

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM S-1  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

**Integral Ad Science Holding LLC**

to be converted as described herein to a corporation named

**Integral Ad Science Holding Corp.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

7370  
(Primary Standard Industrial  
Classification Code Number)

83-0731995  
(I.R.S. Employer  
Identification No.)

95 Morton St., 8th Floor  
New York, NY 10014  
Telephone: (646) 278-4871  
(Address, including zip code, and telephone number, including  
area code, of registrant's principal executive offices)

Lisa Utzschneider  
Integral Ad Science Holding Corp.  
Chief Executive Officer  
95 Morton St., 8th Floor  
New York, NY 10014  
(646) 278-4871

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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**Approximate date of commencement of proposed sale to the public:  
As soon as practicable after this Registration Statement becomes effective.**

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated Filer

Non-accelerated filer  Smaller Reporting Company

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Common Stock, par value \$0.001 per share	\$	\$

(1) Includes the aggregate offering price of shares of common stock subject to the underwriters' option to purchase additional shares.

(2) Estimated solely for purposes of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

**The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

## EXPLANATORY NOTE

Integral Ad Science Holding LLC, the registrant whose name appears on the cover of this registration statement, is a Delaware limited liability company. The registrant's prior name was Kavacha Topco, LLC and, effective February 23, 2021, the registrant's name was changed to Integral Ad Science Holding LLC. Immediately prior to effectiveness of this registration statement, Integral Ad Science Holding LLC intends to convert into a Delaware corporation pursuant to a statutory conversion and change its name to Integral Ad Science Holding Corp. as described in the section titled "Corporate Conversion" of the accompanying prospectus. In the accompanying prospectus, we refer to all of the transactions related to our conversion to a corporation as the Corporate Conversion. As a result of the Corporate Conversion, the members of Integral Ad Science Holding LLC will become holders of shares of common stock of Integral Ad Science Holding Corp. Unless the context otherwise requires, all references in the accompanying prospectus to the "Company," "Integral Ad Science Holding Corp.," "IAS," "we," "us," "our," or similar terms refer to Integral Ad Science Holding LLC and its consolidated subsidiaries before the Corporate Conversion, and Integral Ad Science Holding Corp. and, where appropriate, its subsidiaries after the Corporate Conversion.

The term "Vista" or "our Sponsor" refers to Vista Equity Partners, our equity sponsor, and the term "Vista Funds" refers to Vista Equity Partners Fund VI, L.P. ("VEPF VI"), Vista Equity Partners Fund VI-A, L.P. ("VEPF VI-A"), and VEPF VI FAF, L.P. ("VEPF FAF").

Except as disclosed in the prospectus, the consolidated financial statements and selected historical consolidated financial data and other financial information included in this registration statement are those of Integral Ad Science Holding LLC and its subsidiaries and do not give effect to the Corporate Conversion. Shares of common stock of Integral Ad Science Holding Corp. are being offered by the accompanying prospectus. We do not expect that the Corporate Conversion will have a material effect on the results of our core operations.

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The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, dated \_\_\_\_\_, 2021

## Shares



### COMMON STOCK

This is an initial public offering of shares of common stock of Integral Ad Science Holding Corp.

Prior to this offering, there has been no public market for our common stock. It is currently estimated that the initial public offering price per share will be between \$ \_\_\_\_\_ and \$ \_\_\_\_\_. We intend to apply to list our common stock on the NASDAQ Global Select Market (“NASDAQ”) under the symbol “IAS.”

We are an “emerging growth company” as defined under the federal securities laws, and as such, we have elected to comply with certain reduced reporting requirements for this prospectus and may elect to do so in future filings.

See “[Risk Factors](#)” beginning on page 18 to read about factors you should consider before buying shares of our common stock.

Immediately after this offering, assuming an offering size as set forth above, funds controlled by our equity sponsor, Vista Equity Partners, will own approximately \_\_\_\_\_% of our outstanding common stock (or \_\_\_\_\_% of our outstanding common stock if the underwriters’ option to purchase additional shares is exercised in full). As a result, we expect to be a “controlled company” within the meaning of the corporate governance standards of the \_\_\_\_\_. See “Management—Corporate Governance—Controlled Company Status.”

**Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.**

	<u>Per Share</u>	<u>Total</u>
Initial public offering price	\$ _____	\$ _____
Underwriting discount(1)	\$ _____	\$ _____
Proceeds, before expenses, to Integral Ad Science Holding Corp.	\$ _____	\$ _____

(1) See “Underwriting” for a description of compensation payable to the underwriters.

We have granted the underwriters the right to purchase up to an additional \_\_\_\_\_ shares of our common stock at the initial public offering price less the underwriting discount.

The underwriters expect to deliver the shares of common stock against payment in New York, New York on \_\_\_\_\_, 2021.

Prospectus dated \_\_\_\_\_, 2021

Morgan Stanley  
Wells Fargo Securities  
Academy Securities

Jefferies  
BMO Capital Markets  
Blaylock Van, LLC  
Penserra Securities LLC

Barclays  
Oppenheimer & Co.  
R. Seelaus & Co., LLC

Evercore ISI  
Raymond James  
Stifel  
Siebert Williams Shank

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Neither we nor any of the underwriters have authorized anyone to provide any information or make any representations other than those contained in this prospectus or in any free writing prospectus filed with the Securities and Exchange Commission (the “SEC”). Neither we nor any of the underwriters take any responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are offering to sell, and seeking offers to buy, shares of common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common stock. Our business, financial condition, results of operations, and prospects may have changed since such date.

For investors outside of the United States, neither we nor any of the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about, and to observe any restrictions relating to, this offering and the distribution of this prospectus outside of the United States.

**Through and including \_\_\_\_\_, 2021 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer’s obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.**

## PROSPECTUS SUMMARY

*This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all of the information that you should consider before investing in our common stock. For a more complete understanding of us and this offering, you should read and carefully consider the entire prospectus, including the more detailed information set forth under “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the related notes. Some of the statements in this prospectus are forward-looking statements. See “Forward-Looking Statements.”*

## OUR COMPANY

IAS is a leading digital advertising verification company by revenue. Our mission is to be the global benchmark for trust and transparency in digital media quality for the world’s leading brands, publishers, and platforms.

With our cloud-based technology platform and the actionable insights it provides, we deliver independent measurement and verification of digital advertising across all devices, channels, and formats, including desktop, mobile, connected TV (“CTV”), social, display, and video. Our proprietary and Media Rating Council (the “MRC”) accredited Quality Impressions™ metric is designed to verify that digital ads are served to a real person rather than a bot, viewable on-screen, and appear in a brand-safe and suitable environment in the correct geography.

Without an independent evaluation of digital advertising quality, brands and their agencies previously relied on a wide range of publishers and ad platforms to self-report and measure the effectiveness of campaigns without a global benchmark to understand success. We are an independent, trusted partner for buyers and sellers of digital advertising to increase accountability, transparency, and effectiveness in the market. We help advertisers optimize their ad spend and better measure consumer engagement with campaigns across platforms, while enabling publishers to improve their inventory yield and revenue.

As a leading ad verification partner, we have deep integrations with all the major advertising and technology platforms including Amazon, Facebook, Google, Instagram, LinkedIn, Microsoft, Pinterest, Snap, Spotify, The Trade Desk, Twitter, Verizon Media, Xandr, and YouTube.

Our platform uses advanced artificial intelligence (“AI”) and machine learning (“ML”) technologies to process over 100 billion daily web transactions on average. With this data, we deliver real-time insights and analytics to our global customers through our easy-to-use IAS Reporting Platform helping brands, agencies, publishers, and platform partners improve media quality and campaign performance. Our customers, consisting collectively of advertising customers and publisher customers, currently activate our solutions globally across 111 countries.

We serve customers globally with 11 offices in 8 countries. Our efficient go-to-market strategy has fueled our growth and ability to serve 2,062 current customers, including both 1,924 advertising customers and 138 publisher customers, as of March 31, 2021. We serve 35% of the top 150 U.S. advertisers. Our net revenue retention of advertising customers were 132% and 110% for the three months ended March 31, 2020 and 2021, respectively.

The digital advertising market is expected to reach \$526 billion in global spend by 2024, growing at a compound annual growth rate of 12% from 2020 to 2024, according to eMarketer. We intend to capitalize on this opportunity and several high growth segments including programmatic, contextual, social, and connected TV. We believe that growing our global customer base represents a significant long-term opportunity, especially for markets outside of the U.S. and Western Europe.

We have an attractive financial profile with a combination of growth and profitability. For the three months ended March 31, 2020, we generated a Net Loss of \$14.4 million, which reduced to \$2.8 million for the three months ended March 31, 2021, representing a 81% reduction in net losses period-over-period. Our Net Loss margin improved from (27)% to (4)% for the three months ended March 31, 2020 compared to the three months ended March 31, 2021, as a result of our revenue growth and our ability to reduce costs and improve efficiencies. Our Adjusted EBITDA improved from \$6.7 million to \$18.8 million which represents a 181% increase period-over-period, and our Adjusted EBITDA margin improved from 12% to 28% for three months ended March 31, 2020 and 2021, respectively. For the year ended December 31, 2019, we generated a Net Loss of \$51.3 million, which reduced to \$32.4 million for the year ended December 31, 2020, representing a 37% reduction in net losses year-over-year. Our Net Loss Margin improved from (24)% to (13)% for the year ended December 31, 2019 to the year ended December 31, 2020, as a result of our revenue growth combined with our measures to reduce costs and improve efficiencies. Our Adjusted EBITDA improved from \$38.8 million to \$56.4 million which represents a 45% increase year-over-year, and our Adjusted EBITDA margin improved from 18% to 23% for the years ended December 31, 2019 and 2020, respectively. For definitions of Adjusted EBITDA and Adjusted EBITDA margin, see “Selected Consolidated Financial Data—Non-GAAP Financial Measures.”

## OUR INDUSTRY

We believe that IAS is well-positioned to benefit from several significant digital marketing trends and shifts in consumer behavior, including:

**Significant Growth in Digital Media Usage and Ad Spend** According to comScore, total time spent online in the U.S. grew 43% from June 2017 to June 2019 and, according to eMarketer, time spent consuming digital media in the U.S. increased 15% in 2020. Additionally, eMarketer estimates that the global non-search digital advertising market surpassed \$180 billion in 2020 and will grow to over \$270 billion by 2023. As consumers spend even more time online, we believe that this shift will fuel continued growth in ad spend across all digital channels.

**Increased Focus on Marketing Efficiency** Marketers are increasingly aware of wasted media spend related to ad fraud (for example, when ads are served to bots or non-human traffic instead of real people) or viewability issues (for example, when ads are served but never viewed by a person). Juniper Research estimates advertisers will lose approximately \$100 billion in annual ad spend to ad fraud in 2024, an increase from approximately \$42 billion in 2019.

**Importance of Brand Reputation** Managing brand reputation is a top priority for many modern marketers. To fulfill their brand values and campaign objectives, more brands are focused on ensuring their ad campaigns run adjacent to content that meets their specific standards. To achieve this, marketers are adopting scalable and customizable brand safety and brand suitability solutions to protect their brand reputation and increase campaign performance. According to a 2017 survey by CMO Council, 72% of marketers are concerned about brand integrity and control, with over 25% experiencing contextual incidents detrimental to brand reputation.

**Acceleration of Ad-Supported Connected TV (“CTV”)** Consumers are watching more digital video and CTV programming, spending on average 41% of their total digital video time on CTV devices. The COVID-19 pandemic accelerated what we believe will be ongoing consumer and advertiser adoption. According to eMarketer, CTV ad spend is expected to more than double from \$8.1 billion in 2020 to \$18.3 billion in 2024. With more CTV ad inventory available, we believe this will drive greater demand for verification solutions to ensure that larger ad budgets are deployed effectively and efficiently.

**Changing Regulatory Landscape and Importance of Contextual Targeting** With increased attention on user privacy and the deprecation of third-party cookies, context-based advertising has emerged as a necessary tool for brands. Updated regulations, such as the GDPR and the CCPA, have increased complexity surrounding

personal data and cookie usage. Our leading Context Control solution uses semantic language technology to determine the context, sentiment, and emotion of digital content. With these sophisticated tools available, we expect more advertisers to adopt contextual targeting instead of audience data.

**Acceleration of Programmatic Advertising** Programmatic advertising, the automated buying and selling of digital ads, has grown tremendously by helping marketers to optimize performance and pricing through real-time signals. According to eMarketer, U.S. programmatic digital display ad spending is expected to grow from \$59.6 billion in 2019 to \$95.0 billion in 2022, a compound annual growth rate (“CAGR”) of 17%. Programmatic buying enables advertisers to target the highest value inventory in real-time to reach their audience, faster and more efficiently. However, programmatic advertising is heavily susceptible to fraud, viewability and brand safety and suitability risks, given the speed and opacity of the transaction process. According to eMarketer, ad fraud ranked as the second-highest concern among programmatic advertisers.

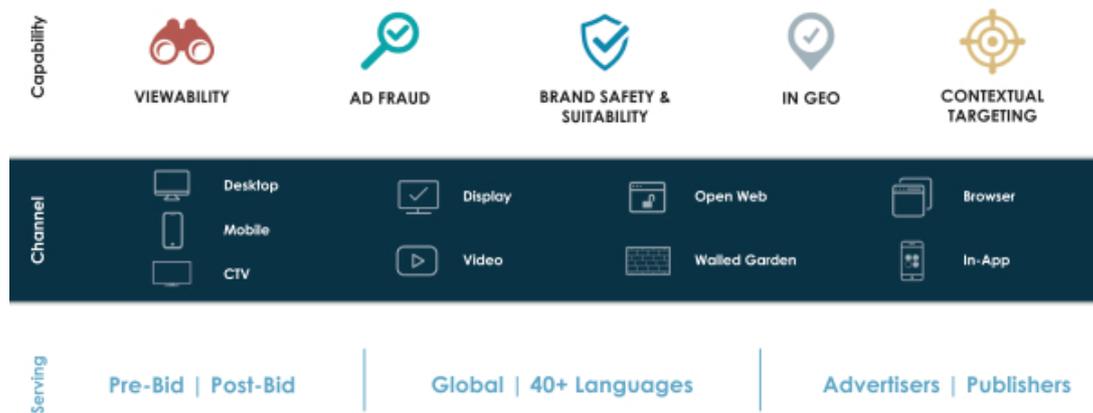
### OUR MARKET OPPORTUNITY

We believe there is significant market opportunity to provide advertisers, agencies, publishers and platforms with measurement and verification solutions that address viewability, brand safety and suitability, ad fraud prevention, contextual targeting, reporting, and inventory yield management. Based on a March 2021 analysis by Frost & Sullivan, we estimate the global market opportunity for our ad verification solutions to be \$9.5 billion and expect it to grow at a 16.2% CAGR from 2021 to 2025.

In addition, we believe we are well poised to expand into the ad measurement and effectiveness market. There are expansion opportunities beyond the existing use cases we currently serve such as providing measurement of ad effectiveness and efficiency to brands and helping them understand marketing performance. Sub-markets include audience and attribution measurement, return on advertising spend, and reach and frequency. Based on a March 2021 analysis by Frost & Sullivan, we estimate the global market opportunity of ad measurement and effectiveness solutions to be \$6.3 billion and expect it to grow at a 20.5% CAGR from 2021 to 2025.

Our statement that we are a leading digital advertising verification company is based on an independent third party market study by Frost & Sullivan we commissioned. The study shows we are a leader in global market share by revenue, including leading in international markets such as EMEA and APAC by revenues in those regions, respectively.

### OUR SOLUTIONS



Our leading digital ad verification solutions address ad fraud detection and prevention, viewability, brand safety and suitability, contextual targeting, inventory yield management, and reporting. We are integrated into the digital ad buying and selling process to verify, measure campaign quality and reach, and improve results. We support all buying formats, including direct, programmatic, programmatic guaranteed, and private marketplaces. Our solutions support over 40 languages globally and span all advertising channels, including display, video, desktop, mobile browser and in-app, connected TV (“CTV”), and social.

Our proprietary and MRC-accredited Quality Impressions™ metric is designed to verify that digital ads are served to a real person rather than a bot, viewable on-screen, and presented in a brand-safe and suitable environment in the correct geography.

Launched in early 2020, our Context Control solution delivers contextual targeting and brand suitability capabilities. Context Control is powered by our cognitive semantic-based technology, helping advertisers achieve better contextual matching and brand suitability at scale. With over 300 contextual targeting and avoidance segments that can be customized, Context Control helps ensure ads are displayed in the best-suited environments. In an independent evaluation by The Ozone Project, our contextual technology delivered 42% more accuracy than the next competitor.

Our ad verification solutions serve buyers and sellers. For advertisers, we provide pre-bid programmatic and post-buy verification solutions. For publishers, we provide optimization and verification solutions. Our solutions can measure and verify ad fraud, brand safety, viewability, and geography for all digital ad campaigns.

*Ad Fraud:* Powered by artificial intelligence and machine learning technology, our solutions identify non-human traffic by automatically detecting new threats and uncommon patterns. We also provide malware analysis and reverse engineering to uncover threats. Our three-pillar approach to provide highly accurate ad fraud detection and prevention, includes:

- Machine learning that uses big data to detect hidden, uncommon patterns;
- Rules-based detection that uses automated rule checks to identify invalid traffic sources; and
- The IAS Threat Lab that employs malware analysis and reverse engineering to uncover emerging threats.

*Viewability:* Our solutions measure whether an ad is viewable based on MRC standards, enabling advertisers to optimize media plans. Our comprehensive viewability capabilities:

- Offer customizable controls based on MRC standards as well as custom brand settings;
- Provide advanced metrics, including time-in-view and frequency performance benchmarks; and
- Deliver cross-channel and cross-device coverage including display and video; desktop, mobile, and connected TV; open web and internet platforms; and mobile browser and in-app.

*Brand Safety and Suitability:* We help marketers manage their brand reputation and avoid issues by ensuring ads run adjacent to content that meets their specific standards. Our solutions include customized scoring and risk thresholds, pre-bid filtering and targeting, and post-bid blocking and monitoring. These tools can be customized to an advertiser’s specific risk tolerance with our granular content scoring across eight standard categories including adult, alcohol, gambling, hate speech, illegal downloads, illegal drugs, offensive language, and violence. Additionally, we offer advertisers even more flexibility and precise controls to avoid or target certain placements based on over 300 contextual categories, including:

- Topical: specific topics such as sensitive social issues or natural disasters;
- Verticalized: industry-specific coverage such as automotive, finance, and retail; and
- Brand-specific: negative sentiment associated with a specific brand name.

*Geography:* With a significant and growing number of global customers, we serve many advertisers that target their campaigns to specific geographic regions based on the localized content or language of the ad, or for compliance requirements. With customers currently activating our solutions across 111 countries, we give advertisers confidence in their geographic targeting, ensuring that ads only run in their intended regions.

*Reporting:* Our platform processes data in real-time to provide advanced analytics and reporting for our customers. Our specialized reporting provides customers with a clear view of campaign performance including ad fraud, viewability, brand safety and suitability, and geography across all channels and formats. We produce specialized reports, offering in-depth insights and enabling our clients to take action to optimize their media spend.

#### ***Advertiser solutions***

Our pre-bid and post-bid verification solutions enable advertisers to measure campaign performance and value across viewability, ad fraud prevention, brand safety and suitability, and contextual targeting for ads on desktop, mobile in-app, social, and connected TV platforms. For desktop, we also have the powerful ability to block ads in real-time and protect brands from fraud.

Our pre-bid programmatic solution is directly integrated with DSPs to help optimize return on ad spend (“ROAS”) by directing budget to the best available inventory. It operates in the bid-stream in real-time where standard and custom segments are built into the DSP to project which inventory will meet the advertisers brand safety and suitability criteria, be free from fraud, and be most viewable. We can also build in custom segments for targeting, which is increasingly important as the industry moves away from cookies and other forms of identity-based tracking. Our contextual ability is enabled through our deep integrations with all major DSPs. In addition, our targeting and pre-bid solutions extend to the social platforms. For example, in 2020, we released our YouTube Select and Channel Science targeting solutions as well as Content Allow Lists on Facebook.

#### ***Publisher solutions***

Our solutions help hundreds of publishers globally deliver high quality ad inventory that is fraud free, viewable, brand safe and suitable, and geographically targeted. With our Context Control solution, we help publishers classify and package their inventory to showcase quality placements, increase site engagement, drive revenue, and reduce blocking. These tools also help to verify, optimize, and provide better matches between inventory and advertisers, ensuring publishers can maximize revenue and yield potential. Leveraging our data and insights, we also help supply-side platforms (“SSPs”), including ad networks and exchanges, to measure and validate their inventory quality.

### **OUR STRENGTHS**

We believe that the following capabilities reflect our strengths and competitive advantages.

#### **Comprehensive suite of ad verification solutions**

IAS Quality Impressions™ is our proprietary and MRC-accredited metric that ensures digital media quality standards for advertising effectiveness. To achieve Quality Impressions™, a digital ad must be served to a real person rather than a bot, viewable on-screen, and presented within a brand-safe and suitable environment in the correct geography. Additionally, our leading contextual capability, Context Control, helps brands avoid and target content based on their specific values or campaign objectives. Our technology is designed to determine sentiment and emotional classification of content at a global scale. For publishers, we help them increase the monetization of their advertising inventory. Our solutions are available across digital channels, ad formats, purchase methods, and devices.

IAS also offers a Quality Attention metric, which is designed to measure attention by evaluating factors such as time-in-view (“TIV”) and share of screen. With Quality Attention, advertisers can optimize campaigns and maximize attention.

### **Integrations throughout the digital marketing ecosystem**

Operating globally, we are integrated directly with advertisers, publishers, and advertising platforms including demand side platforms and ad networks to ensure our solutions are available regardless of where our customers decide to transact.

### **Long-standing industry partnerships and relationships**

We are a trusted partner to some of the largest technology and advertising platforms, improving the transparency and visibility of their media spend. Our integration partners, such as Google, Facebook, and Amazon account for the majority of digital advertising budgets and directly incorporate our solutions in their platforms to provide for independent verification, measurement, optimization, and insights required by the advertiser customers we serve. We do not generate material revenue directly from our arrangements with our integration partners. We generate revenue by charging a cost per thousand impressions (“CPM”) based on the volume of purchased digital ads that we analyze for our advertiser and publisher customers, including customers that utilize our integration partners for their ad campaigns. Our solutions help advertisers to measure consumer interactions with their brands across platforms. Additionally, we work closely with industry organizations and accreditation groups including the Audit Bureau of Circulations (the “ABC”), the Global Alliance for Responsible Media (the “GARM”), the Interactive Advertising Bureau (the “IAB”), the MRC, and the Trustworthy Accountability Group (the “TAG”). We are accredited by the ABC for viewability. We are also accredited by the MRC for our proprietary metric, Quality Impressions™, as well as our Display and Video Total Impressions and Viewable Impression Statistics, Campaign Monitor and Firewall Verification Services, and Sophisticated Invalid Traffic Detection and Filtration. To extend and maintain our MRC accreditations, we participate in annual audits across our solutions that are conducted by an independent third-party and ensure we align with MRC standards. For 2021, IAS also completed the rigorous evaluations required to achieve recertification for TAG’s Certified Against Fraud, Certified Against Piracy, and Brand Safety Certified Programs.

### **Market leadership and trusted brand**

Advertisers and publishers value our independent verification offerings and our extensive industry thought leadership. We deliver valuable case studies, research, and whitepapers, in addition to participating in industry conferences and hosting proprietary events. In 2020, we developed and released more than 40 thought leadership research studies globally. Our semi-annual Media Quality Reports share unique insights extracted from the trillions of data events we measure globally each month, offering an industry barometer for ad buyers and sellers to benchmark the quality of their campaigns and inventory. All of these thought leadership efforts are amplified and shared through our ongoing demand generation, content marketing, public relations, and social media to help ensure our solutions instill trust and confidence in the media buying process.

### **Diverse, loyal, and global customer base**

We successfully serve 2,062 customers, consisting of both 1,924 advertising customers and 138 publisher customers. We work with many of the largest, global marketers and media companies who want a single verification partner to serve their global needs. Since 2012, our average customer tenure for our top 100 customers has been 6.7 years. We have also grown our customer relationships over time by offering additional products. From December 31, 2017 to December 31, 2020, our average revenue per customer for our top 100 customers has

grown at a CAGR of 22% and revenue attributable to our top 100 customers approximated 70% of our total revenue for each of these years. We define average revenue per top 100 customers as our total revenue from our top 100 customers by revenues in a given reporting period divided by 100.

### **Large and growing dataset driving unique customer insights**

We collect trillions of data events per month, which provides us with a comprehensive view of digital ad transactions. Our data science capabilities harness unique, real-time insights for our customers to improve the effectiveness of their advertising campaigns. Our platform and architecture are highly scalable and capable of ingesting, on average, 100 billion web transactions per day with exceptional performance and reliability.

## **OUR GROWTH STRATEGY**

We believe this is the early stage of our growth and that we are at an inflection point in the advertising industry.

We intend to capitalize on our leading brand and competitive positioning to pursue several long-term growth strategies:

- ***Innovate and Develop New Products for Key High-Growth Segments***
  - *Programmatic.* We aim to deliver greater transparency to programmatic ad buying via innovative solutions including contextual targeting and brand safety and suitability.
  - *Social.* We aim to develop deeper integrations with social platforms, also known as Walled Gardens, including feed-based brand safety and suitability, to deliver continued transparency to our customers.
  - *Connected TV.* We plan to expand our CTV-specific verification solutions and contextual targeting capabilities to address the fast-growing connected TV segment.
  - *Adjacent Product Expansion.* We plan to expand our platforms and integrations to address new verification and measurement needs for our clients.
- ***Increase Sales Within Our Existing Customer Base*** We aim to increase the use of our products among existing customers across more campaigns and impressions. Given our comprehensive product portfolio, we believe we can cross-sell additional or new solutions to provide end-to-end coverage to more clients from pre-bid viewability to post-buy verification, fraud prevention, safety, suitability, and targeting.
- ***Acquire New Customers and Increase Market Share*** We plan to work with the top 500 global advertisers by targeting high-spend verticals and brands with a natural sensitivity for brand safety, brand suitability, and ROAS needs. We believe we will increase our market share by strengthening our work with the leading social platforms, enhancing our programmatic solutions, deriving benefit from our broad global position, and leveraging our differentiated data science and market-leading contextual capabilities.
- ***Expand Customer Base Internationally*** Global marketers are investing in more sophisticated verification strategies and we believe there is growing demand for our solutions internationally, especially in the Latin America and APAC regions.

## RISK FACTOR SUMMARY

There are a number of risks related to our business, this offering and our common stock that you should consider before you decide to participate in this offering. You should carefully consider all the information presented in the section entitled “Risk Factors” in this prospectus. Some of the principal risks related to our business include the following:

- factors that affect the amount of advertising spending, such as economic downturns and marketability, including as a result of COVID-19, instability in political or market conditions generally, and any changes in tax treatment of advertising expenses, can make it difficult to predict our revenue and could adversely affect our business, results of operations, and financial condition;
- if we fail to innovate, maintain or achieve industry accreditation standards, make the right investment decisions in our offerings and platform, including responding to technological changes or upgrading our technology systems, and expand into new channels, we may not attract new customers, retain customers, or achieve customer acceptance of our products, and our business, revenue, and results of operations may decline;
- the market in which we participate is intensely competitive, both from established and new companies, and we may not be able to compete successfully with our current or future competitors;
- we rely on integrations with advertising platforms, demand-side platforms (“DSPs”), proprietary platforms, and ad servers, over which we exercise little control and loss of integration, through technology issues, regulations affecting our partners or loss of partners would materially affect our business;
- our international expansion may expose us to additional risks and requires increased expenditures, which imposes additional risks and compliance imperatives, and failure to successfully execute our international plans will adversely affect our growth and operating results;
- if we are not able to maintain and enhance our brand, our business, financial condition, and operating results may be adversely affected;
- we are subject to payment-related risks and, if our customers do not pay or dispute their invoices, our business, financial condition, and operating results may be adversely affected;
- we have revenue share arrangements with certain DSPs and any material changes to those sharing arrangements could affect our costs;
- our corporate culture has contributed to our success and, if we are unable to maintain it or manage our growth effectively, our business, financial condition, and results of operations could be harmed and the quality of our platform and solutions may suffer;
- our business is subject to the risks of earthquakes, fires, floods, and other natural catastrophic events and to interruption by man-made problems such as terrorism, computer viruses, or social disruption impacting advertising spending;
- certain operating results and financial metrics may be difficult to accurately predict due to seasonality;
- our revenue model depends on high impression volumes, the growth of which may not be sustained, and our short operating history makes it difficult to evaluate our future prospects;
- the market for buying digital advertising verification solutions is relatively new and evolving. Our estimates of market opportunity and forecasts of market growth included in this prospectus may prove to be inaccurate;

- if the non-proprietary technology, software, products and services that we use are unavailable, become subject to future license or other terms we cannot agree to, or do not perform as we expect, our business, financial condition, and results of operations could be harmed;
- we may be sued by third parties for alleged infringement, misappropriation or other violation of their proprietary rights, which would result in additional expense and potential damages;
- we may be unable to obtain, maintain, protect, or enforce intellectual property and proprietary rights that are important to our business, which could enable others to copy or use aspects of our technology without compensating us, thereby eroding our competitive advantages and harming our business;
- failures in the systems and infrastructure supporting our solutions and operations could significantly disrupt our operations, and operational, technical, and performance issues with our platform, whether real or perceived may adversely affect our business, reputation, financial condition, and operating results;
- if unauthorized access is obtained to user, customer or inventory, and third-party provider data, or our platform is compromised, our services may be disrupted or perceived as insecure, and as a result, we may lose existing customers or fail to attract new customers, and we may incur significant reputational harm and legal and financial liabilities;
- concerns regarding data privacy and security relating to our industry’s technology and practices, and perceived failure to comply with laws and industry self-regulation, could damage our reputation and deter current and potential customers from using our products and services;
- we are subject to taxation in multiple jurisdictions. Any adverse development in the tax laws of any of these jurisdictions, any disagreement with our tax positions or change in our annual effective income tax rate could have a material and adverse effect on our business, financial condition or results of operations; and
- the other factors set forth under “Risk Factors.”

These and other risks are more fully described in the section entitled “Risk Factors” in this prospectus. If any of these risks actually occurs, our business, financial condition, results of operations, cash flows, and prospects could be materially and adversely affected. As a result, you could lose all or part of your investment in our common stock.

