Meyers Kenneth F
Form 4
May 25, 2018

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
Meyers Kenneth F

(Last) (First) (Middle)

C/O SYNEOS HEALTH, INC., 3201 BEECHLEAF COURT, SUITE 600

(Street)

RALEIGH, NC 27604

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
Syneos Health, Inc. [SYNH]

3. Date of Earliest Transaction (Month/Day/Year)
05/24/2018

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Class A Common Stock	05/24/2018		A		4,103 (1)	A	$ 0	8,019	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
								Date Exercisable	Expiration Date	Title	Amount or Number of Shares		
				Code	V	(A)	(D)						

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Meyers Kenneth F C/O SYNEOS HEALTH, INC. 3201 BEECHLEAF COURT, SUITE 600 RALEIGH, NC 27604	X			

Signatures

/s/ Donald R. Reynolds, Attorney-in-Fact	05/25/2018
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Represents an award of restricted stock units which vests in full one year from the grant date, or, if earlier, the date of the next subsequent annual meeting following the grant date but only to the extent the director is not re-elected as a non-employee director at such annual meeting, in each case, subject to continued service on the Issuer's Board of Directors.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. t style="font-family:inherit;font-size:10pt;">

(7,029
)

(3.4
)%

(406
)

(0.2
)%

Other income, net

807

0.8
 %

2,683

2.7
 %

884

0.4
 %

5,867

2.9
 %
Gain (loss) from foreign currency transactions

1,045

1.0
 %

(1,205
)

(1.2
)%

123

0.1
 %

(1,225
)

(0.6
)%
Loss before income tax provision

(53,876
)

(53.1
)%

(37,565
)

(37.8
)%

(103,911
)

(50.1
)%

(77,491
)

(38.7
)%
Income tax provision

(2,101
)

(2.1
)%

(1,061
)

(1.1
)%

(3,516
)

(1.7
)%

(1,927
)

(1.0
)%
Net loss

$
(55,977
)

(55.2
)%

$
(38,626
)

(38.8
)%

$
(107,427
)

(51.8
)%

$
(79,418
)

(39.6
)%
[1] As discussed in Footnote 2, Summary of Significant Accounting Policies, revenue for the three and six months ended June 30, 2017 is not comparable to the three and six months ended June 30, 2018 due to our adoption of Accounting Standards Codification 606, Revenue from Contracts with Customers ("ASC 606" or "Topic 606"). Refer to our reconciliation of as reported revenue to compare the periods presented.
Revenues
Our products and services are organized around measurement, planning and optimization in four offerings:
Digital Audience: focused on the size, engagement, and other behavioral and qualitative characteristics of audiences around the world, across multiple digital platforms including computers, tablets, smartphones and other connected devices.
TV and Cross-Platform: focused on consumer viewership of both linear and on-demand television content in the U.S. at the national level and in local markets. Provides a view of cross-platform consumer behavior when integrated with our Digital Audience and Advertising products and services.
Advertising: provides end-to-end solutions for planning, optimization and evaluation of advertising campaigns.
Movies: measures movie viewership, captures audience demographics and sentiment via social media and exit polling and provides software tools to movie studios and movie theater customers around the world.
We categorize our revenue along these four offerings; however, our cost structure is tracked at the corporate level and not by our product offerings. These costs include, but are not limited to, employee costs, operational overhead, data centers and our technology that supports multiple product offerings.

34

Table of Contents

Revenues from these four offerings of products and services are as follows:

	Three Months Ended June 30,					
(In thousands)	2018	% of Revenue	2017 [1]	% of Revenue	$ Variance	% Variance
Digital Audience	$49,882	49.2 %	$54,393	54.7 %	$(4,511)	(8.3)%
TV and Cross-Platform	29,455	29.1 %	25,363	25.5 %	4,092	16.1 %
Advertising	11,696	11.5 %	10,481	10.5 %	1,215	11.6 %
Movies	10,356	10.2 %	9,202	9.3 %	1,154	12.5 %
Total revenues	$101,389	100 %	$99,439	100 %	$1,950	2.0 %

[1] As discussed in Footnote 2, Summary of Significant Accounting Policies, revenue for the three months ended June 30, 2017 is not comparable to the three months ended June 30, 2018 due to our adoption of ASC 606. Refer to our reconciliation of as reported revenue to compare the periods presented.

Revenues increased by $2.0 million, or 2.0%, for the three months ended June 30, 2018 as compared to the three months ended June 30, 2017. Included in the 2018 revenues amount was an increase of $0.3 million related to our adoption of ASC 606, primarily included in Advertising above.

Digital Audience revenue decreased $4.5 million in the three months ended June 30, 2018 as compared to the three months ended June 30, 2017. Revenue continued to be impacted by changes in our products along with an evolving advertising market. Our investment to strengthen our products through the addition of mobile data sources resulted in some data trends disruption, which impacted customers. As a result, certain customers ceased purchases and others delayed renewals. In addition, changes in industry-wide ad buying weakened smaller publishers and as such, some of our smaller customers did not renew during 2017. As a result, while our largest customers continued to purchase these products, our overall customer base shrunk during 2017 and the first half of 2018, which impacted 2018 revenue.

The increase in revenue for TV and Cross-Platform resulted in part from the establishment of stand-alone selling price over certain distinct performance obligations in arrangements that include the purchase and sale of services during the three months ended June 30, 2018. The remaining increase in revenue was primarily the result of increased demand for our national and local TV station offerings which resulted in the expansion of agreements with existing customers.

Movies revenue increased as our global footprint remained strong and our products continued to result in higher contract values. As we collect data from box office locations worldwide, our customers continued to expand and renew agreements, which we expect to continue during 2018.

Advertising revenue increased from growth in both our emerging products and certain legacy offerings.

	Six Months Ended June 30,					
(In thousands)	2018	% of Revenue	2017 [1]	% of Revenue	$ Variance	% Variance
Digital Audience	$107,670	51.9 %	$112,303	56.1 %	$(4,633)	(4.1)%
TV and Cross-Platform	54,772	26.4 %	47,384	23.7 %	7,388	15.6 %
Advertising	23,892	11.5 %	22,041	11.0 %	1,851	8.4 %
Movies	20,974	10.1 %	18,572	9.3 %	2,402	12.9 %
Total revenues	$207,308	100 %	$200,300	100 %	$7,008	3.5 %

[1] As discussed in Footnote 2, Summary of Significant Accounting Policies, the revenue for the six months ended June 30, 2017 is not comparable to the six months ended June 30, 2018 due to our adoption of ASC 606. Refer to our reconciliation of as reported revenue to compare the periods presented.

Revenues increased by $7.0 million, or 3.5%, for the six months ended June 30, 2018 as compared to the six months ended June 30, 2017. Included in the 2018 revenues amount was an increase of $0.7 million related to our adoption of ASC 606, primarily included in Advertising and TV and Cross-Platform above.

Digital Audience revenue decreased $4.6 million in the six months ended June 30, 2018 as compared to the six months ended June 30, 2017. Revenue continued to be impacted by changes in our products along with an evolving advertising market. Our investment to strengthen our products through the addition of mobile data sources resulted in some data trends disruption, which impacted customers. As a result, certain customers ceased purchases and others

delayed renewals. In addition, changes in industry-wide ad buying weakened smaller publishers and as such, some of our smaller customers did not renew during 2017. As a result, while our largest customers continued to purchase these products, our overall customer base shrunk during 2017 and the first half of 2018, which impacted 2018 revenue.
The increase in revenue for TV and Cross-Platform resulted in part from the establishment of stand-alone selling price over certain distinct performance obligations in arrangements that include the purchase and sale of services during the second quarter of 2018. The remaining increase in revenue was primarily the result of increased demand for our national and local TV station offerings which resulted in the expansion of agreements with existing customers. Movies revenue increased as our global footprint remained

35

Table of Contents

strong and our products continued to result in higher contract values. As we collect data from box office locations worldwide, our customers continued to expand and renew agreements, which we expect to continue during 2018. Advertising revenue increased from growth in both our emerging products and certain legacy offerings.

