were an Interest Reset Date. As discussed in [Footnote 5](#), *Long-term Debt*, we have the ability, subject to certain conditions, to pay interest on the Notes through the issuance of PIK Interest Shares, and we elected to do so for the interest payments made on April 1, 2019 and July 1, 2019.

Warrants liability financial instrument risk

As a result of having \$10.8 million in liability related to outstanding warrants as of June 30, 2019, which warrants are exercisable for shares of Common Stock under certain conditions, we are subject to market risk. The value of each warrant, and the number of shares potentially issuable under certain warrants, is impacted by changes in the market price of our Common Stock. As of June 30, 2019, a 10% increase in our stock price would result in a \$0.1 million decrease in the fair value of the warrants and a 118,936 decrease in potential issuable shares under the warrants, while a 10% decrease in our stock price would result in a \$0.2 million increase in the fair value of the warrants and a 198,522 increase in potential issuable shares under the warrants, in each case on an aggregate basis.

For further information regarding our outstanding warrants, see [Footnote 11](#), *Stockholders' Equity*.

Interest rate reset derivative financial instrument, equity price risk, and foreign currency risk

For discussion of market risk associated with our interest rate reset derivative financial instrument, equity price risk, and foreign currency risk, refer to [Item 7A](#), "Quantitative and Qualitative Disclosures About Market Risk" in the 2018 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 June 30, 2019. Based on this evaluation, our principal executive officer and principal financial officer concluded that as of June 30, 2019, these disclosure controls and procedures were not 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, due to the existence of an unremediated material weakness in our internal control over financial reporting, which is described in [Item 9A](#), "Controls and Procedures" of our 2018 10-K.

Notwithstanding the identified material weakness, management believes that the Condensed Consolidated Financial Statements and related financial information included in this 10-Q fairly present in all material respects our financial condition, results of operations and cash flows as of and for the periods presented. Management's belief is based on a number of factors, including the remediation actions described below.

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 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. Other than as disclosed under "Remediation Efforts to Address Material Weakness in Internal Control over Financial Reporting" below, 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.

Remediation Efforts to Address Material Weakness in Internal Control Over Financial Reporting

As discussed in [Item 9A](#), "Controls and Procedures" of the 2018 10-K, we identified an unremediated material weakness in the area of revenue accounting as of December 31, 2018. Prior to December 31, 2018, we designed and implemented new controls to compensate for the complexity of our accounting for revenue contracts and our dependence on manual processes. Due to the timing of the design and implementation of these controls during the fourth quarter of 2018, however, there was insufficient time to consistently execute against their design as of December 31, 2018. During the second quarter of 2019, we continued to enhance and execute revenue controls related to evidence of product or service delivery in revenue accounting. We will continue to evaluate the results of our control assessments and testing procedures to determine whether the new controls have been designed appropriately and are operating effectively, and whether the material weakness has been remediated. We expect that our remediation efforts will continue through 2019, with the goal to fully remediate the material weakness during 2019.

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 2019 or future periods.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a discussion of material legal proceedings in which we are involved, please refer to [Footnote 12](#), *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 below, in [Item 1A](#) "Risk Factors" of our 2018 10-K and in [Item 1A](#) "Risk Factors" of our report on Form 10-Q for the period ended March 31, 2019 (the "Q1 2019 10-Q") before you decide whether to invest in our Common Stock. The risks identified below and in our 2018 10-K and Q1 2019 10-Q 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 2018 10-K and Q1 2019 10-Q 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.

We are currently subject to an SEC investigation, the resolution of which could require significant management time and attention, result in significant legal expenses, and result in government enforcement actions or findings, any of which could have a material and adverse impact on our results of operations, financial condition, liquidity and cash flows.

As previously disclosed, the SEC is investigating allegations with respect to the Company regarding revenue recognition, internal controls, non-GAAP disclosures, tone at the top and whistleblower retaliation. We continue to cooperate fully with the SEC. To date, we have incurred significant costs in connection with the SEC investigation, and we expect these costs to continue until the matter is fully resolved. Any related legal proceedings, if decided adversely to us, could result in significant monetary damages, penalties, findings and reputational harm, as well as significant defense and other costs. As of June 30, 2019, we have accrued a \$5.0 million liability in connection with the SEC investigation, which we have determined is a reasonable estimate of our probable liability in connection with this matter. Nevertheless, we cannot predict with certainty the losses we may incur in this matter or the financial or reputational impact of any findings made by the SEC.

We have entered into indemnification agreements with our current and former directors and certain of our officers, and our amended and restated certificate of incorporation requires us to indemnify each of our 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. Although we maintain insurance coverage in amounts and with deductibles that we believe are appropriate for our operations, our insurance coverage may not cover all claims that may be brought against us or our current and former directors and officers, and insurance coverage may not continue to be available to us at a reasonable cost or at all. As a result, we have been and may continue to be exposed to substantial uninsured liabilities, including pursuant to our indemnification obligations, which could materially and adversely affect our business, prospects, results of operations and financial condition.

We cannot guarantee that we will not receive additional inquiries from the SEC, Nasdaq or other regulatory authorities regarding our restated financial statements or matters relating thereto, or that we or our current and former directors and officers will not be subject to future claims, investigations or proceedings. Any future inquiries from the SEC, Nasdaq or other regulatory authority, or future claims or proceedings as a result of the restatement or any related regulatory investigation will, regardless of the outcome, likely consume a significant amount of our internal resources and result in additional costs.

Matters relating to or arising from the restatement and the SEC investigation, including adverse publicity and potential concerns from our customers, have had and could continue to have an adverse effect on our business and financial condition.

We have been and could continue to be the subject of negative publicity focusing on the restatement and adjustment of our financial statements and the SEC investigation, and we may be adversely impacted by negative reactions from our customers or others with whom we do business. Concerns include the perception of the effort required to address our accounting and control environment, the impact of the SEC investigation and any related findings, and the ability for us to be a long-term provider to our customers. The continued occurrence of any of the foregoing could harm our business and have an adverse effect on our financial condition.

We may not be able to generate or obtain sufficient cash to service our debt and lease facilities or trade payables.

We currently have, and will likely continue to have, a substantial amount of indebtedness (in the form of the Notes) and lease facilities, as well as trade payables, including expenses incurred in prior periods. These obligations could require us to use a large portion of our cash flow from operations to service our debt and lease facilities and pay accrued expenses. They could also limit our flexibility to invest in our business and adjust to market conditions, which could impact our customer relationships and place us at a competitive disadvantage.

We expect to obtain the funds to pay our expenses and meet our financial obligations under the Notes from cash flow from our operations and, potentially, from other debt and/or equity offerings. Accordingly, our ability to meet our obligations depends on our future performance and capital-raising activities, which will be affected by financial, business, economic and other factors, some of which are beyond our control. Failure to meet our payment obligations to vendors could disrupt our supply of goods and services and impact our reputation, creditworthiness and relations with customers. It could also lead to costly litigation.

If our cash flow and capital resources prove inadequate to allow us to pay the interest and principal on the Notes when due and meet our other financial obligations, we could face substantial liquidity challenges and might be required to dispose of material assets or operations, restructure or refinance our debt (which we may be unable to do on acceptable terms) or forego attractive business opportunities. In addition, the terms of our existing or future financing agreements may restrict us from pursuing these alternatives. Failure to meet our obligations under the Notes could lead to an Event of Default (as defined in the Notes), which could have important consequences including, potentially, forcing us into bankruptcy or liquidation.

The issuance of shares of Common Stock upon conversion of, or payment of interest on, our Notes and the exercise of warrants to purchase our Common Stock could substantially dilute your investment and could impede our ability to obtain additional financing.

Our Notes are convertible into, and our warrants are exercisable for, shares of our Common Stock and give the holders thereof an opportunity to profit from a rise in the market price of our Common Stock such that conversion or exercise thereof will result in dilution of the equity interests of our stockholders. Further, the issuance of shares of our Common Stock, at our election, in lieu of cash, in payment of interest on the Notes, has and would result in dilution of the equity interests of our other stockholders. Except for our Series B-1 and Series B-2 warrants (which allow us to force an exercise in certain circumstances), we have no control over whether the holders of Notes and warrants will exercise their right, in whole or in part, to convert their Notes or exercise their warrants. Additionally, the number of shares of Common Stock that may initially be purchased upon exercise of our Series C warrant (the "Initial Exercise") is calculated based on a future, volume weighted average price of our Common Stock, and the number of shares issuable under our Series A warrant will be increased by the number of shares issued pursuant to the Initial Exercise of the Series C warrant. For these reasons, we are unable to forecast or predict with any certainty the total number of shares of Common Stock that may be issued under the Notes and warrants. The existence and potentially dilutive impact of the Notes and our warrants may prevent us from obtaining additional financing in the future on acceptable terms, or at all.

The terms of our Notes, our warrants and our registration rights agreements with certain investors could impede our ability to enter into corporate transactions or obtain additional financing and could result in our paying premiums or penalties to the holders of the Notes and warrants.

The terms of our Notes and our warrants require us, upon the consummation of any "Fundamental Transaction" (as defined in the Notes and the warrants), to cause any successor entity resulting from such Fundamental Transaction to assume all of our obligations under the Notes and warrants and the associated transaction documents. Further, the terms of the Notes and the warrants could impede our ability to enter into certain transactions or obtain additional financing in the future.

The Notes and the warrants require us to deliver the number of shares of our Common Stock issuable upon conversion or exercise within a specified time period. If we are unable to deliver the shares of Common Stock within the timeframe required, we may be obligated to reimburse the holders for the cost of purchasing the shares of our Common Stock in the open market or pay them the profit they would have realized upon the conversion or exercise and sale of such shares.

Our registration rights agreement with Starboard provides that in the event that the registration statement required to be filed under the Starboard registration rights agreement ceases to be effective and available to the selling stockholders party thereto under certain circumstances, we must pay to the selling stockholders on the 121st day after the occurrence of each such event and on every 30th day thereafter until the applicable event is cured, an amount equal to 1.0% of the Conversion Amount (as defined in the Notes), subject to a maximum of 3.0% of the aggregate principal amount outstanding under the Notes for any 30-day period. Our registration rights agreement with CVI provides that in the event that the registration statement required to be filed under the CVI registration rights agreement ceases to be effective and available to the selling stockholder party thereto under certain circumstances, we must pay to the selling stockholder on the date of the occurrence of each such event and on every 30th day thereafter until the applicable event is cured, an amount equal to 2.0% of the Purchase Price (as defined in the CVI purchase agreement), subject to a maximum of 8.0% of the Purchase Price.

The payments we may be obligated to make to the holders of the Notes and our warrants described above may adversely affect our financial condition, liquidity and results of operations.

The Company's 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 may experience substantial dilution as a result of our obligations to issue shares of Common Stock.

The total principal amount of convertible notes held by Starboard as of June 30, 2019 was \$204.0 million. The Notes are convertible, at the option of Starboard, into shares of Common Stock at a conversion price of \$31.29 per share. Interest on the Notes is payable, at our option, in cash or through the issuance of PIK Interest Shares. Any PIK Interest Shares so issued are valued at the arithmetic average of the VWAP of our Common Stock on each trading day during the ten consecutive trading days ending immediately preceding the applicable interest payment date.

In addition, we have the right to conduct a rights offering (the "Rights Offering") for up to \$150.0 million in senior secured convertible notes (the "Rights Offering Notes"). The Rights Offering Notes would be substantially similar to the Notes, except with respect to, among other things, the conversion price thereof, which would be equal to 130% of the closing price of our Common Stock on the last trading day immediately prior to the commencement of the Rights Offering (subject to a conversion price floor of \$28.00 per share). Interest on the Rights Offering Notes would also be payable, at our option, in cash or through the issuance of PIK Interest Shares.

Pursuant to the CVI purchase agreement, we granted to CVI warrants to initially purchase up to 11,654,033 shares of Common Stock. The number of shares of Common Stock that may be purchased pursuant to the Initial Exercise of our Series C warrant is tied to a future price of our Common Stock, and the number of shares issuable under our Series A warrant will be increased by the number of shares issued pursuant to the Initial Exercise of the Series C warrant. Therefore, the number of shares issuable upon exercise of these warrants is variable, subject to a maximum number of shares.

As of June 30, 2019, 929,842 shares of Common Stock were reserved for issuance pursuant to outstanding stock options under our equity incentive plans, 1,716,465 shares of Common Stock were reserved for issuance pursuant to outstanding restricted stock unit awards under our equity incentive plans, and 4,807,850 shares of Common Stock were available for future equity awards under our 2018 Equity and Incentive Compensation Plan.

The issuance of shares of Common Stock (i) upon the conversion of the Notes or the Rights Offering Notes (if issued), (ii) as payment-in-kind of interest on any such notes through the issuance of PIK Interest Shares, (iii) upon the exercise of warrants, (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 Three Months Ended June 30, 2019

As described in [Footnote 5, Long-term Debt](#), during 2018, we entered into certain agreements with Starboard, pursuant to which, among other things, we issued and sold to Starboard senior secured convertible notes in exchange for cash and shares of Common Stock. Interest on the Notes is payable on a quarterly basis in arrears, at our option, in cash, or, subject to certain conditions, through the issuance of additional shares of Common Stock ("PIK Interest Shares"). On April 1, 2019, we paid our quarterly accrued interest liability on the Notes for the first quarter through the issuance of 243,261 PIK Interest Shares. In addition, under the agreements, we agreed to grant Starboard warrants to purchase 250,000 shares of Common Stock at a price of \$0.01 per share, as adjusted pursuant to the terms of the warrants. The warrants were exercised by Starboard on April 3, 2019 for 323,448 shares of Common Stock. These shares were issued in a private placement without registration in reliance upon an exemption provided under Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act").