#### **OUR SPONSOR**

We have a valuable relationship with our equity sponsor, Vista. We are party to a director nomination agreement with Vista (the “Director Nomination Agreement”) that provides Vista the right to designate nominees to our board of directors (the “Board”), subject to certain conditions. The Director Nomination Agreement will provide Vista the right to designate: (i) all of the nominees for election to our Board for so long as Vista beneficially owns 40% or more of the total number of shares of our common stock it owns as of the date of this offering; (ii) a number of directors (rounded up to the nearest whole number) equal to 40% of the total directors for so long as Vista beneficially owns at least 30% and less than 40% of the total number of shares of our common stock it owns as of the date of this offering; (iii) a number of directors (rounded up to the nearest whole number) equal to 30% of the total directors for so long as Vista beneficially owns at least 20% and less than 30% of the total number of shares of our common stock it owns as of the date of this offering; (iv) a number of directors (rounded up to the nearest whole number) equal to 20% of the total directors for so long as Vista beneficially owns at least 10% and less than 20% of the total number of shares of our common stock it owns as of the date of this offering; and (v) one director for so long as Vista beneficially owns at least 5% and less than

10% of the total number of shares of our common stock it owns as of the date of this offering. The Director Nomination Agreement will also provide that Vista may assign such right to a Vista affiliate. The Director Nomination Agreement will prohibit us from increasing or decreasing the size of our Board without the prior written consent of Vista. See “Certain Relationships and Related Party Transactions—Related Party Transactions—Director Nomination Agreement” for more details with respect to the director nomination agreement.

Vista is a leading global investment firm with more than \$75 billion in assets under management as of December 31, 2020. The firm exclusively invests in enterprise software, data, and technology enabled organizations across private equity, permanent capital, credit, and public equity strategies, bringing an approach that prioritizes creating enduring market value for the benefit of its global ecosystem of investors, companies, customers, and employees. Vista’s investments are anchored by a sizable long-term capital base, experience in structuring technology-oriented transactions and proven, flexible management techniques that drive sustainable growth. Vista believes the transformative power of technology is the key to an even better future—a healthier planet, a smarter economy, a diverse and inclusive community and a broader path to prosperity.

### **GENERAL CORPORATE INFORMATION**

Our principal executive offices are located at 95 Morton St., 8th Floor, New York, NY 10014. Our telephone number is (646) 278-4871. Our website address is [www.integralads.com](http://www.integralads.com). The information contained on, or that can be accessed through, our website is not incorporated by reference into this prospectus, and you should not consider any information contained on, or that can be accessed through, our website as part of this prospectus or in deciding whether to purchase our common stock. We are a holding company and all of our business operations are conducted through our subsidiaries.

This prospectus includes our trademarks and service marks such as “IAS,” “Integral Ad Science,” “Quality Impressions,” and “Total Visibility,” which are protected under applicable intellectual property laws and are the property of us or our subsidiaries. This prospectus also contains trademarks, service marks, trade names and copyrights of other companies, such as “AWS” and “Oracle’s MOAT and Grapeshot,” which are the property of their respective owners. Solely for convenience, trademarks and trade names referred to in this prospectus may appear without the ® or ™ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names.

### **CORPORATE CONVERSION**

We currently operate as a Delaware limited liability company under the name Integral Ad Science Holding LLC, which directly and indirectly holds all of the equity interests in our operating subsidiaries. Immediately prior to the effectiveness of the registration statement of which this prospectus forms a part, Integral Ad Science Holding LLC will convert into a Delaware corporation pursuant to a statutory conversion and will change its name to Integral Ad Science Holding Corp. In this prospectus, we refer to all of the transactions related to our conversion into a corporation as the Corporate Conversion. Following the Corporate Conversion, we will remain a holding company and will continue to conduct our business through our operating subsidiaries. For more information, see the section titled “Corporate Conversion.”

Following the completion of the Corporate Conversion and prior to the closing of this offering, Vista will own approximately % of Integral Ad Science Holding Corp.’s common stock. Integral Ad Science Holding Corp. will have several wholly owned direct and indirect subsidiaries that are legacies from the corporate structure that existed prior to this offering. See the section titled “Corporate Conversion.”

### STATUS AS A CONTROLLED COMPANY

Because Vista will beneficially own \_\_\_\_\_ shares of our common stock (or \_\_\_\_\_ shares of our common stock if the underwriters' option to purchase additional shares is exercised in full), representing approximately \_\_\_\_\_ % of the voting power of our company following the completion of this offering (or \_\_\_\_\_ % if the underwriters' option to purchase additional shares is exercised in full), we will be a "controlled company" as of the completion of the offering under the Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act"), and the rules of the \_\_\_\_\_. As a controlled company, we will not be required to have a majority of independent directors or to form an independent compensation committee or nominating and corporate governance committee. As a controlled company, we will remain subject to the rules of the Sarbanes-Oxley Act and require us to have an audit committee composed entirely of independent directors. Under these rules, we must have at least one independent director on our audit committee by the date our common stock is listed on the \_\_\_\_\_, at least two independent directors on our audit committee within 90 days of the listing date, and at least three directors, all of whom must be independent, on our audit committee within one year of the listing date. We expect to have \_\_\_\_\_ independent directors upon the closing of this offering, of whom \_\_\_\_\_ will qualify as independent for audit committee purposes.

If at any time we cease to be a controlled company, we will take all action necessary to comply with the Sarbanes-Oxley Act and rules of the \_\_\_\_\_, including by having a majority of independent directors and ensuring we have a compensation committee and a nominating and corporate governance committee, each composed entirely of independent directors, subject to a permitted "phase-in" period. See the section titled "Management—Corporate Governance—Controlled Company Status."

### IMPLICATIONS OF BEING AN EMERGING GROWTH COMPANY

We qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). We will remain an emerging growth company until the earliest of (1) the last day of the fiscal year following the fifth anniversary of the completion of this offering, (2) the last day of the fiscal year in which we have total annual gross revenue of at least \$1.07 billion, (3) the date on which we are deemed to be a large accelerated filer (this means the market value of common that is held by non-affiliates exceeds \$700.0 million as of the end of the second quarter of that fiscal year) or (4) the date on which we have issued more than \$1.0 billion in non-convertible debt securities during the prior three-year period.

An emerging growth company may take advantage of reduced reporting requirements that are otherwise applicable to public companies. These provisions include, but are not limited to:

- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act;
- an exemption from compliance with any requirement that the Public Company Accounting Oversight Board may adopt regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements;
- reduced disclosure obligations regarding executive compensation in periodic reports, proxy statements, and registration statements; and
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

We have elected to take advantage of certain reduced disclosure obligations regarding financial statements (such as not being required to provide audited financial statements for the year ended December 31, 2018 or five years of Selected Consolidated Financial Data) in this prospectus and executive compensation in this prospectus and expect to elect to take advantage of other reduced burdens in future filings. As a result, the information that we provide to our shareholders may be different than you might receive from other public reporting companies in which you hold equity interests.

The JOBS Act also permits an emerging growth company like us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We have elected to “opt-in” to this extended transition period for complying with new or revised accounting standards and, therefore, we will not be subject to the same new or revised accounting standards as other public companies that comply with such new or revised accounting standards on a non-delayed basis. As a result, our operating results and consolidated financial statements may not be comparable to the operating results and financial statements of other companies who have adopted the new or revised accounting standards. It is possible that some investors will find our common stock less attractive as a result, which may result in a less active trading market for our common stock and higher volatility in our stock price.

## THE OFFERING

<b>Common stock offered</b>	shares.
<b>Option to purchase additional shares</b>	shares.
<b>Common stock to be outstanding after this offering</b>	shares (or shares if the underwriters' option to purchase additional shares is exercised in full).
<b>Use of proceeds</b>	<p>We estimate that our net proceeds from this offering will be approximately \$ million, or approximately \$ million if the underwriters' option to purchase additional shares is exercised in full, assuming an initial public offering price of \$ per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, and after deducting the underwriting discount and estimated offering expenses payable by us.</p> <p>The principal purposes of this offering are to increase our capitalization and financial flexibility, create a public market for our common stock and enable access to the public equity markets for us and our shareholders. We expect to use approximately \$ million of the net proceeds of this offering (or \$ million of the net proceeds of this offering if the underwriters exercise their option to purchase additional shares in full) to repay outstanding borrowings under our senior secured credit agreement, dated July 19, 2018 and comprised of the \$325.0 million term loan facility (the "Term Loan Facility") and the \$25.0 million revolving credit facility (the "Revolving Credit Facility" and together with the Term Loan Facility, the "Credit Agreement", as amended), with a maturity date of July 19, 2024 and a maturity date of July 19, 2023, respectively, and the remainder of such net proceeds will be used for general corporate purposes. At this time, other than repayment of indebtedness under our senior secured Credit Agreement, we have not specifically identified a large single use for which we intend to use the net proceeds and, accordingly, we are not able to allocate the net proceeds among any of these potential uses in light of the variety of factors that will impact how such net proceeds are ultimately utilized by us. See "Use of Proceeds" for additional information.</p>
<b>Controlled company</b>	<p>After this offering, assuming an offering size as set forth in this section, the Vista Funds will own approximately % of our common stock (or % of our common stock if the underwriters' option to purchase additional shares is exercised in full). As a result, we expect to be a controlled company within the meaning of the corporate governance standards of the . See "Management—Corporate Governance—Controlled Company Status."</p>
<b>Risk factors</b>	<p>Investing in our common stock involves a high degree of risk. See "Risk Factors" elsewhere in this prospectus for a discussion of factors you should carefully consider before deciding to invest in our common stock.</p>

**Proposed trading symbol**

“IAS.”

The number of shares of common stock to be outstanding following this offering is based on \_\_\_\_\_ shares of common stock outstanding as of March 31, 2021, after giving effect to the Corporate Conversion, and excludes \_\_\_\_\_ million shares of common stock reserved for future issuance under our 2021 Omnibus Incentive Plan (the “2021 Plan”), which will be adopted in connection with this offering.

Unless otherwise indicated, all information in this prospectus assumes:

- the completion of the transactions described in the section titled “Corporate Conversion”;
- the filing of our amended and restated certificate of incorporation and the adoption of our amended and restated bylaws, each in connection with the closing of this offering; and
- no exercise by the underwriters of their option to purchase up to \_\_\_\_\_ additional shares of common stock.

### SUMMARY CONSOLIDATED FINANCIAL DATA

The following tables summarize our consolidated financial data and other data. We derived the summary consolidated statements of operations and comprehensive loss data for the years ended December 31, 2019 and 2020, the selected consolidated statement of cash flows data for the years ended December 31, 2019 and December 31, 2020 and summary consolidated balance sheet data as of December 31, 2020 from our audited consolidated financial statements included elsewhere in this prospectus. We derived the summary consolidated statement of operations and comprehensive loss data and selected consolidated statement of cash flows data for the three months ended March 31, 2020 and 2021, and summary consolidated balance sheet data as of March 31, 2021 from our unaudited interim condensed consolidated financial statements that are included elsewhere in this prospectus. In the opinion of management, the unaudited interim condensed consolidated financial statements reflect all adjustments, consisting only of normal recurring adjustments, which are necessary for a fair statement of the financial information contained in those statements. Our historical results are not necessarily indicative of the results that may be expected in the future. The following summary consolidated financial data and other data should be read in conjunction with the sections titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Selected Consolidated Financial Data” and our consolidated financial statements and related notes included elsewhere in this prospectus.

*(in thousands, except unit, per unit, Net Loss Margin, Adjusted EBITDA margin and Other Data)*

	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
<b>Consolidated Statement of Operations and Comprehensive Loss:</b>				
Revenue	\$ 213,486	\$ 240,633	\$ 54,042	\$ 66,952
Operating expenses:				
Cost of revenue (excluding depreciation and amortization shown below)	33,107	40,506	9,155	11,420
Sales and marketing	71,300	66,022	18,370	16,545
Technology and development	40,403	48,991	12,336	12,769
General and administrative	32,135	33,286	7,640	8,547
Depreciation and amortization	70,327	65,708	16,338	14,395
Total operating expenses	<u>247,272</u>	<u>254,513</u>	<u>63,839</u>	<u>63,676</u>
Operating (loss) income	(33,786)	(13,880)	(9,797)	3,276
Interest expense, net	(32,994)	(31,570)	(8,258)	(6,960)
Net loss before benefit from income taxes	(66,780)	(45,450)	(18,055)	(3,684)
Benefit from income taxes	15,432	13,076	3,611	912
Net loss	\$ (51,348)	\$ (32,374)	\$ (14,444)	\$ (2,772)
Net loss margin	<u>(24)%</u>	<u>(13)%</u>	<u>(27)%</u>	<u>(4)%</u>
Other comprehensive income (loss):				
Foreign currency translation adjustments	421	4,348	(1,914)	(1,904)
Total comprehensive loss	<u>\$ (50,927)</u>	<u>\$ (28,026)</u>	<u>\$ (16,358)</u>	<u>\$ (4,676)</u>
<b>Per Unit Data:</b>				
Net loss per unit:				
Net loss per unit, basic and diluted	<u>\$ (94.42)</u>	<u>\$ (58.45)</u>	<u>\$ (26.08)</u>	<u>\$ (5.01)</u>
Weighted average units outstanding				
Basic and diluted	<u>543,840</u>	<u>553,902</u>	<u>553,938</u>	<u>553,751</u>
Pro forma net loss per share				
Basic and diluted(1)	\$	\$		

(in thousands, except unit, per unit, Adjusted EBITDA margin and Other Data)

	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
<b>Consolidated Statement of Cash Flow Data:</b>				
Net cash provided by (used in) operating activities	\$ (1,854)	\$33,937	1,409	7,697
Net cash provided by (used in) investing activities	\$(25,034)	\$(9,662)	(4,899)	(6,377)
Net cash provided by (used in) financing activities	\$ 13,656	\$(1,696)	(612)	(1,338)
<b>Non-GAAP Financial Data:</b>				
Adjusted EBITDA <sup>(2)</sup>	\$ 38,777	\$56,396	\$ 6,693	\$18,787
Adjusted EBITDA margin <sup>(3)</sup>	18%	23%	12%	28%
<b>Other Data:</b>				
Net revenue retention of advertising customers <sup>(4)</sup>	112%	108%	132%	110%
Total advertising customers <sup>(5)</sup>	1,813	1,873	1,874	1,924
Total number of large advertising customers <sup>(6)</sup>	162	160	162	172

- (1) Pro forma basic and diluted net loss per share is computed by dividing pro forma net loss by pro forma weighted-average common shares outstanding. For the three months ended March 31, 2021, pro forma net loss is computed by decreasing net loss by \$ of interest expense, net of tax, that would not have been incurred if the offering had occurred on January 1, 2020. For the year ended December 31, 2020, pro forma net loss is computed by decreasing net loss by \$ of interest expense, net of tax, that would not have been incurred if the offering had occurred on January 1, 2020. In addition, pro forma net loss is adjusted for equity-based compensation costs related to the time-based service options. Pro forma weighted average common shares outstanding is computed by increasing the weighted average common shares outstanding by , which represents the \$ million in outstanding borrowings described in “Use of Proceeds” being repaid with the proceeds of this offering divided by the public offering price per share. This pro forma data is presented for informational purposes only and does not purport to represent what our net loss or net loss per share actually would have been had the offering and use of proceeds therefrom occurred on January 1, 2020 or to project our net loss or net loss per share for any future period.
- (2) For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net loss the most directly comparable measure calculated and presented in accordance with GAAP, see “—Selected Consolidated Financial Data—Non-GAAP Financial Measures.”
- (3) For a definition of Adjusted EBITDA margin and a reconciliation of Adjusted EBITDA margin to net loss margin the most directly comparable measure calculated and presented in accordance with GAAP, see “Selected Consolidated Financial Data —Non-GAAP Financial Measures.”
- (4) For a definition of net revenue retention, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Business Metrics—Key Performance Indicators—Net-Revenue Retention.”
- (5) For a definition of total advertising customers, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations —Key Business Metrics—Key Performance Indicators—Total Advertising Customers.”
- (6) For a definition of total number of large advertising customers, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Business Metrics—Key Performance Indicators—Total Number of Large Advertising Customers.”

<i>(in thousands)</i> <b>Consolidated Balance Sheet Data (at end of period):</b>	March 31, 2021	
	Actual	Pro Forma as Adjusted <sup>(1)</sup> (2)
Cash and cash equivalents	\$ 50,751	\$
Total assets	\$ 838,529	\$
Working capital	\$ 93,104	\$
Long-term debt	\$ 351,780	\$
Accumulated deficit	\$(130,322)	\$
<b>Total liabilities and members' equity</b>	<b>\$ 838,529</b>	<b>\$</b>

- (1) The pro forma as adjusted column reflects: (i) the pro forma adjustments following (a) the completion of the Corporate Conversion and (b) the filing and effectiveness of our restated certificate of incorporation in Delaware, which will occur immediately prior to the completion of this offering; (ii) the sale of \_\_\_\_\_ shares of our common stock in this offering at an assumed initial public offering price per share of \$ \_\_\_\_\_ (the midpoint of the estimated offering price range set forth on the cover page of this prospectus), after deducting underwriting discounts and commissions and estimated offering expenses payable by us; and (iii) the application of the net proceeds from this offering as set forth under the section titled "Use of Proceeds."
- (2) The pro forma as adjusted information discussed above is illustrative only and will depend on the actual initial public offering price and other terms of this offering determined at pricing. Each \$1.00 increase or decrease in the assumed initial public offering price per share of \$ \_\_\_\_\_ (the midpoint of the estimated offering price range set forth on the cover page of this prospectus), would increase or decrease, as applicable, each of our pro forma as adjusted cash and cash equivalents, total assets, working capital, and total members' deficit by approximately \$ \_\_\_\_\_ million, assuming the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each 1.0 million share increase or decrease in the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, would increase or decrease, as applicable, each of our pro forma as adjusted cash and cash equivalents, total assets, working capital, and total members' deficit by approximately \$ \_\_\_\_\_ million, assuming no change in the assumed initial public offering price per share and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

## RISK FACTORS

*This offering and an investment in our common stock involve a high degree of risk. You should carefully consider the risks described below, together with the financial and other information contained in this prospectus, before you decide to purchase shares of our common stock. If any of the following risks actually occurs, our business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected. As a result, the trading price of our common stock could decline and you could lose all or part of your investment in our common stock.*

### Risks Related to COVID-19

***Economic downturns and market conditions beyond our control, including as a result of the COVID-19 pandemic, could materially adversely affect our business, operating results, financial condition and prospects.***

Our business depends on global economic conditions, the overall demand for global digital advertising spending and on the economic health of customers that benefit from our platform. Unstable market conditions make it difficult for our customers and us to accurately forecast and plan future business activities, and could cause our customers to reduce or delay their spending with us. Economic downturns or unstable market conditions may cause customers to decrease their marketing and advertising budgets, which could reduce spending through our platform and adversely affect our business, financial condition, and results of operations. As we explore new countries to expand our business, economic downturns or unstable market conditions in any of those countries could result in our investments not yielding the returns we anticipate.

Presently, the COVID-19 pandemic has resulted in severe market disruptions and a global economic slowdown for certain goods and services. The severity, magnitude and duration of the current COVID-19 pandemic is uncertain and rapidly changing. The COVID-19 pandemic has resulted in governmental authorities implementing numerous measures to try to contain the virus, such as travel bans and restrictions, quarantines, shelter in place orders, and shutdowns. These measures have impacted and may further impact all or portions of our facilities, workforce, and operations, the behavior of our end consumers and the operations of our respective vendors and suppliers. While these measures have not had a material adverse impact on our results of operations to date, our results of operations could be materially adversely affected in the future if such measures were to continue or new measures are imposed. For example, additional countries, including Canada, the United Kingdom (the "U.K."), and France, among others, have recently gone back into lockdown, implemented curfews or increased further nationwide restrictions over concerns of increasing COVID transmission rates. Concern over the impact of COVID-19 may delay the purchasing decisions of certain prospective customers and/or cause them to consider purchasing solutions than originally anticipated. While governmental authorities have taken measures to try to contain the COVID-19 pandemic, there is considerable uncertainty regarding such measures and potential future measures. There is no certainty that measures taken by governmental authorities will be sufficient to mitigate the risks posed by the COVID-19 pandemic or to prevent a resurgence in the infection rates, and there is uncertainty regarding the effectiveness of the vaccines against new strains or variants of COVID-19 and the general availability of COVID-19 vaccines, which could impact our ability to perform critical functions.

In response to disruptions caused by the COVID-19 pandemic, we have implemented a number of measures designed to protect the health and safety of our workforce and position us to maintain our healthy financial position. These measures include restrictions on business travel, the institution of work-from-home policies and the implementation of strategies for workplace safety at our facilities to the limited extent that they remain open and our employees need to access them. We are following the guidance from local public health officials and government agencies with respect to such facilities, including implementation of enhanced cleaning measures, social distancing guidelines, and wearing of masks. We will continue to incur increased costs for our operations during this pandemic that are difficult to predict with certainty. In particular, our remote work arrangements for employees, coupled with stay-at-home orders and quarantines, pose challenges for those employees and our IT

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systems, and extended periods of remote work arrangements could strain our business continuity plans, introduce operational risk, including cybersecurity and IT systems management risks. As a result, our business, results of operations, cash flows, or financial condition may be affected by COVID-19 related disruptions and could continue to be adversely impacted in the future. There is no assurance the measures we have taken or may take in the future will be successful in managing the uncertainties caused by the COVID-19 pandemic.

As a result of the COVID-19 pandemic, we may (i) decide to postpone or cancel planned investments in our business in response to changes in our business, or (ii) experience difficulties in recruiting or retaining personnel, each of which may impact our ability to respond to our customers' needs and fulfill contractual obligations. In addition, we rely upon third parties for certain critical inputs to our business and platform, such as data integrations with proprietary platforms, data centers, and technology infrastructure. Any disruptions to services provided to us by third parties that we rely upon to provide our platform, including as a result of COVID-19 or other actions outside of our control, could significantly impact the continued performance of our platform.

The COVID-19 pandemic has also significantly increased economic and demand uncertainty globally, as well as record levels of unemployment in the U.S. As a result, the COVID-19 pandemic has caused an economic slowdown, and it is possible that it could cause a global recession. This economic uncertainty of the COVID-19 pandemic has and could again lead to a general decrease in consumer spending and decrease in consumer confidence. More specifically, COVID-19 has already and could (i) continue to cause advertisers to pause advertising spending due to market uncertainty, (ii) require advertisers to reposition messaging or (iii) cause reductions in overall advertising spending budgets. Our sales, results of operations and cash flows depend on the overall demand for our platform. Some of our customers have experienced and may continue to experience financial hardships that, to date, have resulted in minimal instances of delayed or uncollectible payments, though this could increase in the future. Additionally, certain industry sectors that comprise part of our client base and spend heavily on advertising, such as travel and entertainment, may see prolonged financial difficulty that may result in further delays or reductions in advertising spending. To add to the uncertainty, the pace and nature of any economic recovery is unclear after this unprecedented shutdown of the economy. As a result, we may be susceptible to increased customer churn as a result of the current COVID-19 pandemic.

The severity, magnitude, and duration of the current COVID-19 pandemic is uncertain, rapidly changing and hard to predict and depends on events beyond our knowledge or control. These and other impacts of the COVID-19 pandemic could have the effect of heightening many of the other risks described in this "Risk Factors" section, such as those relating to our reputation, product sales, results of operations, or financial condition. We might not be able to predict or respond to all impacts on a timely basis to prevent near- or long-term adverse impacts to our results. As a result, we cannot at this time predict the impact of the COVID-19 pandemic with certainty, but it could have a material adverse effect on our business, results of operations, financial condition, and cash flows.

### **Risks Relating to Our Business and Strategy**

***Our revenue and results of operations are highly dependent on the overall demand for advertising. Factors that affect the amount of advertising spending, such as economic downturns, instability in political or market conditions generally, and any changes in tax treatment of advertising expenses, can make it difficult to predict our revenue and could adversely affect our business, results of operations, and financial condition.***

Our business depends on the overall demand for advertising and on the economic health of our current and prospective advertiser and publisher customers. Various macroeconomic factors could cause advertisers to reduce their advertising budgets, including adverse economic conditions and general uncertainty about economic recovery or growth, particularly in North America, Europe, and Asia, where we do most of our business; instability in political or market conditions generally; and any changes in tax treatment of advertising expenses and the deductibility thereof. Generally, the U.S. and other key international economies have been affected from

time to time by falling demand for a variety of goods and services, restricted credit, poor liquidity, reduced corporate profitability, volatility in credit, equity and foreign exchange markets, bankruptcies, and overall uncertainty with respect to the economy, including with respect to tariff and trade issues. In particular, the economies of countries in Europe have been experiencing weakness associated with high sovereign debt levels, weakness in the banking sector, uncertainty over the future of the Eurozone and volatility in the value of the pound sterling and the Euro, including any instability possibly caused by the implementation of the withdrawal agreement for Brexit, which went into effect on January 1, 2021. We have operations, as well as current and potential new customers, throughout most of Europe. If economic conditions in Europe and other key markets for our platform continue to remain uncertain or deteriorate further, it could adversely affect our customers' ability or willingness to utilize our platform, delay prospective customers' purchasing decisions, and affect renewal rates, all of which could harm our operating results. Reductions in overall advertising spending as a result of these factors or the inability of advertisers to meet their commitments could make it difficult to predict our revenue and could adversely affect our business, results of operations, and financial condition.

***If we fail to innovate and make the right investment decisions in our offerings and platform, including responding to technological changes or upgrading our technology systems, we may not attract new customers and retain customers and our revenue and results of operations may decline.***

Our industry is subject to rapid and frequent changes in technology, evolving customer needs, and the frequent introduction by our competitors of new and enhanced offerings. We must constantly make investment decisions regarding offerings and technology to meet customer demands and evolving industry standards and our success depends on our ability to adapt and innovate. Examples of innovation and technological changes that we have had to manage include, for example: (i) developing solutions for measuring in a mobile and in-app context as consumers and advertisers shifted to these environments, (ii) developing the necessary integrations and data ingestion methods to provide verification services for Walled Gardens as this channel became a greater portion of digital ad spend, and (iii) innovating and investing into contextual capabilities to complement historical methods such as keyword based solutions. We may make wrong decisions regarding these investments. If new or existing competitors introduce new products and services using new technologies or if new industry standards and practices emerge, we may lose customers or customers may decrease their use of our platform. New customer demands, superior competitive offerings, or new industry standards could require us to make unanticipated and costly changes to our platform or business model. If we do not have sufficient capital to make these costly changes or to prioritize the research and development required to keep pace with the competition, our offerings may become obsolete and may cause a material adverse effect to our business, results of operations, and financial condition.

Even if we are able to meet the demands for these unanticipated and costly changes to our platform or business model, the impact of such rapid innovation could cause issues with integrating our new offerings and platform into our proprietary platforms' solutions within a reasonable timeframe. We cannot assure you that our updated solutions will be compatible or accepted by our integration partners. Any delay or failure in integration may cause missing data or delays in data analysis, which could cause our customers to become dissatisfied with our services, cause a loss of customers and may adversely impact our business, results of operations, and financial condition.

If we fail to adapt to our rapidly changing industry or to evolving customer needs as priorities shift or keep pace with rapid technological developments, the solutions we deliver may become less marketable and less competitive. If we are unable to properly identify and prioritize appropriate solution development projects or if we fail to develop and effectively market new solutions or enhance existing solutions to address the needs of existing and new customers, we may not be able to achieve or maintain adequate market acceptance and penetration of our solutions, and our solutions may become less competitive or obsolete, demand for our platform could decrease and our business, financial condition, and operating results may be adversely affected.

***If our existing and future product offerings fail to maintain or achieve industry accreditation standards, customer acceptance of our products may decrease which could have a material adverse effect on our business and results of operations.***

The market for our products is characterized by changes in protocols and evolving industry standards. Industry associations such as the Advertising Research Foundation, the Council of American Survey Research Organizations, the IAB, the TAG, the GARM, which is comprised of advertisers, agencies, media companies, platforms and industry organizations, the MRC, a voluntary trade organization, and internationally-based industry associations have independently initiated efforts to either review market research and rating methodologies across the media that we measure or develop minimum standards for such research and rating. Accreditation is only granted on a per metric basis rather than on a product or solution. In order to attain accreditation for new metrics tied to new solutions, the processes supporting new solutions must be reviewed to ensure that they are accurately processing data used to create the metrics. The process of obtaining such accreditations is costly, lengthy and there are often significant delays in achieving such accreditation. As a result, even if we are able to obtain such accreditations for our product offerings, we typically incur significant costs in obtaining such accreditations and the process of obtaining such accreditations delays our ability to market such product offerings as accredited by one or more industry associations. Moreover, metrics must be accredited before they will achieve widespread acceptance by the industry and our customers.

Additionally, these accreditation organizations could determine that there is a uniform standard that must be achieved by companies seeking accreditation, which could have the effect of limiting the methods of operations among competitors and could lead to commoditization of our industry and harm our ability to effectively compete by inhibiting our ability to differentiate our services from those of our competitors.

Failure to achieve accreditation for any of our product offerings, delays in obtaining such accreditations, or adverse audit findings may negatively impact the market acceptance of our products and could cause us to lose customers, and could delay acceptance of new product offerings by the industry and our customers. Meanwhile, successful accreditation or audits may lead to costly changes to our procedures and methodologies and may have an adverse effect on our business and results of operations.

***If we are unable to provide digital or cross-platform analytics, or if our analytics are incomplete, our ability to maintain and grow our business may be harmed.***

Our business provides buy-side post-buy verification and programmatic pre-bid solutions; on the sell-side, we provide verification and optimization solutions for publisher and media companies that enable the measurement and targeting of inventory against ad viewability, ad fraud, invalid traffic, brand safety, and suitability metrics across platforms, such as display, video, desktop, mobile, connected TV, open web, browser, in-app, and more.

If we are unable to gain or maintain access to information necessary to measure campaign performance, or if we are unable to utilize such information in the development or enhancement of our programmatic pre-bid solutions or of our data sets and models, or if we are unable to do any of the foregoing on commercially reasonable terms, our ability to meet our customers' demands and our business and financial performance may be harmed. Furthermore, even if we do have access to complete data covering channels such as display, video, connected TV, mobile and desktop, if we have insufficient technology, encounter challenges in our methodological approaches or inadequate source materials to parse the information across such channels or to do so in a cost-effective manner, our products may be inferior to other offerings, and we may be unable to meet our customers' demands. In such an event, our business and financial performance may be harmed.