Cost of Revenues

Cost of revenues consists primarily of expenses related to operating our network infrastructure, producing our products, and the recruitment, maintenance and support of 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 that supports our panels and systems, allocated overhead, which is comprised of rent and other facilities related costs, and depreciation expense generated by general purpose equipment and software.

	Three Months Ended June 30,					
(In thousands)	2018	% of Revenue	2017	% of Revenue	$ Change	% Change
Employee costs	$15,805	15.6 %	$15,102	15.2 %	$703	4.7 %
Data costs	14,451	14.3 %	10,155	10.2 %	4,296	42.3 %
Panel costs	5,837	5.8 %	5,819	5.9 %	18	0.3 %
Systems and bandwidth costs	5,955	5.9 %	4,711	4.7 %	1,244	26.4 %
Rent and depreciation	3,130	3.1 %	4,416	4.4 %	(1,286)	(29.1)%
Professional fees	1,156	1.1 %	1,398	1.4 %	(242)	(17.3)%
Sample and survey costs	1,462	1.4 %	1,323	1.3 %	139	10.5 %
Technology	1,566	1.5 %	1,264	1.3 %	302	23.9 %
Royalties and resellers	1,043	1.0 %	1,187	1.2 %	(144)	(12.1)%
Other	1,121	1.1 %	1,926	1.9 %	(805)	(41.8)%
Total cost of revenues	$51,526	50.8 %	$47,301	47.6 %	$4,225	8.9 %

Cost of revenues increased $4.2 million, or 8.9%, for the three months ended June 30, 2018 as compared to the three months ended June 30, 2017. The increase in cost of revenues was largely attributable to a $4.3 million increase in data costs, a $1.2 million increase in systems and bandwidth costs, and a $0.7 million increase in employee costs, offset by the decrease of $1.3 million in rent and depreciation costs and $0.8 million in other costs. Employee costs increased due to $3.3 million of increased stock-based compensation expense, primarily driven by the most recent awards granted on June 5, 2018, offset by a decrease in costs as a result of our restructuring efforts, reduced employee headcount and capitalized fulfillment costs. Increased data costs in 2018 were incurred as a result of the establishment of standalone selling price for distinct services provided under certain arrangements that include the purchase and sale of services during the three months ended June 30, 2018. In addition, we continued to invest in TV and Cross-Platform through the acquisition of additional TV data, as well as investing in our digital platform through purchasing additional mobile data. We believe this investment is necessary to support our products and expand our offerings, and these costs are expected to increase throughout 2018. These increases were offset by a decrease in rent and depreciation attributable to decreased purchases of capital assets and lower associated depreciation expense. Other costs decreased by $0.8 million related to a license agreement that was not renewed in 2018. We also capitalized $0.9 million of internal-use software development costs in the three months ended June 30, 2018. We did not capitalize internal-use software development costs during 2017. Additionally, 2018 cost of revenues was reduced by $1.2 million related to our adoption of ASC 606, primarily driven by capitalized fulfillment costs for the second quarter of 2018.

36

Table of Contents

(In thousands)	Six Months Ended June 30, 2018	% of Revenue	2017	% of Revenue	$ Change	% Change
Employee costs	$29,665	14.3 %	$29,197	14.6 %	$468	1.6 %
Data costs	26,767	12.9 %	19,720	9.8 %	7,047	35.7 %
Panel costs	11,456	5.5 %	13,005	6.5 %	(1,549)	(11.9)%
Systems and bandwidth costs	11,880	5.7 %	10,055	5.0 %	1,825	18.2 %
Rent and depreciation	6,432	3.1 %	8,969	4.5 %	(2,537)	(28.3)%
Professional fees	2,730	1.3 %	2,894	1.4 %	(164)	(5.7)%
Sample and survey costs	3,178	1.5 %	2,694	1.3 %	484	18.0 %
Technology	3,100	1.5 %	2,507	1.3 %	593	23.7 %
Royalties and resellers	1,492	0.7 %	1,855	0.9 %	(363)	(19.6)%
Other	2,080	1.0 %	3,718	1.9 %	(1,638)	(44.1)%
Total cost of revenues	$98,780	47.6 %	$94,614	47.2 %	$4,166	4.4 %

Cost of revenues increased by $4.2 million or 4.4% for the six months ended June 30, 2018 as compared to the six months ended June 30, 2017. The increase in cost of revenues was largely attributable to the increase of $7.0 million in data costs, increase of $1.8 million in systems and bandwidth costs and an increase of $0.5 million in employee costs, offset by a $1.5 million decrease in panel costs, a $2.5 million decrease in rent and depreciation, and a $1.6 million reduction in other costs. Increased data costs in 2018 were incurred as a result of the establishment of standalone selling price for distinct services provided under certain arrangements that include the purchase and sale of services during the second quarter of 2018. In addition, we continued to invest in TV and Cross-Platform through the acquisition of additional TV data, as well as investing in our digital platform through purchasing additional mobile data. We believe this investment is necessary to support our products and expand our offerings, and these costs are expected to increase throughout 2018. Employee costs increased due to $4.0 million of increased stock-based compensation expense, primarily related to the most recent awards granted on June 5, 2018, offset by $1.4 million in capitalized internal-use software development costs in the six months ended June 30, 2018 that were not capitalized during 2017, reductions related to reduced headcount due to restructuring of the business and capitalized fulfillment costs. The reduction in panel costs related to a reduction in our Total Home Panel investment. The decrease in rent and depreciation is attributable to decreased purchases of capital assets and lower associated depreciation. Additionally, 2018 cost of revenues was reduced by $1.4 million related to our adoption of ASC 606, primarily driven by capitalized fulfillment costs for the first half of 2018.

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 and industry experts, 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 rent and other facilities related costs, and depreciation expense generated by general purpose equipment and software. All selling and marketing costs are expensed as they are incurred. Commission plans are developed for our account managers with criteria and size of sales quotas that vary depending upon the individual’s role.

(In thousands)	Three Months Ended June 30, 2018	% of Revenue	2017	% of Revenue	$ Change	% Change
Employee costs	$24,237	23.9 %	$23,122	23.3 %	$1,115	4.8 %
Rent and depreciation	1,824	1.8 %	2,454	2.5 %	(630)	(25.7)%
Travel	1,314	1.3 %	2,047	2.1 %	(733)	(35.8)%
Professional fees	972	1.0 %	1,951	2.0 %	(979)	(50.2)%
Other	1,300	1.3 %	1,616	1.6 %	(316)	(19.6)%
Total selling and marketing expenses	$29,647	29.2 %	$31,190	31.4 %	$(1,543)	(4.9)%

Selling and marketing expenses decreased by $1.5 million, or 4.9%, for the three months ended June 30, 2018 as compared to the three months ended June 30, 2017. The decrease in selling and marketing expenses was a result of a decrease in professional fees, travel and rent and depreciation, offset by an increase in employee costs. Employee costs increased $4.3 million due to increased stock-based compensation expense related to the most recent awards granted on June 5, 2018. This increase was offset by lower costs resulting from our reduction in headcount and restructuring of the business and a decrease in rent and depreciation mainly attributable to decreased purchases of capital assets and lower associated depreciation. The decrease in professional fees was

37

mainly due to the decreased use of outside consultants. The decreased travel costs were a result of our focus on cost reduction efforts.