As described in [Footnote 11, Stockholders' Equity](#), on June 23, 2019, we entered into a Securities Purchase Agreement with CVI pursuant to which CVI agreed to purchase (i) 2,728,513 shares of our Common Stock 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. These shares and warrants were issued on June 26, 2019 in a private placement without registration in reliance upon an exemption provided under Section 4(a)(2) of the Securities Act. For additional information, including the exercise terms of the warrants, refer to [Footnote 11, Stockholders' Equity](#).

(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	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).
4.1	Form of Warrant (incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K, filed January 16, 2018) (File No. 001-33520)
4.2	Form of Senior Secured Convertible Note (Initial Notes), as amended (incorporated by reference to Exhibit 4.1 to the Registrant's Annual Report on Form 10-K for the period ended December 31, 2018, filed March 1, 2019) (File No. 001-33520)
4.3	Form of Senior Secured Convertible Note (Option Notes), as amended (incorporated by reference to Exhibit 4.2 to the Registrant's Annual Report on Form 10-K for the period ended December 31, 2018, filed March 1, 2019) (File No. 001-33520)
4.4	Series A Warrant Issued to CVI Investments, Inc. (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed June 26, 2019) (File No. 001-33520)
4.5	Series B-1 Warrant Issued to CVI Investments, Inc. (incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K, filed June 26, 2019) (File No. 001-33520)
4.6	Series B-2 Warrant Issued to CVI Investments, Inc. (incorporated by reference to Exhibit 4.3 to the Registrant's Current Report on Form 8-K, filed June 26, 2019) (File No. 001-33520)
4.7+##	Series C Warrant Issued to CVI Investments, Inc.
4.8	Registration Rights Agreement, dated June 26, 2019, between comScore, Inc and CVI Investments, Inc. (incorporated by reference to Exhibit 4.5 to the Registrant's Current Report on Form 8-K, filed June 26, 2019) (File No. 001-33520)
10.1*+	Restricted Stock Units Award Agreement, dated as of May 22, 2019, by and between comScore, Inc and Chris Wilson
10.2*+	Performance Restricted Stock Units Award Agreement, dated as of May 22, 2019, by and between comScore, Inc. and Chris Wilson
10.3*+	Stock Option Grant Notice and Stock Option Agreement, dated as of May 22, 2019, by and between comScore, Inc. and Chris Wilson
10.4	Securities Purchase Agreement, dated as of June 23, 2019, by and among comScore, Inc. and CVI Investments, Inc. (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed June 24, 2019) (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 herewith

* Management contract or compensatory plan or arrangement.

The Series C Warrant filed herewith is a corrected version of the Series C Warrant previously filed as Exhibit 4.4 to the Current Report on Form 8-K filed on June 26, 2019.

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/ Gregory A. Fink

Gregory A. Fink

Chief Financial Officer and Treasurer

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

August 6, 2019



comscore

SERIES C WARRANT

NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933 AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES. THE NUMBER OF SHARES OF COMMON STOCK ISSUABLE UPON EXERCISE OF THIS WARRANT MAY BE LESS THAN THE AMOUNTS SET FORTH ON THE FACE HEREOF PURSUANT TO SECTION 1(a) OF THIS WARRANT.

COMSCORE, INC.

WARRANT TO PURCHASE COMMON STOCK

Warrant No.: C-1

Date of Issuance: June 26, 2019 ("**Issuance Date**")

comScore, Inc., a Delaware corporation (the "**Company**"), hereby certifies that, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CVI Investments, Inc., the registered holder hereof or its permitted assigns (the "**Holder**"), is entitled, subject to the terms set forth below, to purchase from the Company, at the Exercise Price (as defined below) then in effect, upon exercise of this Warrant to Purchase Common Stock (including any Warrants to Purchase Common Stock issued in exchange, transfer or replacement hereof, the "**Warrant**"), at any time or times on or after the Issuance Date, but not after 11:59 p.m., New York time, on the Expiration Date (as defined below), up to 2,728,513 (subject to adjustment as provided herein) fully paid and non-assessable shares of Common Stock (as defined below) (the "**Warrant Shares**", and such aggregate number of Warrant Shares in which this Warrant is exercisable, from time to time, the "**Warrant Number**"). Except as otherwise defined herein, capitalized terms in this Warrant shall have the meanings set forth in Section 17. This Warrant is one of the Warrants to Purchase Common Stock (the "**SPA Warrants**") issued pursuant to Section 1 of that certain Securities Purchase Agreement, dated as of June 23, 2019 (the "**Subscription Date**"), by and among the Company and the investors (the "**Buyers**") referred to therein, as amended from time to time (the "**Securities Purchase Agreement**").

Notwithstanding anything herein to the contrary, (i) no more than the Maximum Eligibility Number of Warrant Shares shall be issued (or issuable) hereunder and (ii) the Aggregate Exercise Price (as defined below) of this Warrant, except for a nominal exercise price of \$0.001 per Warrant Share (the "Nominal Exercise Price"), was pre-funded to the Company on or prior to the initial Issuance Date and, consequently, no additional consideration (other than the nominal exercise price of \$0.001 per Warrant Share) shall be required to be paid by the Holder to any Person to effect any exercise of this Warrant.

1. EXERCISE OF WARRANT.

(a) Mechanics of Exercise. Subject to the terms and conditions hereof (including, without limitation, the limitations set forth in Section 1(f)), this Warrant may be exercised by the Holder on any day on or after the Issuance Date and on or prior to the Expiration Date (an "**Exercise Date**"), in whole or in part, by delivery (whether via facsimile or otherwise) of a written notice, in the form attached hereto as **Exhibit A** (the "**Exercise Notice**"), of the Holder's election to exercise this Warrant. Within one (1) Trading Day following an exercise of this Warrant as aforesaid, the Holder shall deliver payment to the Company of an amount equal to the Exercise Price in effect on the date of such exercise multiplied by the number of Warrant Shares as to which this Warrant was so exercised (the "**Aggregate Exercise Price**") in cash or via wire transfer of immediately available funds if the Holder did not notify the Company in such Exercise Notice that such exercise was made pursuant to a Cashless Exercise (as defined in Section 1(d)). The Holder shall not be required to deliver the original of this Warrant in order to effect an exercise hereunder. Execution and delivery of an Exercise Notice with respect to less than all of the Warrant Shares shall have the same effect as cancellation of the original of this Warrant and issuance of a new Warrant evidencing the right to purchase the remaining number of Warrant Shares. Execution and delivery of an Exercise Notice for all of the then-remaining Warrant Shares shall have the same effect as cancellation of the original of this Warrant after delivery of the Warrant Shares in accordance with the terms hereof. On or before the first (1st) Trading Day following the date on which the Company has received an Exercise Notice, the Company shall transmit by facsimile or electronic mail an acknowledgment of confirmation of receipt of such Exercise Notice, in the form attached hereto as **Exhibit B**, to the Holder and the Company's transfer agent (the "**Transfer Agent**"), which confirmation shall constitute an instruction to the Transfer Agent to process such Exercise Notice in accordance with the terms herein. On or before the second (2nd) Trading Day following the date on which the Company has received such Exercise Notice (or such earlier date as required pursuant to the 1934 Act or other applicable law, rule or regulation for the settlement of a trade of such Warrant Shares initiated on the applicable Exercise Date), the Company shall (X) provided that the Transfer Agent is participating in The Depository Trust Company ("**DTC**") Fast Automated Securities Transfer Program, upon the request of the Holder, credit such aggregate number of shares of Common Stock to which the Holder is entitled pursuant to such exercise to the Holder's or its designee's balance account with DTC through its Deposit/Withdrawal at Custodian system, or (Y) if the Transfer Agent is not participating in the DTC Fast Automated Securities Transfer Program, upon the request of the Holder, issue and deliver (via reputable overnight courier) to the address as specified in the Exercise Notice, a certificate, registered in the name of the Holder or its designee, for the number of shares of Common Stock to which the Holder shall be entitled pursuant to such exercise. Upon delivery of an Exercise Notice, the Holder shall be deemed for all corporate purposes to have become

the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date such Warrant Shares are credited to the Holder's DTC account or the date of delivery of the certificates evidencing such Warrant Shares (as the case may be). If this Warrant is submitted in connection with any exercise pursuant to this Section 1(a) and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the number of Warrant Shares being acquired upon an exercise and upon surrender of this Warrant to the Company by the Holder, then, at the request of the Holder, the Company shall as soon as practicable and in no event later than two (2) Business Days after any exercise and at its own expense, issue and deliver to the Holder (or its designee) a new Warrant (in accordance with Section 7(d)) representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the number of Warrant Shares with respect to which this Warrant is exercised. No fractional shares of Common Stock are to be issued upon the exercise of this Warrant, but rather the number of shares of Common Stock to be issued shall be rounded up to the nearest whole number. The Company shall pay any and all transfer, stamp, issuance and similar taxes, costs and expenses (including, without limitation, fees and expenses of the Transfer Agent) that may be payable with respect to the issuance and delivery of Warrant Shares upon exercise of this Warrant. Notwithstanding the foregoing, except in the case where an exercise of this Warrant is validly made pursuant to a Cashless Exercise, the Company's failure to deliver Warrant Shares to the Holder on or prior to the later of (i) two (2) Trading Days after receipt of the applicable Exercise Notice (or such earlier date as required pursuant to the 1934 Act or other applicable law, rule or regulation for the settlement of a trade of such Warrant Shares initiated on the applicable Exercise Date) and (ii) one (1) Trading Day after the Company's receipt of the Aggregate Exercise Price (or valid notice of a Cashless Exercise) (such later date, the "**Share Delivery Date**") shall not be deemed to be a breach of this Warrant. Notwithstanding anything to the contrary contained in this Warrant or the Registration Rights Agreement, after the effective date of the Registration Statement (as defined in the Registration Rights Agreement) and prior to the Holder's receipt of the notice of a Grace Period (as defined in the Registration Rights Agreement), the Company shall cause the Transfer Agent to deliver unlegended shares of Common Stock to the Holder (or its designee) in connection with any sale of Registrable Securities (as defined in the Registration Rights Agreement) with respect to which the Holder has entered into a contract for sale, and delivered a copy of the prospectus included as part of the particular Registration Statement to the extent applicable, and for which the Holder has not yet settled. From the Issuance Date through and including the Expiration Date, the Company shall maintain a transfer agent that participates in the DTC's Fast Automated Securities Transfer Program.

(b) Exercise Price. For purposes of this Warrant, "**Exercise Price**" means \$7.33, subject to adjustment as provided herein.

(c) Company's Failure to Timely Deliver Securities. If the Company shall fail, for any reason or for no reason, on or prior to the Share Delivery Date, either (I) if the Transfer Agent is not participating in the DTC Fast Automated Securities Transfer Program, to issue and deliver to the Holder (or its designee) a certificate for the number of Warrant Shares to which the Holder is entitled and register such Warrant Shares on the Company's share register or, if the Transfer Agent is participating in the DTC Fast Automated Securities Transfer Program, to credit the balance account of the Holder or the Holder's designee with DTC for such number of Warrant Shares to which the