In particular, rather than being able to collect data directly from our technology (e.g., ad tags, pixels and SDKs) like we do on the open web, our ability to access data necessary for the measurement of campaigns with proprietary platforms, such as Facebook and YouTube among others, depends on our continued access to their

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proprietary platforms or certain segments of their proprietary platforms for research or measurement purposes. For example, we rely on Facebook and YouTube to provide us with access to mutually agreed upon data elements and signals for purposes of enabling the measurement and targeting of Facebook and YouTube inventory on behalf of advertisers. These proprietary platforms could limit our access to their data as a result of technological changes or changes to their access terms. Moreover, while our contracts with these proprietary platforms generally renew automatically, many of our contracts with these proprietary platforms allow the platform to terminate their agreements with us without cause and subject to short notice periods. Such terminations would significantly limit our ability to access data that is necessary for the measurement of our advertiser customers' respective campaigns within the relevant proprietary platforms. There can be no assurance that such proprietary platforms will not limit or terminate our access to their data in the future, whether for competitive or other reasons. Moreover, as display, video, connected TV, mobile, and desktop viewing continue to proliferate, gaining and maintaining cost-effective access to display, video, connected TV, mobile and desktop data is already and will continue to become increasingly critical, and we could face difficulty in accessing data relating to those platforms.

If we are unable to maintain our access to these proprietary platforms, establish access with new platforms, or otherwise acquire or access data that we need for research or measurement purposes effectively and efficiently, or if the cost of data acquisition increases, our business, financial condition, we may be unable to provide certain digital or cross-platform analytic and our results of operations could be materially and adversely affected.

### ***We rely on integrations with advertising platforms, DSPs, proprietary platforms and ad servers, over which we exercise very little control.***

Our business depends on our ability to integrate our solutions with a variety of third-party advertising platforms, DSPs, proprietary platforms and ad services. We have formed partnerships with these platforms to integrate our technology with their software and product offerings, allowing our customers to utilize our solutions wherever they purchase or place an ad. For example, we rely on integration with Google in order to provide automated tag wrapping functionalities. Google may deploy code or change operations that may impact joint solution and combined functionality, which would have a significant effect on our ability to offer our products. Some of these integration partners have significant market share in the segment in which they operate. To date, we have relied on written contracts to govern our relationships with these partners. However, these are subject to change by such providers from time to time and in many instances the provider may choose to terminate these contracts without cause and with short notice periods. Many of these agreements are short term with automatic renewal provisions, and there can be no assurances that such providers will agree to renew their agreements with us. Moreover, such providers may choose to stop integrating with our solutions and may unilaterally stop providing us with data necessary to our business if they acquire a competitor which provides services similar to ours or if they begin to deliver services similar to ours on their own. For example, regarding our data measurements services, a provider such as YouTube has established a formal measurement program through which participants need to be approved by Google in order to participate. YouTube could adversely impact our operations in the future by limiting our data access from their platform altogether, restricting access to data to only a select few vendors or taking away our certification within its measurement program. We cannot assure you that our existing integration partners will continue to, or that potential new integration partners will agree to, integrate our solutions. We also cannot assure you that our customers will continue to use our solutions available on these digital media platforms or that our integration partners will not develop and market products that compete with us in the future. Such integrations may not be replaceable, and so loss of any such integrations could materially impact our business and our results of operations and we may lose customers. For the years ended December 31, 2019 and December 31, 2020, 32% and 36%, respectively, of our total revenue from customers was facilitated by our partnerships with DSPs, of which two DSP partnerships facilitated 15.5% and 6% of our total revenue from customers for the year ended December 31, 2019 and 17% and 8.5%, of our total revenue from customers for the year ended December 31, 2020.

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Even if our partners continue their agreements and partnerships with us, we continuously are required to update and enhance our solutions to adapt to changes in software, networking, browser, and database technologies. For example, we may be forced to make changes based on a unilateral change that an integration partner makes to its platform in order to integrate our products or to have the integration operate in the same manner that it did prior to the integration partner's change. The integration partner's change may cause a malfunction in the integration and cause a break in services. We cannot assure you that our updated solutions will be compatible or accepted by our integration partners.

Additionally, some of our partners are subject to regulatory actions, which, if successful, could cause our partners to be broken into separate companies. For example, Facebook has been sued by state prosecutors and federal regulators with allegations that the company is taking illegal actions to acquire rivals and stifle competition. If our partners and their products are separated into separate companies, it could have a material effect on our ability to gather data and there can be no assurance that all of the separated companies will continue to be our partner, each of which could materially affect our business, results of operations, and revenues.

Our business and revenues could also be affected by social issues or disruptions. For example, if there is public disapproval or boycotting of a specific platform, such as Facebook or other proprietary platforms, our ability to optimize ad placement or to forecast usage may be impacted based on unforeseen trends or events. Additionally, how we categorize specific sites in the course of our normal business operations could expose us to risks from publishers or advertisers who could disagree with our categorizations and incur negative ramifications if they believe their ads were monetarily contributing to websites that contribute to the spread of hate speech, disinformation, white supremacist activity, or voter suppression efforts, among other things. If publishers or advertisers believe our categorizations are faulty or unreliable, they may pull back on advertising, which could affect our business, revenues, and results of operations.

In addition, we rely on our DSP partners to report to us on the usage of our pre-bid and contextual targeting solutions on their platforms, as well as revenue generated on their platforms. The timing of these reports is fixed per DSP, and variations impact our ability to derive insights, particularly granular insights into usage, and potentially impacts our ability to accurately forecast. Any financial or other difficulties our integration partners face may negatively impact our business, as a significant portion of our revenue depends on customers using our solutions on these digital media platforms, and we are unable to predict the nature and extent of any such impact. We exercise very little control over our integration partners, which increases our vulnerability to problems with the services they provide and our reliance upon them for accurate data and revenue reporting. If our proprietary platform partners intentionally or unintentionally cause data delays or if data is missing, our reporting and ability to deliver our products and services would be adversely impacted and we would be unable to accurately forecast our revenue due to our inability to see the volume of impressions. Any errors, failures, interruptions, or delays experienced in connection with our integration partners could adversely affect our business, reputation, forecasts, and financial condition.

***The market in which we participate is intensely competitive, both from established and new companies, and we may not be able to compete successfully with our current or future competitors.***

We operate in a highly competitive and rapidly changing industry with barriers to entry being increasingly lowered and single-solution providers entering the market and competing with certain aspects of our solutions. We expect competition to persist and intensify in the future, which could harm our ability to increase revenue and maintain profitability. The market for measurement, data analytics, and verification of digital advertising is competitive and evolving rapidly as market participants develop and offer new products and services, which could lead to commoditization and harm our ability to effectively compete in our industry.

We compete with established verification and measurement companies such as DoubleVerify and Oracle's MOAT and Grapeshot, as well as point solution (e.g., fraud) providers such as WhiteOps. These competitors may be able to, among other things, provide accurate and reliable data insights on brand suitability and existence of ad

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fraud, innovate, and adapt product offerings to emerging digital media technologies, offer solutions that meet changing customer needs, negotiate more favorable revenue share agreements with DSPs, and otherwise execute on their growth strategies more effectively than we can.

We may also face competition from new companies entering the market, including large established companies and companies that we do not yet know about or do not yet exist. These companies may have massive resources (e.g., Oracle or Nielsen) to acquire or internally develop solutions that compete directly with ours. As we introduce new solutions, as our existing solutions evolve and as other companies introduce new products and solutions, we are likely to face additional competition. If existing or new companies develop, market, or resell competitive high-value products or services or if they acquire one of our existing competitors or form a strategic alliance with one of our competitors, our ability to compete effectively could be significantly compromised and our results of operations could be harmed. For example, if competitors like DoubleVerify were to be acquired by one of the larger proprietary platforms, the proprietary platforms that we rely upon to provide our services may limit our access to their platforms, refuse to integrate our products or, regarding our data measurements services, a provider such as YouTube could materially impact our operations by limiting our data access from their platform altogether. Relatedly, if the larger proprietary platforms that we rely upon for significant portions of our business, such as YouTube, were to develop and begin providing services similar to ours in-house, they may terminate our contracts and restrict our access to their data (which some proprietary platforms, including with respect to platforms that we rely upon for significant portions of our business, can do at any time without cause and with short notice periods), refuse to allow us to integrate with their products, and generally adversely affect our operations, revenues, and ability to conduct our operations. As of March 31, 2021, we had contracts with DSPs and proprietary platforms, including Google, Facebook, and The Trade Desk, that would individually or in the aggregate materially affect our revenue and results of operations if the contracts were terminated.

Our potential competitors may have significantly more financial, technical, marketing and other resources than we have, larger intellectual property portfolios and broader global distribution and presence, which may allow them to devote greater resources to the development, promotion, sale and support of their products and services. They may also have more extensive relationships than we have and may be better positioned to execute on product introductions or integration with proprietary platforms. Some of our competitors, such as Nielsen, may have a longer operating history and greater name recognition. As a result, these competitors may be better able to respond quickly to new technologies, develop deeper relationships, or offer services at lower prices. Any of these developments would make it more difficult for us to sell our platform and could result in increased pricing pressure, increased sales and marketing expense or the loss of market share, which could cause us to decrease the prices we charge or accept less favorable terms for our solutions in order to remain competitive. If we are unable to compete successfully against our current and future competitors, we may not be able to retain and/or increase sales to existing customers and acquire new customers, and our business, financial condition, and results of operations could be adversely affected.

***We may be exposed to risk as a result of our third parties, and we may not be able to recover such losses from them.***

We rely on integrations with advertising platforms, DSPs, proprietary platforms and ad servers, over which we exercise very little control. Issues surrounding our integrations may arise as a result of our or our partners' systems. For example, a significant reduction in the volume of data received from an integration partner could prevent us from effectively providing services to our customers. Similarly, in the context of an ad server integration, ads may not be properly delivered to their intended webpages or applications due to an integration issue. These delays in data, ad delivery failures or the ability to integrate our products to partner platforms could impact customer satisfaction and prevent us from providing the services we are contractually obligated to provide. In addition, such delays and failures could delay our ability to invoice our clients, and clients may refuse to pay invoices or may otherwise bring claims against us or stop using our solutions. While we generally seek to disclaim liability for the acts of our partners within our customer agreements, there can be no assurances that such provisions will be effective. Our ability to recover from our integration partners is often limited, and if our

customers seek to recover from us, we may not be able to recover from our partners. We also cannot be sure that any existing general liability insurance coverage would apply in these circumstances, that any such coverage will continue to be available on acceptable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not deny coverage as to any future claim. As a result, any such delays or failures, even if caused by an integration partners, could lead to losses, claims and liability for us, and could lead to a loss of customers and damage to our reputation, any of which could have a material adverse effect on our business, financial condition and results of operations.

***Our international expansion may expose us to additional risks.***

While our historical operations have been focused in the United States, we have expanded our operations internationally in recent years to increase our customer base, infrastructure, offices, and employee count, among other things. We expect international expansion to continue in the near term, particularly in regards to our engineering operations and personnel that have been increasing in India. Our current or future international expansion may expose us to additional risks, including:

- challenges associated with relying on local partners in markets that are not as familiar to us, including local joint venture or strategic partners to help us establish our business;
- the burden of compliance with additional regulations and government authorities in a highly regulated industry;
- potentially adverse tax consequences from operating in multiple jurisdictions;
- complexities and difficulties in obtaining protection and enforcing our intellectual property in multiple jurisdictions;
- increased demands on our management's time and attention to deal with potentially unique issues arising from local circumstances; and
- general economic and political conditions internationally.

***If we are not able to maintain and enhance our brand, our business, financial condition and operating results may be adversely affected.***

We believe that developing and maintaining awareness of our brand in a cost-effective manner is critical to achieving widespread acceptance of our existing solutions and future solutions and is an important element in attracting maintaining existing and attracting new customers and partners. We believe that our success depends on advertisers and publishers valuing our trusted, authoritative, and independent position in the ecosystem, which instills trust and confidence in the media buying process for our customers. Furthermore, we believe that the importance of brand recognition will increase as competition in our market increases. Our brand may be damaged if we are unable to deliver reliable, accurate services due to any delay or failure in integration with our partners, which may cause missing data or delays in data analysis. Additionally, any disruption in our services, whether caused by technological failures or otherwise, may adversely affect our brand, even if such disruption or failure was caused by a third-party service provider. These integration failures or interruptions in our services, whether caused by us, our partners or third-party service providers, could cause our customers to become dissatisfied with our services and could cause damage to our reputation and our brand, which may have a material adverse effect on our business and operating results.

Additionally, successful promotion of our brand will depend largely on the effectiveness of our marketing efforts and on our ability to deliver valuable solutions for our customers, including advertisers and publishers. In the past, our efforts to build our brand have involved significant expense. Brand promotion activities may not yield increased revenue, and even if they do, any increased revenue may not offset the expenses that we incurred in building our brand. If we fail to successfully promote and maintain our brand, or incur substantial expenses in an unsuccessful attempt to promote and maintain our brand, we may fail to attract enough new customers or partners or retain our existing customers or partners and our business could suffer.

***Our future success will depend in part on our ability to expand into new channels.***

We deliver our solutions through various digital media channels, including display, video, social, connected TV, mobile, and desktop. In the future, we may decide to broaden the spectrum of our channels further if we believe that doing so would significantly increase the value we can offer to customers. We believe a broader platform delivering our solutions through complementary channels can enhance our value proposition for existing and prospective customers. However, any future attempts to enter new channels, such as connected TV, may not be successful and could have a significant impact on our results of operations, revenues, and future offerings.

Our success in expanding into any additional channels will depend on various factors, including our ability to:

- identify additional channels where our solutions could perform;
- adapt our solutions to additional channels and effectively market them for such additional digital marketing channels to our existing and prospective customers;
- integrate newly developed or acquired digital marketing channels into our pricing and measurement models, with a clear and measurable performance attribution mechanism that works across all channels, and in a manner that is consistent with our privacy standards;
- accumulate sufficient data sets relevant for those digital marketing channels to ensure that our solutions have sufficient quantity and quality of information to measure relevant advertisements through those additional advertising channels;
- achieve customer performance levels through the new channels that are similar to those delivered through our existing channels, and in any case that are not dilutive to the overall customer performance;
- identify and establish acceptable business arrangements with partners;
- maintain our gross margin at a consistent level upon entering one or more additional marketing channels;
- compete with new market participants active in these additional channels; and
- hire and retain key personnel with relevant technology and product expertise to lead the integration of additional channels onto our platform, and sales and operations teams to sell and integrate additional channels.

If we are unable to successfully adapt our solutions to additional channels and effectively market such offerings to our existing and prospective customers, or if we are unable to maintain our pricing and measurement models in these additional channels, we may not be able to achieve our growth or business objectives. Additionally, if the integrations and partnerships that we rely on to provide these current and future channels, such as proprietary platforms, are not readily replaced, we could suffer losses in revenues and changes in results of operations that could have a material impact.

Furthermore, if our channel mix changes due to a shift in client demand, such as customers shifting their spending more quickly or more extensively than expected to channels in which we have relatively less functionality, features, or inventory, demand for our platform could decrease, we may be required to develop new technology to effectively measure to remain competitive (e.g., social video) or may be unable to develop technology to measure and our business, financial condition, and results of operations could be adversely affected.

***We have a history of net losses and may not achieve or sustain profitability in the future, particularly if our revenue growth rate may decline.***

We experienced net losses of \$32.4 million and \$51.3 million for the years ended December 31, 2020 and 2019, respectively. As of December 31, 2020, our accumulated deficit was \$126.8 million. We experienced net losses of \$14.4 million and \$2.8 million for the three months ended March 31, 2020 and 2021, respectively. As of March 31, 2021, our accumulated deficit was \$130.3 million. We cannot assure you that we will achieve profitability in future periods, and we may continue to incur significant losses in future periods.

We cannot assure you that we will generate sufficient revenue to offset the cost of maintaining our platform and maintaining and growing our business in the future. We cannot assure you that our revenue will continue to grow or will not decline. Our revenue growth rate may decline in the future because of a variety of factors, including increased competition and the maturation of our business and our ability to convert customers from a variable model to a flat fee model. You should not consider our historical revenue growth or operating expenses as indicative of our future performance. If our revenue growth rate declines or our operating expenses exceed our expectations, our financial performance will be adversely affected. We will need to generate and sustain increased revenue levels in future periods in order to maintain or increase our level of profitability.

Additionally, we also expect our costs to increase in future periods, which could negatively affect our future results of operations. We expect to continue to expend substantial financial and other resources on acquiring and retaining customers, expanding and maintaining internet platform integrations, our technology infrastructure, research and development (including investments in our research and development team and the development of new features), expansion into new markets, marketing, and general administration (including expenses related to being a public company). These investments may not result in increased revenue or growth in our business. If we cannot successfully grow our revenue at a rate that exceeds the increases in costs associated with our business, we will not be able to maintain profitability or generate positive cash flow on a sustained basis.

***We are subject to payment-related risks and, if our customers do not pay or dispute their invoices, our business, financial condition and operating results may be adversely affected.***

We have a large and diverse customer base. Our customers may experience financial difficulty, file for bankruptcy protection or cease operations. Consequently, we may be involved in disputes with customers over the operation of our platform, the terms of our agreements or our billings for purchases made by them through our platform. If we are unable to collect or make adjustments to bills to customers, we could incur write-offs for bad debt, which could have a material adverse effect on our results of operations for the periods in which the write-offs occur. In the future, bad debt may exceed reserves for such contingencies and our bad debt exposure may increase over time. Any increase in write-offs for bad debt could have a materially negative effect on our business, financial condition, and operating results. In the event we are not paid by our customers on time or at all, our results of operations and financial condition would be adversely impacted. Further, growth and increased competitive pressure in the global digital advertising ecosystem is causing customers to demand lower costs, more services and more rapid innovation of products, resulting in overall increased focus by all industry participants on pricing, transparency, and cash and collection cycles. Some customers have experienced financial pressures that have motivated them to slow the timing of their payments to us. If customers slow their payments to us or our cash collections are significantly diminished as a result of these dynamics, our revenue and/or cash flow could be adversely affected and we may need to use working capital to fund our accounts payable pending collection from the customers. This may result in additional costs and cause us to forgo or defer other more productive uses of that working capital.

***We have revenue share agreements with certain DSPs and any material changes to those sharing arrangements could affect our costs.***

Our future growth will depend on our ability to enter into and retain successful strategic relationships with third parties, and in particular, DSPs. We have entered into long-term revenue share agreements with certain DSPs, including Google and The Trade Desk, which incentivize these partners to continue their relationship with us. Under these agreements, the DSPs receive consideration based on a percentage of the revenue that is received through the use of our products by buyers (e.g., advertisers and agencies) using these DSPs. Our contracts generally renew automatically, but there are some proprietary platform contracts that allow our partners to terminate their agreements with us (including contracts with DSPs with revenue share arrangements) without cause and with short notice periods. Such terminations would result in the loss of important partner relationships and would have an adverse impact on our business, financial condition and results of operations. In addition, if any such key DSPs or other strategic third parties negotiate or otherwise improve economic or other terms that are more favorable to them (including, for example, if a few key DSPs or strategic partners negotiate for a higher revenue share, adversely modify the revenue share arrangements within our overarching agreements with such parties), then our costs could increase, our revenue could decrease and our business, financial condition and results of operations could be materially adversely affected.

***Our sales and marketing efforts may require significant investments and, in certain cases, involve long sales cycles, which can result in significant time between initial contact with a prospect and execution of a customer contract, making it difficult to project when, if at all, we will obtain new customers and when we will generate revenue from those customers.***

Our sales cycle, from initial contact to contract execution and implementation, can take significant time, and may be impacted by a number of factors, such as customer size, number of markets and sales relationship. Our sales efforts involve educating our customers about the use, technical capabilities and benefits of our platform. Some of our customers undertake an evaluation process that frequently involves not only our platform but also the offerings of our competitors. We may spend substantial time and resources prospecting for new business or responding to requests for proposals, and it may not result in revenue. As a result, it is difficult to predict when we will obtain new customers and begin generating revenue from these new customers. Even if our sales efforts result in obtaining a new customer, for those customers contracting with us on a usage-based pricing model, the customer controls when and to what extent it uses our platform and they may delay activation and usage. As a result, we may not be able to add customers, or generate revenue, as quickly as we may expect, which could harm our growth prospects.

***If we do not manage our growth effectively, the quality of our platform and solutions may suffer, and our business, results of operations, and financial condition may be adversely affected.***

The continued growth in our business may place demands on our infrastructure and our operational, managerial, administrative, and financial resources. Our success will depend on the ability of our management to manage growth effectively. Among other things, this will require us at various times to:

- strategically invest in the development and enhancement of our platform and data center infrastructure;
- improve coordination among our engineering, product, operations, and other support organizations;
- manage multiple relationships with various partners, customers, and other third parties;
- manage international operations;
- develop our operating, administrative, legal, financial, and accounting systems and controls; and
- recruit, hire, train, and retain personnel.

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If we do not manage our growth well, the efficacy and performance of our platform may suffer, which could harm our reputation and reduce demand for our platform and solutions. Failure to manage future growth effectively could harm our business and have an adverse effect on our business, results of operations, and financial condition.

### ***Future acquisitions, strategic investments or alliances could disrupt our business and harm our business, financial condition and results of operations.***

We explore, on an ongoing basis, potential acquisitions of companies or technologies, strategic investments, or alliances to strengthen our business, however, we have limited experience in acquiring and integrating businesses, products, and technologies. While we have completed multiple acquisitions, our only experience with a complex acquisition has been the purchase of ADmantX, which required significant management resources to integrate.

Even if we identify an appropriate acquisition candidate, we may not be successful in negotiating the terms or financing of the acquisition, and our due diligence may fail to identify all of the problems, liabilities or other shortcomings or challenges of an acquired business, product or technology, including issues related to intellectual property, product quality or architecture, regulatory compliance practices, revenue recognition or other accounting practices, or employee or customer issues. Acquisitions involve numerous risks, any of which could harm our business, including:

- regulatory hurdles;
- anticipated benefits may not materialize;
- an acquisition may result in a delay or reduction of purchases for both us and the company that we acquired due to uncertainty about continuity and effectiveness of solution from either company;
- use cash that we may otherwise need for ongoing or future operation of our business;
- we may encounter difficulties in, or may be unable to, successfully sell any acquired products or solutions;
- diversion of management time and focus from operating our business to addressing acquisition integration challenges;
- assume substantial debt or other liabilities, which may be on terms unfavorable to us or that we are unable to repay;
- retention of key employees from the acquired company;
- cultural challenges associated with integrating employees from the acquired company into our organization and challenges inherent in effectively managing an increased number of employees in diverse locations;
- an acquisition may involve the entry into geographic or business markets in which we have little or no prior experience or where competitors have stronger market positions;
- potential strain on our financial and managerial controls and reporting systems and procedures;
- integration of the acquired company's products and technology;
- integration of the acquired company's accounting, management information, human resources, and other administrative systems;
- the need to implement or improve controls, procedures and policies at a business that, prior to the acquisition, may have lacked effective controls, procedures, and policies;
- coordination of product development and sales and marketing functions;

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- liability for activities of the acquired company before the acquisition, including relating to privacy and data security, patent and trademark infringement claims, including without limitation, liabilities associated with products or technologies accused or found to infringe on third-party intellectual property rights or violate existing or future privacy regulations; violations of laws, commercial disputes, tax liabilities, and other known and unknown liabilities; and
- litigation or other claims in connection with the acquisition, including claims from terminated employees, customers, former stockholders, or other third parties.

Failure to appropriately mitigate these risks or other issues related to such acquisitions and strategic investments could result in reducing or completely eliminating any anticipated benefits of transactions, and harm our business generally. Future acquisitions could also result in dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities, amortization expenses or the impairment of goodwill, any of which could harm our business, financial condition, and results of operations.

***Our ability to achieve our anticipated growth plans will depend on our ability to expand our center of excellence in India in a cost efficient manner.***

Our ability to grow our business and meet our growth plans will depend on our ability to continue to expand our software engineering team. While we are in the process of expanding our center of excellence in India in order to meet these growth plans in a cost efficient manner, there is no assurance that we will be able to achieve our expansion plans or that our reliance upon resources in India will enable us to achieve meaningful cost reductions or greater resource efficiency. Further, our development efforts and other operations in India involve significant risks, including difficulty hiring and retaining appropriate software engineering and management resources due to intense competition for such resources and resulting wage inflation and differing labor laws, knowledge transfer related to our technology and resulting exposure to misappropriation of intellectual property or information that is proprietary to us, our customers, and other third parties, heightened exposure to changes in economic, security, and political conditions in India, and fluctuations in currency exchange rates and tax compliance in India. Difficulties resulting from the factors noted above and other risks related to our operations in India and other jurisdictions could increase our expenses, impact our growth plans, harm our competitive position and damage our reputation.

***Our international operations require increased expenditures and impose additional risks and compliance imperatives, and failure to successfully execute our international plans will adversely affect our growth and operating results.***

We have numerous operations outside of North America, including in the U.K, the European Union (the “E.U.”), Japan, India, Singapore, and Australia. Our initial international offices were formed in 2013 and nearly all of our subsequent offices have been formed within the past five years. Up until 2020, our international offices have been predominantly sales, customer support, marketing and general and administrative groups.

For sales development, our business strategy includes expanding our customer base internationally, in particular in LatAm and the APAC region. Our ability to manage and expand our business and conduct our operations internationally requires considerable attention and resources. Attracting new customers outside the U.S. may require more time and expense than in the U.S., in part due to language barriers and the need to educate such customers about our platform, and we may not be successful in establishing and maintaining these relationships. Additionally, in emerging markets, the cost of our verification services make up a large percentage of the buyer’s media budget, as costs of media in emerging countries are low when compared to developed countries. Within these countries, we often adjust or make concessions to our pricing in order to enter and sell in such markets. As a result, there can be no assurance that we will be successful in expanding our customer base internationally in a cost-effective manner or at all.

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The data center and network infrastructure in some overseas markets may not be as reliable as in North America and Europe, which could disrupt our platform and operations. In addition, our international operations will require us to develop and administer our internal controls and legal and compliance practices in countries with different cultural norms, languages, currencies, legal requirements, and business practices than the U.S., which may burden management, increase travel, infrastructure and legal compliance costs, and add complexity to our enforcement of advertising standards across languages and countries. International operations also impose risks and challenges in addition to those faced in the U.S. including:

- management of a distributed workforce;
- nearly all of our teams in locations outside the U.S., with the exception of our growing operations in India, are substantially smaller than some of our teams in the U.S., which may make it hard to grow in international markets;
- the need for sales representatives to be recruited, hired, and retained locally in increasing numbers of countries abroad;
- the slower adoption and acceptance of our services in other countries;
- the need for localized software and licensing programs;
- the need for localized language support;
- the need to adapt our offering to satisfy local requirements, standards, local laws, and regulations, including those relating to privacy, cybersecurity, data security, antitrust, data localization, anti-bribery, import and export controls, economic sanctions, tax and withholding (including overlapping of different tax regimes), varied labor and employment laws (including those relating to termination of employees), corporate formation and other regulatory limitations or obligations on our operations (such as obtaining requisite licenses), and the increased administrative costs and risks associated with such compliance;
- geopolitical and social factors, such as concerns regarding negative, unstable or changing economic conditions in the countries and regions where we operate, global and regional recessions, political instability, and trade disputes;
- laws and business practices that may favor local competitors;
- legal requirements or business expectations that agreements be drafted and negotiated in the local language and disputes be resolved in local courts according to local laws;
- the need to enable transactions in local currencies;
- difficulties in invoicing and collecting in foreign currencies and associated foreign currency exposure and longer accounts receivable payment cycles and other collection difficulties;
- higher levels of credit risk and payment fraud;
- working capital constraints;
- the effect of global and regional recessions and economic and political instability;
- potentially adverse tax consequences in the U.S. and abroad; staffing challenges, including difficulty in recruiting and retaining qualified personnel as well as managing such a diversity in personnel;
- reduced or ineffective protection of our intellectual property rights in some countries;
- future possible changes in U.S. regulations on exports of U.S. technologies or dealings with certain countries or parties; and
- costs and restrictions affecting the repatriation of funds to the U.S.

One or more of these requirements and risks may make our international operations more difficult and expensive or less successful than we expect, and may preclude us from operating in some markets. There is no assurance that our international expansion efforts will be successful, and we may not generate sufficient revenue or margins from our international business to cover our expenses or contribute to our growth.

***Certain of our operating results and financial metrics may be difficult to accurately predict as a result of seasonality.***

We have experienced, and expect to continue to experience in the future, seasonality in our business, and our operating results and financial condition may be affected by such trends in the future. We generally experience seasonal fluctuations in demand for our solutions and services, and believe that our quarterly sales are affected by industry buying patterns. For example, many marketers tend to devote a significant portion of their budgets to the fourth quarter of the calendar year to coincide with consumer holiday spending and to reduce spend in the first quarter of the calendar year. We believe that the seasonal trends that we have experienced in the past may continue for the foreseeable future, particularly as we expand our sales to larger organizations. To the extent we experience this seasonality, it may cause fluctuations in our operating results and financial metrics, and make forecasting our future operating results and financial metrics difficult. Additionally, we do not have sufficient experience in selling certain of our solutions and products to determine if demand for these services are or will be subject to material seasonality.

***Our revenue model depends on high impression volumes, the growth of which may not be sustained.***

We generate revenue by charging a CPM based on the volume of purchased digital ads that we measure on behalf of these customers. If the volume of impressions we measure does not continue to grow or decreases for any reason, our business will suffer. For example, if digital ad spending remains constant and our advertiser customers transition to higher CPM ad inventory, overall impression volumes may decrease, which may result in fewer impressions for us to verify and a corresponding decline in our revenues. We cannot assure you that growth in volume of impressions will be sustained. If our customers adjust their buying patterns or alter their preference to higher CPM ad inventory, our business, financial condition, and results of operations may be harmed.