	Six Months Ended June 30,					
(In thousands)	2018	% of Revenue	2017	% of Revenue	$ Change	% Change
Employee costs	$44,475	21.5 %	$45,536	22.7 %	$(1,061)	(2.3)%
Rent and depreciation	3,972	1.9 %	4,948	2.5 %	(976)	(19.7)%
Travel	2,320	1.1 %	3,624	1.8 %	(1,304)	(36.0)%
Professional fees	2,137	1.0 %	3,405	1.7 %	(1,268)	(37.2)%
Marketing events	363	0.2 %	838	0.4 %	(475)	(56.7)%
Other	2,285	1.1 %	2,572	1.3 %	(287)	(11.2)%
Total selling and marketing expenses	$55,552	26.8 %	$60,923	30.4 %	$(5,371)	(8.8)%

Selling and marketing expenses decreased by $5.4 million, or 8.8%, for the six months ended June 30, 2018 as compared to the six months ended June 30, 2017. The decrease in selling and marketing expenses was a result of a decrease in employee costs that was largely attributable to our reduction in headcount, offset by a $3.4 million increase in stock-based compensation related to the new awards granted on June 5, 2018. In addition, our focus on cost reduction efforts resulted in lower expenses across the majority of our associated categories. We expect these costs to continue to decrease compared to 2017 as a result of lower personnel costs and our focus on cost reduction efforts.

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, third-party data costs and allocated overhead, which is comprised of rent and other facilities related costs, and depreciation expense related to general purpose equipment and software.

	Three Months Ended June 30,					
(In thousands)	2018	% of Revenue	2017	% of Revenue	$ Change	% Change
Employee costs	$17,051	16.8 %	$17,265	17.4 %	$(214)	(1.2)%
Rent and depreciation	1,704	1.7 %	1,907	1.9 %	(203)	(10.6)%
Technology	1,261	1.2 %	1,050	1.1 %	211	20.1 %
Professional fees	429	0.4 %	496	0.5 %	(67)	(13.5)%
Other	444	0.4 %	784	0.8 %	(340)	(43.4)%
Total research and development expenses	$20,889	20.6 %	$21,502	21.6 %	$(613)	(2.9)%

Research and development expenses decreased by $0.6 million, or 2.9%, for the three months ended June 30, 2018 as compared to the three months ended June 30, 2017. The decrease was primarily attributable to decreases in employee costs and rent and depreciation, including the impact of $2.4 million of capitalized internal-use software development costs in the three months ended June 30, 2018 that were not capitalized during 2017. These decreases were offset by an increase in technology costs as we increased our focus on new product offerings as well as an increase in stock-based compensation of $3.5 million related to the awards granted on June 5, 2018. We expect these costs to continue decreasing compared to 2017 as a result of lower personnel costs and our focus on cost reduction efforts.

	Six Months Ended June 30,					
(In thousands)	2018	% of Revenue	2017	% of Revenue	$ Change	% Change
Employee costs	$31,717	15.3 %	$33,948	16.9 %	$(2,231)	(6.6)%
Rent and depreciation	3,531	1.7 %	3,832	1.9 %	(301)	(7.9)%
Technology	2,573	1.2 %	2,070	1.0 %	503	24.3 %
Professional fees	951	0.5 %	1,328	0.7 %	(377)	(28.4)%

Other	833	0.4	%	1,344	0.7	%	(511)	(38.0)%
Total research and development expenses	$39,605	19.1	%	$42,522	21.2	%	$(2,917)	(6.9)%

38

Table of Contents

Research and development expenses decreased by $2.9 million, or 6.9%, for the six months ended June 30, 2018 as compared to the six months ended June 30, 2017. The decrease was primarily attributable to decreases in employee costs, professional fees and rent and depreciation. We also capitalized $3.8 million of internal-use software development costs in the six months ended June 30, 2018 that were not capitalized during 2017. These decreases were offset by an increase in technology costs as we increased our focus on new product offerings and an increase in stock-based compensation as a result of the awards granted on June 5, 2018. We expect these costs to continue decreasing compared to 2017 as a result of lower personnel costs and our focus on cost reduction efforts.

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 rent and other facilities related costs, and depreciation expense related to general purpose equipment and software, and expenses incurred for other general corporate purposes.

	Three Months Ended June 30,					
(In thousands)	2018	% of Revenue	2017	% of Revenue	$ Change	% Change
Employee costs	$15,764	15.5 %	$4,940	5.0 %	$10,824	219.1 %
Professional fees	6,137	6.1 %	2,660	2.7 %	3,477	130.7 %
DAx transition services agreement	2,183	2.2 %	2,629	2.6 %	(446)	(17.0)%
Rent and depreciation	1,070	1.1 %	858	0.9 %	212	24.7 %
Bad debt expense	567	0.6 %	498	0.5 %	69	13.9 %
Other	2,978	2.9 %	1,725	1.7 %	1,253	72.6 %
Total general and administrative expenses	$28,699	28.3 %	$13,310	13.4 %	$15,389	115.6 %

General and administrative expenses increased by $15.4 million, or 115.6%, for the three months ended June 30, 2018 as compared to the three months ended June 30, 2017. The increase was primarily attributable to an increase in employee costs and professional fees. Employee costs increased due to $9.1 million in increased stock-based compensation expense related to the most recent awards granted on June 5, 2018. Professional fees increased from legal and audit fees not associated with the prior year audit and investigation. These increased costs were offset by a $0.4 million decrease in the Digital Analytix ("DAx") transition services agreement costs.

	Six Months Ended June 30,					
(In thousands)	2018	% of Revenue	2017	% of Revenue	$ Change	% Change
Employee costs	$22,405	10.8 %	11,500	5.7 %	$10,905	94.8 %
Professional fees	11,880	5.7 %	6,543	3.3 %	5,337	81.6 %
DAx transition services agreement	4,848	2.3 %	5,751	2.9 %	(903)	(15.7)%
Rent and depreciation	2,159	1.0 %	1,763	0.9 %	396	22.5 %
Bad debt expense	484	0.2 %	681	0.3 %	(197)	(28.9)%
Other	5,584	2.7 %	4,857	2.4 %	727	15.0 %
Total general and administrative expenses	$47,360	22.8 %	$31,095	15.5 %	$16,265	52.3 %

General and administrative expenses increased by $16.3 million, or 52.3%, for the six months ended June 30, 2018 as compared to the six months ended June 30, 2017. The increase was attributable to an increase in employee costs and professional fees. Employee costs increased due to an $8.9 million increase in stock-based compensation expense, primarily related to the most recent awards granted on June 5, 2018. Professional fees increased from legal and audit fees not associated with the prior year audit and investigation. These increased costs were offset by a $0.9 million decrease in DAx transition services agreement costs.

Investigation and Audit Related

As previously disclosed, in February 2016, the Audit Committee of the Company's Board of Directors commenced an internal investigation, with the assistance of outside advisors, into matters related to the Company's revenue recognition practices, disclosures, internal controls, corporate culture, and certain employment practices. Investigation, audit, and litigation related expenses associated with this matter were $4.9 million and $17.4 million for the three months ended June 30, 2018 and 2017, respectively, and $36.8 million and $35.1 million for the six months ended June 30, 2018 and 2017, respectively. Investigation

39

Table of Contents

expenses include professional fees associated with legal and forensic accounting services rendered as part of the investigation. Audit related expenses consist of professional fees associated with accounting related consulting services and external auditor fees associated with the audit of our Consolidated Financial Statements for 2017 and prior years. Litigation related expenses include legal fees associated with various lawsuits or investigations that were initiated either directly or indirectly as a result of the Audit Committee's investigation. We expect these costs to continue for the remainder of 2018 due to ongoing legal proceedings and other associated costs, as well as legal expenses associated with indemnification of current and former directors and officers, but at a lower level than the first half of 2018 or the prior year.