Holder is entitled upon the Holder's exercise of this Warrant (as the case may be) or (II) if a Registration Statement covering the resale of the Warrant Shares that are the subject of the Exercise Notice (the "**Unavailable Warrant Shares**") is not available for the resale of such Unavailable Warrant Shares and the Company fails to promptly, but in no event later than as required pursuant to the Registration Rights Agreement (x) so notify the Holder and (y) deliver the Warrant Shares electronically without any restrictive legend by crediting such aggregate number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the Holder's or its designee's balance account with DTC through its Deposit/Withdrawal At Custodian system (the event described in the immediately foregoing clause (II) is hereinafter referred as a "**Notice Failure**" and together with the event described in clause (I) above, a "**Delivery Failure**"), and if on or after such Share Delivery Date the Holder purchases (in an open market transaction or otherwise) shares of Common Stock corresponding to all or any portion of the number of shares of Common Stock issuable upon such exercise that the Holder is entitled to receive from the Company and has not received from the Company in connection with such Delivery Failure or Notice Failure, as applicable (a "**Buy-In**"), then, in addition to all other remedies available to the Holder, the Company shall, within two (2) Business Days after the Holder's request and in the Holder's discretion, either (i) pay cash to the Holder in an amount equal to the Holder's total purchase price (including brokerage commissions and other out-of-pocket expenses, if any) for the shares of Common Stock so purchased (including, without limitation, by any other Person in respect, or on behalf, of the Holder) (the "**Buy-In Price**"), at which point the Company's obligation to so issue and deliver such certificate (and to issue such shares of Common Stock) or credit the balance account of such Holder or such Holder's designee, as applicable, with DTC for the number of Warrant Shares to which the Holder is entitled upon the Holder's exercise hereunder (as the case may be) (and to issue such Warrant Shares) shall terminate, or (ii) promptly honor its obligation to so issue and deliver to the Holder a certificate or certificates representing such Warrant Shares or credit the balance account of such Holder or such Holder's designee, as applicable, with DTC for the number of Warrant Shares to which the Holder is entitled upon the Holder's exercise hereunder (as the case may be) and pay cash to the Holder in an amount equal to the excess (if any) of the Buy-In Price over the product of (A) such number of Warrant Shares multiplied by (B) the lowest Closing Sale Price of the Common Stock on any Trading Day during the period commencing on the date of the applicable Exercise Notice and ending on the date of such issuance and payment under this clause (ii) (the "**Buy-In Payment Amount**"). Nothing shall limit the Holder's right to pursue any other remedies available to it hereunder, at law or in equity, including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing shares of Common Stock (or to electronically deliver such shares of Common Stock) upon the exercise of this Warrant as required pursuant to the terms hereof. In addition to the foregoing rights, (i) if the Company fails to deliver the applicable number of Warrant Shares upon an exercise pursuant to Section 1 by the applicable Share Delivery Date, then the Holder shall have the right to rescind such exercise in whole or in part and retain and/or have the Company return, as the case may be, any portion of this Warrant that has not been exercised pursuant to such Exercise Notice; provided that the rescission of an exercise shall not affect the Company's obligation to make any payments that have accrued prior to the date of such notice pursuant to this Section 1(c) or otherwise, and (ii) if a registration statement covering the resale of the Warrant Shares that are subject to an Exercise Notice is not available for the resale of such Warrant Shares and the Holder has submitted an Exercise Notice prior to receiving notice of the non-availability of such registration statement and the Company has

not already delivered the Warrant Shares underlying such Exercise Notice electronically without any restrictive legend by crediting such aggregate number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the Holder's or its designee's balance account with DTC through its Deposit / Withdrawal At Custodian system, the Holder shall have the option, by delivery of notice to the Company, to (x) rescind such Exercise Notice in whole or in part and retain or have returned, as the case may be, any portion of this Warrant that has not been exercised pursuant to such Exercise Notice; provided that the rescission of an Exercise Notice shall not affect the Company's obligation to make any payments that have accrued prior to the date of such notice pursuant to this Section 1(c) or otherwise, and/or (y) switch some or all of such Exercise Notice from a cash exercise to a Cashless Exercise.

(d) **Cashless Exercise.** Notwithstanding anything contained herein to the contrary (other than Section 1(f) below), then the Holder may, in its sole discretion, exercise this Warrant in whole or in part and, in lieu of making the cash payment otherwise contemplated to be made to the Company upon such exercise in payment of the Aggregate Exercise Price, elect instead to receive upon such exercise the "Net Number" of Warrant Shares determined according to the following formula (a "**Cashless Exercise**"):

$$\text{Net Number} = \frac{(A \times B) - (A \times C)}{D}$$

For purposes of the foregoing formula:

A= the total number of shares with respect to which this Warrant is then being exercised.

B = the VWAP of the Common Stock at the close of business on the Principal Market as of the Trading Day immediately prior to the date of the delivery of the applicable Exercise Notice.

C = the Nominal Exercise Price (as adjusted for stock splits, stock dividends, stock combinations, recapitalizations and similar events).

D = the VWAP of the Common Stock at the close of business on the Principal Market on the date of the delivery of the applicable Exercise Notice.

If the Warrant Shares are issued in a Cashless Exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the 1933 Act, the Warrant Shares take on the registered characteristics of the Warrants being exercised. For purposes of Rule 144(d) promulgated under the 1933 Act, as in effect on the Subscription Date, it is intended that the Warrant Shares issued in a Cashless Exercise shall be deemed to have been acquired by the Holder, and the holding period for the Warrant Shares shall be deemed to have commenced, on the date this Warrant was originally issued pursuant to the Securities Purchase Agreement.

(e) **Disputes.** In the case of a dispute as to the determination of the Exercise Price or the arithmetic calculation of the number of Warrant Shares to be issued pursuant to the terms hereof,

the Company shall promptly issue to the Holder the number of Warrant Shares that are not disputed and resolve such dispute in accordance with Section 13.

(f) Limitations on Exercises.

(i) Beneficial Ownership. The Company shall not effect the exercise of any portion of this Warrant, and the Holder shall not have the right to exercise any portion of this Warrant, pursuant to the terms and conditions of this Warrant and any such exercise shall be null and void and treated as if never made, to the extent that after giving effect to such exercise, the Holder together with the other Attribution Parties collectively would beneficially own in excess of 4.99% (the "**Maximum Percentage**") of the shares of Common Stock outstanding immediately after giving effect to such exercise. For purposes of the foregoing sentence, the aggregate number of shares of Common Stock beneficially owned by the Holder and the other Attribution Parties shall include the number of shares of Common Stock held by the Holder and all other Attribution Parties plus the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which the determination of such sentence is being made, but shall exclude shares of Common Stock which would be issuable upon (A) exercise of the remaining, unexercised portion of this Warrant beneficially owned by the Holder or any of the other Attribution Parties and (B) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company (including, without limitation, any convertible notes or convertible preferred stock or warrants, including other SPA Warrants) beneficially owned by the Holder or any other Attribution Party subject to a limitation on conversion or exercise analogous to the limitation contained in this Section 1(f)(i). For purposes of this Section 1(f)(i), beneficial ownership shall be calculated in accordance with Section 13(d) of the 1934 Act. For purposes of determining the number of outstanding shares of Common Stock the Holder may acquire upon the exercise of this Warrant without exceeding the Maximum Percentage, the Holder may rely on the number of outstanding shares of Common Stock as reflected in (x) the Company's most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q, Current Report on Form 8-K or other public filing with the SEC, as the case may be, (y) a more recent public announcement by the Company or (z) any other written notice by the Company or the Transfer Agent, if any, setting forth the number of shares of Common Stock outstanding (the "**Reported Outstanding Share Number**"). If the Company receives an Exercise Notice from the Holder at a time when the actual number of outstanding shares of Common Stock is less than the Reported Outstanding Share Number, the Company shall (i) notify the Holder in writing of the number of shares of Common Stock then outstanding and, to the extent that such Exercise Notice would otherwise cause the Holder's beneficial ownership, as determined pursuant to this Section 1(f)(i), to exceed the Maximum Percentage, the Holder must notify the Company of a reduced number of Warrant Shares to be acquired pursuant to such Exercise Notice (the number of shares by which such purchase is reduced, the "**Reduction Shares**") and (ii) as soon as reasonably practicable, the Company shall return to the Holder any exercise price paid by the Holder for the Reduction Shares. For any reason at any time, upon the written or oral request of the Holder, the Company shall within one (1) Business Day confirm orally and in writing or by electronic mail to the Holder the number of shares of Common Stock then outstanding. In any case, the number

of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder and any other Attribution Party since the date as of which the Reported Outstanding Share Number was reported. In the event that the issuance of shares of Common Stock to the Holder upon exercise of this Warrant results in the Holder and the other Attribution Parties being deemed to beneficially own, in the aggregate, more than the Maximum Percentage of the number of outstanding shares of Common Stock (as determined under Section 13(d) of the 1934 Act), the number of shares so issued by which the Holder's and the other Attribution Parties' aggregate beneficial ownership exceeds the Maximum Percentage (the "**Excess Shares**") shall be deemed null and void and shall be cancelled ab initio, and the Holder shall not have the power to vote or to transfer the Excess Shares. As soon as reasonably practicable after the issuance of the Excess Shares has been deemed null and void, the Company shall return to the Holder the exercise price paid by the Holder for the Excess Shares. Upon delivery of a written notice to the Company, the Holder may from time to time increase (with such increase not effective until the sixty-first (61st) day after delivery of such notice) or decrease the Maximum Percentage to any other percentage not in excess of 9.99% as specified in such notice; provided that (i) any such increase in the Maximum Percentage will not be effective until the sixty-first (61st) day after such notice is delivered to the Company and (ii) any such increase or decrease will apply only to the Holder and the other Attribution Parties and not to any other holder of SPA Warrants that is not an Attribution Party of the Holder. For purposes of clarity, the shares of Common Stock issuable pursuant to the terms of this Warrant in excess of the Maximum Percentage shall not be deemed to be beneficially owned by the Holder for any purpose including for purposes of Section 13(d) or Rule 16a-1(a)(1) of the 1934 Act. No prior inability to exercise this Warrant pursuant to this paragraph shall have any effect on the applicability of the provisions of this paragraph with respect to any subsequent determination of exercisability. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 1(f)(i) to the extent necessary to correct this paragraph or any portion of this paragraph which may be defective or inconsistent with the intended beneficial ownership limitation contained in this Section 1(f)(i) or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitation contained in this paragraph may not be waived and shall apply to a successor holder of this Warrant.

(ii) Exchange Cap. The Company shall not issue any shares of Common Stock upon the exercise of this Warrant if the issuance of such shares of Common Stock taken together with each prior issuance of Common Shares (as defined in the Securities Purchase Agreement) under the Securities Purchase Agreement and any prior issuance of shares of Common Stock upon exercise of the SPA Warrants, collectively, would exceed the aggregate number of shares of Common Stock which the Company may issue under the rules or regulations of the Principal Market (the number of shares which may be issued without violating such rules and regulations, the "**Exchange Cap**"), except that such limitation shall not apply in the event that the Company (A) obtains the approval of its stockholders as required by the applicable rules of the Principal Market for issuances of shares of Common Stock in excess of such amount or (B) obtains a written opinion from outside counsel to the

Company that such approval is not required, which opinion shall be reasonably satisfactory to the Holder. Until such approval or such written opinion is obtained, no holder of Warrants (each, a "**SPA Warrant Holder**") shall be issued in the aggregate, upon exercise of any of the SPA Warrants, shares of Common Stock in an amount greater than the product of (i) the Exchange Cap as of the Issuance Date multiplied by (ii) the quotient of (1) the aggregate number of Common Shares issued to such SPA Warrant Holder as of the Closing Date (as defined in the Securities Purchase Agreement) divided by (2) the aggregate number of Common Shares issued to the SPA Warrant Holders as of the Closing Date (with respect to each SPA Warrant Holder, the "**Exchange Cap Allocation**"); provided, that the Exchange Cap Allocation shall be allocated among the Holder's SPA Warrants (unless the Company and the Holder mutually agree otherwise) as follows: first, to any shares of Common Stock issued or issuable under the Series C Warrants (without regards to any limitations on exercise set forth in Section 1(f)(i) thereof), second, to any shares of Common Stock issued or issuable under the Series B-1 Warrants (without regards to any limitations on exercise set forth in Section 1(f)(i) thereof), third, to any shares of Common Stock issued or issuable under the Series B-2 Warrants (without regards to any limitations on exercise set forth in Section 1(f)(i) thereof) and fourth, to any shares of Common Stock issued or issuable under the Series A Warrants (without regards to any limitations on exercise set forth in Section 1(f)(i) thereof). In the event that any SPA Warrant Holder shall sell or otherwise transfer any of such SPA Warrant Holder's SPA Warrants, the transferee shall be allocated a pro rata portion of such SPA Warrant Holder's Exchange Cap Allocation with respect to such portion of such SPA Warrants so transferred, and the restrictions of the prior sentence shall apply to such transferee with respect to the portion of the Exchange Cap Allocation so allocated to such transferee. Upon exercise in full of an SPA Warrant Holder's Warrants, the difference (if any) between such SPA Warrant Holder's Exchange Cap Allocation and the number of shares of Common Stock actually issued to such SPA Warrant Holder upon such SPA Warrant Holder's exercise in full of such SPA Warrants shall be allocated, to the respective Exchange Cap Allocations of the remaining SPA Warrant Holders of SPA Warrants on a pro rata basis in proportion to the shares of Common Stock underlying the SPA Warrants then held by each such SPA Warrant Holder of SPA Warrants. In the event that the Company is then prohibited from issuing any shares of Common Stock pursuant to this Section 1(f)(ii) (the "**Exchange Cap Shares**"), in lieu of issuing and delivering such Exchange Cap Shares to the Holder, the Company shall pay cash to the Holder in exchange for the cancellation of such portion of this Warrant exercisable into such Exchange Cap Shares (the "**Exchange Cap Payment Amount**") at a price equal to the sum of (x) the product of (A) such number of Exchange Cap Shares and (B) the greatest Closing Sale Price of the Common Stock on any Trading Day during the period commencing on the date the Holder delivers the applicable Exercise Notice with respect to such Exchange Cap Shares to the Company and ending on the date of such payment under this Section 1(f)(ii) ("**Exchange Cap Price**") and (y) to the extent the Holder purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by the Holder of Exchange Cap Shares, any brokerage commissions and other out-of-pocket expenses, if any, of the Holder incurred in connection therewith.

(g) Reservation of Shares.