***We have a short operating history, which makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful.***

We have a relatively short operating history, which limits our ability to forecast our future operating results and subjects us to a number of uncertainties, including with respect to our ability to plan for and model future growth. We may not be able to sustain our current rate of growth or maintain our current revenue levels. We have encountered and will continue to encounter risks and uncertainties frequently experienced by growing companies in developing industries. If our assumptions regarding these uncertainties, which we use to manage our business, are incorrect or change in response to changes in our markets, or if we do not address these risks successfully, our operating and financial results could differ materially from our expectations, our business could suffer and our stock price could decline. Any success that we may experience in the future will depend in large part on our ability to, among other things:

- maintain and expand our agreements and integrations with DSPs, proprietary platforms, and other digital advertising technology providers;
- build and maintain long-term relationships with customers, including advertisers, agencies, and publishers;
- develop and offer competitive solutions and products that meet the evolving needs of customers and build a reputation for providing a superior platform and client service;
- maintain a reputation of being a trusted and authoritative source for third-party verification;

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- improve the performance and capabilities of our solutions and products;
- successfully expand our business domestically and internationally;
- successfully compete with and distinguish ourselves from other companies that are currently in, or may in the future enter, the markets for our solutions and products;
- increase market awareness of our solutions and products and enhance our brand;
- continue to develop, and increase market adoption of, our solutions and products;
- manage increased operating expenses as we continue to invest in our infrastructure to scale our business and operate as a public company; and
- attract, hire, train, integrate, and retain qualified and motivated employees.

***The market for buying digital advertising verification solutions is relatively new and evolving. If this market and the corresponding markets develop slower or differently than we expect, our business, growth prospects and financial condition would be adversely affected.***

In 2020, we generated over 90% of our revenue from advertiser customers that purchase our services to measure the quality and performance of ads purchased directly from publishers and proprietary platforms, and through programmatic platforms to evaluate the quality of ad inventories before they are purchased. We expect that spending on these solutions will continue to be a substantial source of revenue for the foreseeable future. Our growth will depend on us capitalizing on the market opportunity to provide measurement of ad effectiveness and efficiency to brands and help customers understand marketing performance. If the market for ad measurement and effectiveness solutions deteriorates or develops more slowly than we expect, it could reduce demand for our solutions, and our business, growth prospects, and financial condition would be adversely affected.

In addition, our revenue may not necessarily grow at the same rate as spend on our solutions. Growth in spend may outpace growth in our revenue as the market for digital advertising verification matures due to a number of factors including pricing competition and shifts in product, media, client, and channel mix. A significant change in revenue as a percentage of spend could reflect an adverse change in our business and growth prospects. In addition, any such fluctuations, even if they reflect our strategic decisions, could cause our performance to fall below the expectations of securities analysts and investors, and adversely affect the price of our common stock.

***Our estimates of market opportunity and forecasts of market growth included in this prospectus may prove to be inaccurate.***

Market opportunity estimates and growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. Our estimates and forecasts relating to the size and expected growth of our market may prove to be inaccurate. For example, the global digital advertising ecosystem may not grow at the rate that we currently expect, the migration of advertising from linear television to connected TV may not occur on the scale we currently anticipate, or the growth of subscription media platforms as opposed to platforms supported by advertising may all impact the estimates and growth forecasts we have included in this prospectus. Even if the market in which we compete meets our size estimates and forecasted growth, our business could fail to grow at similar rates, if at all and we may not be able to bring in sufficient amounts of new customers to keep pace with market growth. Other factors, such as social disruptions, social unrest, or social trends, may cause advertisers to pause, reduce, cancel, or otherwise alter their spending or engage with our solutions less and cause publishers to choose not to monetize specific inventory.

***We may experience fluctuations in our results of operations, which could make our future results of operations difficult to predict or cause our results of operations to fall below analysts' and investors' expectations.***

Our quarterly and annual results of operations have fluctuated in the past and we expect our future results of operations to fluctuate due to a variety of factors, many of which are beyond our control. Fluctuations in our results of operations could cause our performance to fall below the expectations of analysts and investors, and adversely affect the price of our common stock. Because our business is changing and evolving rapidly, our historical results of operations may not be necessarily indicative of our future results of operations. Factors that may cause our results of operations to fluctuate include the following:

- maintaining or achieving new industry accreditations, including, but not limited to, accreditations from the MRC;
- changes in demand for digital advertising and for our platform or solutions, including related to the seasonal nature of our customers' spending on digital advertising campaigns;
- changes in the competitive dynamics of our market, including consolidation among competitors or customers and the introduction of new products or product enhancements;
- changes in the economic prospects of marketers, the industries or verticals that we primarily serve, or the economy generally, which could alter marketers' spending priorities or budgets;
- changes to availability of and pricing of competitive products and services, and their effects on our pricing;
- changes in the pricing or availability of digital ad inventory;
- changes in the pricing or availability of data or other third-party services;
- changes in our customer base and platform offerings;
- the addition or loss of customers or the change in customer retention rate and the price paid for our solutions and the rate at which our solutions are used across campaigns;
- the challenges of persuading existing and prospective customers to switch from incumbent service providers;
- the rate at which our solutions are utilized caused by our customers' budgetary constraints, competition, customer dissatisfaction, customer corporate restructuring or change in control, or our customers' actual or perceived lack of need for our products;
- changes in customers' allocations, marketing strategies, targeting strategies, contextual targeting strategies and optimization goals on the use of third-party verification and other measurement services;
- changes to our solutions, products, media, or customer or mix;
- changes and uncertainty in the regulatory environment for us, customers or others in the digital marketing solutions industry, and the effects of our efforts and those of our customers and partners to address changes and uncertainty in the regulatory environment;
- changes in the economic prospects of digital marketers or the economy generally, which could alter customers' spending priorities;
- changes in the pricing and availability of digital ad inventory or in the cost of reaching end consumers through digital advertising;
- disruptions or outages on our platform;
- the introduction of new technologies or offerings by our competitors or others in the digital marketing solutions marketplace;
- changes in our capital expenditures as we acquire the hardware, equipment, and other assets required to support our business;

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- the length and unpredictability of our sales cycle;
- global awareness of our thought leadership and brand;
- costs related to acquisitions of businesses or technologies and development of new products;
- cost of employee recruiting and retention;
- changes to the commission plans, quotas, and other compensation-related metrics for our sales representatives;
- any potential future cost and the availability of and ability to integrate data from proprietary platforms, including, but not limited to, Walled Gardens;
- adverse judgments or settlements, or increased legal fees, in legal disputes or government proceedings;
- adoption of new accounting pronouncements; and
- changes to the cost of infrastructure, including real estate and information technology (“IT”).

Based upon the factors above and others beyond our control, we have a limited ability to forecast our future revenue, costs and expenses. If we fail to meet or exceed operating results expectations of analysts and investors or if analysts and investors have estimates and forecasts of our future performance that are unrealistic or that we do not meet, the market price of our common stock could decline. In addition, if one or more of the analysts who cover us adversely change their recommendation regarding our stock, the market price of our common stock could decline.

***Our corporate culture has contributed to our success and, if we are unable to maintain it as we grow, our business, financial condition and results of operations could be harmed.***

We are undergoing rapid growth and have experienced and may continue to experience rapid expansion of our employee ranks. As of March 31, 2021, we had 651 employees. We believe our corporate culture has been a key element of our success. However, as our organization grows, it may be difficult to maintain our culture, which could reduce our ability to innovate and operate effectively. The failure to maintain the key aspects of our culture as our organization grows could result in decreased employee satisfaction, increased difficulty in attracting top talent, increased turnover and could compromise our ability to maintain our infrastructure and platform, the quality of our customer service, all of which are important to our success and to the effective execution of our business strategy. In the event we are unable to maintain our corporate culture as we grow to scale, our business, financial condition, and results of operations could be harmed.

***Our business is subject to the risks of earthquakes, fires, floods and other natural catastrophic events and to interruption by man-made problems such as terrorism, computer viruses or social disruption impacting advertising spending.***

Our systems and operations are vulnerable to damage or interruption from earthquakes, fires, floods, hurricanes, other acts of nature, power losses, telecommunications failures, terrorist or criminal acts or attacks, social issues, protests, discontent, and disruption that affect advertising spending or the ability for publishers to monetize inventory, vandalism, sabotage, acts of war, human errors, break-ins, cyber-attacks or failures, pandemics or other public health crises, or similar events. For example, a significant natural disaster, such as an earthquake, fire, or flood, could have a material adverse impact on our business, operating results and financial condition, and our insurance coverage may be insufficient to compensate us for losses that may occur. Additionally, our business and revenues could be affected by social issues, protests or disruptions. For example, if there is public disapproval or boycotting of a specific platform, such as Facebook or other proprietary platforms, our ability to measure and optimize ad placements or to forecast usage may be impacted based on unforeseen trends or events. In addition, acts of terrorism could cause disruptions in our business or the economy as a whole. Our principal executive offices, and largest office, is located in Manhattan, a city which has experienced acts of terrorism, protests, and natural disasters in the past. Our cloud partners, including AWS, may

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also be vulnerable to computer viruses, break-ins, cyber-attacks, such as coordinated denial-of-service attacks or ransomware, or other failures, and similar disruptions from unauthorized tampering with our computer systems, which could lead to interruptions, delays, loss of critical data or the unauthorized disclosure of confidential customer data. Although we have implemented security measures and disaster recovery capabilities, there can be no assurance that we will not suffer from business interruption, or unavailability or loss of data, as a result of any such events. As we rely heavily on our servers, computer, and communications systems and the internet to conduct our business and provide high quality service to our customers, such disruptions could negatively impact our ability to run our business, result in loss of existing or potential customers and increased expenses, and/or have an adverse effect on our reputation and the reputation of our products and services, any of which would adversely affect our operating results and financial condition.

### **Risks Related to Intellectual Property and Technology**

***Failures in the systems and infrastructure supporting our solutions and operations could significantly disrupt our operations and cause us to lose customers.***

In addition to the optimal and efficient performance of our platform, our business relies on the continued and uninterrupted performance of our software, hardware, and cloud infrastructures, and our platform and its underlying infrastructure are inherently complex and may contain material defects or error. We currently process on average over 100 billion daily web transactions through our highly scalable, cloud-based technology platform.

Sustained or repeated system failures of our software or hardware infrastructures (such as massive and sustained data center outages) or of the software or hardware infrastructures of our third-party providers, which inhibit our ability to provide our solutions in a timely manner or cause performance issues with our platform, could significantly reduce the attractiveness of our offering to our customers, reduce our revenue or otherwise negatively impact our financial situation, impair our reputation, undermine trust in our brand, and subject us to significant liability. Specifically, there is significant risk that our proprietary platform partners may cause data delays or there may be data missing, which impacts our ability to deliver our products and services.

In addition, while we seek to maintain excess capacity to facilitate the rapid provision of new customer deployments and the expansion of existing customer deployments, we may need to increase data center hosting capacity, bandwidth, storage, power, or other elements of our system architecture and our infrastructure as our customer base and/or our traffic continues to grow.

Our existing systems may not be able to scale up in a manner satisfactory to our existing or prospective customers, and may not be adequately designed with the necessary reliability and redundancy of certain critical portions of our infrastructure to avoid performance delays or outages that could be harmful to our business. We must continue to increase the capacity of our platform to support our high-volume strategy, to cope with increased data volumes and an increasing variety of digital marketing formats and platforms, and to maintain a stable service infrastructure and reliable service delivery. Delivering this increased capacity while concurrently reducing organizational and operational costs or maintaining our current lower cost structure will require us to implement more efficient data processing and to implement more efficient cloud-based services as they become available and drive optimization processes related to the existing environment.

Our failure to continuously upgrade or increase the reliability and redundancy of our infrastructure to meet the demands of a growing base of global customers and partners could adversely affect the functioning and performance of our technology and could in turn affect our results of operations.

Finally, our systems are vulnerable to damage from a variety of sources, some of which are outside of our control, including network and telecommunications failures, natural disasters, terrorism, power outages, a variety of other possible outages affecting data centers, and malicious human acts, including hacking, computer viruses, malware, and other security breaches. Techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until launched against a target. As a result, we may be unable to anticipate some of these techniques or to implement adequate preventive measures.

Any steps we take to increase the security, reliability and redundancy of our systems may be expensive and may not be successful in preventing system failures. We have experienced, and may in the future experience, disruptions, outages, and other performance problems due to a variety of factors, including infrastructure changes, introductions of new functionality, human or software errors, capacity constraints due to an overwhelming number of users simultaneously accessing our solutions, distributed denial of service attacks, or other security related incidents.

If we are unable to prevent system failures, the functioning and performance of our solutions could suffer, which in turn could interrupt our business and harm our results of operations.

***Operational, technical and performance issues with our platform, whether real or perceived may adversely affect our business, reputation, financial condition and operating results.***

We depend upon the sustained and uninterrupted performance of our platform to provide digital marketing solutions for ad viewability, ad fraud prevention and brand safety. If our platform cannot scale to meet demand, if there are errors in our execution of any of these functions on our platform, or if we experience outages, then there may be consumer dissatisfaction, damage claims, damage to reputation, and our business may be harmed. For example, if we fail to measure campaigns that were previously paid for by advertisers or our technology interferes with the delivery of ads on websites or other proprietary platforms, we could be subject to lawsuits or requests by our customers that we make them whole, which could include costs of media (i.e., the amount such advertiser paid to websites) that outweigh the verification fees or revenues originally gathered from the customer and could result in litigation or damage to our reputation. We may also face material delays in introducing new services, products and enhancements.

Our platform is complex and multifaceted, and operational and performance issues could arise both from the platform itself and from outside factors. Errors, failures, vulnerabilities, or bugs have been found in the past, and may in the future, be found. We also rely on third-party integrations with proprietary platforms, DSPs, ad servers, publishers/websites for our products, and services to perform properly. Additionally, our platform is often used in connection with our customers' respective technology platforms utilizing different operating systems, system management software, equipment and networking configurations, which may cause errors in, or failures of, our platform or such other computing environments. Operational and performance issues with our platform could include the failure of our user interface, outages, data delays, errors during upgrades or patches, errors due to manual data entry or processes, discrepancies in costs billed versus costs paid, unanticipated volume overwhelming our databases, server failure, or catastrophic events affecting one or more cloud environments. While we have built redundancies in our systems, full redundancies do not exist. Some failures will shut our platform down completely, others only partially, but a disrupting event could result in prolonged downtime of our operations. Partial failures, which we have experienced in the past, could result in the misapplication of exclusion and inclusion lists to campaigns or a manual error in keyword lists, resulting in misdelivery of ads, which includes ads being viewed in a context the customer did not want them to be displayed or blocking the ads from being placed where the client intends, in each case resulting in unanticipated financial obligations or impact.

Our platform also operates on our data processing equipment that is housed in third-party commercial data centers that we do not control or on servers owned and operated by cloud-based service providers, which may leave us vulnerable to technical issues or outages that we cannot easily control or remedy. Although we generally enter into service level agreements with these parties, we exercise no control over their operations, which makes us vulnerable to any errors, interruptions or delays that they may experience. All of these facilities and systems are vulnerable to interruption and/or damage from a number of sources, many of which are beyond our control, including, without limitation: (i) loss of adequate power or cooling and telecommunications failures; (ii) fire, flood, earthquake, hurricane, and other natural disasters; (iii) software and hardware errors, failures, or crashes; (iv) financial insolvency; and (v) computer viruses, malware, hacking, terrorism, and similar disruptive problems. In particular, intentional cyber-attacks present a serious issue because they are difficult to prevent and remediate

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and can be used to defraud our customers and to steal confidential or proprietary data from us or our customers. These vulnerabilities may increase with the complexity and scope of our systems and their interactions with customers.

Operational and performance issues with our platform could also result in negative publicity, damage to our brand and reputation, loss of or delay in market acceptance of our platform, increased costs or loss of revenue, loss of the ability to access our platform, loss of competitive position, or claims by customers for losses sustained by them. Alleviating problems resulting from such issues could require significant expenditures of capital and other resources and could cause interruptions, delays or the cessation of our business, any of which may adversely affect our financial condition and operating results.

***If unauthorized access is obtained to user, customer or inventory and third-party provider data, or our platform is compromised, our services may be disrupted or perceived as insecure, and as a result, we may lose existing customers or fail to attract new customers, and we may incur significant reputational harm and legal and financial liabilities.***

Our products and services involve the collection, transmission, and storage of significant amounts of data from buy-side and sell-side customers, third-party publishers (e.g., websites and mobile applications), DSP partners, proprietary platforms and third-party data providers, a large volume of which is hosted by third-party service providers. Our services and data could be exposed to unauthorized access due to activities that breach or undermine security measures, including: negligence or malfeasance by internal or external actors; attempts by outside parties to fraudulently induce employees, customers, or vendors to disclose sensitive information in order to gain access to our data; or errors or vulnerabilities in our systems, products or processes or in those of our service providers, customers, and vendors. For example, from time-to-time, we experience cyberattacks of varying degrees and other attempts to obtain unauthorized access to our systems, including to employee mailboxes. We have dedicated and expect to continue to dedicate resources toward security protections that shield data from these activities. However, such measures cannot provide absolute security. Further, we can expect that the deployment of techniques to circumvent our security measures may occur with more frequency and sophistication and may not be recognized until launched against a target. Accordingly, we may be unable to anticipate or detect these techniques or to implement adequate preventative measures and we cannot be certain that we will be able to prevent vulnerabilities in our solutions or address vulnerabilities that we may become aware of in the future.

Finally, while we have developed worldwide incident response teams and dedicated resources to incident response processes, such processes could, among other issues, fail to be adequate or accurately assess the incident severity, not proceed quickly enough, or fail to sufficiently remediate an incident. A breach of our security and/or our failure to respond sufficiently to a security incident could disrupt our services and result in theft, misuse, loss, corruption, or improper use or disclosure of data. This could result in government investigations, enforcement actions, trigger audits by customers and other legal and financial liability, and/or loss of confidence in the availability and security of our products and services, all of which could seriously harm our reputation and brand and impair our ability to attract and retain customers. While our contracts and technical specifications with customers, data providers, vendors, DSPs, and proprietary platforms from importing or otherwise providing IAS with information that would allow us to directly identify individuals, if one or more of these parties provided such information in violation of our policies and our systems are breached, we could be subject to contractual breach and indemnification claims from other parties. In addition, our products and services rely on the collection, transmission, and storage of data that may be considered personal information under certain applicable laws related to data privacy (e.g., IP addresses), which could result in similar breach and indemnity claims, as well as liabilities under such laws, if our systems are breached. There can be no assurance that any limitations of liability provisions in our contracts for a security breach would be enforceable or adequate or would otherwise protect us from any such liabilities or damages with respect to any particular claim. We also cannot be sure that our existing general liability insurance coverage and coverage for errors or omissions will continue to be available on acceptable terms or will be available in sufficient amounts to cover one or more large

claims, or that the insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our business, financial condition, and operating results.

Cyberattacks could also compromise our own trade secrets and other sensitive information and result in such information being disclosed to others and becoming less valuable, which could negatively affect our business, reputation, and our competitive advantage.

***Our inability to use software licensed from third parties, or our use of open source software under license terms that interfere with our proprietary rights, could disrupt our business.***

Our technology platform and internal systems incorporate software licensed from third parties, including some software, known as open source software, which we use without charge. Although we monitor our use of open source software, the terms of many open source licenses to which we are subject have not been interpreted by U.S. or foreign courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to provide our technology offering to our customers. Moreover, we cannot ensure that we have not incorporated additional open source software in our products in a manner that is inconsistent with the terms of the applicable license or our current policies and procedures. In the future, we could be required to seek licenses from third parties in order to continue offering our solutions, which licenses may not be available on terms that are acceptable to us, or at all. Claims related to our use of open source software could also result in litigation, require us to purchase costly licenses or require us to devote additional research and development resources to change the software underlying our solutions, any of which would have a negative effect on our business, financial condition, and operating results and may not be possible in a timely manner. We and our customers may also be subject to suits by parties claiming infringement due to the reliance by our solutions on certain open source software, and such litigation could be costly for us to defend or subject us to injunctions enjoining us from the sale of our solutions that contain open source software.

Alternatively, we may need to re-engineer our offering or discontinue using portions of the functionality provided by our technology. In addition, the terms of open source software licenses may require us to provide software that we develop using such software to others on unfavorable terms, such as by precluding us from charging license fees, requiring us to disclose our source code, or requiring us to license certain of our own proprietary source code under the terms of the applicable open source license. Any such restriction on the use of our own software, or our inability to use open source or third-party software, could result in disruptions to our business or operations, or delays in our development of future offerings or enhancements of our existing platform, which could impair our business.

***If the non-proprietary technology, software, products and services that we use are unavailable, become subject to future license or other terms we cannot agree to, or do not perform as we expect, our business, financial condition and results of operations could be harmed.***

We depend on various technology, software, products, and services from third parties or available as open source, including cloud partners, including AWS, and integration frameworks (e.g., APIs technology, some of which are critical to the features and functionality of our platform and solutions. For example, in 2019 we licensed a text analysis platform pursuant to a 30-year license agreement under which the licensor must also provide at least 10 years of support services. This text analysis platform is critical to our business operations and the loss or limitation of the license or support services under this license agreement could adversely impact our business operations. In order for customers to effectively leverage the reach and opportunity presented by consumers' shift to digital means in ways they desire and otherwise optimize and verify campaigns, our platform must have access to data to provide us with a comprehensive view of digital ad transactions across numerous types of inventory in order to measure data and allow for the verification of the ads. Identifying, negotiating, complying with, and integrating with third-party terms and technology are complex, costly, and time-consuming matters.

In addition, in the future we may identify additional third-party intellectual property we may need to license in order to engage in our business, including to develop or commercialize new products or services. However, such licenses may not be available on acceptable terms or at all. The licensing or acquisition of third-party intellectual property rights is a competitive area, and other companies may pursue strategies to license or acquire third-party intellectual property rights that we may consider attractive or necessary. Other companies may have a competitive advantage over us due to their size, capital resources and greater development or commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us on reasonable pricing terms or at all. If we are unable to enter into the necessary licenses on acceptable terms or at all, it could adversely impact our business, financial condition, and results of operations.

Failure by third-party providers to maintain, support, or secure their technology either generally or for our account specifically, or downtime, errors, or defects in their products or services, could adversely impact our platform, our administrative obligations, or other areas of our business. Having to replace any third-party providers or their technology, products or services could result in outages or difficulties in our ability to provide our services and we may not be able to have replacements for the third-party services or products on economically beneficial terms or within a reasonable timeframe. We also may not be able to create replacement features in-house within a timely and cost-efficient manner. If we are unsuccessful in establishing or maintaining our relationships with our third-party providers or otherwise need to replace them, internal resources may need to be diverted and our business, financial condition and results of operations could be harmed. If we fail to integrate our platform with new third-party applications and platforms that our customers use for marketing, campaign management, sales, or services purposes, or fail to renew existing relationships pursuant to which we currently provide such integration, we may not be able to offer the functionality that our customers need, which would negatively impact our ability to generate new revenue or maintain existing revenue and adversely impact our business.

***We may be sued by third parties for alleged infringement, misappropriation or other violation of their proprietary rights, which would result in additional expense and potential damages.***

There is significant patent and other intellectual property development activity in the digital marketing industry. Third-party intellectual property rights may cover significant aspects of our technologies or business methods or block us from expanding our offerings. Our success depends on the continual development of our platform. From time to time, we may receive claims from third parties that our platform and underlying technology infringe, misappropriate, or violate such third parties' intellectual property rights. To the extent we gain greater public recognition, these types of suits may occur more frequently, and we may face a higher risk of being the subject of intellectual property claims. The cost of defending against such claims, whether or not the claims have merit, is significant, regardless of whether we are successful in our defense. Defending against such claims could divert the attention of management, technical personnel and other employees from our business operations. Litigation regarding intellectual property rights is inherently uncertain due to the complex issues involved, and we may not be successful in defending ourselves in such matters. In addition, during the course of litigation there could be public announcements of the results of hearings, motions, or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management's attention and resources, could delay further sales or the implementation of our products and platform capabilities, impair the functionality of our products and platform capabilities, delay introductions of new solutions, result in our substituting inferior or more costly technologies into our solutions, or injure our reputation. Any of the foregoing could adversely impact our business, financial, condition and results of operations.

If we fail to comply with any of the obligations under our license agreements, we may be required to pay damages and the applicable licensor may have the right to terminate the license. Termination by the licensor would cause us to lose valuable rights, and could prevent us from enabling certain features and functionality into our products and services, selling our products and services, or inhibit our ability to commercialize future

solutions. In addition, our rights to certain technologies, are licensed to us on a non-exclusive basis. The owners of these non-exclusively licensed technologies are therefore free to license them to third parties, including our competitors, on terms that may be superior to those offered to us, which could place us at a competitive disadvantage. In addition, the agreements under which we license intellectual property or technology from third parties are generally complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our financial or other obligations under the relevant agreement. Any of the foregoing could adversely impact our business, financial condition and results of operations.

Additionally, we have obligations to indemnify certain of our customers or inventory and data suppliers in connection with certain intellectual property claims. If we are found to infringe, misappropriate or otherwise violate these rights, we could potentially be required to cease utilizing portions of our platform and we may be prohibited from developing, commercializing, or continuing to provide some or all of our offering unless we obtain licenses from, and pay royalties to, the holders of the intellectual property. We may also be required to develop alternative non-infringing technology, which could require significant time and expense. Additionally, we could be required to pay royalty payments, either as a one-time fee or ongoing, as well as damages for past use that was deemed to be infringing. If we cannot license or develop technology for any allegedly infringing aspect of our business, we would be forced to limit or terminate our service and may be unable to compete effectively. Finally, we may suffer harm to our reputation, and customers, potential customers and others may avoid working with us. Any of these results could harm our business.

***We may be unable to obtain, maintain, protect or enforce intellectual property and proprietary rights that are important to our business, which could enable others to copy or use aspects of our technology without compensating us, thereby eroding our competitive advantages and harming our business.***

We rely upon a combination of trade secrets, confidentiality agreements, non-disclosure agreements, assignment of invention agreements, and additional contractual restrictions on disclosure and use as well as trademark, copyright, patent and other intellectual property laws to establish and protect our proprietary rights. These laws, agreements, procedures, and restrictions provide only limited protection. We currently have Channel Science, IAS, IAS (logo), Integral, Integral Ad Science, Quality Impressions, Total Visibility, and TRAQ, among others, and variants and other marks registered as trademarks or pending registration in the U.S. and certain foreign countries. We also rely on copyright laws to protect computer programs related to our platform and our proprietary technologies, although to date we have not registered our copyrights. We have registered numerous internet domain names in the U.S. and certain foreign countries related to our business.

We endeavor to enter into agreements with our employees and contractors in order to limit access to and disclosure of our proprietary information, as well as to assign all intellectual property rights developed for us. However, we may not execute agreements with every party who has access to our confidential information or contributes to the development of our intellectual property and a counterparty to such agreements may not comply herewith. Accordingly, we may become subject to disputes with such individuals regarding the ownership of intellectual property that we consider to be ours. Protecting our intellectual property is a challenge, especially after our employees or our contractors end their relationships with us, and, in some cases, decide to work for our competitors. Our contracts with our employees and contractors that relate to intellectual property issues generally restrict the use of our confidential information solely in connection with our products and services, and strictly prohibit reverse engineering. However, reverse engineering our software and data or the theft or misuse of our proprietary information could still occur by employees or other third parties who have access to our technology. Enforceability of the non-compete agreements that we have in place is not guaranteed, and contractual restrictions could be breached without our knowledge or adequate remedies.

Historically, we have prioritized keeping our technology architecture, trade secrets, and engineering roadmap private and, have not patented the majority of our proprietary technology. As a result, we cannot look to patent enforcement rights to protect much of our proprietary technology. However, we have obtained over 20

patents on our proprietary technology and also have over 20 pending patent applications, all in the United States. We may not be able to obtain any further patents, and our pending applications may not result in the issuance of patents. Any issued patents may be challenged, invalidated or circumvented, and any rights granted under these patents may not actually provide adequate defensive protection or competitive advantages to us. Additionally, the process of obtaining and maintaining patent protection is expensive and time-consuming, and we may not be able to prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. However, effective protection of our intellectual property rights may require additional filings and applications in the future. Pending and future applications may not be approved, and any of our existing or future patents, trademarks or other intellectual property rights may not provide sufficient protection for our business as currently conducted or may be challenged by others or invalidated through administrative process or litigation. Additionally, patent rights in the U.S. have switched from the former “first-to-invent” system to a “first-to-file” system, which may favor larger competitors that have the resources to file more patent applications. Furthermore, our existing patents and any patents issued in the future may give rise to ownership claims or to claims for the payment of additional remuneration of fair price by persons having participated in the creation of the inventions. If we are unable to obtain, maintain, protect, and enforce our intellectual property and proprietary rights, it could have a material adverse effect on our business, operating results, and financial condition.

***We may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time consuming and unsuccessful.***

Third parties, including our competitors, may infringe, misappropriate or otherwise violate our intellectual property rights. Policing unauthorized use of our technology is difficult and we may not detect all such use. In addition, the laws of some foreign countries may not be as protective of intellectual property rights as those of the U.S., and mechanisms for enforcement of our proprietary rights in such countries may be inadequate. If we are unable to protect our proprietary rights (including in particular, the proprietary aspects of our platform) we may find ourselves at a competitive disadvantage to others who have not incurred the same level of expense, time, and effort to create and protect their intellectual property.

In order to protect our intellectual property rights, we may be required to spend significant resources to monitor and protect our intellectual property rights. Litigation may be necessary in the future to enforce our intellectual property rights and to protect our trade secrets. Litigation we bring to protect and enforce our intellectual property rights could be costly, time-consuming, and distracting to management, and could result in the impairment or loss of portions of our intellectual property. Further, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property rights, and if such defenses, counterclaims, or countersuits are successful, we could lose valuable intellectual property rights. An adverse determination of any litigation proceedings could put our intellectual property at risk of being invalidated, cancelled, or interpreted narrowly. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential or sensitive information could be compromised by disclosure in the event of litigation.

***We may become subject to claims that our employees, consultants, or advisors have wrongfully used or disclosed alleged trade secrets of their current or former employers.***

Many of our employees and consultants are currently or were previously employed at other companies in our field, including our competitors or potential competitors. Although we try to ensure that our employees and consultants do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these individuals have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual’s current or former employer. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management.

***If our trademarks and trade names are not adequately protected, we may not be able to build name recognition in our markets of interest and our competitive position may be harmed.***

The registered or unregistered trademarks or trade names that we own may be challenged, infringed, circumvented, declared generic, lapsed, or determined to be infringing on or dilutive of other marks. We may not be able to protect our rights in these trademarks and trade names, which we need in order to build name recognition with potential customers. In addition, third parties may file for registration of trademarks similar or identical to our trademarks, thereby impeding our ability to build brand identity and possibly leading to market confusion. If they succeed in registering or developing common law rights in such trademarks, and if we are not successful in challenging such third-party rights, we may not be able to use these trademarks to develop brand recognition of our solutions. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. If we are unable to establish name recognition based on our trademarks and trade names, we may not be able to compete effectively, which could adversely impact our business, financial condition and results of operations.