Settlement of Litigation, Net

Settlement of litigation, net, consists of losses from the settlement of various litigation matters. The net settlement of litigation expenses 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. The net settlement of litigation expenses for the three and six months ended June 30, 2017 primarily relates to the settlement of the Rentrak Corporation merger litigation.

Organizational Restructuring

In December 2017, we announced that we were implementing an organizational restructuring to reduce staffing levels by approximately 10%, and exiting certain geographic regions in order to enable us to decrease our global costs and more effectively align our resources to business priorities. The majority of the employees impacted by the restructuring exited in the fourth quarter of 2017, with the remainder exiting in 2018.

In the second quarter of 2018, our Board of Directors authorized management to implement further reductions in headcount and rationalize our portfolio of leased properties which resulted in the termination of one operating lease and the extension of the lease related to our headquarters in the second quarter of 2018. In connection with the restructuring, we incurred expenses of $3.8 million and $5.1 million during the three and six months ended June 30, 2018, respectively, related to termination benefits and other lease exit costs. Additional space rationalization is ongoing, and we expect to incur less than $5.0 million in additional restructuring charges through the first quarter of 2019 related to the early termination or sublease of some operating leases of office space.

Other Income, Net

Other income, net, represents income and expenses incurred that are generally not recurring in nature nor part of our normal operations. The following is a summary of other income, net:

	Three Months Ended June 30,	
(In thousands)	2018	2017
Transition services agreement income from the DAx disposition	$2,182	$2,630
Change in fair value of investment in equity securities	714	—
Change in fair value of financing derivatives	(2,280)	—
Other	191	53
Total other income, net	$807	$2,683

Table of Contents

	Six Months Ended June 30,	
(In thousands)	2018	2017
Transition services agreement income from the DAx disposition	$4,847	$5,827
Change in fair value of investment in equity securities	265	—
Change in fair value of financing derivatives	(4,460)	—
Other	232	40
Total other income, net	$884	$5,867

Income from transition services represents Adobe Systems Incorporated's reimbursement of costs incurred under the DAx transition services agreement and are offset in general and administrative expenses. The decrease for the three and six months ended June 30, 2018 compared to the three and six months ended June 30, 2017 primarily relates to reduced activity in the third year of the transition services agreement. In addition, the change in other income, net was driven by the changes in fair value of our financing derivatives and equity securities investment, as described in Footnote 4, Fair Value Measurements.

Gain(Loss) 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 months ended June 30, 2018, the gain from foreign currency transactions was $1.0 million, primarily related to differences in the U.S. dollar to euro exchange rates during the quarter. For the three months ended June 30, 2017, the loss from foreign currency transactions was $1.2 million.

For the six months ended June 30, 2018, the gain from foreign currency transactions was $0.1 million. The 2018 gain was primarily related to fluctuations in the average U.S. dollar to euro and Chilean peso exchange rates. For the six months ended June 30, 2017, the loss from foreign currency transactions was $1.2 million.

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 and U.S. deferred taxes for tax deductible goodwill and other indefinite-lived liabilities.

During the three months ended June 30, 2018 and 2017, we recorded an income tax provision of $2.1 million and $1.1 million, respectively, resulting in an effective tax rate of 3.9% and 2.8%, respectively. During the six months ended June 30, 2018 and 2017, we recorded an income tax provision of $3.5 million and $1.9 million, respectively, resulting in an effective tax rate of 3.4% and 2.5%, respectively. These effective tax rates differ from the U.S. federal statutory rate primarily due to the effects of foreign tax rate differences and increases in the valuation allowance against our domestic deferred tax assets.

Non-GAAP Financial Measures

To provide investors with additional information regarding our financial results, we are disclosing herein Adjusted 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. We define Adjusted EBITDA as EBITDA plus or minus stock-based compensation expense as well as other items and amounts which we view as not indicative of our core operating performance, specifically: charges for matters relating to the Audit Committee investigation described in the 2017 10-K, such as litigation and investigation-related costs, costs associated with tax projects, audits and other professional, consulting or other fees; settlement of litigation, net; restructuring costs 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 as well as other items and amounts which we view as not indicative of our core operating performance, specifically: charges for matters relating to the Audit Committee investigation described in the 2017 10-K, such as litigation and investigation-related costs, costs associated with tax projects, audits and other professional, consulting or other fees; settlement of litigation, net; restructuring costs and non-cash changes in the fair value of financing derivatives and investments in equity securities.

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;

41

Table of Contents

- 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 litigation and the Audit Committee investigation described herein, such as litigation and investigation-related costs, costs associated with tax projects, restructuring costs, audits and other professional, consulting or other fees incurred in connection with our 2017 and prior-year audits and all related 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;
- 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). Consolidated EBITDA, as defined for purposes of the senior secured convertible notes ("Notes") issued in 2018, 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:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	2018	2017	2018	2017
Net loss (GAAP)	$(55,977)	$(38,626)	$(107,427)	$(79,418)
Income tax provision	2,101	1,061	3,516	1,927
Interest expense, net	4,124	252	7,029	406
Depreciation	4,276	5,867	8,839	11,996
Amortization of intangible assets	8,266	8,443	16,810	17,178
EBITDA	(37,210)	(23,003)	(71,233)	(47,911)
Adjustments:				
Stock-based compensation	22,999	2,824	24,880	6,644
Investigation and audit related	4,883	17,399	36,750	35,077
Settlement of litigation, net	5,250	(915)	5,250	618
Restructuring costs	3,833	—	5,090	—
Other loss (income), net [1]	1,506	(53)	4,135	(40)
Adjusted EBITDA	$1,261	$(3,748)	$4,872	$(5,612)

[1] In 2018, adjustments to other income, net, reflect non-cash changes in the fair value of financing derivatives and equity securities investment included in other income, net on our Condensed Consolidated Statements of Operations and Comprehensive Loss. These financial instruments were not held in the prior period. The prior period adjustment to other income, net reflects items classified as non-operating other income, net on our Condensed Consolidated Statements of Operations and Comprehensive Loss, excluding the other income associated with the transition services agreement for Digital Analytix ("DAx") disposition. Our change to exclude non-operating other income, net from our calculation of Adjusted EBITDA for 2018 is intended to conform Adjusted EBITDA to the Consolidated EBITDA

definition under our senior secured convertible notes issued to funds affiliated with or managed by Starboard Value LP.

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

42

Table of Contents

(In thousands)	Three Months Ended June 30, 2018	2017	Six Months Ended June 30, 2018	2017
Net loss (GAAP)	$(55,977)	$(38,626)	$(107,427)	$(79,418)
Adjustments:				
Stock-based compensation	22,999	2,824	24,880	6,644
Investigation and audit related	4,883	17,399	36,750	35,077
Settlement of litigation, net	5,250	(915)	5,250	618
Restructuring costs	3,833	—	5,090	—
Other loss (income), net [1]	1,506	(53)	4,135	(40)
Non-GAAP net loss	$(17,506)	$(19,371)	$(31,322)	$(37,119)

[1] In 2018, adjustments to other income, net, reflect non-cash changes in the fair value of financing derivatives and equity securities investment included in other income, net on our Condensed Consolidated Statements of Operations and Comprehensive Loss. These financial instruments were not held in the prior period. The prior period adjustment to other income, net reflects items classified as non-operating other income, net on our Condensed Consolidated Statements of Operations and Comprehensive Loss, excluding the other income associated with the transition services agreement for the DAx disposition. We have excluded non-operating other income, net from our calculation of non-GAAP net loss for 2018.