(i) Required Reserve Amount. So long as this Warrant remains outstanding, the Company shall at all times keep reserved for issuance under this Warrant a number of shares of Common Stock at least equal to 100% of the maximum number of shares of Common Stock as shall be necessary to satisfy the Company's obligation to issue shares of Common Stock under the SPA Warrants then outstanding (without regard to any limitations on exercise) (the "**Required Reserve Amount**"); provided that at no time shall the number of shares of Common Stock reserved pursuant to this Section 1(g)(i) be reduced other than proportionally in connection with any exercise or redemption of SPA Warrants or such other event covered by Section 2(a) below. The Required Reserve Amount (including, without limitation, each increase in the number of shares so reserved) shall be allocated pro rata among the holders of the SPA Warrants based on number of shares of Common Stock issuable upon exercise of SPA Warrants held by each holder on the Closing Date (without regard to any limitations on exercise) or increase in the number of reserved shares, as the case may be (the "**Authorized Share Allocation**"). In the event that a holder shall sell or otherwise transfer any of such holder's SPA Warrants, each transferee shall be allocated a pro rata portion of such holder's Authorized Share Allocation. Any shares of Common Stock reserved and allocated to any Person which ceases to hold any SPA Warrants shall be allocated to the remaining holders of SPA Warrants, pro rata based on the number of shares of Common Stock issuable upon exercise of the SPA Warrants then held by such holders (without regard to any limitations on exercise).

(ii) Insufficient Authorized Shares. If, notwithstanding Section 1(g)(i) above, and not in limitation thereof, at any time while any of the SPA Warrants remain outstanding, the Company does not have a sufficient number of authorized and unreserved shares of Common Stock to satisfy its obligation to reserve the Required Reserve Amount (an "**Authorized Share Failure**"), then the Company shall immediately take all action necessary to increase the Company's authorized shares of Common Stock to an amount sufficient to allow the Company to reserve the Required Reserve Amount for all the SPA Warrants then outstanding. Without limiting the generality of the foregoing sentence, as soon as practicable after the date of the occurrence of an Authorized Share Failure, but in no event later than sixty (60) days after the occurrence of such Authorized Share Failure, the Company shall hold a meeting of its stockholders for the approval of an increase in the number of authorized shares of Common Stock. In connection with such meeting, the Company shall provide each stockholder with a proxy statement and shall use its best efforts to solicit its stockholders' approval of such increase in authorized shares of Common Stock and to cause its board of directors to recommend to the stockholders that they approve such proposal. In the event that the Company is prohibited from issuing shares of Common Stock upon an exercise of this Warrant due to the failure by the Company to have sufficient shares of Common Stock available out of the authorized but unissued shares of Common Stock (such unavailable number of shares of Common Stock, the "**Authorization Failure Shares**"), in lieu of delivering such Authorization Failure Shares to the Holder, the Company shall pay cash in exchange for the cancellation of such portion of this Warrant exercisable into such Authorization Failure Shares at a price equal to the sum of (i) the product of (x) such number

of Authorization Failure Shares and (y) the greatest Closing Sale Price of the Common Stock on any Trading Day during the period commencing on the date the Holder delivers the applicable Exercise Notice with respect to such Authorization Failure Shares to the Company and ending on the date of such issuance and payment under this Section 1(f); and (ii) to the extent the Holder purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by the Holder of Authorization Failure Shares, any Buy-In Payment Amount, brokerage commissions and other out-of-pocket expenses, if any, of the Holder incurred in connection therewith. Nothing contained in this Section 1(g) shall limit any obligations of the Company under any provision of the Securities Purchase Agreement.

2. ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF WARRANT SHARES. The Exercise Price and number of Warrant Shares issuable upon exercise of this Warrant are subject to adjustment from time to time as set forth in this Section 2.

(a) Stock Dividends and Splits. Without limiting any provision of Section 2(b), Section 3 or Section 4, if the Company, at any time on or after the Subscription Date, (i) pays a stock dividend on one or more classes of its then outstanding shares of Common Stock or otherwise makes a distribution on any class of capital stock that is payable in shares of Common Stock, (ii) subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its then outstanding shares of Common Stock into a larger number of shares or (iii) combines (by combination, reverse stock split or otherwise) one or more classes of its then outstanding shares of Common Stock into a smaller number of shares, then in each such case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution, and any adjustment pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such subdivision or combination. If any event requiring an adjustment under this paragraph occurs during the period that an Exercise Price is calculated hereunder, then the calculation of such Exercise Price shall be adjusted appropriately to reflect such event.

(b) [Intentionally Omitted]

(c) Number of Warrant Shares. Simultaneously with any adjustment to the Exercise Price pursuant to Section 2(a), the number of Warrant Shares that may be purchased upon exercise of this Warrant shall be increased or decreased proportionately, so that after such adjustment the aggregate Exercise Price payable hereunder for the adjusted number of Warrant Shares shall be the same as the aggregate Exercise Price in effect immediately prior to such adjustment (without regard to any limitations on exercise contained herein). Notwithstanding anything herein to the contrary, if as of any given time the Warrant Number is less than the Maximum Eligibility Number, the Warrant Number shall automatically increase as of such time to the Maximum Eligibility Number.

(d) Other Events. In the event that the Company (or any Subsidiary (as defined in the Securities Purchase Agreement)) shall take any action to which the provisions hereof are not strictly

applicable, or, if applicable, would not operate to protect the Holder from dilution or if any event occurs of the type contemplated by the provisions of this Section 2 but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features), then the Company's board of directors shall in good faith determine and implement an appropriate adjustment in the Exercise Price and the number of Warrant Shares (if applicable) so as to protect the rights of the Holder, provided that no such adjustment pursuant to this Section 2(d) will increase the Exercise Price or decrease the number of Warrant Shares as otherwise determined pursuant to this Section 2, provided further that if the Holder does not accept such adjustments as appropriately protecting its interests hereunder against such dilution, then the Company's board of directors and the Holder shall agree, in good faith, upon an independent investment bank of nationally recognized standing to make such appropriate adjustments, whose determination shall be final and binding absent manifest error and whose fees and expenses shall be borne by the Company.

(e) Calculations. All calculations under this Section 2 shall be made by rounding to the nearest cent or the nearest 1/100th of a share, as applicable. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issuance or sale of Common Stock.

(f) Voluntary Adjustment by Company. Subject to the rules and regulations on the Principal Market, the Company may at any time during the term of this Warrant, with the prior written consent of the Required Holders (as defined in the Securities Purchase Agreement), reduce the then current Exercise Price to any amount and for any period of time deemed appropriate by the board of directors of the Company.

3. RIGHTS UPON DISTRIBUTION OF ASSETS. In addition to any adjustments pursuant to Section 2 above, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property, options, evidence of indebtedness or any other assets by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "**Distribution**"), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations or restrictions on exercise of this Warrant, including without limitation, the Maximum Percentage) immediately before the date on which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the participation in such Distribution (provided, however, that to the extent that the Holder's right to participate in any such Distribution would result in the Holder and the other Attribution Parties exceeding the Maximum Percentage, then the Holder shall not be entitled to participate in such Distribution to the extent of the Maximum Percentage (and shall not be entitled to beneficial ownership of such shares of Common Stock as a result of such Distribution (and beneficial ownership) to the extent of any such excess) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder

until such time or times, if ever, as its right thereto would not result in the Holder and the other Attribution Parties exceeding the Maximum Percentage, at which time or times the Holder shall be granted such Distribution (and any Distributions declared or made on such initial Distribution or on any subsequent Distribution held similarly in abeyance) to the same extent as if there had been no such limitation).

4. PURCHASE RIGHTS; FUNDAMENTAL TRANSACTIONS.

(a) Purchase Rights. In addition to any adjustments pursuant to Section 2 above, if at any time the Company grants, issues or sells any Options, Convertible Securities or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of Common Stock (the "**Purchase Rights**"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations or restrictions on exercise of this Warrant, including without limitation, the Maximum Percentage) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issuance or sale of such Purchase Rights (provided, however, that to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder and the other Attribution Parties exceeding the Maximum Percentage, then the Holder shall not be entitled to participate in such Purchase Right to the extent of the Maximum Percentage (and shall not be entitled to beneficial ownership of such shares of Common Stock as a result of such Purchase Right (and beneficial ownership) to the extent of any such excess) and such Purchase Right to such extent shall be held in abeyance for the benefit of the Holder until such time or times, if ever, as its right thereto would not result in the Holder and the other Attribution Parties exceeding the Maximum Percentage, at which time or times the Holder shall be granted such right (and any Purchase Right granted, issued or sold on such initial Purchase Right or on any subsequent Purchase Right held similarly in abeyance) to the same extent as if there had been no such limitation).

(b) Fundamental Transactions. The Company shall not consummate a Fundamental Transaction unless (i) the Successor Entity assumes in writing all of the obligations of the Company under this Warrant and the other Transaction Documents (as defined in the Securities Purchase Agreement) in accordance with the provisions of this Section 4(b) pursuant to written agreements in form and substance satisfactory to the Holder and approved by the Holder prior to such Fundamental Transaction, including agreements to deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant, including, without limitation, which is exercisable for a corresponding number of shares of capital stock equivalent to the shares of Common Stock acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such adjustments to the number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to

the consummation of such Fundamental Transaction) and (ii) the Successor Entity (including its Parent Entity) is a publicly traded corporation whose common stock is quoted on or listed for trading on an Eligible Market. Upon the consummation of each Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of the applicable Fundamental Transaction, the provisions of this Warrant and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein. Upon consummation of each Fundamental Transaction, the Successor Entity shall deliver to the Holder confirmation that there shall be issued upon exercise of this Warrant at any time after the consummation of the applicable Fundamental Transaction, in lieu of the shares of Common Stock (or other securities, cash, assets or other property (except such items still issuable under Sections 3 and 4(a) above, which shall continue to be receivable thereafter)) issuable upon the exercise of this Warrant prior to the applicable Fundamental Transaction, such shares of publicly traded common stock (or its equivalent) of the Successor Entity (including its Parent Entity) which the Holder would have been entitled to receive upon the happening of the applicable Fundamental Transaction had this Warrant been exercised immediately prior to the applicable Fundamental Transaction (without regard to any limitations on the exercise of this Warrant), as adjusted in accordance with the provisions of this Warrant. Notwithstanding the foregoing, and without limiting Section 1(f) hereof, the Holder may elect, at its sole option, by delivery of written notice to the Company to waive this Section 4(b) to permit the Fundamental Transaction without the assumption of this Warrant. In addition to and not in substitution for any other rights hereunder, prior to the consummation of each Fundamental Transaction pursuant to which holders of shares of Common Stock are entitled to receive securities or other assets with respect to or in exchange for shares of Common Stock (a "**Corporate Event**"), the Company shall make appropriate provision to insure that the Holder will thereafter have the right to receive upon an exercise of this Warrant at any time after the consummation of the applicable Fundamental Transaction but prior to the Expiration Date, in lieu of the shares of the Common Stock (or other securities, cash, assets or other property (except such items still issuable under Sections 3 and 4(a) above, which shall continue to be receivable thereafter)) issuable upon the exercise of the Warrant prior to such Fundamental Transaction, such shares of stock, securities, cash, assets or any other property whatsoever (including warrants or other purchase or subscription rights) which the Holder would have been entitled to receive upon the happening of the applicable Fundamental Transaction had this Warrant been exercised immediately prior to the applicable Fundamental Transaction (without regard to any limitations on the exercise of this Warrant). Provision made pursuant to the preceding sentence shall be in a form and substance reasonably satisfactory to the Holder. Notwithstanding the foregoing, this Section 4(b) shall not apply if the Holder or the Company exercises its respective rights pursuant to Section 4(c) or 4(d), as applicable, and the Company pays the applicable Black Scholes Value or Company Black Scholes Value to the Holder in such manner and at such time as required thereunder.

(c) [Intentionally Omitted]

(d) [Intentionally Omitted]

(e) Application. The provisions of this Section 4 shall apply similarly and equally to successive Fundamental Transactions and Corporate Events and shall be applied as if this Warrant (and any such subsequent warrants) were fully exercisable and without regard to any limitations on the exercise of this Warrant (provided that the Holder shall continue to be entitled to the benefit of the Maximum Percentage, applied however with respect to shares of capital stock registered under the 1934 Act and thereafter receivable upon exercise of this Warrant (or any such other warrant)).

5. NONCIRCUMVENTION. The Company hereby covenants and agrees that the Company will not, by amendment of its Certificate of Incorporation (as defined in the Securities Purchase Agreement), Bylaws (as defined in the Securities Purchase Agreement) or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issuance or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith carry out all the provisions of this Warrant and take all action as may be required to protect the rights of the Holder. Without limiting the generality of the foregoing, the Company (a) shall not increase the par value of any shares of Common Stock receivable upon the exercise of this Warrant above the Exercise Price then in effect, and (b) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable shares of Common Stock upon the exercise of this Warrant. Notwithstanding anything herein to the contrary, if after the sixty (60) calendar day anniversary of the Issuance Date, the Holder is not permitted to exercise this Warrant in full for any reason (other than pursuant to restrictions set forth in Section 1(f) hereof), the Company shall use its best efforts to promptly remedy such failure, including, without limitation, obtaining such consents or approvals as necessary to permit such exercise into shares of Common Stock.

6. WARRANT HOLDER NOT DEEMED A STOCKHOLDER. Except as otherwise specifically provided herein, the Holder, solely in its capacity as a holder of this Warrant, shall not be entitled to vote or receive dividends or be deemed the holder of share capital of the Company for any purpose, nor shall anything contained in this Warrant be construed to confer upon the Holder, solely in its capacity as the Holder of this Warrant, any of the rights of a stockholder of the Company or any right to vote, give or withhold consent to any corporate action (whether any reorganization, issue of stock, reclassification of stock, consolidation, merger, conveyance or otherwise), receive notice of meetings, receive dividends or subscription rights, or otherwise, prior to the issuance to the Holder of the Warrant Shares which it is then entitled to receive upon the due exercise of this Warrant. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a stockholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company. Notwithstanding this Section 6, the Company shall provide the Holder with copies of the same notices and other information given to the stockholders of the Company generally, contemporaneously with the giving thereof to the stockholders.