## **Risks Related to Laws and Regulation**

***Privacy and data protection laws and regulation on digital advertising may cause us to incur additional or unexpected costs, subject us to enforcement actions for compliance failures, or cause us to change our platform or business model, which may have a material adverse effect on our business.***

Information relating to individuals and their devices (sometimes called “personal information” or “personal data”) is regulated under a wide variety of local, state, national, and international laws and regulations that apply to the collection, use, retention, protection, disclosure, transfer (including transfer across national boundaries), and other processing of such data. We typically collect and store IP addresses, but may inadvertently be passed and may in the future start to intentionally collect other device identifiers (such as unique cookie identifiers and mobile application identifiers), which are or may be considered personal data or personal information in some jurisdictions or otherwise may be the subject of regulation.

Recently, the State of California adopted a law broadly regulating businesses’ processing of personal information, the CCPA, which went into effect January 1, 2020. The CCPA’s definition of “personal information” is broad enough to include online identifiers provided by individuals’ devices, applications, and protocols (such as IP addresses, mobile application identifiers, and unique cookie identifiers) and individuals’ location data, if there is potential that individuals can be identified by such data. The CCPA establishes a new privacy framework for covered businesses by, among other requirements, establishing new data privacy rights for consumers in the State of California (including rights to deletion of and access to personal information), imposing special rules on the collection of consumer data from minors, creating new notice obligations and new limits on the “sale” of personal information (interpreted by some to include common advertising practices), and creating a new and potentially severe statutory damages framework for violations of the CCPA and for businesses that fail to implement reasonable security procedures and practices to prevent data breaches. The CCPA also offers the possibility to a consumer to recover statutory damages for certain violations and could open the door more broadly to additional risks of individual and class-action lawsuits even though the statute’s private right of action is limited in scope.

The California Attorney General has proposed regulations implementing the CCPA that could impose further limitations. Although we have attempted to mitigate certain risks posed by the CCPA through contractual and platform changes, we cannot predict the timing or outcome of the California Attorney General’s rulemaking or the effect of the CCPA and its implementing regulations on our business. Responding to requirements under the CCPA and the proposed regulations will continue to affect our operations (and those of our industry partners). Moreover, the California Privacy Rights Act (“CPRA”), was approved by California voters in the election on November 3, 2020. The CPRA, which becomes effective on January 1, 2023, will significantly modify and expand the CCPA, potentially resulting in further uncertainty and requiring us to incur additional costs and expenses in an effort to comply.

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Laws governing the processing of personal data in Europe (including the E.U. and European Economic Area (“EEA”), and the countries of Iceland, Liechtenstein, and Norway) also continue to impact us. The GDPR, which applies to us, came into effect on May 25, 2018. Like the CCPA, the GDPR defines “personal data” broadly, and it enhances data protection obligations for controllers of such data and for service providers processing the data. It also provides certain rights, such as access and deletion, to the individuals about whom the personal data relates. The digital advertising industry has collaborated to create a user-facing framework for establishing and managing legal bases under the GDPR and other E.U. privacy laws including ePrivacy (discussed below). Although the framework is actively in use, we cannot predict its effectiveness over the long term. European regulators have questioned its viability and activists have filed complaints with regulators of alleged non-compliance by specific companies that employ the framework. Non-compliance with the GDPR can trigger steep fines of up to the greater of €20 million or 4% of total worldwide annual revenue. Continuing to maintain compliance with the GDPR’s requirements requires significant time, resources, and expense, as will the effort to monitor whether additional changes to our business practices and our backend configuration are needed, all of which may increase operating costs, or limit our ability to operate or expand our business. These existing and proposed laws, regulations, and industry standards can be costly to comply with and can delay or impede the development of new solutions, result in negative publicity and reputational harm, increase our operating costs, require significant management time and attention, increase our risk of non-compliance, and subject us to claims or other remedies, including fines or demands that we modify or cease existing business practices.

Regulatory investigations and enforcement actions could also impact us. In the U.S., the Federal Trade Commission (the “FTC”), uses its enforcement powers under Section 5 of the Federal Trade Commission Act (which prohibits “unfair” and “deceptive” trade practices) to investigate companies engaging in online tracking. Advocacy organizations have also filed complaints with data protection authorities against advertising technology companies, arguing that certain of these companies’ practices do not comply with the GDPR. We cannot avoid the possibility that one of these investigations or enforcement actions will involve our practices. Further, our legal risk depends in part on our customers’ or other third parties’ adherence to privacy laws and regulations and their use of our services in ways consistent with end consumer expectations. We rely on representations made to us by customers that they will comply with all applicable laws, including all relevant privacy and data protection regulations. Although we make reasonable efforts to enforce such representations and contractual requirements, we do not fully audit our customers’ compliance with our recommended disclosures or their adherence to privacy laws and regulations. If our customers fail to adhere to our expectations or contracts in this regard, we and our customers could be subject to adverse publicity, damages, and related possible investigation or other regulatory activity.

Adapting our business to the CCPA, the CPRA, their corresponding implementing regulations and to the enhanced privacy obligations in the E.U. and elsewhere could continue to involve substantial expense and may cause us to divert resources from other aspects of our operations, all of which may adversely affect our business. Further, adaptation of the digital advertising marketplace requires increasingly significant collaboration between participants in the market, such as publishers and advertisers. Failure of the industry to adapt to changes required for operating under laws including the CCPA, CPRA and the GDPR and user response to such changes could negatively impact inventory, data, and demand. We cannot control or predict the pace or effectiveness of such adaptation, and we cannot currently predict the impact such changes may have on our business.

Finally, because the interpretation and application of many privacy and data protection laws (including the GDPR), commercial frameworks, and standards are uncertain, it is possible that these laws, frameworks, and standards may be interpreted and applied in a manner that is inconsistent with our existing data management practices or the features of our solutions. If so, in addition to the possibility of fines, lawsuits, breach of contract claims, and other claims and penalties, we could be required to fundamentally change our business activities and practices or modify our solutions, which could have an adverse effect on our business. Any inability to adequately address privacy and security concerns, even if unfounded, or comply with applicable privacy and security or data security laws, regulations, and policies, could result in additional cost and liability to us, damage our reputation, inhibit sales, and adversely affect our business.

***Concerns regarding data privacy and security relating to our industry's technology and practices, and perceived failure to comply with laws and industry self-regulation, could damage our reputation and deter current and potential customers from using our products and services.***

Public perception regarding data protection and privacy are significant in the digital advertising ecosystem. Any perception of our practices, products, or services as a violation of individual privacy rights may subject us to public criticism, loss of customers, partners, or vendors, class action lawsuits, reputational harm, or investigations or claims by regulators, industry groups or other third parties, all of which could significantly disrupt our business and expose us to increased liability. Concerns about industry practices with regard to the collection, use, and disclosure of personal information, whether or not valid and whether driven by applicable laws and regulations, industry standards, customer or inventory provider expectations, or the broader public, may harm our reputation, result in loss of goodwill, and inhibit use of our platform by current and future customers. For example, perception that our practices involve an invasion of privacy, whether or not such practices are consistent with current or future laws, regulations, or industry practices, may subject us to public criticism, private class actions, reputational harm, or claims by regulators, which could disrupt our business and expose us to increased liability. Data protection laws around the world often take a principled, risk-based approach to information security and require "reasonable", "appropriate" or "adequate" technical and organizational security measures, meaning that the interpretation and application of those laws are often uncertain and evolving, and there can be no assurance that our security measures will be deemed adequate or reasonable in all instances. Moreover, even security measures that are deemed appropriate, reasonable, and/or in accordance with applicable legal requirements may not be able to protect the information we maintain and may still be viewed negatively by current and potential customers.

Separately, we cannot anticipate unique client certifications or contractual requirements related to security practices, the processing of personal information or of customer confidential information, which could cause us to lose or not obtain new business if we do not have such certifications or meet contractual requirements.

***Operating in multiple countries requires us to comply with different legal and regulatory requirements.***

Our international operations subject us to laws and regulations of multiple jurisdictions, as well as U.S. laws governing international operations, which are often evolving and sometimes conflict. For example, the Foreign Corrupt Practices Act ("FCPA"), and comparable foreign laws and regulations (including the U.K. Bribery Act) prohibit improper payments or offers of payments to foreign governments and their officials and political parties by U.S. and other business entities for the purpose of obtaining or retaining business. Some of the countries into which we are, or potentially may, expand score unfavorably on the Corruption Perceptions Index (the "CPI"), of the Transparency International. Other laws and regulations prohibit bribery of private parties and other forms of corruption. Furthermore, we are subject to various U.S. export control and trade and economic sanctions laws and regulations, including the U.S. Export Administration Regulations and the various sanctions programs administered by the U.S. Department of the Treasury's Office of Foreign Assets Control (collectively, "Trade Controls"). Trade Controls may prohibit the shipment of specified products and services to certain countries, governments, and persons. Complying with Trade Controls may also be time-consuming and may result in the delay or loss of opportunities. Some regulations also prevent us from engaging with certain individuals or any companies affiliated with these individuals. As we expand our international operations, we will be subject to increased risk of unauthorized payment or offers of payment or other inappropriate conduct by one of our employees, consultants, agents, or other contractors, including by persons engaged or employed by a business we acquire, as well as increased risk of prohibited dealings with certain countries, governments and persons. Any of these could result in violation by us of various laws, including the FCPA and Trade Controls. While we anticipate implementing safeguards to discourage these practices prior to this offering, such safeguards may prove to be ineffective. Any violations of the FCPA, Trade Controls and other similar laws may result in severe criminal or civil sanctions, or other liabilities or proceedings against us, including class action lawsuits and enforcement actions from the SEC, Department of Justice, and foreign regulators and could also harm our reputation. Other laws applicable to our international business include local employment, tax, privacy, data security, and intellectual property protection laws and regulations, including restrictions on movement of

information about individuals beyond national borders. In particular, as explained in more detail elsewhere in this prospectus, the GDPR imposes substantial compliance obligations and increases the risks associated with collection and processing of personal data. In some cases, our customers and partners operating in non-U.S. markets may impose additional requirements on our non-U.S. business in efforts to comply with their interpretation of their own or our legal obligations. These requirements may differ significantly from the requirements applicable to our business in the U.S. and may require engineering, infrastructure and other costly resources to accommodate, and may result in decreased operational efficiencies and performance. As these laws continue to evolve and we expand to more jurisdictions or acquire new businesses, compliance will become more complex and expensive, and the risk of non-compliance will increase. Compliance with complex foreign and U.S. laws and regulations that apply to our international operations increases our cost of doing business abroad, and violation of these laws or regulations may interfere with our ability to offer our solution competitively in one or more countries, expose us or our employees to fines and penalties, and result in the limitation or prohibition of our conduct of business. In addition, we have recently received numerous inquiries from foreign regulators, including in Australia and the U.K., asking for information about digital advertising generally, programmatic advertising, and the influence of dominant corporations in the digital advertising ecosystem, such as Google and Facebook. These investigations are costly and time consuming to respond to and divert management attention.

***Uncertainty caused by lack of uniformity among laws to which we are or may become subject and instability in the global legal landscape may cause us to incur additional or unexpected costs and legal risk, increase our risk of reputational harm, or cause us to change our platform or business model.***

We cannot predict the future of the regulatory landscape regarding the protection of personal information. U.S. (state, federal and local) and foreign governments are considering enacting additional legislation related to privacy and data protection and we expect to see an increase in, or changes to, legislation and regulation in this area. There are numerous federal, state, local and international laws and regulations regarding privacy, data protection, information security and the storing, sharing, use, processing, transfer, disclosure, retention, and protection of personal information and other content, the scope of which is rapidly changing, subject to differing interpretations and may be inconsistent among countries and states, or conflict with other rules. For example, in the U.S., a federal privacy law is the subject of active discussion and several bills have been introduced. Additionally, industry groups in the U.S. and their international counterparts have self-regulatory guidelines that are subject to periodic updates to which we have agreed to adhere. High profile incidents involving breaches of personal information or misuse of consumer information may increase the likelihood of new U.S. federal, state, or international laws or regulations in addition to those set out above, and such laws and regulations may be inconsistent across jurisdictions. While we have adopted a risk-based approach to minimize our impact from noncompliance, with the proliferation of these regulations, both here in the U.S. and international, there can be no assurances that we will maintain full compliance. We have implemented various features intended to enable our customers to better protect end consumer privacy, but these measures may not alleviate all potential privacy concerns and threats. Even the perception of privacy concerns, whether or not valid, may inhibit use of our platform. Privacy advocacy groups and the technology and other industries are considering various new, additional or different self-regulatory standards that may place additional burdens on us. The costs of compliance with, and other burdens imposed by these groups' policies and actions may limit the use and adoption of our platform and reduce overall demand for it, or lead to significant fines, penalties, or liabilities for any noncompliance or loss of any such action. We are also subject to the terms of our privacy policies and contractual obligations to third parties related to privacy, data protection, and information security.

Changes in data residency and cross-border transfer restrictions also impact our operations. For the transfer of personal data from the E.U. to the U.S., we rely upon standard contractual clauses ("SCCs"). SCCs and other mechanisms available to us to validate the transfer of data from the E.U. to the U.S. continue to face criticism from privacy advocates and legal challenges in E.U. courts and may need to be updated or replaced as amended to legitimize the transfer of personal information from the E.U. to the U.S. If successful challenges leave us with no reasonable option for the lawful cross-border transfer of personal data, and if we nonetheless continue to transfer personal data from the E.U. to the U.S., that could lead to governmental enforcement actions, litigation,

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fines, and penalties or adverse publicity, which could have an adverse effect on our reputation and business or cause us to need to establish systems to maintain certain data in the E.U., which may involve substantial expense and cause us to divert resources from other aspects of our operations, all of which may adversely affect our business. Other jurisdictions have adopted or are considering cross-border or data residency restrictions, which could reduce the amount of data we can collect or process and, as a result, significantly impact our business. It remains unclear how the recent withdrawal of the U.K. from the E.U., referred to as Brexit, will affect cross-border data flows, regulators' jurisdiction over our business, and other matters related to how we do business and how we comply with applicable data protection laws. Although we will apply the guidance from the Department of Commerce regarding post-Brexit data transfers from the U.K. through Privacy Shield, it remains uncertain whether other methods of transfer will have to be implemented. Accordingly, we cannot predict the additional expense, impact on revenue, or other business impact that may stem from Brexit.

Additionally, as the digital marketing industry evolves and new ways of collecting, combining and using data are created, governments may enact legislation in response to technological advancements and changes that could result in our having to re-design features or functions of our platform, therefore incurring unexpected compliance costs.

These laws and other obligations may be interpreted and applied in a manner that is inconsistent with our existing data management practices or the features of our platform. If so, in addition to the possibility of fines, lawsuits, and other claims, we could be required to fundamentally change our business activities and practices or modify our products, which could have an adverse effect on our business. For example, jurisdictions may require data localization and reconfiguring of our infrastructure, which would create costs and create inefficiencies. If we are required to silo data (and are limited in leveraging all the data collected across all customers in all locations), our solutions may be not as effective or accurate. Additionally, we may be unable to make such changes and modifications in a commercially reasonable manner or at all, and our ability to develop new products and features could be limited. All of this could impair our or our customers' ability to collect, use, or disclose information relating to consumers, which could decrease demand for our platform, increase our costs, and impair our ability to maintain and grow our customer base and increase our revenue.

***We are subject to taxation in multiple jurisdictions. Any adverse development in the tax laws of any of these jurisdictions or any disagreement with our tax positions could have a material and adverse effect on our business, financial condition or results of operations.***

We are subject to taxation in, and to the tax laws and regulations of, multiple jurisdictions as a result of the international scope of our operations and our corporate entity structure. We are also subject to transfer pricing laws with respect to our intercompany transactions, including those relating to the flow of funds among our companies. For example, many of the jurisdictions in which we conduct business have detailed transfer pricing rules which require that all transactions with non-resident related parties be priced using arm's length pricing principles. Contemporaneous documentation must exist to support this pricing. The tax authorities in these jurisdictions could challenge whether our related party transfer pricing policies are at arm's length and, as a consequence, challenge our tax treatment of corresponding expenses and income. International transfer pricing is an area of taxation that depends heavily on the underlying facts and circumstances and generally involves a significant degree of judgment. If any of these tax authorities were successful in challenging our transfer pricing policies, we may be liable for additional corporate income tax, and penalties, fines, and interest related thereto, which may have a significant impact on our effective tax rate, results of operations, and future cash flows.

Adverse developments in these laws or regulations, or any change in position regarding the application, administration or interpretation thereof, in any applicable jurisdiction, could have a material and adverse effect on our business, financial condition or results of operations. Changes in tax laws, such as tax reform in the U.S. or changes in tax laws resulting from the Organization for Economic Co-operation and Development's multi-jurisdictional plan of action to address "base erosion and profit shifting," could impact our effective tax rate. In addition, the tax authorities in any applicable jurisdiction, including the U.S., may disagree with the positions we

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have taken or intend to take regarding the tax treatment or characterization of any of our transactions. If any applicable tax authorities, including U.S. tax authorities, were to successfully challenge the tax treatment or characterization of any of our transactions, it could have a material and adverse effect on our business, financial condition, or results of operations.

***Taxing authorities may successfully assert that we should have collected or in the future should collect sales and use, value added or similar taxes, and we could be subject to liability with respect to past or future sales, which could adversely affect our results of operations.***

In certain cases, we have concluded that we do not need to collect sales and use, value added and similar taxes in jurisdictions in which we have sales. Sales and use, value added and similar tax laws and rates vary greatly by jurisdiction. Certain jurisdictions in which we do not collect such taxes may assert that such taxes are applicable, which could result in tax assessments, penalties, and interest, and we may be required to collect such taxes in the future. Such tax assessments, penalties and interest or future requirements may adversely affect our financial condition and results of operations.

***Our annual effective income tax rate can change materially as a result of changes in our mix of U.S. and foreign earnings and other factors, including changes in tax laws and changes made by regulatory authorities.***

Our overall effective rate is equal to our total tax expense as a percentage of total earnings before tax. However, income tax expense and benefits are not recognized on a global basis but rather on a jurisdictional or legal entity basis. Losses in one jurisdiction might not be useable to offset profits in other jurisdictions, which may cause an increase in our effective tax rate. Changes in statutory tax rates and laws, as well as audits by domestic and international authorities, could affect the amount of income taxes and other taxes paid by us. Changes in the mix of earnings (or losses) between jurisdictions and assumptions used in the calculation of income taxes, among other factors, could have a significant effect on our overall effective income tax rate.

### **Risks Related to Being a Public Company**

***We have identified material weaknesses in our internal control over financial reporting. If we are unable to remediate the material weaknesses in a timely manner, if we identify additional material weaknesses or fail to design and maintain effective internal control over financial reporting, our ability to accurately report our financial condition and results of operations on a timely basis or comply with applicable laws and regulations could be impaired, which may adversely affect investor confidence and, as a result, the value of our common stock.***

In connection with the preparation of our consolidated financial statements for the year ended December 31, 2019, we identified material weaknesses in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

Management identified the following material weaknesses:

- a. The Company did not design policies to maintain evidence of the operation of key control procedures, nor were monitoring controls evidenced at a sufficient level to provide the appropriate oversight of activities related to our internal control over financial reporting. Additionally, we did not design and maintain controls to ensure (i) the appropriate segregation of duties in the operation of manual controls and (ii) account reconciliations, journal entries, and balance sheet and income statement fluctuation analyses were reviewed at the appropriate level of precision.

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- b. The Company did not design and maintain effective controls over information technology, or IT, general controls for information systems that are relevant to the preparation of the consolidated financial statements. Specifically, we did not design and maintain:
- (i) program change management controls for financial systems to ensure that IT program and data changes affecting financial IT applications and underlying accounting records are identified, tested, authorized and implemented appropriately,
  - (ii) user access controls to ensure appropriate segregation of duties and that adequately restrict user and privileged access to financial applications, programs, and data to appropriate personnel,
  - (iii) computer operations to ensure that critical batch jobs are monitored, privileges are appropriately granted, and data backups are authorized and monitored, and
  - (iv) testing and approval controls for program development to ensure that new software development is aligned with business and IT requirements for financially relevant IT systems.

These deficiencies described above did not result in a misstatement to our annual consolidated financial statements. However, each of the material weaknesses described above, if not remediated, could impact maintaining effective segregation of duties, as well as the effectiveness of IT-dependent controls (such as automated controls that address the risk of material misstatement to one or more assertions, along with the IT controls and underlying data that support the effectiveness of system-generated data and reports) and result in a misstatement of one or more account balances or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected, and, accordingly, we determined that these control deficiencies constitute material weaknesses.

We will take certain measures to remediate these material weaknesses, including:

- Formalizing the company's accounting policies with respect to maintaining evidence in the operation of control procedures
- Improving our control framework to include both the appropriate segregation of duties and definition around the appropriate levels of precision for controls, including account reconciliations, journal entries, and balance sheet and income statement fluctuation analyses
- Designing and documenting the execution of IT general controls for systems and applications impacting internal control over financial reporting, specifically related to user access, change management, computer operations, and program development controls.

We have begun to implement accounting policies with respect to maintaining evidence in the operation of control procedures and also begun to implement appropriate segregation of duties in the operation of manual controls. The material weaknesses will not be considered remediated until management completes the design and implementation of the measures described in the bullet points above and the controls operate for a sufficient period of time and management has concluded, through testing, that these controls are effective.

We are working to remediate the material weaknesses as efficiently and effectively as possible and expect full remediation could potentially go beyond December 31, 2022. At this time, we cannot provide an estimate of costs expected to be incurred in connection with implementing this remediation plan; however, these remediation measures will be time consuming, incur significant costs, and place significant demands on our financial and operational resources.

We cannot assure that the measures we have taken to date, and that we plan to take, will be sufficient to remediate the material weaknesses we have identified or to avoid additional material weaknesses in future periods. If the measures taken do not remediate the material weaknesses in a timely manner, a reasonable possibility will remain that these or other control deficiencies could result in a material misstatement of our annual or interim consolidated financial statements that would not be prevented or detected on a timely basis.

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Starting with our second Form 10-K, and subject to our status as an emerging growth company, management may be required to issue a report on our internal control over financial reporting. If we are unable to assert that our internal control over financial reporting is effective investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our common stock could be adversely affected and we could become subject to litigation or investigations by the stock exchange on which our securities are listed, the SEC, or other regulatory authorities, which could require additional financial and management resources.

***We are an “emerging growth company” and we expect to elect to comply with reduced public company reporting requirements, which could make our common stock less attractive to investors.***

We are an “emerging growth company,” as defined in the JOBS Act. For as long as we continue to be an emerging growth company, we are eligible for certain exemptions from various public company reporting requirements. These exemptions include, but are not limited to, (i) not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, (ii) reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements, (iii) exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved and (iv) not being required to provide audited financial statements for the year ended December 31, 2018, or five years of Selected Consolidated Financial Data, in this prospectus. We could be an emerging growth company for up to five years after the first sale of our common stock pursuant to an effective registration statement under the Securities Act, which fifth anniversary will occur in 2026. However, if certain events occur prior to the end of such five-year period, including if we become a “large accelerated filer,” our annual gross revenue exceeds \$1.07 billion or we issue more than \$1.0 billion of non-convertible debt in any three-year period, we would cease to be an emerging growth company prior to the end of such five-year period. We have made certain elections with regard to the reduced disclosure obligations regarding executive compensation in this prospectus and may elect to take advantage of other reduced disclosure obligations in future filings. As a result, the information that we provide to holders of our common stock may be different than you might receive from other public reporting companies in which you hold equity interests. We cannot predict if investors will find our common stock less attractive as a result of our reliance on these exemptions. If some investors find our common stock less attractive as a result of any choice we make to reduce disclosure, there may be a less active trading market for our common stock and the market price for our common stock may be more volatile.

Under the JOBS Act, emerging growth companies may also elect to delay adoption of new or revised accounting standards until such time as those standards apply to private companies. We have elected to “opt-in” to this extended transition period for complying with new or revised accounting standards and, therefore, we will not be subject to the same new or revised accounting standards as other public companies that comply with such new or revised accounting standards on a non-delayed basis. Our financial statements may not be comparable to companies that comply with public company effective dates because of this election.

***The requirements of being a public company may strain our resources and distract our management, which could make it difficult to manage our business, particularly after we are no longer an “emerging growth company.”***

As a public company, we will incur incremental legal, governance, accounting, and other expenses. We will become subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the Sarbanes-Oxley Act, the listing requirements of the NASDAQ and other applicable securities rules and regulations. Compliance with these rules and regulations will increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources, particularly after we are no longer an “emerging growth company.” The Exchange Act requires that we file annual, quarterly, and current reports with respect to our business, financial condition and results of operations. The Sarbanes-Oxley Act requires, among other things, that we establish and maintain effective internal controls and procedures for financial reporting. Furthermore, the need to establish the corporate infrastructure demanded of a public company may divert our management’s attention from implementing our

growth strategy, which could prevent us from improving our business, financial condition, and results of operations. We have made, and will continue to make, changes to our internal controls and procedures for financial reporting and accounting systems to meet our reporting obligations as a public company. However, the measures we take may not be sufficient to satisfy our obligations as a public company. In addition, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to incur substantial costs to maintain the same or similar coverage. These additional obligations could have a material adverse effect on our business, financial condition and results of operations.

In addition, changing laws, regulations, and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs, and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of our management's time and attention from sales-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and could have a material adverse effect on our business, financial condition, and results of operations.

***If we fail to maintain an effective system of internal control over financial reporting in the future, we may not be able to accurately or timely report our financial condition or results of operations. If our internal control over financial reporting is not effective, it may adversely affect investor confidence in us and the price of our common stock.***

As a public company, we are required to maintain internal control over financial reporting and to report any material weaknesses in such internal control. Section 404 of the Sarbanes-Oxley Act requires that we evaluate and determine the effectiveness of our internal control over financial reporting and provide a management report on our internal control over financial reporting.

Our platform system applications are complex, multi-faceted and include applications that are highly customized in order to serve and support our customers, advertising inventory and data suppliers, as well as support our financial reporting obligations. We regularly make improvements to our platform to maintain and enhance our competitive position. In the future, we may implement new offerings and engage in business transactions, such as acquisitions, reorganizations or implementation of new information systems. These factors require us to develop and maintain our internal controls, processes, and reporting systems, and we expect to incur ongoing costs in this effort. We may not be successful in developing and maintaining effective internal controls, and any failure to develop or maintain effective controls, or any difficulties encountered in their implementation or improvement, could harm our operating results or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods.

***Our management team has limited experience managing a public company.***

Most members of our management team have limited experience managing a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws, rules, and regulations that govern public companies. As a public company, we are subject to significant obligations relating to reporting, procedures and internal controls, and our management team may not successfully or efficiently manage such obligations. These obligations and scrutiny will require significant attention from our management and could divert their attention away from the day-to-day management of our business, which could adversely affect our business, financial condition, and results of operations.

***If we are unable to attract, integrate and retain additional qualified personnel, including top technical talent, our business could be adversely affected.***

Our future success and our ability to maintain and grow the IAS product portfolio depends in part on our ability to identify, attract, integrate, and retain highly skilled technical, managerial, sales, and other personnel, including top technical talent from the industry. We face intense competition for qualified individuals from numerous other companies, including other companies in the digital ad ecosystem, many of whom have greater financial and other resources than we do. These companies also may provide more diverse opportunities and better chances for career advancement. Some of these characteristics may be more appealing to high-quality candidates than those we have to offer. In addition, new hires often require significant training and, in many cases, take significant time before they achieve full productivity. We may incur significant costs to attract and retain qualified personnel, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards and we may lose new employees to our competitors or other companies before we realize the benefit of our investment in recruiting and training them. Moreover, new employees may not be or become as productive as we expect, as we may face challenges in adequately or appropriately integrating them into our workforce and culture.

In addition, as we move into new geographies, we will need to attract and recruit skilled personnel in those areas. Specifically, as our operations in India grow substantially, we may have difficulty finding and retaining software engineers in India. There is intense competition in India for skilled technical professionals, and we expect such competition to increase. As a result, we may be unable to cost-effectively retain our current employee base in India or hire additional new talent.

Failure to attract sufficiently skilled engineers in India will have a materially adverse effect on our growth plans. We generally may face challenges in attracting, integrating, and retaining international employees. If we are unable to attract, integrate, and retain suitably qualified individuals who are capable of meeting our growing technical, operational and managerial requirements, on a timely basis or at all, our business will be adversely affected.

### **Risks Relating to Our Indebtedness**

***Our existing indebtedness could adversely affect our business and growth prospects.***

As of March 31, 2021, we had total current and long-term indebtedness of \$355.9 million under our Term Loan Facility, pursuant to the Credit Agreement, no amounts outstanding under our Revolving Credit Facility, and no outstanding letters of credit. In addition, as of March 31, 2021, we had \$25 million of additional borrowing capacity under our Revolving Credit Facility. All obligations under the Credit Agreement are secured by first-priority perfected security interests in substantially all of our assets and the assets of our domestic subsidiaries, subject to permitted liens and other exceptions. Our indebtedness, or any additional indebtedness we may incur, could require us to divert funds identified for other purposes for debt service and impair our liquidity position. If we cannot generate sufficient cash flow from operations to service our debt, we may need to refinance our debt, dispose of assets, or issue equity to obtain necessary funds. We do not know whether we will be able to take any of these actions on a timely basis, on terms satisfactory to us or at all.

Our indebtedness, the cash flow needed to satisfy our debt and the covenants contained in our Credit Agreement have important consequences, including:

- limiting funds otherwise available for financing our capital expenditures by requiring us to dedicate a portion of our cash flows from operations to the repayment of debt and the interest on this debt;
- limiting our ability to incur additional indebtedness;
- limiting our ability to capitalize on significant business opportunities;
- making us more vulnerable to rising interest rates; and
- making us more vulnerable in the event of a downturn in our business.

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Our level of indebtedness may place us at a competitive disadvantage to our competitors that are not as highly leveraged. Fluctuations in interest rates can increase borrowing costs. Increases in interest rates may directly impact the amount of interest we are required to pay and reduce earnings accordingly. In addition, developments in tax policy, such as the disallowance of tax deductions for interest paid on outstanding indebtedness, could have an adverse effect on our liquidity and our business, financial conditions, and results of operations. Further, our Credit Agreement contain customary affirmative and negative covenants and certain restrictions on operations that could impose operating and financial limitations and restrictions on us, including restrictions on our ability to enter into particular transactions and to engage in other actions that we may believe are advisable or necessary for our business. Our Term Loan Facility is also subject to mandatory prepayments in certain circumstances, including a requirement to make a prepayment with a certain percentage of our excess cash flow. This excess cash flow payment, and other future required prepayments, will reduce our cash available for investment in our business.