Liquidity and Capital Resources

The following table summarizes our cash flows:

(In thousands)	Six Months Ended June 30, 2018	2017
Condensed Consolidated Statements of Cash Flow Data:		
Net cash used in operating activities	$(74,369)	$(22,258)
Net cash used in investing activities	$(6,515)	$(4,021)
Net cash provided by (used in) financing activities	$90,083	$(4,048)
Effect of exchange rate changes on cash and cash equivalents	$(1,136)	$21

Our principal uses of cash historically consisted of cash paid for payroll and other operating expenses and 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 customer base. In 2016, 2017 and the first half of 2018, we incurred significant professional fees primarily consisting of legal, forensic accounting and related advisory services as a result of our Audit Committee's investigation, subsequent audit and compliance efforts relating to the filing of our 2015, 2016 and 2017 Consolidated Financial Statements included in the 2017 10-K filed on March 23, 2018.

As of June 30, 2018, our principal sources of liquidity consisted of cash and cash equivalents totaling $53.2 million, including $6.6 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 financial statements, resulted in a need to secure long-term financing. In January 2018, we issued $150.0 million in Notes as described below to support our anticipated liquidity requirements and provide capital for future investment. In May 2018, we issued an additional $50.0 million in Option Notes as described below. In addition, on July 9, 2018, the Virginia Circuit Court dismissed the final derivative actions and the $10.1 million of insurance proceeds held in escrow were released to us. We believe that our sources of funding are sufficient to satisfy our currently anticipated requirements for at least the next twelve months. We continue to be focused on maintaining flexibility in terms of sources, amounts and the timing of any potential transaction in order to best position us for future success. 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.

Restricted cash represents our requirement to collateralize outstanding letters of credit, certain capital lease obligations, lines of credit related to certain of our corporate credit card programs, as well as certain international treasury exposure. As of June 30, 2018 and December 31, 2017, we had $6.6 million and $7.3 million of restricted cash, respectively.

Credit Facility

On September 26, 2013, we entered into a Credit Agreement (the “Credit Agreement”) with Bank of America, N.A., as the administrative agent and lead lender, and certain other lenders for a five-year revolving credit facility of $100.0 million, which included a $10.0 million sublimit for issuance of standby letters of credit (subsequently reduced to $3.6 million in September 2017), a $10.0 million sublimit for swing line loans and a $10.0 million sublimit for alternative currency lending. The maturity

43

Table of Contents

date for the revolving credit facility was September 26, 2018. On January 11, 2018, we voluntarily terminated the Credit Agreement and the Security and Pledge Agreement between the Company and Bank of America, N.A., as administrative agent, and other lenders. At the time of termination, $3.5 million in letters of credit remained outstanding and were cash collateralized. As of June 30, 2018, $1.2 million letters of credit remain outstanding and are cash collateralized.

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, 2018, $2.0 million in letters of credit are outstanding and are cash collateralized under the Security Agreement with Wells Fargo Bank, N.A.

Issuance and Sale of Senior Secured Convertible Notes

On January 16, 2018, we entered into certain agreements with funds affiliated with or managed by Starboard Value LP (collectively, “Starboard”), pursuant to which, among other things, we issued and sold to Starboard $150.0 million in senior secured convertible notes (“Initial Notes”) in exchange for $85.0 million in cash and 2,600,000 shares of the Company's common stock, par value $0.001 per share ("Common Stock"), valued at $65.0 million. We 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"). On May 17, 2018, the Notes Option was exercised by Starboard, whereby we 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 owned by Starboard, valued at $35.0 million. The Option Notes have the same terms, including maturity, interest rate, convertibility, and security, as the Initial Notes.

In addition, under the agreements, we have the right to conduct a rights offering (the “Rights Offering”), which would be open to all of our stockholders, for up to $150.0 million in senior secured convertible notes (the “Rights Offering Notes”).

The conversion price for the Notes (the “Conversion Price”) is equal to a 30% premium to the volume weighted average trading prices of the Common Stock on each trading day during the ten 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 per share.

The Notes mature on January 16, 2022 (the “Maturity Date”). Based upon the determination of the Conversion Price, interest on the Notes will accrue at 6.0% per year through January 30, 2019. On each of January 30, 2019, 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. Interest on the Notes is payable, at our option, in cash, or, subject to certain conditions, through the issuance by us of additional shares of Common Stock (the “PIK Interest Shares”). Any PIK Interest Shares so issued will be valued at the arithmetic average of the volume-weighted average trading prices of the Common Stock on each trading day during the ten consecutive trading days ending immediately preceding the applicable interest payment date.

Subject to the terms of the Rights Offering, if undertaken, we would distribute to all of our stockholders' rights to acquire Rights Offering Notes. Stockholders of the Company who elect to participate in the Rights Offering would be allowed to 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 will 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 they 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 the Option Notes purchased.

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 (currently at $20 million) and (v) the timely filing of certain disclosures with the SEC. We are in compliance with the debt covenants as of June 30, 2018. Based on our current plans, we do not currently anticipate any breach of these covenants that would result in an event of default under the Notes. Our liquidity could be negatively affected in the event of a default under the Notes.

We filed a registration statement on Form S-1 with the SEC for the registration of the shares underlying the Notes, potential PIK Interest Shares, and warrants on July 19, 2018. In conjunction with this registration, WPP plc (together with its affiliates, "WPP") exercised its registration right to have its shares of Common Stock included on the registration statement.

On August 8, 2018, we and Starboard amended the Notes in order to provide us with additional financial flexibility. Specifically, through March 31, 2019, the minimum cash balance required to be maintained by us has been reduced from $40 million to $20

million, subject to certain limitations. In connection with and as consideration for this modification, and pursuant to the amendment, we issued to Starboard $2.0 million in additional aggregate principal amount of senior secured convertible notes, the terms of which are identical to the terms of the Notes, except with regard to the date from which interest thereon shall begin to accrue, which is August 8, 2018. We also agreed to register the shares of Common Stock underlying the additional notes and potential PIK interest shares related thereto. For additional information, refer to Footnote 11, Subsequent Events.

Operating Activities

Our primary source of cash provided by operating activities is revenues generated from sales of our digital audience, advertising, TV and cross-platform and movies measurement, planning and optimization products and services. Our primary uses of cash from operating activities include personnel costs, data and infrastructure to develop our products and services and support the anticipated growth in our business and customers using our products. We have also incurred significant professional fees relating to the Audit Committee's investigation, subsequent audit and compliance efforts and related litigation.

Cash used in operating activities is calculated by adjusting our net loss for changes in working capital, as well as to exclude non-cash items such as: depreciation, amortization of intangible assets, stock-based compensation, deferred tax provision, change in the fair value of financing derivatives and equity securities, accretion of debt discount, amortization of deferred financing costs and other.

Net cash used in operating activities for the six months ended June 30, 2018 was $74.4 million compared to net cash used of $22.3 million for the six months ended June 30, 2017. The increase in cash used in operating activities during the six months ended June 30, 2018 as compared to the six months ended June 30, 2017 was primarily attributable to a $38.5 million increase in payments of our outstanding liabilities, driven by investigation and audit related expenses incurred.

Investing Activities

Cash used in investing activities primarily consists of payments related to purchases of computer 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, 2018 was $6.5 million compared to net cash used in investing activities of $4.0 million for the six months ended June 30, 2017. This increase in cash used in investing activities was mainly attributable to costs of $5.2 million to develop internal-use software, offset by a $2.7 million decrease in purchases of property and equipment.

Financing Activities

Net cash provided by financing activities during the six months ended June 30, 2018 was $90.1 million compared to net cash used in financing activities of $4.0 million during the six months ended June 30, 2017. The change was largely due to the cash proceeds from the issuance of the Notes of $100.0 million. These proceeds were offset by debt issuance costs and the use of $4.3 million of cash to cover minimum statutory withholding taxes due upon the vesting of certain restricted stock and restricted stock unit awards.