7. REISSUANCE OF WARRANTS.

(a) Transfer of Warrant. If this Warrant is to be transferred, the Holder shall surrender this Warrant to the Company, whereupon the Company will forthwith issue and deliver upon the order of the Holder a new Warrant (in accordance with Section 7(d)), registered as the Holder may request, representing the right to purchase the number of Warrant Shares being transferred by the Holder and, if less than the total number of Warrant Shares then underlying this Warrant is being transferred, a new Warrant (in accordance with Section 7(d)) to the Holder representing the right to purchase the number of Warrant Shares not being transferred.

(b) Lost, Stolen or Mutilated Warrant. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant (as to which a written certification and the indemnification contemplated below shall suffice as such evidence), and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of this Warrant, the Company shall execute and deliver to the Holder a new Warrant (in accordance with Section 7(d)) representing the right to purchase the Warrant Shares then underlying this Warrant.

(c) Exchangeable for Multiple Warrants. This Warrant is exchangeable, upon the surrender hereof by the Holder at the principal office of the Company, for a new Warrant or Warrants (in accordance with Section 7(d)) representing in the aggregate the right to purchase the number of Warrant Shares then underlying this Warrant, and each such new Warrant will represent the right to purchase such portion of such Warrant Shares as is designated by the Holder at the time of such surrender; provided, however, no warrants for fractional shares of Common Stock shall be given.

(d) Issuance of New Warrants. Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant (i) shall be of like tenor with this Warrant, (ii) shall represent, as indicated on the face of such new Warrant, the right to purchase the Warrant Shares then underlying this Warrant (or in the case of a new Warrant being issued pursuant to Section 7(a) or Section 7(c), the Warrant Shares designated by the Holder which, when added to the number of shares of Common Stock underlying the other new Warrants issued in connection with such issuance, does not exceed the number of Warrant Shares then underlying this Warrant), (iii) shall have an issuance date, as indicated on the face of such new Warrant which is the same as the Issuance Date, and (iv) shall have the same rights and conditions as this Warrant.

8. NOTICES. Whenever notice is required to be given under this Warrant, unless otherwise provided herein, such notice shall be given in accordance with Section 9(f) of the Securities Purchase Agreement. The Company shall provide the Holder with prompt written notice of all actions taken pursuant to this Warrant (other than the issuance of shares of Common Stock upon exercise in accordance with the terms hereof), including in reasonable detail a description of such action and the reason therefor. Without limiting the generality of the foregoing, the Company will give written notice to the Holder (i) immediately upon each adjustment of the Exercise Price and the number of Warrant Shares, setting forth in reasonable detail, and certifying, the calculation of such adjustment(s), (ii) at least fifteen (15) days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the shares of Common Stock,

(B) with respect to any grants, issuances or sales of any Options, Convertible Securities or rights to purchase stock, warrants, securities or other property to holders of shares of Common Stock or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information shall be made known to the public prior to or in conjunction with such notice being provided to the Holder, and (iii) at least ten (10) Trading Days prior to the consummation of any Fundamental Transaction. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Company or any of its Subsidiaries, the Company shall simultaneously file such notice with the SEC (as defined in the Securities Purchase Agreement) pursuant to a Current Report on Form 8-K. If the Company or any of its Subsidiaries provides material non-public information to the Holder that is not simultaneously filed in a Current Report on Form 8-K and the Holder has not agreed to receive such material non-public information, the Company hereby covenants and agrees that the Holder shall not have any duty of confidentiality to the Company, any of its Subsidiaries or any of their respective officers, directors, employees, affiliates or agents with respect to, or a duty to any of the foregoing not to trade on the basis of, such material non-public information. It is expressly understood and agreed that the time of execution specified by the Holder in each Exercise Notice shall be definitive and may not be disputed or challenged by the Company.

9. AMENDMENT AND WAIVER. Except as otherwise provided herein, the provisions of this Warrant (other than Section 1(f)) may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company has obtained the written consent of the Holder. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party.

10. SEVERABILITY. If any provision of this Warrant is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Warrant so long as this Warrant as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties. The parties will endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s).

11. GOVERNING LAW. This Warrant shall be governed by and construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Warrant shall be governed by, the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. The Company hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to the Company at the address set forth in Section 9(f) of the Securities Purchase

Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. The Company hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Nothing contained herein shall be deemed or operate to preclude the Holder from bringing suit or taking other legal action against the Company in any other jurisdiction to collect on the Company's obligations to the Holder, to realize on any collateral or any other security for such obligations, or to enforce a judgment or other court ruling in favor of the Holder. **THE COMPANY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS WARRANT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

12. CONSTRUCTION; HEADINGS. This Warrant shall be deemed to be jointly drafted by the Company and the Holder and shall not be construed against any Person as the drafter hereof. The headings of this Warrant are for convenience of reference and shall not form part of, or affect the interpretation of, this Warrant. Terms used in this Warrant but defined in the other Transaction Documents shall have the meanings ascribed to such terms on the Closing Date (as defined in the Securities Purchase Agreement) in such other Transaction Documents unless otherwise consented to in writing by the Holder.

13. DISPUTE RESOLUTION.

(a) Submission to Dispute Resolution.

(i) In the case of a dispute relating to the Exercise Price, the Closing Sale Price, the Black Scholes Consideration Value, the Company Black Scholes Value, the Black Scholes Value or the fair market value or the arithmetic calculation of the number of Warrant Shares (as the case may be) (including, without limitation, a dispute relating to the determination of any of the foregoing), the Company or the Holder (as the case may be) shall submit the dispute to the other party via facsimile (A) if by the Company, within two (2) Business Days after the occurrence of the circumstances giving rise to such dispute or (B) if by the Holder, at any time after the Holder learned of the circumstances giving rise to such dispute. If the Holder and the Company are unable to promptly resolve such dispute relating to such Exercise Price, such Closing Sale Price, such Black Scholes Consideration Value, Company Black Scholes Value, Black Scholes Value or such fair market value or such arithmetic calculation of the number of Warrant Shares (as the case may be), at any time after the second (2nd) Business Day following such initial notice by the Company or the Holder (as the case may be) of such dispute to the Company or the Holder (as the case

may be), then the Holder may, at its sole option, select an independent, reputable investment bank, reasonably acceptable to the Company, to resolve such dispute.

(ii) The Holder and the Company shall each deliver to such investment bank (A) a copy of the initial dispute submission so delivered in accordance with the first sentence of this Section 13 and (B) written documentation supporting its position with respect to such dispute, in each case, no later than 5:00 p.m. (New York time) by the fifth (5th) Business Day immediately following the date on which the Holder selected such investment bank (the "**Dispute Submission Deadline**") (the documents referred to in the immediately preceding clauses (A) and (B) are collectively referred to herein as the "**Required Dispute Documentation**") (it being understood and agreed that if either the Holder or the Company fails to so deliver all of the Required Dispute Documentation by the Dispute Submission Deadline, then the party who fails to so submit all of the Required Dispute Documentation shall no longer be entitled to (and hereby waives its right to) deliver or submit any written documentation or other support to such investment bank with respect to such dispute and such investment bank shall resolve such dispute based solely on the Required Dispute Documentation that was delivered to such investment bank prior to the Dispute Submission Deadline). Unless otherwise agreed to in writing by both the Company and the Holder or otherwise requested by such investment bank, neither the Company nor the Holder shall be entitled to deliver or submit any written documentation or other support to such investment bank in connection with such dispute (other than the Required Dispute Documentation).

(iii) The Company and the Holder shall cause such investment bank to determine the resolution of such dispute and notify the Company and the Holder of such resolution no later than ten (10) Business Days immediately following the Dispute Submission Deadline. The fees and expenses of such investment bank shall be borne solely by the Company, and such investment bank's resolution of such dispute shall be final and binding upon all parties absent manifest error.

(b) Miscellaneous. The Company expressly acknowledges and agrees that (i) this Section 13 constitutes an agreement to arbitrate between the Company and the Holder (and constitutes an arbitration agreement) under the rules then in effect under § 7501, et seq. of the New York Civil Practice Law and Rules ("**CPLR**") and that the Holder is authorized to apply for an order to compel arbitration pursuant to CPLR § 7503(a) in order to compel compliance with this Section 13, (ii) a dispute relating to the Exercise Price includes, without limitation, disputes as to (A) whether an issuance or sale or deemed issuance or sale of Common Stock occurred under Section 2(b), (B) the consideration per share at which an issuance or deemed issuance of Common Stock occurred, (C) whether any issuance or sale or deemed issuance or sale of Common Stock was an issuance or sale or deemed issuance or sale of Excluded Securities, (D) whether an agreement, instrument, security or the like constitutes an Option or Convertible Security and (E) whether a Dilutive Issuance occurred, (iii) the terms of this Warrant and each other applicable Transaction Document shall serve as the basis for the selected investment bank's resolution of the applicable dispute, such investment bank shall be entitled (and is hereby expressly authorized) to make all findings, determinations and the like that such investment bank determines are required to be made by such investment bank in connection with its resolution of such dispute (including, without limitation,

determining (A) whether an issuance or sale or deemed issuance or sale of Common Stock occurred under Section 2(b), (B) the consideration per share at which an issuance or deemed issuance of Common Stock occurred, (C) whether any issuance or sale or deemed issuance or sale of Common Stock was an issuance or sale or deemed issuance or sale of Excluded Securities, (D) whether an agreement, instrument, security or the like constitutes and Option or Convertible Security and (E) whether a Dilutive Issuance occurred) and in resolving such dispute such investment bank shall apply such findings, determinations and the like to the terms of this Warrant and any other applicable Transaction Documents, (iv) the Holder (and only the Holder), in its sole discretion, shall have the right to submit any dispute described in this Section 13 to any state or federal court sitting in The City of New York, Borough of Manhattan in lieu of utilizing the procedures set forth in this Section 13 and (v) nothing in this Section 13 shall limit the Holder from obtaining any injunctive relief or other equitable remedies (including, without limitation, with respect to any matters described in this Section 13).

14. REMEDIES, CHARACTERIZATION, OTHER OBLIGATIONS, BREACHES AND INJUNCTIVE RELIEF. The remedies provided in this Warrant shall be cumulative and in addition to all other remedies available under this Warrant and the other Transaction Documents, at law or in equity (including a decree of specific performance and/or other injunctive relief), and nothing herein shall limit the right of the Holder to pursue actual and consequential damages for any failure by the Company to comply with the terms of this Warrant. The Company covenants to the Holder that there shall be no characterization concerning this instrument other than as expressly provided herein. Amounts set forth or provided for herein with respect to payments, exercises and the like (and the computation thereof) shall be the amounts to be received by the Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the holder of this Warrant shall be entitled, in addition to all other available remedies, to specific performance and/or temporary, preliminary and permanent injunctive or other equitable relief from any court of competent jurisdiction in any such case without the necessity of proving actual damages and without posting a bond or other security. The Company shall provide all information and documentation to the Holder that is requested by the Holder to enable the Holder to confirm the Company's compliance with the terms and conditions of this Warrant (including, without limitation, compliance with Section 2 hereof). The issuance of shares and certificates for shares as contemplated hereby upon the exercise of this Warrant shall be made without charge to the Holder or such shares for any issuance tax or other costs in respect thereof, provided that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than the Holder or its agent on its behalf.

15. PAYMENT OF COLLECTION, ENFORCEMENT AND OTHER COSTS. If (a) this Warrant is placed in the hands of an attorney for collection or enforcement or is collected or enforced through any legal proceeding or the holder otherwise takes action to collect amounts due under this Warrant or to enforce the provisions of this Warrant or (b) there occurs any bankruptcy, reorganization, receivership of the company or other proceedings affecting company creditors' rights and involving a claim under this Warrant, then the Company shall pay the costs incurred by the

Holder for such collection, enforcement or action or in connection with such bankruptcy, reorganization, receivership or other proceeding, including, without limitation, attorneys' fees and disbursements.

16. **TRANSFER.** This Warrant may be offered for sale, sold, transferred or assigned without the consent of the Company, except as may otherwise be required by Section 2(g) of the Securities Purchase Agreement; provided that unless the transferee is an Affiliate of, and after such transfer or assignment continues to be an Affiliate of, the Holder, no portion of this Warrant representing less than at least 25% of the Warrant Shares issuable hereunder shall be transferred..

17. **CERTAIN DEFINITIONS.** For purposes of this Warrant, the following terms shall have the following meanings:

(a) "**1933 Act**" means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

(b) "**1934 Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

(c) "**Adjustment Common Share Amount**" means, as of the applicable Adjustment Common Share Measuring Time, the lesser of (I) 2,726,663 (as adjusted for stock splits, stock dividends, stock combinations, recapitalizations and similar events) or (II) greater of (i) zero (0) and (ii) such aggregate number of shares of Common Stock equal to (A) 2,726,663 multiplied by (B) the difference between (1) the quotient of (x) the Holder's Purchase Price (as defined in the Securities Purchase Agreement) divided by (y) 92.5% of the Market Price as of such Adjustment Common Share Measuring Time, minus (2) the aggregate number of Common Shares issued to the Holder at the Closing (as defined in the Securities Purchase Agreement) (as adjusted for share splits, share dividends, share combinations, recapitalizations and similar events).