Interest rates under the Credit Agreement are based partly on the London interbank offered rate (“LIBOR”) the basic rate of interest used in lending between banks on the London interbank market and is widely used as a reference for setting the interest rate on loans globally. LIBOR is currently expected to be phased out by the middle of 2023. The U.S. Federal Reserve has begun publishing a Secured Overnight Funding Rate which is currently intended to serve as an alternative reference rate to LIBOR. If the method for calculation of LIBOR changes, if LIBOR is no longer available, or if lenders have increased costs due to changes in LIBOR, we may suffer from potential increases in interest rates on our borrowings. Further, we may need to renegotiate our agreements or any other borrowings that utilize LIBOR as a factor in determining the interest rate to replace LIBOR with the new standard that is established.

We expect to use cash flow from operations to meet current and future financial obligations, including funding our operations, debt service requirements, and capital expenditures. The ability to make these payments depends on our financial and operating performance, which is subject to prevailing economic, industry, and competitive conditions and to certain financial, business, economic, and other factors beyond our control.

***Despite current indebtedness levels and restrictive covenants, we may still be able to incur substantially more indebtedness or make certain restricted payments, which could further exacerbate the risks associated with our substantial indebtedness.***

We may be able to incur significant additional indebtedness in the future. Although the financing documents governing our Credit Agreement contain restrictions on the incurrence of additional indebtedness and liens, these restrictions are subject to a number of important qualifications and exceptions, and the additional indebtedness and liens incurred in compliance with these restrictions could be substantial.

The financing documents governing our Credit Agreement permits us to incur certain additional indebtedness, including liabilities that do not constitute indebtedness as defined in the financing documents. We may also consider investments in joint ventures or acquisitions, which may increase our indebtedness. In addition, financing documents governing our Credit Agreement does not restrict our Sponsor from creating new holding companies that may be able to incur indebtedness without regard to the restrictions set forth in the financing documents governing our Credit Agreement. If new debt is added to our currently anticipated indebtedness levels, the related risks that we face could intensify.

***We may not be able to generate sufficient cash flow to service all of our indebtedness, and may be forced to take other actions to satisfy our obligations under such indebtedness, which may not be successful.***

Our ability to make scheduled payments or to refinance outstanding debt obligations depends on our financial and operating performance, which will be affected by prevailing economic, industry, and competitive conditions and by financial, business, and other factors beyond our control. We may not be able to maintain a sufficient level of cash flow from operating activities to permit us to pay the principal, premium, if any, and

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interest on our indebtedness. Any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which would also harm our ability to incur additional indebtedness.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets, seek additional capital, or seek to restructure or refinance our indebtedness. Any refinancing of our indebtedness could be at higher interest rates and may require us to comply with more onerous covenants. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In the absence of such cash flows and resources, we could face substantial liquidity problems and might be required to sell material assets or operations to attempt to meet our debt service obligations. The financing documents governing our Credit Agreement includes certain restrictions on our ability to conduct asset sales and/or use the proceeds from asset sales for general corporate purposes. We may not be able to consummate these asset sales to raise capital or sell assets at prices and on terms that we believe are fair and any proceeds that we do receive may not be adequate to meet any debt service obligations then due. If we cannot meet our debt service obligations, the holders of our indebtedness may accelerate such indebtedness and, to the extent such indebtedness is secured, foreclose on our assets. In such an event, we may not have sufficient assets to repay all of our indebtedness.

***The terms of the financing documents governing our Term Loan Facility restrict our current and future operations, particularly our ability to respond to changes or to take certain actions.***

The financing documents governing our Term Loan Facility contain a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long-term best interests, including restrictions on our ability to:

- incur additional indebtedness;
- pay dividends on or make distributions in respect of capital stock or repurchase or redeem capital stock;
- prepay, redeem, or repurchase certain indebtedness;
- make loans and investments;
- sell or otherwise dispose of assets, including capital stock of restricted subsidiaries;
- incur liens;
- enter into transactions with affiliates;
- enter into agreements restricting the ability of our subsidiaries to pay dividends; and
- consolidate, merge, or sell all or substantially all of our assets.

You should read the discussion under the heading “Description of Certain Indebtedness” for further information about these covenants.

The restrictive covenants in the financing documents governing our Credit Agreement require us to maintain specified financial ratios and satisfy other financial condition tests to the extent applicable. Our ability to meet those financial ratios and tests can be affected by events beyond our control.

A breach of the covenants or restrictions under the financing documents governing our Credit Agreement could result in an event of default under such documents. Such a default may allow the creditors to accelerate the related debt, which may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. In the event the holders of our indebtedness accelerate the repayment, we may not have sufficient assets to repay that indebtedness or be able to borrow sufficient funds to refinance it. Even if we are able to obtain new financing, it may not be on commercially reasonable terms or on terms acceptable to us. As a result of these restrictions, we may be:

- limited in how we conduct our business;

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- unable to raise additional debt or equity financing to operate during general economic;
- business downturns; or
- unable to compete effectively or to take advantage of new business opportunities.

These restrictions, along with restrictions that may be contained in agreements evidencing or governing other future indebtedness, may affect our ability to grow in accordance with our growth strategy.

### ***The phase-out of the LIBOR, or the replacement of LIBOR with a different reference rate, may adversely affect interest rates.***

Borrowings under our Credit Agreement bear interest at rates determined using LIBOR, the basic rate of interest used in lending between banks on the London interbank market and is widely used as a reference for setting the interest rate on loans globally. LIBOR is currently expected to be phased out by the middle of 2023. The U.S. Federal Reserve has begun publishing a Secured Overnight Funding Rate which is currently intended to serve as an alternative reference rate to LIBOR. If the method for calculation of LIBOR changes, if LIBOR is no longer available, or if lenders have increased costs due to changes in LIBOR, we may suffer from potential increases in interest rates on our borrowings. Further, we may need to renegotiate our Credit Agreement to replace LIBOR with the new standard that is established.

### ***We may be unable to refinance our indebtedness.***

We may need to refinance all or a portion of our indebtedness before maturity. We cannot assure you that we will be able to refinance any of our indebtedness on commercially reasonable terms or at all. There can be no assurance that we will be able to obtain sufficient funds to enable us to repay or refinance our debt obligations on commercially reasonable terms, or at all.

### ***Our failure to raise additional capital or generate cash flows necessary to expand our operations and invest in new technologies in the future could reduce our ability to compete successfully and harm our results of operations.***

We may need to raise additional funds, and we may not be able to obtain additional debt or equity financing on favorable terms or at all. If we raise additional equity financing, our security holders may experience significant dilution of their ownership interests. If we engage in additional debt financing, we may be required to accept terms that restrict our ability to incur additional indebtedness, force us to maintain specified liquidity or other ratios or restrict our ability to pay dividends or make acquisitions. If we need additional capital and cannot raise it on acceptable terms, or at all, we may not be able to, among other things:

- develop and enhance our products;
- continue to expand our product development, sales, and marketing organizations;
- hire, train and retain employees;
- respond to competitive pressures or unanticipated working capital requirements; or
- pursue acquisition opportunities.

In addition, our Term Loan Facility also limits our ability to incur additional debt and therefore we likely would have to amend our Term Loan Facility or issue additional equity to raise capital. If we issue additional equity, your interest in us will be diluted.

## Risks Related to Ownership of Our Common Stock and This Offering

### *Vista controls us, and its interests may conflict with ours or yours in the future.*

Immediately following this offering, Vista will beneficially own approximately \_\_\_\_\_ % of our common stock, or \_\_\_\_\_ % if the underwriters exercise in full their option to purchase additional shares, which means that, based on its percentage voting power held after the offering, Vista will control the vote of all matters submitted to a vote of our board of directors, or our Board, or shareholders, which will enable it to control the election of the members of the Board and all other corporate decisions. In addition, our bylaws will provide that Vista will have the right to designate the Chairman of the Board for so long as Vista beneficially owns at least \_\_\_\_\_ % or more of the voting power of the then outstanding shares of our capital stock then entitled to vote generally in the election of directors. Even when Vista ceases to own shares of our stock representing a majority of the total voting power, for so long as Vista continues to own a significant portion of our stock, Vista will still be able to significantly influence the composition of our Board, including the right to designate the Chairman of our Board, and the approval of actions requiring shareholder approval. Accordingly, for such period of time, Vista will have significant influence with respect to our management, business plans, and policies, including the appointment and removal of our officers, decisions on whether to raise future capital and amending our charter and bylaws, which govern the rights attached to our common stock. In particular, for so long as Vista continues to own a significant percentage of our stock, Vista will be able to cause or prevent a change of control of us or a change in the composition of our Board, including the selection of the Chairman of our Board, and could preclude any unsolicited acquisition of us. The concentration of ownership could deprive you of an opportunity to receive a premium for your shares of common stock as part of a sale of us and ultimately might affect the market price of our common stock.

In addition, in connection with this offering, we will enter into a Director Nomination Agreement with Vista that provides Vista the right to designate: (i) all of the nominees for election to our Board for so long as Vista beneficially owns 40% or more of the total number of shares of our common stock it owns as of the date of this offering; (ii) a number of directors (rounded up to the nearest whole number) equal to 40% of the total directors for so long as Vista beneficially owns at least 30% and less than 40% of the total number of shares of our common stock it owns as of the date of this offering; (iii) a number of directors (rounded up to the nearest whole number) equal to 30% of the total directors for so long as Vista beneficially owns at least 20% and less than 30% of the total number of shares of our common stock it owns as of the date of this offering; (iv) a number of directors (rounded up to the nearest whole number) equal to 20% of the total directors for so long as Vista beneficially owns at least 10% and less than 20% of the total number of shares of our common stock it owns as of the date of this offering; and (v) one director for so long as Vista beneficially owns at least 5% and less than 10% of the total number of shares of our common stock it owns as of the date of this offering. The Director Nomination Agreement will also provide that Vista may assign such right to a Vista affiliate. The Director Nomination Agreement will prohibit us from increasing or decreasing the size of our Board without the prior written consent of Vista. See “Certain Relationships and Related Party Transactions — Related Party Transactions — Director Nomination Agreement” for more details with respect to the Director Nomination Agreement.

Vista and its affiliates engage in a broad spectrum of activities, including investments in the information and business services industry generally. In the ordinary course of their business activities, Vista and its affiliates may engage in activities where their interests conflict with our interests or those of our other shareholders, such as investing in or advising businesses that directly or indirectly compete with certain portions of our business or are suppliers or customers of ours. Our certificate of incorporation to be effective in connection with the closing of this offering will provide that none of Vista, any of its affiliates or any director who is not employed by us (including any non-employee director who serves as one of our officers in both his director and officer capacities) or its affiliates will have any duty to refrain from engaging, directly or indirectly, in the same business activities or similar business activities or lines of business in which we operate. Vista also may pursue acquisition opportunities that may be complementary to our business, and, as a result, those acquisition opportunities may

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not be available to us. In addition, Vista may have an interest in pursuing acquisitions, divestitures and other transactions that, in its judgment, could enhance its investment, even though such transactions might involve risks to you.

***Upon listing of our shares on the NASDAQ, we will be a “controlled company” within the meaning of the rules of the NASDAQ and, as a result, we will qualify for, and intend to rely on, exemptions from certain corporate governance requirements. You will not have the same protections as those afforded to stockholders of companies that are subject to such governance requirements.***

After completion of this offering, the Vista Funds will continue to control a majority of the voting power of our outstanding common stock. As a result, we will be a “controlled company” within the meaning of the corporate governance standards of the NASDAQ. Under these rules, a company of which more than 50% of the voting power for the election of directors is held by an individual, group or another company is a “controlled company” and may elect not to comply with certain corporate governance requirements, including:

- the requirement that a majority of our Board consist of independent directors;
- the requirement that we have a nominating and corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities;
- the requirement that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities; and
- the requirement for an annual performance evaluation of the nominating and corporate governance and compensation committees.

Following this offering, we intend to utilize these exemptions. As a result, we may not have a majority of independent directors on our Board, our Compensation and Nominating Committee may not consist entirely of independent directors and our Compensation and Nominating Committee may not be subject to annual performance evaluations. Accordingly, you will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the

***An active, liquid trading market for our common stock may not develop, which may limit your ability to sell your shares.***

Prior to this offering, there was no public market for our common stock. Although we have been approved to list our common stock on the NASDAQ under the symbol “IAS,” an active trading market for our shares may never develop or be sustained following this offering. The initial public offering price will be determined by negotiations between us and the underwriters and may not be indicative of market prices of our common stock that will prevail in the open market after the offering. A public trading market having the desirable characteristics of depth, liquidity, and orderliness depends upon the existence of willing buyers and sellers at any given time, such existence being dependent upon the individual decisions of buyers and sellers over which neither we nor any market maker has control. The failure of an active and liquid trading market to develop and continue would likely have a material adverse effect on the value of our common stock. The market price of our common stock may decline below the initial public offering price, and you may not be able to sell your shares of our common stock at or above the price you paid in this offering, or at all. An inactive market may also impair our ability to raise capital to continue to fund operations by issuing shares and may impair our ability to acquire other companies or technologies by using our shares as consideration.

***Provisions of our corporate governance documents could make an acquisition of us more difficult and may prevent attempts by our shareholders to replace or remove our current management, even if beneficial to our shareholders.***

In addition to Vista's beneficial ownership of \_\_\_\_\_ % of our common stock after this offering (or \_\_\_\_\_ %, if the underwriters exercise in full their option to purchase additional shares), our certificate of incorporation and bylaws to be effective in connection with the closing of this offering and the Delaware General Corporation Law (the "DGCL"), contain provisions that could make it more difficult for a third party to acquire us, even if doing so might be beneficial to our shareholders. Among other things:

- these provisions allow us to authorize the issuance of undesignated preferred stock, the terms of which may be established and the shares of which may be issued without shareholder approval, and which may include supermajority voting, special approval, dividend, or other rights or preferences superior to the rights of shareholders;
- these provisions provide for a classified board of directors with staggered three-year terms;
- these provisions provide that, at any time when Vista beneficially owns, in the aggregate, less than 40% in voting power of the stock entitled to vote generally in the election of directors, directors may only be removed for cause, and only by the affirmative vote of holders of at least 66 2/3% in voting power of all the then-outstanding shares of our stock entitled to vote thereon, voting together as a single class;
- these provisions prohibit shareholder action by written consent from and after the date on which Vista beneficially owns, in the aggregate, less than 35% in voting power of our stock entitled to vote generally in the election of directors;
- these provisions provide that for as long as Vista beneficially owns, in the aggregate, at least 50% in voting power of our stock entitled to vote generally in the election of directors, any amendment, alteration, rescission, or repeal of our bylaws by our shareholders will require the affirmative vote of a majority in voting power of the outstanding shares of our stock and at any time when Vista beneficially owns, in the aggregate, less than 50% in voting power of all outstanding shares of our stock entitled to vote generally in the election of directors, any amendment, alteration, rescission or repeal of our bylaws by our shareholders will require the affirmative vote of the holders of at least 66 2/3% in voting power of all the then-outstanding shares of our stock entitled to vote thereon, voting together as a single class; and
- these provisions establish advance notice requirements for nominations for elections to our Board or for proposing matters that can be acted upon by shareholders at shareholder meetings; provided, however, at any time when Vista beneficially owns, in the aggregate, at least 10% in voting power of our stock entitled to vote generally in the election of directors, such advance notice procedure will not apply to it.

Our certificate of incorporation to be effective in connection with the closing of this offering will contain a provision that provides us with protections similar to Section 203 of the DGCL, and will prevent us from engaging in a business combination with a person (excluding Vista and any of its direct or indirect transferees and any group as to which such persons are a party) who acquires at least 15% of our common stock for a period of three years from the date such person acquired such common stock, unless board or shareholder approval is obtained prior to the acquisition. See "Description of Capital Stock — Anti-Takeover Effects of Our Certificate of Incorporation and Our Bylaws." These provisions could discourage, delay or prevent a transaction involving a change in control of our company. These provisions could also discourage proxy contests and make it more difficult for you and other shareholders to elect directors of your choosing and cause us to take other corporate actions you desire, including actions that you may deem advantageous, or negatively affect the trading price of our common stock. In addition, because our Board is responsible for appointing the members of our management team, these provisions could in turn affect any attempt by our shareholders to replace current members of our management team.

These and other provisions in our certificate of incorporation, bylaws and Delaware law could make it more difficult for shareholders or potential acquirers to obtain control of our Board or initiate actions that are opposed by our then-current Board, including delay or impede a merger, tender offer or proxy contest involving our company. The existence of these provisions could negatively affect the price of our common stock and limit opportunities for you to realize value in a corporate transaction.

For information regarding these and other provisions, see “Description of Capital Stock.”

***Our certificate of incorporation will designate the Court of Chancery of the State of Delaware as the exclusive forum for certain litigation that may be initiated by our shareholders and the federal district courts of the United States as the exclusive forum for litigation arising under the Securities Act, which could limit our shareholders’ ability to obtain a favorable judicial forum for disputes with us.***

Pursuant to our certificate of incorporation to be effective in connection with the closing of this offering, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our shareholders, (3) any action asserting a claim against us arising pursuant to any provision of the DGCL, our certificate of incorporation or our bylaws or (4) any other action asserting a claim against us that is governed by the internal affairs doctrine; provided that for the avoidance of doubt, the forum selection provision that identifies the Court of Chancery of the State of Delaware as the exclusive forum for certain litigation, including any “derivative action”, will not apply to suits to enforce a duty or liability created by Securities Act, the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Our certificate of incorporation will also provide that unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States shall be the exclusive forum for the resolutions of any complaint asserting a cause of action arising under the Securities Act.

Moreover, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all claims brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder and our certificate of incorporation will also provide that, unless we consent in writing to the selection of an alternative forum and to the fullest extent permitted by law, the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. While there can be no assurance that federal or state courts will follow the holding of the Delaware Supreme Court or determine that our federal forum provision should be enforced in a particular case, application of our federal forum provision means that suits brought by our stockholders to enforce any duty or liability created by the Securities Act must be brought in federal court and cannot be brought in state court.

Section 27 of the Exchange Act creates exclusive federal jurisdiction over all claims brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder and our certificate of incorporation will provide that neither the exclusive forum provision nor our federal forum provision applies to suits brought to enforce any duty or liability created by the Exchange Act. Accordingly, actions by our stockholders to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder must be brought in federal court. Our stockholders will not be deemed to have waived our compliance with the federal securities laws and the regulations promulgated thereunder.

Our certificate of incorporation will further provide that any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock is deemed to have notice of and consented to the provisions of our certificate of incorporation described above. See “Description of Capital Stock — Exclusive Forum”. The forum selection clause in our certificate of incorporation may have the effect of discouraging lawsuits against us or our directors and officers and may limit our shareholders’ ability to obtain a favorable judicial forum for disputes with us. If the enforceability of our forum selection provisions were to be challenged, we may incur additional costs associated with resolving such challenge. While we currently have no basis to expect any such

challenge would be successful, if a court were to find our forum selection provisions to be inapplicable or unenforceable with respect to one or more of these specified types of actions or proceedings, we may incur additional costs associated with having to litigate in other jurisdictions, which could have an adverse effect on our business, financial condition, results of operations, cash flows, and prospects and result in a diversion of the time and resources of our employees, management, and board of directors.

***If you purchase shares of common stock in this offering, you will suffer immediate and substantial dilution of your investment.***

The initial public offering price of our common stock is substantially higher than the pro forma net tangible book value per share of our common stock. Therefore, if you purchase shares of our common stock in this offering, you will pay a price per share that substantially exceeds our pro forma net tangible book value per share after this offering. Based on an assumed initial public offering price of \$ \_\_\_\_\_ per share, the mid-point of the price range set forth on the cover page of this prospectus, you will experience immediate dilution of \$ \_\_\_\_\_ per share, representing the difference between our pro forma net tangible book value per share after giving effect to this offering and the initial public offering price. In addition, purchasers of common stock in this offering will have contributed \_\_\_\_\_ % of the aggregate price paid by all purchasers of our common stock but will own only approximately \_\_\_\_\_ % of our common stock outstanding after this offering. See “Dilution” for more detail.

***A significant portion of our total outstanding shares are restricted from immediate resale but may be sold into the market in the near future. This could cause the market price of our common stock to drop significantly, even if our business is doing well.***

Sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock. After this offering, we will have \_\_\_\_\_ outstanding shares of common stock based on the number of shares outstanding as of March 31, 2021. This includes shares that we are selling in this offering, which may be resold in the public market immediately. Following the consummation of this offering, shares that are not being sold in this offering will be subject to a 180-day lock-up period provided under lock-up agreements executed in connection with this offering described in “Underwriting” and restricted from immediate resale under the federal securities laws as described in “Shares Eligible for Future Sale.” All of these shares will, however, be able to be resold after the expiration of the lock-up period, as well as pursuant to customary exceptions thereto or upon the waiver of the lock-up agreement by Morgan Stanley & Co. LLC on behalf of the underwriters. We also intend to register shares of common stock that we may issue under our equity compensation plans. Once we register these shares, they can be freely sold in the public market upon issuance, subject to the lock-up agreements. As restrictions on resale end, the market price of our stock could decline if the holders of currently restricted shares sell them or are perceived by the market as intending to sell them.

***Because we have no current plans to pay regular cash dividends on our common stock following this offering, you may not receive any return on investment unless you sell your common stock for a price greater than that which you paid for it.***

We do not anticipate paying any regular cash dividends on our common stock following this offering. Any decision to declare and pay dividends in the future will be made at the discretion of our Board and will depend on, among other things, our results of operations, financial condition, cash requirements, contractual restrictions, and other factors that our Board may deem relevant. In addition, our ability to pay dividends is, and may be, limited by covenants of existing and any future outstanding indebtedness we or our subsidiaries incur, including under our Credit Agreement. Therefore, any return on investment in our common stock is solely dependent upon the appreciation of the price of our common stock on the open market, which may not occur. See “Dividend Policy” for more detail.

***If securities or industry analysts do not publish research or reports about our business, if they adversely change their recommendations regarding our shares or if our results of operations do not meet their expectations, our stock price and trading volume could decline.***

The trading market for our shares will be influenced by the research and reports that industry or securities analysts publish about us or our business. We do not have any control over these analysts. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. Moreover, if one or more of the analysts who cover us downgrade our stock, or if our results of operations do not meet their expectations, our stock price could decline.

***We may issue shares of preferred stock in the future, which could make it difficult for another company to acquire us or could otherwise adversely affect holders of our common stock, which could depress the price of our common stock.***

Our certificate of incorporation will authorize us to issue one or more series of preferred stock. Our Board will have the authority to determine the preferences, limitations, and relative rights of the shares of preferred stock and to fix the number of shares constituting any series and the designation of such series, without any further vote or action by our shareholders. Our preferred stock could be issued with voting, liquidation, dividend, and other rights superior to the rights of our common stock. The potential issuance of preferred stock may delay or prevent a change in control of us, discouraging bids for our common stock at a premium to the market price, and materially adversely affect the market price and the voting and other rights of the holders of our common stock.

## FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical fact included in this prospectus are forward-looking statements. Forward-looking statements give our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as “anticipate,” “estimate,” “expect,” “project,” “plan,” “intend,” “believe,” “may,” “will,” “should,” “can have,” “likely,” and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events. For example, all statements we make relating to our estimated and projected costs, expenditures, cash flows, growth rates and financial results or our plans and objectives for future operations, growth initiatives, or strategies are forward-looking statements. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected, including:

- the adverse effect our business, operating results, financial condition, and prospects from the events of the current COVID-19 pandemic and related economic downturns;
- our dependence on the overall demand for advertising;
- a failure to innovate or make the right investment decisions may hurt customer growth or retention;
- our failure to maintain or achieve industry accreditation standards may hurt customer acceptance of our products;
- our ability to compete successfully with our current or future competitors in an intensely competitive market;
- our dependence on integrations with advertising platforms, DSPs, and proprietary platforms that we do not control;
- our international expansion may expose us to additional unforeseen risks;
- our ability to expand into new channels;
- our ability to sustain our profitability, and our revenue growth rate may decline;
- risks that our customers do not pay or choose to dispute their invoices;
- risks of material changes to revenue share agreements with certain DSPs;
- our ability to effectively manage our growth;
- the impact that any future acquisitions, strategic investments, or alliances may have on our business, financial condition, and results of operations;
- our ability to successfully execute our international plans;
- the risks associated with the seasonality of our market;
- our ability to maintain high impression volumes;
- the difficulty in evaluating our future prospects given our short operating history;
- uncertainty in how the market for buying digital advertising verification solutions will evolve;
- our ability to provide digital or cross-platform analytics;
- our ability to maintain our corporate culture;
- risks posed by earthquakes, fires, floods, and other natural catastrophic events;
- interruption by man-made problems such as terrorism, computer viruses, or social disruption;

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- the risk of failures in the systems and infrastructure supporting our solutions and operations;
- our ability to avoid operational, technical, and performance issues with our platform;
- risks associated with any unauthorized access to user, customer, or inventory and third-party provider data;
- our inability to use software licensed from third parties;
- our ability to provide the non-proprietary technology, software, products, and services that we use;
- the risk that we are sued by third parties for alleged infringement, misappropriation, or other violation of their proprietary rights;
- our ability to obtain, maintain, protect, or enforce intellectual property and proprietary rights that are important to our business;
- our involvement in lawsuits to protect or enforce our intellectual property;
- risks that our employees, consultants, or advisors have wrongfully used or disclosed alleged trade secrets of their current or former employers;
- risks that our trademarks and trade names are not adequately protected;
- the impact of unforeseen changes to privacy and data protection laws and regulation on digital advertising;
- the risk that a perceived failure to comply with laws and industry self-regulation may damage our reputation; and
- other factors disclosed in the section entitled “Risk Factors” and elsewhere in this prospectus.

We derive many of our forward-looking statements from our operating budgets and forecasts, which are based on many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. Important factors that could cause actual results to differ materially from our expectations, or cautionary statements, are disclosed under the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this prospectus. All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by these cautionary statements as well as other cautionary statements that are made from time to time in our other SEC filings and public communications. You should evaluate all forward-looking statements made in this prospectus in the context of these risks and uncertainties.

We caution you that the important factors referenced above may not contain all of the factors that are important to you. In addition, we cannot assure you that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our operations in the way we expect. The forward-looking statements included in this prospectus are made only as of the date hereof. We undertake no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

## MARKET AND INDUSTRY DATA

Unless otherwise indicated, information in this prospectus concerning economic conditions, our industry, our markets, and our competitive position is based on a variety of sources, including information from independent industry analysts and publications, as well as our own internal estimates and research. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. We have not independently verified this third-party information. While we believe the information presented in this prospectus is generally reliable, forecasts, assumptions, expectations, beliefs, estimates, and projects involve risk and uncertainties and are subject to change based on various factors, including those described under “Forward-Looking Statements” and “Risk Factors.”

Certain information in the text of this prospectus is contained in independent industry publications. The sources of these independent industry publications are provided below:

- eMarketer, Global Digital Ad Spending Update Q2 2020 (July 2020)
- Comscore, 2019 Global State of Mobile Report (December 2019)
- eMarketer, US Mobile Time Spent (June 2020)
- Statista, Digital Advertising Worldwide market outlook (October 2020)
- Pew Research Center, smartphone ownership in the US (June 2019)
- eMarketer, Worldwide Ad Spending, eMarketer’s Updated Estimates and Forecast for 2015-2020 (October 2016)
- eMarketer, US Time Spent with Media 2020 (April 2020)
- eMarketer, US Connected TV Advertising 2020 (November 2020)
- eMarketer, Digital Ad Fraud 2019 (February 2019)
- CMO Council / Dow Jones – Study (September 2017)
- Marketingdive.com – Study (July 2018)
- YouTube for Press ([www.blog.youtube/press](http://www.blog.youtube/press) as of February 2021)
- Facebook, Inc., Q1 2019 Earnings Call (April 2019)
- eMarketer, US Programmatic Digital Display Advertising Outlook 2021 (January 2021)
- eMarketer, US Digital Display Advertising Is Weathering the Storm (August 2020)
- Juniper Research, Future Digital Advertising: Artificial Intelligence & Advertising Fraud 2019-2023 (May 2019)

Information contained on or accessible through the websites referenced above is not a part of this prospectus and the inclusion of the website addresses referenced above in this prospectus are inactive textual references only.

## USE OF PROCEEDS

We estimate that our net proceeds from this offering will be approximately \$ \_\_\_\_\_ million (or approximately \$ \_\_\_\_\_ million if the underwriters' option to purchase additional shares is exercised in full), assuming an initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, after deducting the underwriting discount and estimated offering expenses payable by us.

The principal purposes of this offering are to increase our capitalization and financial flexibility, create a public market for our common stock and enable access to the public equity markets for us and our shareholders. We expect to use approximately \$ \_\_\_\_\_ million of the net proceeds of this offering (or \$ \_\_\_\_\_ million of the net proceeds of this offering if the underwriters exercise their option to purchase additional shares in full) to repay outstanding borrowings under our Credit Agreement and the remainder of such net proceeds will be used for general corporate purposes. At this time, other than repayment of indebtedness under our Credit Agreement, we have not specifically identified a large single use for which we intend to use the net proceeds and, accordingly, we are not able to allocate the net proceeds among any of these potential uses in light of the variety of factors that will impact how such net proceeds are ultimately utilized by us. Pending use of the proceeds from this offering, we intend to invest the proceeds in a variety of capital preservation investments, including short-term, investment-grade and interest-bearing instruments.

We may also use a portion of our net proceeds to acquire or invest in complementary businesses, products, services or technologies. However, we do not have agreements or commitments for any acquisitions or investments at this time.

Each \$1.00 increase or decrease in the assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the estimated public offering price range set forth on the cover page of this prospectus, would increase or decrease the net proceeds to us from this offering by approximately \$ \_\_\_\_\_ million, assuming the number of shares offered, as set forth on the cover page of this prospectus, remains the same, and after deducting the underwriting discount and estimated offering expenses payable by us.

Each 1,000,000 increase or decrease in the number of shares offered would increase or decrease the net proceeds to us from this offering by approximately \$ \_\_\_\_\_ million, assuming that the assumed initial public offering price per share for the offering remains at \$ \_\_\_\_\_, which is the midpoint of the estimated public offering price range set forth on the cover page of this prospectus, and after deducting the underwriting discount and estimated offering expenses payable by us.