Table of Contents

Contractual Payment Obligations

On May 30, 2018, the Company entered into an amendment with the landlord of our corporate headquarters, extending the lease term which was scheduled to expire on July 31, 2022. Pursuant to the terms of the extension, the new lease term will begin on August 1, 2022 and will expire on July 31, 2027. Refer to Footnote 9, Commitments and Contingencies.

On June 1, 2018, we entered into a new agreement with a network operator, extending the term of our agreement through December 2023. Refer to Footnote 9, Commitments and Contingencies.

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. To the extent that our existing cash, cash equivalents, short-term investments, operating cash flow and the proceeds from the 2018 issuance and sale of senior secured convertible notes 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, further dilution to existing stockholders may occur. The delayed filing of our periodic reports with the SEC prior to our filing of the 2017 10-K may impair our ability to obtain additional financing and access the capital markets. As a result of our delayed filings, we will not be eligible to register the offer and sale of our securities using a registration statement on Form S-3 until we have timely filed all periodic reports required under the Exchange Act for twelve months.

2018 Equity and Incentive Compensation Plan

Our stockholders approved the 2018 Equity and Incentive Compensation Plan (the 2018 "Plan") at our 2018 Annual Meeting of Stockholders. Under the 2018 Plan, we may grant option rights, appreciation rights, restricted stock, 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 of 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 for 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. We registered the securities under the 2018 Plan with the SEC effective June 1, 2018.

On June 5, 2018, our Compensation Committee approved and awarded 2,078,151 restricted stock units under the 2018 Plan to employees, directors and certain consultants that were recommended in 2016, 2017 and 2018. The closing sales price of our Common Stock on Nasdaq on June 5, 2018 was $24.23. Upon the grant of these awards, we recognized $21.1 million in stock-based compensation expense during the three months ended June 30, 2018. Refer to Footnote 7, Stockholders' Equity.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements (as defined in Item 303 of Regulation S-K) other than operating lease obligations and other purchase obligations.

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 generally accepted accounting

principles in the U.S. ("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 policy for revenue recognition, which was updated as a result of the adoption of ASC 606, Revenue from Contracts with Customers, there have been no material

Table of Contents

changes to our existing critical accounting policies during the three and six months ended June 30, 2018 from those disclosed in our 2017 10-K. Refer below to the discussion of our current revenue recognition accounting policy.

Revenue Recognition

We apply the provisions of ASC 606, Revenue from Contracts with Customers and all related appropriate guidance. We recognize revenue under the core principle of depicting the transfer of promised goods and services to our customers in an amount that reflects the consideration to which we expect to be entitled. In order to achieve that core principle, we apply the following five-step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when a performance obligation is satisfied.

Our contracts with customers may include multiple promised goods and services, consisting of the various services the Company offers. Contracts with multiple performance obligations typically consist of a mix of subscriptions to online products, our online database and custom products and services. At contract inception, we identify performance obligations by evaluating whether the promised goods and services are capable of being distinct within the context of the contract. Promised goods and services that are not distinct are combined until the combined bundle of goods and services is distinct.

In general, transaction price is determined by estimating the fixed amount of consideration to which the Company is entitled to for transfer of goods and services and all relevant sources and components of variable consideration. Variable consideration is estimated based on the most likely amount or expected value approach. Once we select a method to estimate variable consideration for a particular type of performance obligation, we will apply that method consistently. We will constrain estimates of variable consideration only to the extent that it is probable that significant reversal in the amount of cumulative revenue recognized will not occur.

Significant judgment is required to determine the stand-alone selling price (“SSP") for each performance obligation. We allocate transaction price to each performance obligation based on relative SSP.

For the majority of our products and services, we apply an adjusted market assessment approach for the determination of SSP for identified performance obligations. In general, we bundle multiple products and very few are sold on a standalone basis. We use rate cards and pricing calculators that are periodically reviewed and updated to reflect the latest sales data and observable inputs by industry, channel, geography, customer size, and other relevant groupings. Certain products are sold on a standalone basis in a narrow band of prices. If a product is sold outside of the narrow band of prices, it will be assigned the midpoint of the narrow band for purposes of allocating transaction price on a relative SSP basis.

We recognize revenue when (or as) we satisfy a performance obligation by transferring promised goods or services to a customer. Customers may obtain the control of promised goods or services over time or at a point in time.

We enter into a limited number of monetary contracts that involve both the purchase and sale of services with a single counterparty. We assess each contract to determine if the revenue and expense should be presented gross or net. We recognize revenue for these contracts to the extent that SSP is established for distinct services provided. Any excess consideration above the established standalone selling price of services is presented as an offset to cost of revenues in the Condensed Consolidated Statements of Operations and Comprehensive Loss.

Refer to Footnote 2, Summary of Significant Accounting Policies for the impact of adopting Topic 606 on our Condensed Consolidated Financial Statements for the period ended June 30, 2018.

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 hold equity securities and derivative financial instruments which are subject to market risk.

Table of Contents

Interest rate risk

We are subject to interest rate risk as a result of having $202.0 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"). The interest rate on the Notes is currently 6.0% per year and resets at each of January 30, 2019, 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:

If the Conversion Premium (as of the applicable Interest Reset Date) is:	Then the Interest Rate from the applicable Interest Reset Date until the next subsequent Interest Reset Date shall be:
1.0 or less	4.0%
1.05	4.3%
1.10	4.7%
1.15	5.0%
1.20	5.3%
1.25	5.7%
1.30	6.0%
1.35	8.0%
1.40	10.0%
1.45 or higher	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.

The interest reset feature of the Notes increases the risk that interest charges could increase materially. Based on the $202.0 million aggregate principal Notes outstanding, each 1.0% increase in the interest rate on the Notes would increase our annual interest expense by $2.0 million. As of June 30, 2018, the VWAP of our Common Stock for the immediately preceding ten consecutive trading days was $22.74, which would equate to a 1.38 Conversion Premium and, accordingly, would result in a 9.0% annual interest rate on the outstanding Notes if June 30, 2018 were an Interest Reset Date. An interest rate increase from 6.0% to 9.0% would result in an approximately $6.1 million increase in interest expense over the next twelve months and, assuming that the interest rate remained at 9.0% for each successive Interest Reset Date, approximately $22.0 million through the maturity date of the Notes, which is January 16, 2022. As discussed in Footnote 3, Long-term Debt, we have the ability, subject to certain conditions, to pay interest on the Notes through the issuance of PIK Interest Shares. We filed a registration statement on Form S-1 with the SEC for the purpose of registering the potential PIK Interest Shares on July 19, 2018.

Derivative financial instruments

As described below, the interest reset feature and the change of control conversion premium feature of the Notes represent complex derivative financial instruments. These derivatives are not considered hedging instruments. We engage third party experts to assist management in determining the fair value of our derivative financial instruments and to perform review procedures over the models and assumptions used to determine the fair value of these derivative financial instruments. For additional information on the determination of fair value, including the assumptions used in those determinations, refer to Footnote 3, Long-term Debt and Footnote 4, Fair Value Measurements. As of June 30, 2018, the fair value of our outstanding derivative financial instruments of $15.9 million was recorded as financing derivatives within the Condensed Consolidated Balance Sheets.

The fair value of our interest rate reset derivative liability relates to the interest rate reset feature of the Notes. Changes in the fair market value of the interest rate reset derivative liability are primarily driven by changes in the price and volatility of a share of our Common Stock. Generally, as our stock price decreases, the fair value of the derivative liability will increase, although not in a linear relationship. Similar to an option, over time, and at each of the Interest Reset Dates, the value of the interest rate reset derivative liability will decrease as the time to maturity shortens and each Interest Reset Date passes.