(d) "**Adjustment Common Share Measuring Time**" means the close of the Principal Market on September 21, 2019.

(e) [Intentionally Omitted]

(f) [Intentionally Omitted]

(g) [Intentionally Omitted]

(h) "**Affiliate**" means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with, such Person, it being understood for purposes of this definition that "control" of a Person means the power directly or indirectly either to vote 10% or more of the stock having ordinary voting power for the election of directors of such Person or direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

(i) [Intentionally Omitted]

(j) "**Attribution Parties**" means, collectively, the following Persons and entities: (i) any investment vehicle, including, any funds, feeder funds or managed accounts, currently, or from time to time after the Issuance Date, directly or indirectly managed or advised by the Holder's investment manager or any of its Affiliates or principals, (ii) any direct or indirect Affiliates of the Holder or any of the foregoing, (iii) any Person acting or who could be deemed to be acting as a Group together with the Holder or any of the foregoing and (iv) any other Persons whose beneficial ownership of the Company's Common Stock would or could be aggregated with the Holder's and the other Attribution Parties for purposes of Section 13(d) of the 1934 Act. For clarity, the purpose of the foregoing is to subject collectively the Holder and all other Attribution Parties to the Maximum Percentage.

(k) [Intentionally Omitted]

(l) [Intentionally Omitted]]

(m) "**Change of Control**" means any Fundamental Transaction other than (i) any merger of the Company or any of its, direct or indirect, wholly-owned Subsidiaries with or into any of the foregoing Persons, (ii) any reorganization, recapitalization or reclassification of the Common Stock in which holders of the Company's voting power immediately prior to such reorganization, recapitalization or reclassification continue after such reorganization, recapitalization or reclassification to hold publicly traded securities and, directly or indirectly, are, in all material respects, the holders of the voting power of the surviving entity (or entities with the authority or voting power to elect the members of the board of directors (or their equivalent if other than a corporation) of such entity or entities) after such reorganization, recapitalization or reclassification, or (iii) pursuant to a migratory merger (or similar transaction) effected solely for the purpose of changing the jurisdiction of incorporation of the Company or any of its Subsidiaries.

(n) "**Company Black Scholes Value**" means the value of the unexercised portion of this Warrant remaining on the applicable Company Redemption Date, which value is calculated using the Black Scholes Option Pricing Model obtained from the "OV" function on Bloomberg utilizing (i) an underlying price per share equal to the greater of (1) the highest Closing Sale Price of the shares of Common Stock during the period beginning on the Trading Day immediately preceding the announcement of the applicable Change of Control (or the consummation of the applicable Change of Control, if earlier) and ending on such Company Redemption Date and (2) the sum of the price per share being offered in cash in the applicable Change of Control (if any) plus the value of the non-cash consideration being offered in the applicable Change of Control (if any), (ii) a strike price equal to the Exercise Price in effect on the Company Redemption Date, (iii) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the remaining term of this Warrant as of the Company Redemption Date, (iv) a zero cost of borrowing and (v) an expected volatility equal to the 30 day volatility obtained from the "HVT" function on Bloomberg (determined utilizing a 365 day annualization factor) as of the Trading Day immediately following the earliest to occur of (A) the public disclosure of the applicable Change of Control, (B) the consummation of the applicable Change of Control and (C) the date on which the Holder first became aware of the applicable Change of Control.

(o) "**Bloomberg**" means Bloomberg, L.P.

(p) "**Business Day**" means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York are authorized or required by law to remain closed.

(q) "**Common Shares**" shall have the meaning as set forth in the Securities Purchase Agreement.

(r) "**Common Stock**" means (i) the Company's shares of Common Stock, \$0.001 par value per share, and (ii) any capital stock into which such Common Stock shall have been changed or any share capital resulting from a reclassification of such Common Stock.

(s) "**Closing Sale Price**" means, for any security as of any date, the last closing trade price for such security on the Principal Market, as reported by Bloomberg, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing trade price, then the last trade price of such security prior to 4:00:00 p.m., New York time, as reported by Bloomberg, or, if the Principal Market is not the principal securities exchange or trading market for such security, the last trade price of such security on the principal securities exchange or trading market where such security is listed or traded as reported by Bloomberg, or if the foregoing does not apply, the last trade price of such security in the over-the-counter market on the electronic bulletin board for such security as reported by Bloomberg, or, if no last trade price is reported for such security by Bloomberg, the average of the ask prices of any market makers for such security as reported in the "pink sheets" by OTC Markets Group Inc. (formerly Pink Sheets LLC). If the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Sale Price of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in Section 13. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during such period.

(t) "**Convertible Securities**" means any stock or other security (other than Options) that is at any time and under any circumstances, directly or indirectly, convertible into, exercisable or exchangeable for, or which otherwise entitles the holder thereof to acquire, any shares of Common Stock.

(u) "**Eligible Market**" means the NYSE American, the Nasdaq Global Select Market, the Nasdaq Global Market, the Nasdaq Capital Market or the Principal Market.

(v) [Intentionally Omitted]

(w) [Intentionally Omitted]

(x) [Intentionally Omitted]

(y) "**Expiration Date**" means the date that is the 90th day after the first anniversary (subject to automatic extension, on a day by day basis, by any Extension Day Amount) of the Issuance Date or, if such date falls on a day other than a Trading Day or on which trading does not take place on the Principal Market (a "**Holiday**"), the next date that is not a Holiday.

(z) "**Extension Day Amount**" means, as of any date of determination, the sum of (i) thirty (30) and (ii) such aggregate number of calendar days from and after the Issuance Date and prior to such date of determination on which a Registration Statement (as defined in the Registration Rights Agreement) is not effective or any prospectus contained therein is not available for use to permit the resale by the Holder of all of the Registrable Securities of the Holder or any Current Public Information Failure exists.

(aa) [Intentionally Omitted]

(bb) [Intentionally Omitted]

(cc) "**Fundamental Transaction**" means (A) that the Company shall, directly or indirectly, including through subsidiaries, Affiliates or otherwise, in one or more related transactions, (i) consolidate or merge with or into (whether or not the Company is the surviving corporation) another Subject Entity, or (ii) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company or any of its "significant subsidiaries" (as defined in Rule 1-02 of Regulation S-X) to one or more Subject Entities, or (iii) make, or allow one or more Subject Entities to make, or allow the Company to be subject to or have its Common Stock be subject to or party to one or more Subject Entities making, a purchase, tender or exchange offer that is accepted by the holders of at least either (x) 50% of the outstanding shares of Common Stock, (y) 50% of the outstanding shares of Common Stock calculated as if any shares of Common Stock held by all Subject Entities making or party to, or Affiliated with any Subject Entities making or party to, such purchase, tender or exchange offer were not outstanding; or (z) such number of shares of Common Stock such that all Subject Entities making or party to, or Affiliated with any Subject Entity making or party to, such purchase, tender or exchange offer, become collectively the beneficial owners (as defined in Rule 13d-3 under the 1934 Act) of at least 50% of the outstanding shares of Common Stock, or (iv) consummate a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with one or more Subject Entities whereby all such Subject Entities, individually or in the aggregate, acquire, either (x) at least 50% of the outstanding shares of Common Stock, (y) at least 50% of the outstanding shares of Common Stock calculated as if any shares of Common Stock held by all the Subject Entities making or party to, or Affiliated with any Subject Entity making or party to, such stock purchase agreement or other business combination were not outstanding; or (z) such number of shares of Common Stock such that the Subject Entities become collectively the beneficial owners (as defined in Rule 13d-3 under the 1934 Act) of at least 50% of the outstanding shares of Common Stock, or (v) reorganize, recapitalize or reclassify its Common Stock, (B) that the Company shall, directly or indirectly, including through subsidiaries, Affiliates or otherwise, in one or more related transactions, allow any Subject Entity individually or the Subject Entities in the aggregate to be or become the "beneficial owner" (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, whether through acquisition, purchase, assignment, conveyance, tender, tender offer, exchange, reduction in outstanding shares of Common Stock, merger, consolidation, business combination, reorganization, recapitalization, spin-off, scheme of arrangement, reorganization, recapitalization or reclassification or otherwise in any manner whatsoever, of either (x) at least 50% of the aggregate ordinary voting power represented by issued and outstanding Common Stock, (y) at least 50% of the aggregate ordinary voting power represented

by issued and outstanding Common Stock not held by all such Subject Entities as of the date of this Warrant calculated as if any shares of Common Stock held by all such Subject Entities were not outstanding, or (z) a percentage of the aggregate ordinary voting power represented by issued and outstanding shares of Common Stock or other equity securities of the Company sufficient to allow such Subject Entities to effect a statutory short form merger or other transaction requiring other shareholders of the Company to surrender their shares of Common Stock without approval of the shareholders of the Company or (C) directly or indirectly, including through subsidiaries, Affiliates or otherwise, in one or more related transactions, the issuance of or the entering into any other instrument or transaction structured in a manner to circumvent, or that circumvents, the intent of this definition in which case this definition shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this definition to the extent necessary to correct this definition or any portion of this definition which may be defective or inconsistent with the intended treatment of such instrument or transaction.

(dd) "**Group**" means a "group" as that term is used in Section 13(d) of the 1934 Act and as defined in Rule 13d-5 thereunder.

(ee) "**Market Price**" means, as of any given date, that price which shall be the lower of (i) the VWAP of the Common Stock as of the Trading Day immediately preceding such given date and (ii) the price computed as the quotient of (I) the sum of the VWAP of the Common Stock for each Trading Day during the five (5) consecutive Trading Day period ending and including the Trading Day immediately preceding such given date, divided by (II) five (5) (such period, the "**Market Price Measuring Period**"). All such determinations to be appropriately adjusted for any stock dividend, stock split, stock combination, reclassification or similar transaction that proportionately decreases or increases the Common Stock during such Market Price Measuring Period.

(ff) "**Maximum Eligibility Number**" means initially zero (0), which shall be subject to increase as follows: (i) at the Adjustment Common Share Measuring Time, the aggregate number of shares of Common Stock issuable hereunder shall increase (if at all), on a share by share basis, by the applicable Adjustment Common Share Amount, and (ii) upon any Forced Exercise (as defined in each of the Series B-1 Warrant and the Series B-2 Warrant) in which any Forced Exercise Blocked Share Amount (as defined in the applicable Series B-1 Warrant and/or the applicable Series B-2 Warrant) exists, the aggregate number of shares of Common Stock issuable hereunder shall increase on the applicable Forced Exercise Date (as defined in the applicable Series B-1 Warrant and/or the applicable Series B-2 Warrant), on a share by share basis, by such Forced Exercise Blocked Share Amount with respect thereto; provided that if at the Adjustment Common Share Measuring Time, the Adjustment Common Share Amount is equal to zero (0), then the Maximum Eligibility Number shall be determined without regard to clause (i) of this definition. For the avoidance of doubt, if at the Adjustment Common Share Measuring Time, the Adjustment Common Share Amount is equal to zero (0), then the Maximum Eligibility Number shall increase (if at all) solely upon a Forced Exercise.

(gg) "**Options**" means any rights, warrants or options to subscribe for or purchase shares of Common Stock or Convertible Securities.

(hh) "**Parent Entity**" of a Person means an entity that, directly or indirectly, controls the applicable Person and whose common stock or equivalent equity security is quoted or listed on an Eligible Market, or, if there is more than one such Person or Parent Entity, the Person or Parent Entity with the largest public market capitalization as of the date of consummation of the Fundamental Transaction.

(ii) "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.

(jj) [Intentionally Omitted]

(kk) "**Principal Market**" means The Nasdaq Global Select Market.

(ll) "**Registration Rights Agreement**" means that certain registration rights agreement, dated as of the Closing Date, by and among the Company and the initial holders of the Common Shares and SPA Warrants, relating to, among other things, the registration of the resale of the Common Shares and the Common Stock issuable upon exercise of the SPA Warrants, as may be amended from time to time.

(mm) "**Resale Availability Date**" means, with respect to any given date of the determination, the earliest of such date after such applicable date of determination either (x) one or more registration statements shall be effective and the prospectus contained therein shall be available (with, for the avoidance of doubt, any shares of Common Stock previously issued pursuant to such prospectus deemed unavailable) for the resale of all the shares of Common Stock issued or issuable upon exercise of this Warrant or (y) all Registrable Securities shall be eligible for sale pursuant to Rule 144 (as defined in the Securities Purchase Agreement) without the need for registration under any applicable federal or state securities laws (in each case, disregarding any limitation on exercise of the Warrants) and no Current Information Failure exists or is continuing.

(nn) "**SEC**" means the United States Securities and Exchange Commission or the successor thereto.

(oo) "**Series A Warrants**" has the meaning ascribed to such term in the Securities Purchase Agreement, and shall include all warrants issued in exchange therefor or replacement thereof.

(pp) "**Series B-1 Warrants**" has the meaning ascribed to such term in the Securities Purchase Agreement, and shall include all warrants issued in exchange therefor or replacement thereof.

(qq) "**Series B-2 Warrants**" has the meaning ascribed to such term in the Securities Purchase Agreement, and shall include all warrants issued in exchange therefor or replacement thereof.