Borrowings under the Credit Agreement bear interest at a rate per annum, at the borrower's option, equal to an applicable margin, plus, (a) for alternate base rate borrowings, the highest of (i) the rate last quoted by The Wall Street Journal as the "prime rate" in the United States, (ii) the Federal Funds Rate in effect on such day plus 1/2 of 1.00% and (iii) the Adjusted LIBOR for a one month interest period on such day plus 1.00% and (b) for eurodollar borrowings, the Adjusted LIBOR determined by the greater of (i) the LIBOR for the relevant interest period divided by 1 minus the statutory reserves (if any) and (ii) 1.00%.

The applicable margin for borrowings under the Credit Agreement is (a) for alternate base rate borrowings, (i) 5.00% so long as the total leverage ratio is greater than 6.50 to 1.00, (ii) 4.50% so long as the total leverage ratio is less than or equal to 6.50 to 1.00 and greater than 5.75 to 1.00 or (iii) 4.00% so long as the total leverage ratio is less or equal to 5.75 to 1.00 and (b) for eurodollar borrowings, (i) 6.00% so long as the total leverage ratio is greater than 6.50 to 1.00, (ii) 5.50% so long as the total leverage ratio is less than or equal to 6.50 to 1.00 and greater than 5.75 to 1.00 or (iii) 5.00% so long as the total leverage ratio is less or equal to 5.75 to 1.00. The total leverage ratio is determined in accordance with the terms of the Credit Agreement. In prior periods, there was an additional Paid in Kind ("PIK") interest payment equal to 1.25%; however, the payment of such interest is not currently in effect pursuant to the terms of the Credit Agreement.

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The contract interest rate on the Term Loan Facility was 7.0% per annum as of March 31, 2021. The Term Loan Facility does not require periodic principal payments.

As of March 31, 2021, the interest rate for the Revolving Credit Facility was 7.0% per annum. As of March 31, 2021, the Company did not have any amounts outstanding on the Revolving Credit Facility. The borrower is also required to pay a commitment fee on the average daily undrawn portion of the Revolving Credit Facility of 0.375%-0.50% per annum (varying based on the leverage ratio tiers applicable to the applicable margin as described above), a letter of credit fronting fee of 0.125% per annum and a letter of credit participation fee equal to the applicable margin for eurodollar revolving loans on the actual daily amount of the letter of credit exposure.

## **DIVIDEND POLICY**

We currently intend to retain all available funds and any future earnings to fund the development and growth of our business and to repay indebtedness and, therefore, we do not anticipate paying any cash dividends in the foreseeable future. Additionally, our ability to pay dividends on our common stock is limited by restrictions on the ability of our subsidiaries to pay dividends or make distributions to us. Any future determination to pay dividends will be at the discretion of our Board, subject to compliance with covenants in current and future agreements governing our and our subsidiaries' indebtedness, and will depend on our results of operations, financial condition, capital requirements and other factors that our Board may deem relevant. Additionally, our Credit Agreement place restrictions on the ability of our subsidiaries to pay cash dividends or make distributions to us. See the section titled "Description of Indebtedness."

## CAPITALIZATION

The following table describes our cash and cash equivalents and capitalization as of March 31, 2021, as follows:

- of Integral Ad Science Holding LLC on an actual basis;
- of Integral Ad Science Holding Corp. on an as adjusted basis, after giving effect to the Corporate Conversion; and
- of Integral Ad Science Holding Corp. on a pro forma as adjusted basis, after giving effect to the Corporate Conversion and our sale of \_\_\_\_\_ shares of common stock in this offering and the application of the net proceeds from this offering as set forth under “Use of Proceeds,” assuming an initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, and after deducting the underwriting discount and estimated offering expenses payable by us.

The pro forma as adjusted information set forth in the table below is illustrative only and will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing. You should read this table in conjunction with our consolidated financial statements and the related notes, “Use of Proceeds,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Corporate Conversion” included elsewhere in this prospectus.

	As of March 31, 2021		
	Actual	As Adjusted for the Corporate Conversion	Pro Forma As Adjusted for the Corporate Conversion and the Offering
<i>(in thousands except per share amounts)</i>			
Cash and Cash equivalents	\$ 50,751	\$ _____	\$ _____
Total debt, including current portion <sup>(1)</sup> :			
Revolving credit facility <sup>(2)</sup>	—		
Term loan facility	351,780		
Total long-term debt	\$ 351,780		
Members’ / shareholders’ equity:			
Members’ capital, \$1,000 par value, 608,695 authorized and 553,454 units issued and outstanding; no units authorized, issued or outstanding pro forma and as adjusted as adjusted	553,304		
Preferred stock, \$0.001 par value; no shares authorized, issued or outstanding, actual; 50,000,000 shares authorized and no shares issued or outstanding, as adjusted and pro forma as adjusted <sup>(3)</sup>			
Common stock, no shares issued and outstanding, actual; 500,000,000 shares authorized, shares issued and outstanding, as adjusted; 500,000,000 shares authorized, shares issued and outstanding, pro forma as adjusted <sup>(3)</sup>			
Additional paid-in capital	—		
Accumulated other comprehensive income	2,619		
Accumulated deficit	(130,322)		
Total members’ / shareholders’ equity	425,601		
Total capitalization	\$ 777,381	\$ _____	\$ _____

(1) Net of debt issuance costs of \$4.2 million.

(2) As of March 31, 2021, we had \$0 outstanding under the revolving credit facility and had \$25.0 million in undrawn capacity (after giving effect to \$0 million of outstanding letters of credit).

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- (3) As adjusted to reflect the conversion of our outstanding members' units into shares of our common stock in conjunction with the Corporate Conversion.

A \$1.00 increase or decrease in the assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease each of cash and cash equivalents, additional paid-in capital, total shareholders' equity and total capitalization on pro forma as adjusted basis by approximately \$ \_\_\_\_\_ million, assuming the number of shares offered, as set forth on the cover page of this prospectus, remains the same, and after deducting the underwriting discount and estimated offering expenses payable by us.

Each 1,000,000 increase or decrease in the number of shares of common stock offered in this offering would increase or decrease each of cash and cash equivalents, additional paid-in capital, total shareholders' equity (deficit) and total capitalization on pro forma as adjusted basis by approximately \$ \_\_\_\_\_ million, based on an assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting the underwriting discount and estimated offering expenses payable by us.

Except as otherwise indicated, the above discussion and table are based on \_\_\_\_\_ shares of our common stock outstanding as of March 31, 2021 and excludes \_\_\_\_\_ million shares of common stock reserved for future issuance under the 2021 Plan.

## DILUTION

If you invest in our common stock in this offering, your interest will be diluted to the extent of the difference between the initial public offering price per share of our common stock in this offering and the pro forma as adjusted net tangible book value per share of our common stock immediately after this offering.

As of March 31, 2021, we had a pro forma as adjusted net tangible book value of \$            million, or \$            per share of common stock. Pro forma as adjusted net tangible book value per share is equal to our total tangible assets, less total liabilities, divided by the number of outstanding shares of our common stock after giving effect to the Corporate Conversion.

After giving effect to the sale of shares of common stock in this offering, after deducting the underwriting discount and estimated offering expenses payable by us, and the application of the net proceeds of this offering to repay \$            million of outstanding borrowings under our Credit Agreement as set forth under "Use of Proceeds," at an assumed initial public offering price of \$            per share, which is the midpoint of the price range set forth on the cover of this prospectus, our pro forma as adjusted net tangible book value as of March 31, 2021 would have been \$            million, or \$            per share of common stock. This represents an immediate increase in pro forma as adjusted net tangible book value of \$            per share to our existing shareholders and an immediate dilution in pro forma as adjusted net tangible book value of \$            per share to investors participating in this offering at the assumed initial public offering price. The following table illustrates this per share dilution:

Assumed initial public offering price per share	\$
Historical pro forma adjusted net tangible book value per share as of March 31, 2021	\$
Increase in pro forma as adjusted net tangible book value per share attributable to the investors in this offering	<u>                    </u>
Pro forma as adjusted net tangible book value per share after giving effect to this offering	<u>                    </u>
Dilution in pro forma as adjusted net tangible book value per share to the investors in this offering	<u><u>\$</u></u>

A \$1.00 increase or decrease in the assumed initial public offering price of \$            per share, which is the midpoint of the estimated public offering price range set forth on the cover page of this prospectus, would increase or decrease our pro forma as adjusted net tangible book value per share after this offering by \$            , and would increase or decrease the dilution per share to the investors in this offering by \$            , assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting the underwriting discount and estimated offering expenses payable by us. Similarly, each increase or decrease of one million shares in the number of shares of common stock offered by us would increase or decrease our pro forma as adjusted net tangible book value per share after this offering by \$            and would increase or decrease dilution per share to investors in this offering by            , assuming the assumed initial public offering price, which is the midpoint of the price range set forth on the cover page of this prospectus, remains the same and after deducting the underwriting discount and estimated offering expenses payable by us.

If the underwriters exercise their option to purchase additional shares in full, the pro forma as adjusted net tangible book value per share after this offering would be \$            , and the dilution in pro forma as adjusted net tangible book value per share to new investors in this offering would be \$            .

The following table presents, on a pro forma as adjusted basis as described above, as of March 31, 2021, after giving effect to (i) the completion of the Corporate Conversion prior to the completion of this offering and (ii) the differences between our existing shareholders and the investors purchasing shares of our common stock in this offering, with respect to the number of shares purchased, the total consideration paid to us, and the average

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price per share paid by our existing shareholders or to be paid to us by investors purchasing shares in this offering at an assumed offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, before deducting the underwriting discount and estimated offering expenses payable by us.

	<u>Shares Purchased</u>		<u>Total Consideration</u>		<u>Average</u>
	<u>Number</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>	<u>Price Per</u> <u>Share</u>
Existing Shareholders		%	\$	%	\$
New Investors					
Total		%	\$	%	\$

A \$1.00 increase or in the assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease the total consideration paid by new investors by \$ \_\_\_\_\_ million and increase or decrease the percent of total consideration paid by new investors by \_\_\_\_\_ %, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and before deducting the underwriting discount and estimated offering expenses payable by us.

Except as otherwise indicated, the above discussion and tables assume no exercise of the underwriters' option to purchase additional shares. After giving effect to sales of shares in this offering, assuming the underwriters' option to purchase additional shares is exercised in full, our existing shareholders would own \_\_\_\_\_ % and our new investors would own \_\_\_\_\_ % of the total number of shares of our common stock outstanding after this offering.

In addition, to the extent we issue any additional stock options or any stock options are exercised, or we issue any other securities or convertible debt in the future, investors participating in this offering may experience further dilution.

Except as otherwise indicated, the above discussion and tables are based on \_\_\_\_\_ shares of our common stock outstanding as of March 31, 2021 after giving effect to the Corporate Conversion, and excludes \_\_\_\_\_ million shares of common stock reserved for future issuance under the 2021 Plan.

## SELECTED CONSOLIDATED FINANCIAL DATA

The following tables present our selected consolidated financial data. The selected consolidated statements of operations and comprehensive loss data for the years ended December 31, 2019 and December 31, 2020, the selected consolidated statement of cash flows data for the years ended December 31, 2019 and December 31, 2020 and the selected consolidated balance sheet data as of December 31, 2019 and December 31, 2020 are derived from our audited consolidated financial statements that are included elsewhere in this prospectus. The selected consolidated statements of operations and comprehensive loss data and selected consolidated statement of cash flows data for the three months ended March 31, 2020 and 2021, and the selected consolidated balance sheet data as of March 31, 2020 and 2021 are derived from our unaudited interim condensed consolidated financial statements that are included elsewhere in this prospectus. In the opinion of management, the unaudited interim condensed consolidated financial statements reflect all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the financial information contained in those statements. Our historical results are not necessarily indicative of the results that may be expected in the future. You should read the selected historical financial data below in conjunction with the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and related notes included elsewhere in this prospectus.

(in thousands, except unit, per unit, Net Loss Margin and Adjusted EBITDA margin)

	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
<b>Consolidated Statement of Operations and Comprehensive Loss:</b>				
Revenue	\$ 213,486	\$ 240,633	\$ 54,042	\$ 66,952
Operating expenses:				
Cost of revenue (excluding depreciation and amortization shown below)	33,107	40,506	9,155	11,420
Sales and marketing	71,300	66,022	18,370	16,545
Technology and development	40,403	48,991	12,336	12,769
General and administrative	32,135	33,286	7,640	8,547
Depreciation and amortization	70,327	65,708	16,338	14,395
Total operating expenses	<u>247,272</u>	<u>254,513</u>	<u>63,839</u>	<u>63,676</u>
Operating (loss) income	(33,786)	(13,880)	(9,797)	3,276
Interest expense, net	(32,994)	(31,570)	(8,258)	(6,960)
Net loss before benefit from income taxes	(66,780)	(45,450)	(18,055)	(3,684)
Benefit from income taxes	15,432	13,076	3,611	912
Net loss	\$ (51,348)	\$ (32,374)	\$ (14,444)	\$ (2,772)
Net loss margin	<u>(24)%</u>	<u>(13)%</u>	<u>(27)%</u>	<u>(4)%</u>
Other comprehensive income (loss):				
Foreign currency translation adjustments	421	4,348	(1,914)	(1,904)
Total comprehensive loss	<u>\$ (50,927)</u>	<u>\$ (28,026)</u>	<u>\$ (16,358)</u>	<u>\$ (4,676)</u>
<b>Per Unit Data:</b>				
Net loss per unit:				
Net loss per unit, basic and diluted	<u>\$ (94.42)</u>	<u>\$ (58.45)</u>	<u>\$ (26.08)</u>	<u>\$ (5.01)</u>
Weighted average units outstanding				
Basic and diluted	<u>543,840</u>	<u>553,902</u>	<u>553,938</u>	<u>553,751</u>
<b>Consolidated Statement of Cash Flow Data:</b>				
Net cash provided by (used in) operating activities	\$ (1,854)	\$ 33,937	1,409	7,697
Net cash provided by (used in) investing activities	\$ (25,034)	\$ (9,662)	(4,899)	(6,377)
Net cash provided by (used in) financing activities	\$ 13,656	\$ (1,696)	(612)	(1,338)
<b>Non-GAAP Financial Data:</b>				
Adjusted EBITDA <sup>(1)</sup>	\$ 38,777	\$ 56,396	6,693	18,787
Adjusted EBITDA margin <sup>(2)</sup>	18%	23%	12%	28%

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- (1) For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net loss, the most directly comparable measure calculated and presented in accordance with GAAP, see “Non-GAAP Financial Measures.”
- (2) For a definition of Adjusted EBITDA margin and a reconciliation of Adjusted EBITDA margin to net loss margin, the most directly comparable measure calculated and presented in accordance with GAAP, see “Non-GAAP Financial Measures.”

(in thousands)

	March 31, 2021	
	Actual	Pro Forma as Adjusted(1)(2)
<b>Consolidated Balance Sheet Data (at end of period):</b>		
Cash and cash equivalents	\$ 50,751	
Total assets	\$ 838,529	
Working capital	\$ 93,104	
Debt	\$ 351,780	
Accumulated deficit	\$ (130,322)	
Total liabilities and members' equity	\$ 838,529	

- (1) The pro forma as adjusted column reflects: (i) the pro forma adjustments following (a) the completion of the Corporate Conversion and (b) the filing and effectiveness of our restated certificate of incorporation in Delaware, which will occur immediately prior to the completion of this offering; (ii) the sale of \_\_\_\_\_ shares of our common stock in this offering at an assumed initial public offering price per share of \$ \_\_\_\_\_ (the midpoint of the estimated offering price range set forth on the cover page of this prospectus), after deducting underwriting discounts and commissions and estimated offering expenses payable by us; and (iii) the application of the net proceeds from this offering as set forth under the section titled “Use of Proceeds.”
- (2) The pro forma as adjusted information discussed above is illustrative only and will depend on the actual initial public offering price and other terms of this offering determined at pricing. Each \$1.00 increase or decrease in the assumed initial public offering price per share of \$ \_\_\_\_\_ (the midpoint of the estimated offering price range set forth on the cover page of this prospectus), would increase or decrease, as applicable, each of our pro forma as adjusted cash and cash equivalents, total assets, working capital, and total members' deficit by approximately \$ \_\_\_\_\_ million, assuming the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each 1.0 million share increase or decrease in the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, would increase or decrease, as applicable, each of our pro forma as adjusted cash and cash equivalents, total assets, working capital, and total members' deficit by approximately \$ \_\_\_\_\_ million, assuming no change in the assumed initial public offering price per share and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

### Non-GAAP Financial Measures

We use supplemental measures of our performance, which are derived from our consolidated financial information but which are not presented in our consolidated financial statements prepared in accordance with GAAP. Adjusted EBITDA is the primary financial performance measure used by management to evaluate our business and monitor ongoing results of operations. Adjusted EBITDA is defined as earnings (loss) before interest expense, income taxes, depreciation and amortization, including amortization of debt issuance costs and is further adjusted for IPO readiness costs, acquisition related costs, restructuring and integration costs. Adjusted EBITDA margin represents the Adjusted EBITDA for the applicable period divided by the revenue for that period presented in accordance with GAAP.

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We use non-GAAP financial measures to supplement financial information presented on a GAAP basis. We believe that excluding certain items from our GAAP results allows management to better understand our consolidated financial performance from period to period and better project our future consolidated financial performance as forecasts are developed at a level of detail different from that used to prepare GAAP-based financial measures. Moreover, we believe these non-GAAP financial measures provide our shareholders with useful information to help them evaluate our operating results by facilitating an enhanced understanding of our operating performance and enabling them to make more meaningful period-to-period comparisons. Although we believe these measures are useful to investors and analysts for the same reasons they are useful to management, as discussed below, these measures are not a substitute for, or superior to, U.S. GAAP financial measures or disclosures. Our non-GAAP financial measures may not be comparable to similarly titled measures of other companies. Other companies, including companies in our industry, may calculate non-GAAP financial measures differently than we do, limiting the usefulness of those measures for comparative purposes.

The non-GAAP financial measures are not meant to be considered as indicators of performance in isolation from or as a substitute for net income (loss) prepared in accordance with GAAP, and should be read only in conjunction with financial information presented on a GAAP basis. Reconciliation of Adjusted EBITDA to its most directly comparable GAAP financial measure, net loss, is presented below. We encourage you to review the reconciliations in conjunction with the presentation of the non-GAAP financial measures for each of the periods presented. In future fiscal periods, we may exclude such items and may incur income and expenses similar to these excluded items.

### **Reconciliation of Adjusted EBITDA**

<i>(in thousands)</i>	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
<b>Net loss</b>	\$ (51,348)	\$ (32,374)	\$ (14,444)	\$ (2,772)
Depreciation and amortization expense	70,327	65,708	16,338	14,395
Interest expense, net	32,994	31,570	8,258	6,960
(Benefit from) provision for income taxes	(15,432)	(13,076)	(3,611)	(912)
Acquisition, restructuring and integration costs	2,236	3,527	152	171
IPO readiness costs	—	1,041	—	945
<b>Adjusted EBITDA</b>	<u>\$ 38,777</u>	<u>\$ 56,396</u>	<u>\$ 6,693</u>	<u>\$ 18,787</u>
<b>Revenue</b>	<u>\$ 213,486</u>	<u>\$ 240,633</u>	<u>\$ 54,042</u>	<u>\$ 66,952</u>
<b>Net loss margin</b>	<u>(24)%</u>	<u>(13)%</u>	<u>(27)%</u>	<u>(4)%</u>
<b>Adjusted EBITDA margin</b>	<u>18%</u>	<u>23%</u>	<u>12%</u>	<u>28%</u>

## LETTER FROM LISA UTZSCHNEIDER

An early pioneer in advertising, John Wanamaker once stated, “Half the money I spend on advertising is wasted; the trouble is, I don’t know which half.” More than 100 years later, his words reflect what many advertisers—from the world’s largest to emerging brands—still face, and it is a challenge that Integral Ad Science (IAS) was built to solve.

Cultivating a brand and eliminating wasted ad spend have always been big challenges. Now that digital advertising budgets have grown to surpass traditional media spending, the stakes are even higher. Since its founding in 2009, IAS has been at the forefront of ad verification, bringing quality and trust to digital advertising. Today, many advertisers and publishers rely on digital platforms to determine how successful their campaigns are and how well they monetize inventory, with limited ability to verify key metrics. This is where IAS comes in. As an independent provider of digital ad verification, we work across the entire industry to establish transparency and accountability. Trust is the foundation of our company and our future. We believe our role is essential and will only grow in the years ahead.

Digital content is created at a faster pace every year, driven in large part by the exponential growth of social media and video, adding new dimensions to trust in the marketing world. Advertisers are increasingly focused on brand safety and they want to ensure that their ads appear in contexts that match their values. I am proud to report that this is an area where we excel.

Our mission is to be the global benchmark for trust and transparency in digital media quality.

- We activate digital advertising technology where it counts, across all devices, channels, and platforms, in 111 countries.
- We deliver real-time verification to ensure that digital ads are viewed by a human and not a bot, in a brand-safe and suitable environment.
- We process trillions of data events every month to provide insights for our customers at high velocity, powered by advanced artificial intelligence (AI) and machine learning (ML).
- We integrate with the entire digital ecosystem including Amazon, Facebook, Google, LinkedIn, Microsoft, and more.
- We protect brand equity and brand reputation.
- We optimize ad spend and publisher yield.
- We play a critical role in shaping the future of brand safety guidelines and industry standards.

During my twenty-plus year career creating and growing advertising businesses at some of the world’s largest companies, I have spent a lot of time with customers across the globe to understand their goals and challenges. At IAS, I see a unique opportunity to bring technology and data together to help our more than 1,900 advertising customers achieve their goals. You could say I am customer-obsessed and a builder at heart. As an industry, the digital ad market is expected to reach \$526 billion in global spend by 2024, and at IAS we have a tremendous opportunity to make a positive difference by revolutionizing ad verification.

With our values-driven culture and exceptional team, we are well-positioned to take on this opportunity. When I joined IAS in 2019, we developed six values that define who we are as a company. We strive to live by them every day, in every decision we make. These values bind us together and inspire us. I could not be prouder of what we have already accomplished.

- **We Innovate.** We build cool stuff. Innovation is at the core of what we do. We build products, deliver solutions, and generate ideas that provide valuable and valued functions for our customers.
- **We Are Accountable.** We hold ourselves and each other accountable for our conduct with teammates and our customers. We take full ownership for our deliverables.

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- **We Do the Right Thing.** Regardless of whether anyone is looking or not. We act with honesty, transparency, and integrity in working with each other and with our customers.
- **We Are Customer Obsessed.** We put the customer front and center of everything that we do. Our customers' success is our success.
- **We have a Bias for Action.** Speed matters in business. We move at high velocity and we privilege risk-taking.
- **We Are One Team.** We value and rely on each other. We are inclusive. We show up for each other, and we act with empathy and consideration for the benefit of the team. None of us succeeds if our team does not succeed. So, we never say "that's not my job."  
#WeAreOneTeam

We are extremely excited for this next step in our journey. Our vision is to change digital advertising by making it better for our customers and deliver value for our shareholders. We invite you to join us.

Lisa Utzschneider

Chief Executive Officer

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the section titled "Selected Consolidated Financial Data" and our consolidated financial statements and related notes appearing elsewhere in this prospectus. The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. When reviewing the discussion below, you should keep in mind the substantial risks and uncertainties that could impact our business. In particular, we encourage you to review the risks and uncertainties described in the section titled "Risk Factors" included elsewhere in this prospectus. These risks and uncertainties could cause actual results to differ materially from those projected in forward-looking statements contained in this report or implied by past results and trends. Our fiscal year ends on December 31. Our historical results are not necessarily indicative of the results that may be expected for any period in the future, and our interim results are not necessarily indicative of the results we expect for the full fiscal year or any other period.*

Unless we state otherwise or the context otherwise requires, the terms "we," "us," "our," and "Integral Ad Science" refer to "Integral Ad Science Holding Corp."

### Overview

We are a leading digital advertising verification company by revenue. With our cloud-based technology platform and the actionable insights it provides, we deliver independent measurement and verification of digital advertising across all devices, channels, and formats, including desktop, mobile, connected TV ("CTV"), social, display, and video. Our proprietary and Media Rating Council (the "MRC") accredited Quality Impressions™ metric is designed to verify that digital ads are served to a real person rather than a bot, viewable on-screen, and appear in a brand-safe and suitable environment in the correct geography.

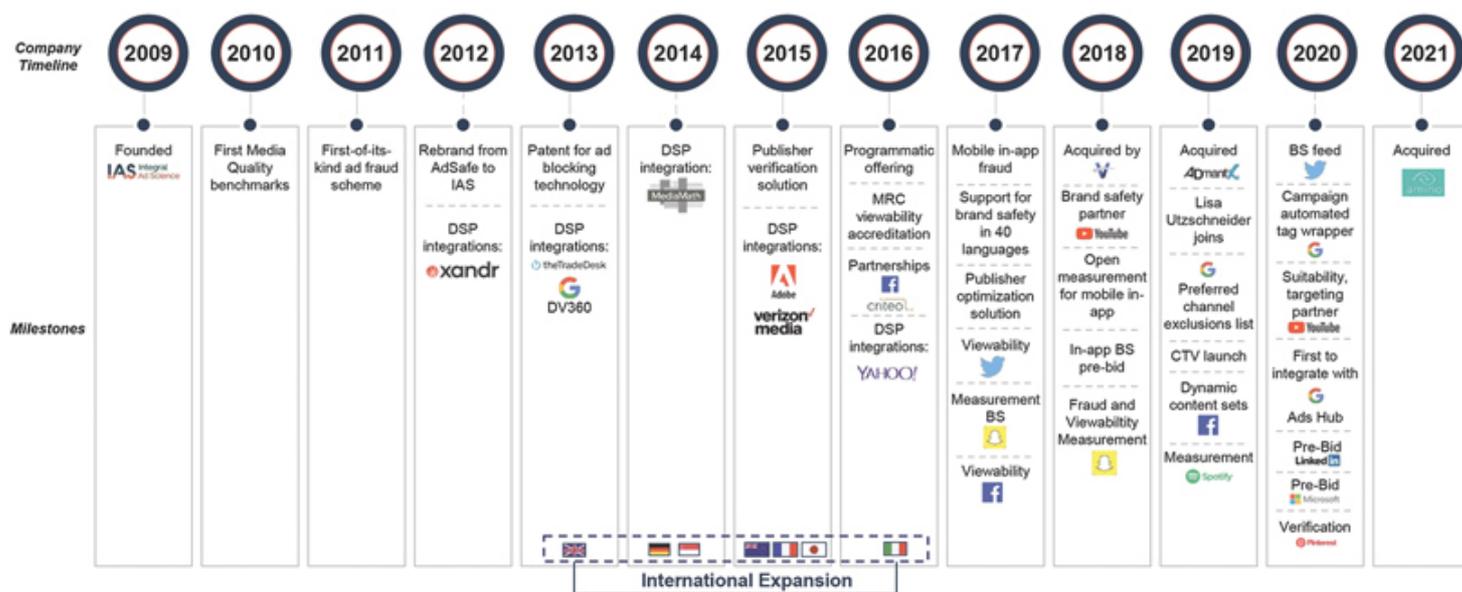
Without an independent evaluation of digital advertising quality, brands and their agencies previously relied on a wide range of publishers and ad platforms to self-report and measure the effectiveness of campaigns without a global benchmark to understand success. We are an independent, trusted partner for buyers and sellers of digital advertising to increase accountability, transparency, and effectiveness in the market. We help advertisers optimize their ad spend and better measure consumer engagement with campaigns across platforms, while enabling publishers to improve their inventory yield and revenue.

As a leading ad verification partner, we have deep integrations with all the major advertising and technology platforms including Amazon, Facebook, Google, Instagram, LinkedIn, Microsoft, Pinterest, Snap, Spotify, The Trade Desk, Twitter, Verizon Media, Xandr, and YouTube. Our platform uses advanced artificial intelligence ("AI") and machine learning ("ML") technologies to process over 100 billion daily web transactions on average. With this data, we deliver real-time insights and analytics to our global customers through our easy-to-use IAS Reporting Platform helping brands, agencies, publishers, and platform partners improve media quality and campaign performance.

Our pre-bid and post-bid verification solutions enable advertisers to measure campaign performance and value across viewability, ad fraud prevention, brand safety and suitability, and contextual targeting for ads on desktop, mobile in-app, social, and connected TV platforms. Our pre-bid programmatic solution is directly integrated with DSPs to help optimize return on ad spend ("ROAS") by directing budget to the best available inventory. Our solutions help hundreds of publishers globally deliver high quality ad inventory that is fraud free, viewable, brand safe and suitable, and geographically targeted. With our Context Control solution, we help publishers classify and package their inventory to showcase quality placements, increase site engagement, drive revenue, and reduce blocking.

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We have an attractive financial profile with a combination of growth and profitability. For the three months ended March 31, 2020, we generated a Net Loss of \$14.4 million, which reduced to \$2.8 million for the three months ended March 31, 2021, representing a 81% reduction in net losses period-over-period. Our Net Loss margin improved from (27)% to (4)% for the three months ended March 31, 2020 compared to the three months ended March 31, 2021, as a result of our revenue growth and our ability to reduce costs and improve efficiencies. Our Adjusted EBITDA improved from \$6.7 million to \$18.8 million which represents a 181% increase period over period, and our Adjusted EBITDA margin improved from 12% to 28% for three months ended March 31, 2020 and 2021, respectively. Our revenue grew from \$213.5 million to \$240.6 million for the two-year period ending December 31, 2020, representing a year-over-year growth rate of 13%. For the year ended December 31, 2019, we generated a Net Loss of \$51.3 million which reduced to \$32.4 million for the year ended December 31, 2020 representing a 37% reduction in losses year-over-year. Our Net Loss margin improved from (24)% to (13)% as a result of our revenue growth combined with our measures to reduce costs and improve efficiencies. Our Adjusted EBITDA improved from \$38.8 million to \$56.4 million which represents a 45% increase year-over-year, and our Adjusted EBITDA margin improved from 18% to 23% for the years ended December 31, 2019 and 2020, respectively. Also, our ability to grow revenue within our existing customer accounts has remained strong. From December 31, 2017 to December 31, 2020, our average revenue per customer for our top 100 customers has grown at a CAGR of 22% and revenue attributable to our top 100 customers approximated 70% of our total revenue for each of these years.