The fair value of our change in control derivative liability relates to a change of control conversion premium feature of the Notes whereby, upon the occurrence of certain change of control transactions, a Note holder would have the right to require the Company to redeem all or any portion of such holder's outstanding Notes for cash at a price determined in accordance with the terms of the

48

Table of Contents

Notes. Generally, as our stock price decreases, the fair value of the derivative liability will increase, although not in a linear relationship. Over time, the value of the change of control derivative liability will decrease based on the previously disclosed make-whole change of control premium multiplier table.
For discussion of our market risk associated with foreign currency risk, refer to Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" within the 2017 10-K.

Table of Contents

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation and supervision of our principal executive officer and principal financial officer, is responsible for our disclosure controls and procedures pursuant to Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified under SEC rules and forms. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and our principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Our management, including our principal executive officer and our principal financial officer, carried out an evaluation of the effectiveness of our disclosure controls and procedures as of June 30, 2018. Based on this evaluation, our management concluded that as of June 30, 2018, these disclosure controls and procedures were not effective at the reasonable assurance level as a result of the material weaknesses in our internal control over financial reporting, which are described in Item 9A, "Controls and Procedures" of our 2017 10-K.

Changes in Internal Control over Financial Reporting

Under applicable SEC rules (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 Weaknesses 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 Weaknesses in Internal Control Over Financial Reporting

As discussed in Item 9A, "Controls and Procedures" of the 2017 10-K, we identified material weaknesses in the areas of revenue accounting, business combinations & significant asset acquisitions, financial close & reporting, and tax accounting. Some of the progress made in 2018 towards remediating these material weaknesses includes:

- We hired additional headcount, including a Vice President of Accounting Operations, Senior Director of Accounting Operations and additional technical accountants.
- We provided over 60 hours of internal and external training related to revenue, leases and other accounting and reporting topics.
- We developed desktop manuals for certain accounting processes, with additional enhancements expected during the remainder of 2018.
- We enhanced our processes within revenue accounting to provide additional oversight regarding various aspects of the revenue cycle.
- We improved our financial close process by focusing on accounting reconciliations, analytical review and documentation of close responsibilities.
- We updated our controls related to tax accounting and implemented additional levels of review over the tax provision, valuation allowance and uncertain tax positions.
- We engaged an outside party to assist with the review of the tax provision and tax-related disclosures.
- We developed a business combination and divestiture policy and approval authority matrix that is expected to be finalized in the third quarter 2018.

We will continue to evaluate the results of our control assessments and testing procedures to determine whether the new controls have been designed appropriately, are operating effectively, and whether the material weaknesses have been remediated. We expect that our remediation efforts will continue through 2018, with the goal to fully remediate all material weaknesses by year-end 2018.

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

50

Table of Contents

absolute, assurances. 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 cannot assure that such improvements will be sufficient to provide us with effective internal control over financial reporting.

51

Table of Contents

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a discussion of material legal proceedings in which we are involved, please refer to Footnote 9, 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 and in Item 1A "Risk Factors" of our 2017 10-K. The risks identified below and in our 2017 10-K could materially adversely affect our business, financial condition and operating results. In that case, the trading price of our Common Stock could decline, and you may lose part or all of your investment. The risks described below and in our 2017 10-K are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect our business, financial condition and operating results, and may result in the loss of part or all of your investment.

Domestic or foreign laws, regulations or enforcement actions may limit our ability to collect and incorporate media usage information in our products, which may decrease their value and cause an adverse impact on our business and financial results.

Our business could be adversely impacted by existing or future laws, regulations or actions by domestic or foreign regulatory agencies. For example, privacy, data protection and personal information, intellectual property, advertising, data security, data retention and deletion, protection of minors, consumer protection, economic or other trade prohibitions or sanctions concerns could lead to legislative, judicial and regulatory limitations on our ability to collect, maintain and use information about consumers’ behavior or media consumption in the U.S. and abroad. State and federal laws within the U.S. and foreign laws and regulations are varied, and at times conflicting, resulting in higher risk related to compliance. A number of new laws coming into effect and/or proposals pending before federal, state and foreign legislative and regulatory bodies will likely affect our business. For example, the European Union’s ("EU") General Data Protection Regulation ("GDPR") became effective in May 2018, imposing more stringent EU data protection requirements and providing for greater penalties for noncompliance. Additionally, the European Commission continues to evaluate changes to the ePrivacy Regulation, a companion regulation to GDPR that will likely have a significant impact on our solutions. As another example, the State of California recently enacted the California Consumer Privacy Act ("CCPA"), which will be effective in January 2020. The CCPA expands the scope of what is considered “personal information” and creates new data access and opt-out rights for consumers, which will likely create new requirements for comScore and other companies that operate in California. These U.S. federal and state and foreign laws and regulations, which in some cases can be enforced by private parties in addition to government entities, are constantly evolving and can be subject to significant change.

We have implemented policies and procedures to comply with the GDPR and other laws, and we continue to evaluate and implement processes and enhancements. However, the application, interpretation, and enforcement of these laws and regulations are often uncertain, particularly in the new and rapidly evolving industry in which we operate, and may be interpreted and applied inconsistently from country to country and inconsistently with our current policies and practices. Additionally, the costs of compliance with, and the other burdens imposed by, these and other laws or regulatory actions may prevent us from selling our products or increase the costs associated with selling our products, and may affect our ability to invest in or jointly develop products in the U.S. and in foreign jurisdictions. In addition, failure to comply with these and other laws and regulations may result in, among other things, administrative enforcement actions and significant fines, class action lawsuits and civil and criminal liability. Any regulatory or civil action that is brought against us, even if unsuccessful, may distract our management’s attention, divert our resources,

negatively affect our public image or reputation among our panelists and customers and harm our business.

The issuance of shares of Common Stock upon conversion of, or payment of interest on, our senior secured convertible 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 senior secured convertible notes ("Notes") are convertible into, and our warrants are exercisable for, shares of our Common Stock and give such 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, would result in dilution of the equity

52

Table of Contents

interests of our other stockholders. 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. 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 agreement 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), 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 certain funds affiliated with or managed by Starboard Value LP (collectively, “Starboard”) provides that in the event that (i) an initial registration or any subsequent registration statement fails to register the minimum number of shares of Common Stock required under the Starboard registration rights agreement, (ii) we do not file a registration statement required to be filed under the Starboard registration rights agreement within the prescribed time period, (iii) the SEC has not declared effective a registration statement required to be filed under the Starboard registration rights agreement within the prescribed time period, or (iv) a 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 in cash equal to 1.0% of the Conversion Amount (as defined in the Notes), subject to a maximum of 3% of the aggregate principal amount outstanding under the Notes for any 30-day period.

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.

We may be obligated to redeem our Notes at a premium upon the occurrence of an Event of Default (as defined in the Notes) or a Change of Control (as defined in the Notes).

If we fail to comply with the various covenants in our Notes, including the financial covenants, we could be in default. Upon an Event of Default under the Notes, we could be required to redeem the Notes at a premium. In addition, upon the occurrence of specific kinds of Change of Control events, we will be required to offer to redeem the Notes at a premium as set out in the Notes.

In either event, the source of funds for any such redemption would be our available cash or, possibly, other financing. We may not be able to redeem the Notes pursuant to the terms thereof because we may not have the financial resources to do so, and no assurances can be provided as to our ability to obtain other requisite financing in amounts, or at times, as may be needed. Our failure to repurchase the Notes upon a Change of Control in accordance with the terms thereof would also result in an Event of Default under the Notes. In the event the holders of the Notes exercised their rights thereunder and we were unable to redeem the Notes, it could have important consequences including, potentially, forcing us into bankruptcy or liquidation.