(rr) "**Series C Warrants**" has the meaning ascribed to such term in the Securities Purchase Agreement, and shall include all warrants issued in exchange therefor or replacement thereof.

(ss) "**Subject Entity**" means any Person, Persons or Group or any Affiliate or associate of any such Person, Persons or Group.

(tt) "**Successor Entity**" means the Person (or, if so elected by the Holder, the Parent Entity) formed by, resulting from or surviving any Fundamental Transaction or the Person (or, if so elected by the Holder, the Parent Entity) with which such Fundamental Transaction shall have been entered into.

(uu) "**Trading Day**" means, as applicable, (x) with respect to all price or trading volume determinations relating to the Common Stock, any day on which the Common Stock is traded on the Principal Market, or, if the Principal Market is not the principal trading market for the Common Stock, then on the principal securities exchange or securities market on which the Common Stock is then traded, provided that "Trading Day" shall not include any day on which the Common Stock is scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Common Stock is suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00:00 p.m., New York time) unless such day is otherwise designated as a Trading Day in writing by the Holder or (y) with respect to all determinations other than price or trading volume determinations relating to the Common Stock, any day on which The New York Stock Exchange (or any successor thereto) is open for trading of securities.

(vv) [Intentionally Omitted]

(ww) "**VWAP**" means, for any security as of any date, the dollar volume-weighted average price for such security on the Principal Market (or, if the Principal Market is not the principal trading market for such security, then on the principal securities exchange or securities market on which such security is then traded), during the period beginning at 9:30 a.m., New York time, and ending at 4:00 p.m., New York time, as reported by Bloomberg through its "VAP" function (set to 09:30 start time and 16:00 end time) or, if the foregoing does not apply, the dollar volume-weighted average price of such security in the over-the-counter market on the electronic bulletin board for such security during the period beginning at 9:30 a.m., New York time, and ending at 4:00 p.m., New York time, as reported by Bloomberg, or, if no dollar volume-weighted average price is reported for such security by Bloomberg for such hours, the average of the highest closing bid price and the lowest closing ask price of any of the market makers for such security as reported in the "pink sheets" by OTC Markets Group Inc. (formerly Pink Sheets LLC). If the VWAP cannot be calculated for such security on such date on any of the foregoing bases, the VWAP of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in Section 13. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination, recapitalization or other similar transaction during such period.

[signature page follows]

IN WITNESS WHEREOF, the Company has caused this Warrant to Purchase Common Stock to be duly executed as of the Issuance Date set out above.

COMSCORE, INC.

By: _____

Name:

Title:

EXERCISE NOTICE

TO BE EXECUTED BY THE REGISTERED HOLDER TO EXERCISE THIS
WARRANT TO PURCHASE COMMON STOCK

COMSCORE, INC.

The undersigned holder hereby elects to exercise the Warrant to Purchase Common Stock No. _____ (the "**Warrant**") of comScore, Inc., a Delaware corporation (the "**Company**") as specified below. Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. Form of Exercise Price. The Holder intends that payment of the Aggregate Exercise Price shall be made as:

a "Cash Exercise" with respect to _____ Warrant Shares; and/or

a "Cashless Exercise" with respect to _____ Warrant Shares.

In the event that the Holder has elected a Cashless Exercise with respect to some or all of the Warrant Shares to be issued pursuant hereto, the Holder hereby represents and warrants that this Exercise Notice was executed by the Holder at _____ [a.m.] [p.m.] on the date set forth below.

2. Payment of Exercise Price. In the event that the Holder has elected a Cash Exercise with respect to some or all of the Warrant Shares to be issued pursuant hereto, the Holder shall pay the Aggregate Exercise Price in the sum of \$ _____ to the Company in accordance with the terms of the Warrant.

3. Delivery of Warrant Shares. The Company shall deliver to Holder, or its designee or agent as specified below, _____ shares of Common Stock in accordance with the terms of the Warrant. Delivery shall be made to Holder, or for its benefit, as follows:

Check here if requesting delivery as a certificate to the following name and to the following address:

Issue to:

Check here if requesting delivery by Deposit/Withdrawal at Custodian as follows:

DTC Participant: _____

DTC Number: _____

Account Number: _____

Notwithstanding anything to the contrary contained herein, this Exercise Notice shall constitute a representation by the Holder of the Warrant submitting this Exercise Notice that after giving effect to the exercise provided for in this Exercise Notice, such Holder (together with its affiliates) will not have beneficial ownership (together with the beneficial ownership of such Person's affiliates) of a number of Common Shares which exceeds the Maximum Percentage (as defined in the Warrant) of the total outstanding shares of Common Stock of the Company as determined pursuant to the provisions of Section 1(f)(i) of the Warrant.

Date: _____, _____

Name of Registered Holder

By: _____

Name:

Title:

Tax ID: _____

Facsimile: _____

E-mail Address: _____

ACKNOWLEDGMENT

The Company hereby acknowledges this Exercise Notice and hereby directs _____ to issue the above indicated number of shares of Common Stock in accordance with the Transfer Agent Instructions dated _____, 2019, from the Company and acknowledged and agreed to by _____.

COMSCORE, INC.

By: _____

Name:

Title:

COMSCORE, INC.**Restricted Stock Units Award Agreement**

This RESTRICTED STOCK UNITS AWARD AGREEMENT (this “**Agreement**”) is made as of May 22, 2019 (the “**Date of Grant**”), by and between comScore, Inc., a Delaware corporation (the “**Company**”), and _____ (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 (the “**Plan**”).

2. **Grant of RSUs.** 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 41,254 Restricted Stock Units (“**RSUs**”). Each RSU shall 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. **Restrictions on Transfer of RSUs.** Subject to Section 15 of the Plan, neither the RSUs evidenced hereby nor any interest therein or in the Common Stock underlying such RSUs shall be transferable prior to payment to the Grantee pursuant to **Section 5** hereof other than by will or pursuant to the laws of descent and distribution.

4. **Vesting of RSUs.** The RSUs covered by this Agreement shall become nonforfeitable and payable to the Grantee pursuant to **Section 5** hereof in substantially equal installments on each of May 30, 2019, March 1, 2020, and March 1, 2021, so long as the Grantee remains in continuous service with the Company or a Subsidiary until each such date (the period from the Date of Grant until the last such vesting date, the “**Vesting Period**”). Subject to the terms of the Plan, and except as otherwise provided in any employment, severance, change in control or similar agreement between the Grantee and the Company or any Subsidiary, RSUs that do not so become nonforfeitable will be forfeited, including if the Grantee ceases to be in continuous service with the Company or a Subsidiary prior to the end of the Vesting Period. 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.

5. **Form and Time of Payment of RSUs.**

(a) Payment for the RSUs, after and to the extent they have become nonforfeitable, shall be made in the form of Common Stock. Payment shall be made as soon as administratively practicable following the date that the RSUs become nonforfeitable pursuant to **Section 4** hereof (but, unless the Grantee enters into a deferral arrangement in accordance with procedures established by the Company, in no event later than required to satisfy the short-term deferral exemption under Section 409A of the Code).

(b) The Company’s obligations to the Grantee with respect to the RSUs will be satisfied in full upon the issuance of Common Stock corresponding to such RSUs.

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

(a) The Grantee shall have no rights of ownership in the Common Stock underlying the RSUs and no right to vote the Common Stock underlying the RSUs until the date on which the Common Stock underlying the RSUs is issued or transferred to the Grantee pursuant to **Section 5** above.

(b) From and after the Date of Grant and until the earlier of (i) the time when the RSUs become nonforfeitable and are paid in accordance with **Section 5** hereof or (ii) the time when the Grantee’s right to receive Common Stock in payment of the RSUs is forfeited in accordance with **Section 4** 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 RSU 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 RSUs based on which the dividend equivalents were credited, and such amounts shall be paid in cash at the same time as the RSUs to which they relate.

(c) 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.

7. **Adjustments.** The RSUs and the number of shares of Common Stock issuable for each RSU, 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.

8. **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 8** 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 RSUs covered by this Agreement, as determined by the Committee.

9. **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.

10. **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.

11. **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.

12. **No Right to Future Awards or Employment.** The grant of the RSUs 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 RSUs 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.

13. **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.

14. **Entire Agreement; Amendments.** This Agreement constitutes the entire agreement of the parties with regard 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 RSUs; provided, however, that the terms of this Agreement shall not modify and shall be subject to the terms and conditions of any employment, consulting and/or severance agreement between the Company (or a Subsidiary or other entity) and the Grantee in effect as of the date a determination is to be made under this Agreement. 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. 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 RSUs, 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.

15. **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.

16. **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.

17. **Electronic Delivery.** The Company may, in its sole discretion, deliver any documents related to the RSUs 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.

18. **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.

19. **Successors and Assigns.** Without limiting **Section 3** 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.

20. **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.

21. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same agreement. 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. **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 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]

COMSCORE, INC.

By: _____

Name: Sara Dunn

Title: Senior Vice President, Human Resources

Grantee Acknowledgment and Acceptance

By: _____

Name:

SIGNATURE PAGE TO
RESTRICTED STOCK UNITS AWARD AGREEMENT

COMSCORE, INC.

Performance Restricted Stock Units Award Agreement

This PERFORMANCE RESTRICTED STOCK UNITS AWARD AGREEMENT (this “**Agreement**”) is made as of May 22, 2019 (the “**Date of Grant**”), by and between comScore, Inc., a Delaware corporation (the “**Company**”), and Chris Wilson (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 (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 225,000 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 each of the first ten anniversaries of March 1, 2019 and on May 22, 2029 (each such anniversary date and May 22, 2029, a “**Vesting Date**” and each 12-month period ending on each Vesting Date, a “**Performance Period**”; provided, however, that the first Performance Period shall begin on the Date of Grant and end on March 1, 2020, and the last Performance Period shall begin on March 2, 2029 and end on May 22, 2029) 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	Number of PRSUs Earned
For each \$1 above \$20.00, up to and including \$30.00	6,750
For each \$1 above \$30.00, up to and including \$40.00	2,850
For each \$1 above \$40.00, up to and including \$50.00	5,400
For each \$1 above \$50.00, up to and including \$60.00	7,500
Total Eligible PRSUs	225,000

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)**. 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 Agreement with the Company (the "**COC/Severance Agreement**")), (ii) by the Grantee, or (iii) as a result of the Grantee's death or Disability (as defined in the COC/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.**

(a) Payment for the PRSUs, after and to the extent they have Vested, shall be made in the form of shares of Common Stock. Payment of Vested PRSUs that Vest on or prior to March 1, 2029 shall be made (i) on the first March 10 following the Vesting Date if the PRSUs vest in accordance with **Section 5(a)**, (ii) as soon as practicable following the date that such PRSUs Vest if the PRSUs Vest in accordance with **Section 5(c)**, but no later than March 15 of the calendar year following the calendar year in which the Change in Control occurs, and (iii) on the first March 10 following the end of the then-applicable Performance Period if the PRSUs vest in accordance with **Section 5(d)**. Payment of Vested PRSUs that Vest during the Performance Period ending on May 22, 2029 shall be made on June 1, 2029. If the date of settlement referenced in this **Section 6(a)** is not a trading day, then such settlement date shall be deemed to mean the first trading date after such date. For the avoidance of doubt, the PRSUs shall in all events be paid no later than required to satisfy the short-term deferral exemption under Section 409A of the Code.

(b) 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.**

(a) 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.

(b) 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.

(c) 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 regard 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 COC/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 (excluding the COC/Severance Agreement) among the parties hereto relating to the subject matter hereof are hereby null and void and of no further force and effect. 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 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]

COMSCORE, INC.

By: _____

Name: Sara Dunn

Title: Senior Vice President, Human Resources

Grantee Acknowledgment and Acceptance

By: _____

Name: Chris Wilson

SIGNATURE PAGE TO
PERFORMANCE RESTRICTED STOCK UNITS AWARD AGREEMENT

COMSCORE, INC.

Stock Option Grant Notice

Pursuant to the terms and conditions of the comScore, Inc. 2018 Equity and Incentive Compensation Plan, as may be amended from time to time (the “**Plan**”), comScore, Inc., a Delaware corporation (the “**Company**”), hereby grants to the individual listed below (“**you**” or the “**Grantee**”) the right and option to purchase all or any part of the number of shares of Common Stock set forth below (“**Option**”) on the terms and conditions set forth herein (this “**Grant Notice**”) and in the Stock Option Agreement attached hereto as Exhibit A (the “**Agreement**”) and the Plan, each of which is incorporated herein by reference. Capitalized terms used but not defined herein shall have the meanings set forth in the Plan.

Type of Option: Non-Qualified Stock Option

Grantee:

Date of Grant: May 22, 2019

Total Number of Shares Subject to this Option: 150,000 shares

Exercise Price: \$__ per share

Expiration Date: May 22, 2029

Vesting Schedule: Subject to the Agreement, the Plan and the other terms and conditions set forth herein, this Option shall vest and become exercisable in accordance with the following schedule, so long as you remain in continuous service with the Company or a Subsidiary from the Date of Grant through each such vesting date:

Vesting Date	Number of Shares Subject to the Option That Become Vested
First Anniversary of the Date of Grant	37,500
Second Anniversary of the Date of Grant	37,500
Third Anniversary of the Date of Grant	37,500
Fourth Anniversary of the Date of Grant	37,500

By your signature below, you agree to be bound by the terms and conditions of the Plan, the Agreement and this Grant Notice. You acknowledge that you have reviewed the Agreement, the Plan and this Grant Notice in their entirety and fully understand all provisions of the Agreement, the Plan and this Grant Notice. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee regarding any questions or determinations that arise under the Agreement, the Plan or this Grant Notice. This Grant Notice may be executed in one or more counterparts (including electronic and facsimile counterparts), each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement.