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

(a) Unregistered Sales of Equity Securities during the Three Months Ended June 30, 2018

As described in Footnote 3, Long-term Debt, on January 16, 2018, we entered into certain agreements with Starboard, pursuant to which, among other things, we 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. In addition, under the agreements, we granted to Starboard an option (the "Notes Option") to purchase up to an additional $50.0 million of senior secured convertible notes (the "Option Notes") and agreed to grant Starboard warrants to purchase 250,000 shares of Common Stock. On May 17, 2018, we issued and sold to Starboard $50.0 million in Option Notes in exchange for $15.0 million in cash and 1,400,000 shares of Common Stock valued at $35.0 million, pursuant to Starboard's exercise in full of the Notes Option.

53

Table of Contents

These transactions were effected under a private placement exemption for accredited investors, pursuant to Regulation D under the Securities Act of 1933, as amended (the "Securities Act"). For additional information, including the terms of conversion or exercise of the securities sold to Starboard, refer to Footnote 3, Long-term Debt.

On June 7, 2018, the United States District Court for the Southern District of New York (the “Court”) entered separate orders granting final approval of (i) the settlement of the consolidated securities class action captioned Fresno County Employees’ Retirement Association et al. v. comScore, Inc. et al., No. 1:16-cv-01820-JGK (S.D.N.Y.) (the “Class Action”) and (ii) the settlement of the derivative actions captioned In re comScore, Inc. Shareholder Derivative Litigation, No. 1:16-cv-09855-JGK (S.D.N.Y.), In re comScore, Inc. Virginia Shareholder Derivative Litigation, No. CL-2016-0009465 (Va. Cir. Ct., Fairfax Cnty.) and Assad v. Fulgoni, et al., No. CL-2017-0005503 (Va. Cir. Ct., Fairfax Cnty.) (collectively, the “Derivative Actions”). Pursuant to the terms of the settlements, on June 21, 2018 we issued (i) 3,669,444 shares of Common Stock to a settlement fund for the benefit of authorized claimants in the Class Action and (ii) 354,671 shares of Common Stock to plaintiffs’ lead counsel in the Derivative Actions as payment of attorneys’ fees. In accordance with the orders entered by the Court, these shares were issued without registration under the Securities Act, in reliance on the exemption from registration afforded by Section 3(a)(10) of the Securities Act.
(b) Use of Proceeds from Sale of Registered Equity Securities
None.

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

During the three months ended June 30, 2018, we repurchased shares of Common Stock in connection with the following:

i. The issuance to Starboard of $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; and
ii. Shares surrendered to satisfy minimum statutory withholding tax obligations due upon the vesting of certain restricted stock units and exercising of certain stock options, which shares were valued at the then current fair market value of the shares.

	Total Number of Shares Purchased		Average Price Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [1]	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Repurchased Under the Plans or Programs [1]
April 1 - April 30, 2018	4,803	[2]	$ 19.20	—	$ —
May 1 - May 31, 2018	1,404,578	[2] [3]	24.99	—	—
June 1 - June 30, 2018	615	[2]	23.55	—	—
Total	1,409,996		$ 24.97	—	$ —

(1) During the three months ended June 30, 2018, there were no shares purchased pursuant to our share repurchase programs. On March 5, 2016, our Board of Directors suspended the share repurchase program indefinitely.

(2) Shares surrendered by employees to cover minimum statutory withholding taxes due upon the vesting of certain restricted stock units and exercising of certain stock options. For restricted stock units and stock options, these amounts do not represent issued shares.

(3) 1,400,000 out of 1,404,578 represent shares received by us in connection with the May 17, 2018 issuance to Starboard of $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, as described in Footnote 3, Long-term Debt. The closing bid price of our Common Stock on the OTC Pink Tier on May 17, 2018 was $21.75 per share.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

54

Table of Contents

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

55

Table of Contents

ITEM 5. OTHER INFORMATION

Not Applicable.

ITEM 6. EXHIBITS

Exhibit No.	Exhibit Document
3.1	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)
3.2	Amended and Restated Bylaws of comScore, Inc.
4.1	Form of Note (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed May 17, 2018) (File No. 001-33520)
10.1	Amendment Agreement, dated as of April 18, 2018, by and among comScore, Inc., Starboard Value LP and certain affiliates of Starboard Value LP (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed April 20, 2018) (File No. 001-33520)
10.2*	Executive Employment Agreement, dated as of April 20, 2018, by and between comScore, Inc. and Bryan Wiener (incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K, filed April 26, 2018 (File No. 001-33520)
10.3*	Performance Restricted Stock Units Award Notice, dated as of June 5, 2018, by and between comScore, Inc. and Bryan Wiener (incorporated by reference to Exhibit 10.46 to the Registrant’s Registration Statement on Form S-1, filed July 19, 2018) (File No. 333-226246)
10.4*	Restricted Stock Units and Common Stock Award Notice, dated as of June 5, 2018, by and between comScore, Inc. and Bryan Wiener (incorporated by reference to Exhibit 10.47 to the Registrant’s Registration Statement on Form S-1, filed July 19, 2018) (File No. 333-226246)
10.5	First Amendment to Senior Secured Convertible Notes, dated as of May 17, 2018, by and between comScore, Inc. and each of the investors listed on the signature pages attached thereto (incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K, filed May 17, 2018) (File No. 001-33520)
10.6	Amendment No. 6 to Deed of Lease, dated as of May 30, 2018, by and between South of Market LLC and comScore, Inc. (incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K, filed June 5, 2018
10.7*	comScore, Inc. 2018 Equity and Incentive Compensation Plan (incorporated by reference to Exhibit 10.1 to the Registrant’s Registration Statement on Form S-8, filed June 4, 2018) (File No. 333-225400)
10.8*	Form of Restricted Stock Units Award Notice for Employees (incorporated by reference to Exhibit 10.3 to the Registrant’s Current Report on Form 8-K, filed June 5, 2018) (File No. 001-33520)
10.9*	

	Form of Restricted Stock Units and Common Stock Award Notice for Employees (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K, filed June 5, 2018) (File No. 001-33520)
10.10*	Form of Restricted Stock Units Award Notice for Directors (incorporated by reference to Exhibit 10.5 to the Registrant's Current Report on Form 8-K, filed June 5, 2018) (File No. 001-33520)
10.11*	Form of Common Stock Award Notice for Employees (incorporated by reference to Exhibit 10.6 to the Registrant's Current Report on Form 8-K, filed June 5, 2018) (File No. 001-33520)
10.12*	Form of Common Stock Award Notice for Directors (incorporated by reference to Exhibit 10.7 to the Registrant's Current Report on Form 8-K, filed June 5, 2018) (File No. 001-33520)
10.13*	Form of Common Stock Award Notice for Consultants (incorporated by reference to Exhibit 10.8 to the Registrant's Current Report on Form 8-K, filed June 5, 2018) (File No. 001-33520)
10.14	Second Amendment to Senior Secured Convertible Notes, dated as of August 8, 2018, by and between comScore, Inc. and each of the investors listed on the signature pages attached thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed August 9, 2018) (File No. 001-33520)

56

Table of Contents

Exhibit No.	Exhibit Document
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
101.1	XBRL Instance Document
101.2	XBRL Taxonomy Extension Schema Document
101.3	XBRL Taxonomy Extension Calculation Linkbase Document
101.4	XBRL Taxonomy Extension Definition Linkbase Document
101.5	XBRL Taxonomy Extension Label Linkbase Document
101.6	XBRL Taxonomy Extension Presentation Linkbase Document

* Management contract or compensatory plan or arrangement.

Table of Contents

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 9, 2018

58