IN ORDER TO RECEIVE THE BENEFITS OF THE AGREEMENT AND THIS GRANT NOTICE, 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) THE AGREEMENT AND THIS GRANT NOTICE WILL BE OF NO FORCE OR EFFECT AND THE OPTION 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 Grant Notice to be executed by an officer thereunto duly authorized, and the Grantee has executed this Grant Notice, effective for all purposes as provided above.

COMSCORE, INC.

By: _____

Name: Sara Dunn

Title: Senior Vice President, Human Resources

GRANTEE

Name: _____

SIGNATURE PAGE TO
STOCK OPTION GRANT NOTICE

EXHIBIT A

Stock Option Agreement

This Stock Option Agreement (together with the Grant Notice to which this Agreement is attached, this “**Agreement**”) is made as of the Date of Grant set forth in the Grant Notice to which this Agreement is attached by and between comScore, Inc., a Delaware corporation (the “**Company**”), and _____ (the “**Grantee**”). Capitalized terms used but not specifically defined herein shall have the meanings specified in the Plan or the Grant Notice.

1. **Award.** Effective as of the Date of Grant set forth in the Grant Notice (the “**Date of Grant**”), the Company hereby irrevocably grants to the Grantee the right and option (“**Option**”) to purchase all or any part of an aggregate of the number of shares of Common Stock set forth in the Grant Notice on the terms and conditions set forth herein and in the Plan, which Plan is incorporated herein by reference as a part of this Agreement. In the event of any conflict between the terms of this Agreement and the Plan, the Plan shall control. This Option constitutes an Option Right under the Plan and shall be treated as an option that is not intended to be an Incentive Stock Option.

2. **Exercise Price.** The exercise price of each share of Common Stock subject to this Option shall be the exercise price set forth in the Grant Notice (the “**Exercise Price**”), which has been determined to be not less than the Market Value per Share on the Date of Grant. For all purposes of this Agreement, the Market Value per Share shall be determined in accordance with the provisions of the Plan.

3. **Exercise of Option.**

(a) Subject to the earlier expiration of this Option as provided herein, this Option may be exercised, by (i) providing written notice to the Company in the form prescribed by the Committee from time to time at any time and from time to time after the Date of Grant, which notice shall be delivered to the Company in the form, and in the manner, designated by the Committee from time to time, and (ii) paying the Exercise Price in full in a manner permitted by **Section 3(d)**; provided, however, that this Option shall not be exercisable for more than the percentage of the aggregate number of shares of Common Stock subject to this Option with respect to which this Option has become vested and exercisable pursuant to the vesting schedule set forth in the Grant Notice or as provided in this **Section 3**.

(b) This Option may be exercised only while the Grantee remains an employee or other service provider of the Company or a Subsidiary and will terminate and cease to be exercisable upon a termination of the Grantee’s continuous service with the Company or a Subsidiary, except that:

(i) **Termination Due to Death or Disability.** Upon a termination of the Grantee’s service with the Company or a Subsidiary due to the Grantee’s death or Disability (as defined in the Grantee’s Change of Control and Severance Agreement with the Company (the “**COC/Severance Agreement**”)), then the portion of this Option that is vested may be exercised by the Grantee (or the Grantee’s estate or the person who acquires this Option by will or the laws of descent and distribution or otherwise by reason of the death of the Grantee) at any time during the period ending on the earlier to occur of (A) the date that is one year following the date of such termination or (B) the Expiration Date set forth in the Grant Notice (the “**Expiration Date**”).

(ii) **Termination Without Cause or Resignation.** Upon a termination of the Grantee’s service with the Company or a Subsidiary (A) by the Company or a Subsidiary without Cause (as defined in the COC/Severance Agreement) or (B) by the Grantee, then the portion of this Option that is vested may be exercised by the Grantee (or the Grantee’s estate or the person who acquires this Option by will or the laws of descent and distribution or otherwise by reason of the death of the Grantee) at any time during the period ending on the earlier to occur of (x) the date that is 90 days following the date of such termination or (y) the Expiration Date.

(iii) **Termination for Cause.** Upon a termination of the Grantee’s service with the Company or a Subsidiary by the Company or a Subsidiary for Cause, then this Option shall immediately terminate and cease to be exercisable as of the date of such termination.

EXHIBIT A

(iv) **Extension of Exercisability.** If the exercise of this Option within the applicable time periods set forth above is prevented by the provisions of **Section 8**, this Option will remain exercisable until 30 days after the date the Grantee is notified by the Company that this Option is exercisable, but in any event no later than the Expiration Date. If a sale of shares acquired upon the exercise of this Option would subject the Grantee to suit under Section 16(b) of the Exchange Act, then this Option will remain exercisable until the earliest to occur of (A) the 30th day following the date on which a sale of such shares by the Grantee would no longer be subject to such suit or (B) the Expiration Date set forth in the Grant Notice. The Company makes no representation as to the tax consequences of any such delayed exercise. The Grantee should consult with the Grantee's own tax advisor as to the tax consequences of any such delayed exercise.

(c) This Option shall not be exercisable in any event after the Expiration Date set forth in the Grant Notice.

(d) The Exercise Price for the shares of Common Stock as to which this Option is exercised shall be paid in full at the time of exercise (i) in cash (including check, bank draft or money order payable to the order of the Company or wire transfer of immediately available funds), (ii) if permitted by the Committee in its sole discretion, by delivering or constructively tendering to the Company shares of Common Stock having a Market Value per Share equal to the Exercise Price (provided such shares used for this purpose must have been held by the Grantee for such minimum period of time as may be established from time to time by the Committee to avoid adverse accounting consequences), (iii) if permitted by the Committee in its sole discretion, through a "cashless exercise" in accordance with a Company-established policy or program for the same, (iv) if permitted by the Committee in its sole discretion, by "net issuance exercise" pursuant to which the Company reduces the number of shares of Common Stock otherwise deliverable upon exercise of this Option by a number of shares with an aggregate Market Value per Share equal to the aggregate Exercise Price at the time of exercise or (v) any combination of the foregoing. No fraction of a share of Common Stock shall be issued by the Company upon exercise of an Option or accepted by the Company in payment of the exercise price thereof; rather, the Grantee shall provide a cash payment for such amount as is necessary to effect the issuance and acceptance of only whole shares of Common Stock.

4. **Service Relationship.** 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. Without limiting the scope of the preceding sentence, it is expressly provided that the Grantee shall be considered to have terminated service with the Company (a) when the Grantee ceases to be in the service of any of the Company, a Subsidiary, or a corporation or other entity (or a parent or subsidiary of such corporation or other entity) assuming or substituting a new option for this Option or (b) at the time of the termination of the "Subsidiary" status under the Plan of the corporation or other entity that engages the Grantee.

5. **Rights as a Stockholder.**

(a) The Grantee shall have no rights of ownership in the Common Stock underlying this Option (including no rights to receive dividends) and no right to vote the Common Stock underlying this Option until the date on which the Common Stock underlying this Option is issued or transferred to the Grantee pursuant to **Section 3** above.

(b) 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.

6. **Adjustments.** This Option and the number of shares of Common Stock underlying this Option, 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.

7. **Withholding Taxes.**

(a) 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 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 7** 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 this award, as determined by the Committee.

(b) The Grantee acknowledges that there may be adverse tax consequences upon the receipt, vesting or exercise of this award or disposition of the underlying shares and that the Grantee has been advised, and hereby is advised, to consult a tax advisor. The Grantee represents that the Grantee is in no manner relying on the Board, the Committee, the Company or a Subsidiary or any of their respective managers, directors, officers, employees or authorized representatives (including attorneys, accountants, consultants, bankers, lenders, prospective lenders and financial representatives) for tax advice or an assessment of such tax consequences.

8. **Compliance with Law.** The Company shall make reasonable efforts to comply with all applicable federal and state securities laws and the requirements of any stock exchange or market system upon which the Common Stock may then be listed; 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.

9. **Acknowledgements Regarding Section 409A of the Code.** The Grantee understands that if the Exercise Price of the Common Stock under this Option is less than the fair market value of the Company’s common stock on the Date of Grant of this Option, then the Grantee may incur adverse tax consequences under Section 409A of the Code. The Grantee acknowledges and agrees that (a) the Grantee is not relying upon any determination by the Company, any Subsidiary or any of their respective employees, directors, managers, officers, attorneys or agents (collectively, the “Company Parties”) of the fair market value on the Date of Grant of this Option, (b) the Grantee is not relying upon any written or oral statement or representation of any of the Company Parties regarding the tax effects associated with the Grantee’s execution of this Agreement and the Grantee’s receipt, holding and exercise of this Option, and (c) in deciding to enter into this Agreement, the Grantee is relying on the Grantee’s own judgment and the judgment of the professionals of the Grantee’s choice with whom the Grantee has consulted. The Grantee hereby releases, acquits and forever discharges the Company Parties from all actions, causes of actions, suits, debts, obligations, liabilities, claims, damages, losses, costs and expenses of any nature whatsoever, known or unknown, on account of, arising out of, or in any way related to the tax effects associated with the Grantee’s execution of this Agreement and the Grantee’s receipt, holding and exercise of this Option.

10. **Headings; References; Interpretation.** Headings are for convenience only and are not deemed to be part of this Agreement. The words “hereof,” “herein” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole, and not to any particular provision of this Agreement. All references herein to Sections shall, unless the context requires a different construction, be deemed to be references to the Sections of this Agreement. The word “or” as used herein is not exclusive and is deemed to have the meaning “and/or.” All references to “including” shall be construed as meaning “including without limitation.” Unless the context requires otherwise, all references herein to a law, agreement, instrument or other document shall be deemed to refer to such law, agreement, instrument or other document as amended, supplemented, modified and restated from time to time to the extent permitted by the provisions thereof. All references to “dollars” or “\$” in this Agreement refer to

United States dollars. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any party hereto, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by each of the parties hereto and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the parties hereto. 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.

11. **No Right to Future Awards or Employment.** The grant of the Option 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 this Option 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.

12. **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.

13. **Entire Agreement; Amendment.** This Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to this Option; provided, however, that the terms of this Agreement shall not modify and shall be subject to the terms and conditions of any employment, consulting and/or severance agreement between the Company (or a Subsidiary or other entity) and the Grantee in effect as of the date a determination is to be made under this Agreement. 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. 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 this Option, 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.

14. **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 rights continues.

15. **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.

16. **Electronic Delivery.** The Company may, in its sole discretion, deliver any documents related to this Option 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.

17. **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.

18. **Successors and Assigns.** Without limiting **Section 21** 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.

19. **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.

20. **Counterparts.** The Grant Notice may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same agreement. Delivery of an executed counterpart of the Grant Notice by facsimile or in electronic format shall be effective as delivery of a manually executed counterpart of the Grant Notice.

21. **Restrictions on Transfer of Option.** Subject to Section 15 of the Plan, this Option shall not be transferable by the Grantee other than by will or pursuant to the laws of descent and distribution, and this Option shall be exercisable, during the Grantee's lifetime, only by the Grantee.

22. **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 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).

23. **Notices.** All notices and other communications under this Agreement shall be in writing and shall be delivered to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

If to the Company, unless otherwise designated by the Company in a written notice to the Grantee (or other holder):

comScore, Inc.
Attn: General Counsel
11950 Democracy Drive, Suite 600
Reston, Virginia 20190

If to the Grantee, at the Grantee's last known address on file with the Company.

Any notice that is delivered personally or by overnight courier or telecopier in the manner provided herein shall be deemed to have been duly given to the Grantee when it is mailed by the Company or, if such notice is not mailed to the Grantee, upon receipt by the Grantee. Any notice that is addressed and mailed in the manner herein provided shall be conclusively presumed to have been given to the party to whom it is addressed at the close of business, local time of the recipient, on the fourth day after the day it is so placed in the mail.

[Remainder of Page Intentionally Blank]

CERTIFICATIONS

I, Dale Fuller, 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/ Dale Fuller

Dale Fuller

Interim Chief Executive Officer

(Principal Executive Officer)

Date: August 6, 2019

CERTIFICATIONS

I, Gregory A. Fink, 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/ Gregory A. Fink

Gregory A. Fink

Chief Financial Officer and Treasurer

(Principal Financial Officer)

Date: August 6, 2019

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 June 30, 2019, as filed with the Securities and Exchange Commission (the "SEC") on the date hereof (the "Report"), I, Dale Fuller, Interim 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/ Dale Fuller

Dale Fuller
Interim Chief Executive Officer
(Principal Executive Officer)

Date: August 6, 2019

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 June 30, 2019, as filed with the Securities and Exchange Commission (the "SEC") on the date hereof (the "Report"), I, Gregory A. Fink, 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/ Gregory A. Fink

Gregory A. Fink
Chief Financial Officer and Treasurer
(Principal Financial Officer)

Date: August 6, 2019