## COVID-19

Since January 2020, an outbreak of the 2019 novel coronavirus (COVID-19) has evolved into a worldwide pandemic. The outbreak sparked responses across countries, states and cities worldwide to enforce various measures of social distancing, shelter-in-place orders, and temporary closure of non-essential businesses to reduce further transmission of the virus. As a result of these measures, the U.S. and global markets have seen significant disruption, the extent and duration of which remains highly uncertain. Due to the pandemic, we have temporarily closed our offices globally, including our corporate headquarters, and are operating with substantially all staff working remotely. Management reviews operations on a continuous basis and there have been minimal interruptions in our customer facing operations to date.

We have continued to experience revenue growth year-over-year and the primary impact of the pandemic on our business has been reduced revenue growth, a decline in our total number of large advertising customers and our publishers and a reduction in our net revenue retention in 2020 compared to 2019. The underlying demand for our products has remained stable. The severity, magnitude and duration of the current COVID-19 pandemic is uncertain, rapidly changing, and hard to predict and depends on events beyond our knowledge or control. These

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and other impacts of the COVID-19 pandemic could have the effect of heightening many of the other risks described in the “Risk Factors” section, such as those relating to our reputation, product sales, results of operations or financial condition. We might not be able to predict or respond to all impacts on a timely basis to prevent near- or long-term adverse impacts to our results. As a result, we cannot at this time predict the impact of the COVID-19 pandemic, but it could have a material adverse effect on our business, results of operations, financial condition and cash flows.

To date, we have not experienced a material increase in customers’ cancellations, or requests for more favorable contractual terms, or concessions. In addition, we have not experienced a significant deterioration in the collectability of our receivables or a material negative impact from our vendors and third-party service providers. Further, we have not incurred impairment losses in the carrying values of our assets as result of the pandemic and are not aware of any specific events or circumstances that would require a revision to the estimates reflected in our consolidated financial statements.

We have had sufficient liquidity and capital resources to continue to meet our operating needs and our ability to continue to service our debt or other financial obligations is not currently impaired.

### **Our Business Model**

We generate revenue based on the volume of purchased digital ads that our solution measures. Advertisers use our digital marketing solutions for ad viewability, brand safety, optimization, context control, and ad fraud prevention. Advertisers pay us based on the total volume of impressions, which is our primary contracting model. Certain contracts with advertisers have pricing with a minimum commitment and/or fixed fee, plus overage, based on a predetermined number of impressions. We maintain an expansive set of integrations across the digital advertising ecosystem, including with leading programmatic and social platforms, which enables us to cover all key channels, formats and devices. We generate revenue from sell-side customers from contracts that are generally for twelve-month terms (with auto renew), and a fixed fee each month (tied to a total number of impressions), and an average CPM that is applied when impressions exceed the impression threshold for a particular tier.

### **Key Factors Affecting Our Performance**

Our historical financial performance has been, and we expect our financial performance in the future to be, driven by our ability to:

#### ***Innovate and Develop New Products for Key High-Growth Segments***

- *Programmatic.* We aim to deliver transparency to programmatic ad buying via innovative solutions including contextual targeting and brand safety and suitability.
- *Social.* We plan to develop deeper integrations with social platforms, also known as Walled Gardens, including feed-based brand safety and suitability, to be able to deliver continued transparency to our customers.
- *Connected TV.* We plan to continue to expand CTV-specific verification solutions and contextual capabilities to address the fast-growing connected TV segment.
- *Adjacent product expansion.* We aim to expand our platforms to address new areas of verification and measurement needs for our clients.

For example, with the introduction of our pre-bid contextual capability in 2020, we not only enhanced our core verification offering, but we were also able to expand into contextual targeting addressing new needs and providing new value to our customers. Similarly, in 2019, our connected TV solution expanded our presence into this important and emerging digital channel.

### ***Increase Sales Within Our Existing Customer Base***

We aim to increase the use of our products among existing customers across more campaigns and impressions. Given our comprehensive product portfolio, we believe we can cross-sell additional or new solutions to provide end-to-end coverage to more clients from pre-bid viewability to post-buy verification, fraud prevention, safety, suitability, and targeting.

### ***Acquire New Customers and Increase Market Share***

Our ability to acquire new customers and increase our market share is dependent upon a number of factors, including the effectiveness of our solutions, marketing and sales to drive new business prospects and execution, client digital marketing investment adoption, new products and feature offerings, global reach and the growth of the market for digital ad verification. There is a market opportunity to provide advertisers directly or through advertising agencies with verification services, specifically around ad viewability, ad fraud prevention and brand safety and suitability. Based on a March 2021 analysis by Frost & Sullivan, we estimate the global market opportunity for our ad verification solutions to be \$9.5 billion and expect it to grow at a 16.2% CAGR from 2021 to 2025. We plan to work with the top 500 global advertisers by targeting high-spend verticals and brands with a natural sensitivity for brand safety, brand suitability, and ROAS needs. We believe we will increase our market share by strengthening our work with the leading social platforms, enhancing our programmatic solutions, deriving benefit from our broad global position, and leveraging our differentiated data science and market-leading contextual capabilities.

### ***Expand Customer Base Internationally***

Our ability to expand our customer base internationally is dependent upon a number of factors, including effectively implementing our business processes and go-to-market strategy, our ability to adapt to market or cultural differences, the general competitive landscape, our ability to invest in our sales and marketing channels, the maturity and growth trajectory of our services by region and our brand awareness and perception. Global marketers are becoming increasingly cognizant of the value of sophisticated verification strategies and, as such, we believe there is growing demand for our services internationally. Our investments in international markets resulted in an 18% growth in revenue year-over-year. We believe that Latin America and the APAC region may represent substantial growth opportunities, and we are investing in developing our business in those markets by way of expanded in-market customer service investment and by leveraging our global relationships. We aim to continue to grow outside the U.S. in Europe and other established markets such as Australia and Japan, and view ourselves as best positioned to continue penetrating these markets given our market-leading global footprint.

### ***Seasonality***

We experience fluctuations in revenue that coincide with seasonal fluctuations in the digital ad spending of our customers. The global advertising industry experiences seasonal trends that affect the vast majority of participants in the digital advertising ecosystem. Most notably, advertisers have historically spent relatively more in the fourth quarter of the calendar year to coincide with the holiday shopping season, and relatively less in the first quarter. We expect seasonality trends to continue, and our ability to manage our resources in anticipation of these trends will affect our operating results. Consequently, the fourth quarter usually reflects the highest level of measurement activity and the first quarter reflects the lowest level of activity. Our revenue, cash flow, operating results and other key operating and performance metrics may vary from quarter to quarter due to the seasonal nature of our clients' spending on advertising campaigns. While our revenue is highly re-occurring, seasonal fluctuations in ad spend may impact quarter-over-quarter results. We believe that the year-over-year comparison of results more appropriately reflects the overall performance of the business. See "Risk Factors—Certain of our operating results and financial metrics may be difficult to predict as a result of seasonality."

### **Key Business Metrics**

In addition to our GAAP financial information, we review a number of operating and financial metrics, including the following key metrics, to evaluate our business, measure our performance, identify trends affecting

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our business, formulate business plans and make strategic decisions. The key business metrics are presented based on our advertising customers, as revenue from these customers represents substantially all the revenue.

The following table sets forth our key performance indicators for the periods set forth below:

	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
Net revenue retention of advertising customers (%) (as of the end of the period)	112%	108%	132%	110%
Total advertising customers (as of the end of the period)	1,813	1,873	1,874	1,924
Total number of large advertising customers (as of the end of the period)	162	160	162	172

### ***Net revenue retention of advertising customers***

We define net revenue retention of advertising customers as a metric to reflect the expansion or contraction of our advertising customers' revenue by measuring the period-over-period change in revenues from customers who were also advertising customers in the prior period. As such, this metric includes the impact of any churned, or lost, advertising customers from the prior period as well as any increases or decreases in their spend, including the positive revenue impacts of selling new services to an existing advertising customer. The numerator and denominator includes revenue from all advertising customers that we served and from which we recognized revenue in the earlier of the two periods being compared. For purposes of discussing our key business metrics, we define an advertising customer as any advertiser account that spends at least \$3,000 in the trailing twelve months. We calculate our net revenue retention of advertising customers as follows:

**Numerator:** The total revenue earned during the current period from the cohort of advertising customers in the prior period.

**Denominator:** The total revenue earned during the immediately preceding period from such cohort of advertising customers in such period.

The quotient obtained from this calculation is our net revenue retention rate of advertising customers. We have generated strong historical net revenue retention rates of advertising customers, with 112% for the year ended December 31, 2019 and 108% for the year ended December 31, 2020.

Our calculation of net revenue retention of advertising customers may differ from similarly titled metrics presented by other companies.

Our net revenue retention of advertising customers declined from 112% for the year ended December 31, 2019 to 108% for the year ended December 31, 2020, and declined from 132% for the three months ended March 31, 2020 to 110% for the three months ended March 31, 2021, primarily due to the reduced spend caused by the COVID-19 pandemic.

### ***Total advertising customers***

We view the number of advertising customers as a key indicator of our scale and growth and the adoption of our platform. We determine our number of advertising customers by counting the total number of advertiser accounts who have spent at least \$3,000 in the trailing twelve months. The total number of advertising customers has limitations as an operating metric as it does not reflect the product mix chosen by our advertising customers, the order frequency, or the purchasing behavior of our advertising customers. Because of these and other limitations, we consider, and you should consider, advertising customers in conjunction with our other metrics, including net revenue retention, net loss, Adjusted EBITDA, and average revenue per advertising customer.

### ***Total number of large advertising customers***

Historically our revenue has been driven primarily by a subset of large advertising customers who have leveraged our platform substantially from a usage standpoint. Increasing awareness of our solutions, further

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developing our sales and marketing expertise and partner ecosystem, and continuing to build solutions that address the unique identity needs of the top 500 global advertisers have increased our number of large advertising customers. We determine our number of large advertising customers by counting the total number of advertising accounts who have spent at least \$200,000 per year. We believe the recruitment and cultivation of large advertising customers is critical to our long-term success. Our total number of large advertising customers declined from 162 as of December 31, 2019 to 160 as of December 31, 2020, primarily due to the reduced spend caused by the COVID-19 pandemic. We do not expect this reduction to be indicative of a long-term trend and expect our large advertising customers to increase in the long term as macroeconomic conditions improve. In contrast, our total number of large advertising customers increased from 162 as of March 31, 2020 to 172 as of March 31, 2021.

### **Components of Results of Operations**

#### ***Revenue***

We derive revenue primarily from advertisers and programmatic services offered through a demand side platform to our customers across the digital advertising platform, which is our performance obligation. Fees associated with our contracts include impression-based fees driven by impression volume and CPM.

We deliver our products and solutions to serve two customer types (i) buy-side (advertisers and agencies) and (ii) sell-side (publishers, advertising/audience networks, and supply side platforms). We generally generate revenue by charging a CPM based on the volume of purchased digital ads that we measure and optimize on behalf of these customers. There are no separate fees to access our platform. Depending on our customer needs, our contracts have (i) usage-based pricing, or (ii) monthly, quarterly or annual minimum commitments, or (iii) fixed fees. Usage based pricing is our primary contracting model. For these minimum commitment contracts, if a customer uses fewer impressions than the minimum, there are no discounts or prorating to adjust the minimum fees, and if a customer uses more impressions than the minimum, then an overage fee is applied on such usage.

We recognize revenue when control of the promised services is transferred to customers. Revenue from the cloud-based technology platform is primarily recognized based on impressions delivered to customers. An “impression” is delivered when an advertisement appears on pages viewed by users. A significant majority (i.e., over 90%) of the Company’s contracts are usage-based contracts with no substantive minimum commitments. We have certain contracts for which pricing is variable through tiered pricing arrangements or include annual base fees that do not coincide with the calendar year, requiring an estimate of the transaction price attributable to each year. The majority of our contracts have a duration of one year or less.

#### ***Operating Expenses***

*Cost of revenue.* Cost of revenue consists of data center costs, hosting fees, revenue share with our DSP partners and personnel costs. Personnel costs include salaries, bonuses, equity-based compensation, and employee benefit costs, primarily attributable to our customer operations group. Our customer operations group is responsible for onboarding, integration of new clients and providing support for existing customers, including technical support for our technology platform and product offering. We allocate overhead such as rent and occupancy and information technology infrastructure charges based on headcount.

*Sales and marketing.* Sales and marketing expense consists primarily of personnel costs, including salaries, bonuses, equity-based compensation, employee benefits costs and commission costs, for our sales and marketing personnel. Sales and marketing expense also includes costs for advertising, promotional and other marketing activities. We allocate overhead such as rent and occupancy and information technology infrastructure charges based on headcount. Sales commissions are expensed as incurred.

*Technology and development.* Technology and development expense consists primarily of personnel costs of our engineering, product, and data sciences activities. Personnel costs including salaries, bonuses, equity-based compensation and employee benefits costs, third-party consultant costs associated with the ongoing development

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and maintenance of our technology platform and product offering. We allocate overhead such as rent and occupancy and information technology infrastructure charges based on headcount. Technology and development costs are expensed as incurred, except to the extent that such costs are associated with software development that qualifies for capitalization, which are then recorded as capitalized software development costs included in internal use software, net on our consolidated balance sheet.

*General and administrative.* General and administrative expense consist of personnel costs, including salaries, bonuses, equity-based compensation, and employee benefits costs for our executive, finance, legal, human resources, information technology, and other administrative employees. General and administrative expenses also include outside consulting, legal and accounting services, allocated facilities costs, and travel and entertainment primarily related to intra-office travel and conferences.

*Depreciation and amortization.* Depreciation and amortization expense consists primarily of depreciation and amortization expenses related to customer relationships, developed technologies, trademarks, favorable leases, equipment, leasehold improvements and other tangible and intangible assets. We depreciate and amortize our assets in accordance with our accounting policies. Maintenance and repairs, which do not extend the useful life of the respective assets, are charged to expense as incurred. Intangible assets are amortized on a straight-line basis over their estimated useful lives or using an accelerated method. Useful lives of intangible assets range from four years to fifteen years.

### **Interest expense, net**

*Interest expense, net.* Interest expense consists primarily of interest payments on our outstanding borrowings under our Term Loan Facility and amortization of related debt issuance costs net of interest income.

### **Benefit from income taxes**

*Benefit from income taxes.* The benefit from income taxes resulted primarily from deferred tax benefits resulting from the current period losses in the U.S.

## **Results of Operations**

The following table sets forth our consolidated statement of operations for the periods indicated:

<i>(in thousands except percentages)</i>	<b>Years Ended December 31,</b>		<b>Three Months Ended March 31,</b>	
	<b>2019</b>	<b>2020</b>	<b>2020</b>	<b>2021</b>
Revenue	\$ 213,486	\$ 240,633	\$ 54,042	\$ 66,952
Cost of revenue (excluding depreciation and amortization below)	33,107	40,506	9,155	11,420
Sales and marketing	71,300	66,022	18,370	16,545
Technology and development	40,403	48,991	12,336	12,769
General and administrative	32,135	33,286	7,640	8,547
Depreciation and amortization	70,327	65,708	16,338	14,395
Total operating expenses	247,272	254,513	63,839	63,676
Operating (loss) income	(33,786)	(13,880)	(9,797)	3,276
Interest expense, net	(32,994)	(31,570)	(8,258)	(6,960)
Net loss before benefit from income taxes	(66,780)	(45,450)	(18,055)	(3,684)
Benefit from for income tax	15,432	13,076	3,611	912
Net loss	\$ (51,348)	\$ (32,374)	\$ (14,444)	\$ (2,772)
Net loss margin	(24)%	(13)%	(27)%	(4)%

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The following table sets forth our consolidated statements of operations data expressed as a percentage of total revenue for the periods indicated:

	Years Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
Revenue	100%	100%	100%	100%
Cost of revenue (excluding depreciation and amortization shown below)	16	17	17	17
Sales and marketing	33	27	34	25
Technology and development	19	20	23	18
General and administrative	15	14	14	13
Depreciation and amortization	33	27	30	22
Total operating expenses	116	106	118	95
Operating (loss) income	(16)	(6)	(18)	5
Interest expense, net	(15)	(13)	(15)	(10)
Net loss before benefit from income taxes	(31)	(18)	(33)	(5)
Benefit from income tax	7	5	6	1
Net loss	(24)%	(13)%	(27)%	(4)%

### Comparison of the Three Months Ended March 31, 2020 and 2021

<i>(in thousands)</i>	March 31,			
	2020	2021	\$ change	% change
Revenue	\$ 54,042	\$ 66,952	\$ 12,910	24%
Operating expenses:				
Cost of revenue (excluding depreciation and amortization shown below)	9,155	11,420	2,265	25%
Sales and marketing	18,370	16,545	(1,825)	(10)%
Technology and development	12,336	12,769	433	4%
General and administrative	7,640	8,547	907	12%
Depreciation and amortization	16,338	14,395	(1,943)	(12)%
Total operating expenses	63,839	63,676	(163)	(0)%
Operating (loss) income	(9,797)	3,276	13,073	(133)%
Interest expense, net	(8,258)	(6,960)	1,298	(16)%
Net loss before benefit from income taxes	(18,055)	(3,684)	14,371	(80)%
Benefit from income taxes	3,611	912	(2,699)	(75)%
Net loss	\$ (14,444)	\$ (2,772)	\$ 11,672	(81)%

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### **Revenue**

Total revenue increased by \$12.9 million, or 24%, for the three months ended March 31, 2021 compared to the three months ended March 31, 2020.

	Three Months Ended March 31,			
	2020	2021	\$ Change	% Change
Advertiser direct revenue	\$28,297	\$32,598	\$ 4,301	15%
Programmatic revenue	18,547	26,574	8,027	43%
Supply side revenue	7,198	7,780	582	8%
	<u>\$54,042</u>	<u>\$66,952</u>	<u>\$12,910</u>	<u>24%</u>

Total revenue increased primarily due to a significant increase in our programmatic revenue of \$8.0 million, or 43%, attributable to growth in volume of impressions of 22% and an increase of 16% in average CPMs. The increase in average CPMs, was attributable to the launch of our Context Control solution in early 2020. Revenue from our advertiser direct customers increased \$4.3 million, or 15%, reflecting volume growth in volume of impressions of 31% as well as the acquisition of a number of new large customers, which increased from 162 for the three months ended March 31, 2020 to 172 for the three months ended March 31, 2021. These increases were partially offset by a decrease of 11% in average CPMs due to changes in mix from open web towards social platforms. Similarly, our revenue from supply-side customers increased due to the acquisition of new customers. During the three months ended March 31, 2020, revenue was adversely affected as volumes declined as a result of COVID-19.

### **Operating expenses**

*Cost of Revenue.* Cost of revenue increased by \$2.4 million, or 25%, for the three months ended March 31, 2021 compared to the three months ended March 31, 2020. This increase was driven by a \$1.2 million increase in data center and hosting fees resulting from overall revenue growth and an increase of \$2.3 million in revenue share to our DSP partners on account of our growth in programmatic revenue. These increases were partially offset by a decrease in compensation expense of \$1.1 million and a decrease of allocated overhead expense of \$0.3 million as a result of workforce reductions in 2020.

*Sales and marketing* Sales and marketing expenses decreased by \$1.8 million, or 10%, for the three months ended March 31, 2021 compared to the three months ended March 31, 2020. This decrease was primarily due to a reduction in travel-related expenses of \$0.6 million reflecting travel restrictions resulting from COVID-19 and a decrease of \$1.1 million in personnel costs. While reduction in expenses such as travel were directly related to the COVID-19 pandemic, it is unclear if such expenses will return to pre-COVID-19 levels given the continued uncertainty around travel restrictions and office openings.

*Technology and development.* Technology and development expenses increased by \$0.4 million, or 4%, for the three months ended March 31, 2021 compared to the three months ended March 31, 2020. This increase was a result of an increase in server, hosting and license fees of \$0.3 million to support our expanding business and an increase in professional fees of \$0.4 million. These increases were partially offset by a decrease in contractor expenses of \$0.3 million.

*General and administrative.* General and administrative expenses increased by \$0.9 million, or 12%, for the three months ended March 31, 2021 compared to the three months ended March 31, 2020. This increase was driven by an increase in compensation expenses of \$0.8 million and an increase in professional fees related to the initial public offering (“IPO”) of \$0.8 million. These increases were partially offset by a \$0.7 million decrease in reserves for bad debts and a \$0.5 million decrease in facilities expenses related to the COVID-19 pandemic.

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*Depreciation and amortization.* Depreciation and amortization expenses decreased by \$1.9 million, or 12%, for the three months ended March 31, 2021 compared to the three months ended March 31, 2020. This decrease results from decreased depreciation of our property and equipment of \$0.3 million and decreased amortization of our intangible assets of \$2.4 million, resulting from the use of the accelerated method to amortize the asset. These decreases were partially offset by increased amortization expense related to our internal-use software of \$0.6 million.

### **Interest expense, net**

*Interest expense, net.* Interest expense decreased by \$1.3 million, or 16%, for the three months ended March 31, 2021 compared to the three months ended March 31, 2020, primarily attributable to reduced PIK interest expense on the Term Loan of \$0.7 million. Additionally, interest on the Term Loan decreased by \$0.6 million due to a reduction in interest rates caused by the COVID-19 pandemic.

### **Benefit from (provision for) income taxes**

*Benefit from (provision for) income taxes.* Benefit from income taxes decreased by \$2.7 million, or 75%, for the three months ended March 31, 2021 compared to the three months ended March 31, 2020, on account of an 80% decrease in pre-tax losses which resulted in a lower income tax benefit for the period.

## **Comparison of the Years Ended December 31, 2019 and 2020**

<i>(in thousands)</i>	<b>Year Ended December 31,</b>			
	<b>2019</b>	<b>2020</b>	<b>\$ change</b>	<b>% change</b>
Revenue	\$ 213,486	\$240,633	\$27,147	13%
Operating expenses:				
Cost of revenue (excluding depreciation and amortization shown below)	33,107	40,506	7,399	22%
Sales and marketing	71,300	66,022	(5,278)	(7)%
Technology and development	40,403	48,991	8,588	21%
General and administrative	32,135	33,286	1,151	4%
Depreciation and amortization	70,327	65,708	(4,619)	(7)%
Total operating expenses	<u>247,272</u>	<u>254,513</u>	<u>7,241</u>	<u>3%</u>
Operating loss	(33,786)	(13,880)	19,906	(59)%
Interest expense, net	(32,994)	(31,570)	1,424	(4)%
Net loss before benefit from income taxes	(66,780)	(45,450)	21,330	(32)%
Benefit from income taxes	15,432	13,076	(2,356)	(15)%
Net loss	<u>\$ (51,348)</u>	<u>\$ (32,374)</u>	<u>\$18,974</u>	<u>(37)%</u>

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### **Revenue**

Total revenue increased by \$27.1 million, or 13%, for the year ended December 31, 2020 compared to the year ended December 31, 2019.

Revenue attributable to our advertising, programmatic and supply side customers are set forth in the table below.

(in thousands)	Year Ended December 31,			
	2019	2020	\$ Change	% Change
Advertiser direct revenue	\$ 116,296	\$ 124,491	\$ 8,195	7%
Programmatic revenue	68,210	87,086	18,876	28
Supply side revenue	28,980	29,056	76	0
Total	<u>\$213,486</u>	<u>\$240,633</u>	<u>\$27,147</u>	<u>13%</u>

Total revenue increased primarily due to an increase in our programmatic revenue of \$18.9 million attributable to growth in volume of impressions of 8% and an increase of 18% in average CPMs. Of the 18% increase in average CPMs, half or 9% of that growth was attributable to the launch of our Context Control solution launched in early 2020. Revenue from our advertiser direct customers increased by \$8.2 million attributable to growth in volume of impressions of 13% partially offset by a decrease of 5% in average CPMs due to changes in mix from open web towards social platforms. Our supply side revenue remained flat year-over-year.

### **Operating expenses**

*Cost of revenue.* Cost of revenue increased by \$7.4 million, or 22%, for the year ended December 31, 2020 compared to the year ended December 31, 2019. The increase was primarily due to a \$6.7 million increase in data center and hosting fees resulting from the growth of our business, an increase of \$4.0 million in revenue share to our DSP partners on account of significant growth in our programmatic revenue and an increase of \$0.4 million in severance related costs. These increases were partially offset by a decrease of \$1.8 million in personnel related costs because of workforce reductions in 2020, a decrease of \$0.7 million in allocated overhead and a decrease of \$1.0 million in software license costs resulting from replacing third party vendors with in-house technologies.

*Sales and marketing.* Sales and marketing expenses decreased by \$5.3 million, or 7%, for the year ended December 31, 2020 compared to the year ended December 31, 2019. The decrease was primarily due to a reduction in travel-related expenses of \$2.9 million reflecting travel restrictions resulting from COVID-19, a decrease of \$1.3 million in advertising and promotional expenses, a decrease of \$1.1 million in personnel costs and a decrease of \$0.9 million in allocated overhead. These decreases were partially offset by an increase in severance charges of \$1.0 million. While reduction in expenses such as travel were directly related to the Covid-19 pandemic, it is unclear if such expenses would be reinstated to pre-Covid-19 levels given the continued uncertainty around travel restrictions and office openings.

*Technology and development.* Technology and development expenses increased by \$8.6 million, or 21%, for the year ended December 31, 2020 compared to the year ended December 31, 2019. The increase was impacted primarily by additional personnel costs of \$1.7 million due to increased headcount, an increase in server, hosting and license fees of \$2.6 million to support our expanding business and an increase in professional fees of \$3.0 million related primarily to migrating from data centers to our hosting platform. In addition, we also incurred \$0.6 million in severance costs related to actions taken during the COVID-19 pandemic to reduce costs.

*General and administrative.* General and administrative expenses increased by \$1.2 million, or 4%, for the year ended December 31, 2020 compared to the year ended December 31, 2019. The increase was primarily due to an increase in personnel costs of \$1.6 million due to increased headcount and increase in accounting and tax compliance fees of \$1.4 million. These increases were partially offset by a decrease in professional fees of \$0.7 million and a decrease in the allowance for doubtful accounts of \$1.6 million due to improved collection efforts.

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*Depreciation and amortization.* Depreciation and amortization expenses decreased by \$4.6 million, or 7%, for the year ended December 31, 2020 compared to the year ended December 31, 2019. This decrease was a result of a decreased amortization of our Developed Technology by \$8.0 million resulting from the use of the accelerated method to amortize the asset. The decrease was partially offset by increased amortization expense related to our internal-use software of \$4.8 million.

### ***Interest expense, net***

*Interest expense, net.* Interest expense decreased by \$1.4 million, or 4%, for the year ended December 31, 2020 compared to the year ended December 31, 2019 primarily on account of lower interest expense related to our Term Loan Facility of \$2.0 million, which was partially offset by reduced interest income of \$0.4 million and increase in PIK and other fees of \$0.2 million.

### ***Benefit from income taxes***

*Benefit from income taxes.* Benefit from income taxes decreased by \$2.4 million, or 15%, for the year ended December 31, 2020 compared to the year ended December 31, 2019 primarily on account of a decrease in losses. We recognized a higher deferred tax benefit for the year ended December 31, 2020 of \$4.6 million primarily on account of a decrease in the state and local income tax rate.

### Quarterly Results of Operations and Other Data

The following tables set forth selected unaudited consolidated quarterly statements of operations data for each of the nine fiscal quarters ended March 31, 2021, as well as the percentage of revenue that each line item represents for each quarter. The information for each of these quarters has been prepared on the same basis as the audited annual consolidated financial statements included elsewhere in this prospectus and, in the opinion of management, includes all adjustments, which consist only of normal recurring adjustments, necessary for the fair statement of the results of operations for these periods. This data should be read in conjunction with our consolidated and condensed consolidated financial statements and related notes included elsewhere in this prospectus. These quarterly results are not necessarily indicative of our results of operations to be expected for any future period.

<i>(in thousands except percentages)</i>	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021
Revenues	\$ 45,139	\$ 52,182	\$ 52,206	\$ 63,959	\$ 54,042	\$ 48,320	\$ 59,964	\$ 78,307	\$ 66,952
Operating expenses	59,064	61,065	60,724	66,419	63,839	62,595	58,103	69,976	63,676
Operating (loss) income	(13,925)	(8,883)	(8,518)	(2,460)	(9,797)	(14,275)	1,861	8,331	3,276
Interest expense, net	(7,945)	(8,466)	(8,400)	(8,183)	(8,258)	(7,695)	(7,795)	(7,822)	(6,960)
Net (loss) income before benefit from (provision for) income taxes	(21,870)	(17,349)	(16,918)	(10,643)	(18,055)	(21,970)	(5,934)	509	(3,684)
Benefit from (provision for) income taxes	6,746	4,340	6,160	(1,814)	3,611	5,519	1,486	2,460	912
Net (loss) income	\$ (15,124)	\$ (13,009)	\$ (10,758)	\$ (12,457)	\$ (14,444)	\$ (16,451)	\$ (4,448)	\$ 2,969	\$ (2,772)

	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021
Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%
Total operating expenses	131	117	116	104	118	130	97	89	95
Operating (loss) income	(31)	(17)	(16)	(4)	(18)	(30)	3	11	5
Interest expense, net	(18)	(16)	(16)	(13)	(15)	(16)	(13)	(10)	(10)
Net (loss) income before benefit from (provision for) income taxes	(49)	(33)	(32)	(17)	(33)	(46)	(10)	1	(5)
Benefit from (provision for) income tax	15	8	11	(3)	6	12	3	3	1
Net (loss) income	(34)%	(25)%	(21)%	(20)%	(27)%	(34)%	(7)%	4%	(4)%

#### Quarterly Revenue Trends

Our quarterly revenue increased in each of the periods presented, except for the three months ended June 30, 2020, when compared to the results of the same quarter in the prior year due primarily to increases in the number of new customers as well as retention within existing customers and sales of new products year-over-year. During the quarter ended June 30, 2020, we experienced a decline in revenue on account of the impact of COVID-19. We typically experience seasonality in terms of when we receive orders from our customers. We generally receive a greater number of orders from new customers, as well as renewal or upsell orders from existing customers, in our fourth quarter.

### ***Quarterly Operating Expense Trends***

Our operating expenses have generally increased due to our growth and are primarily related to increases in personnel-related costs and related overhead in order to support our expanding operations and our continued investments in our solutions and service capabilities. However, revenue has historically grown faster than operating expenses and, as a percentage of revenue, our operating expenses decreased, except for the three months ended June 30, 2020, when compared to the results of the same quarter in the prior year. During the quarter ended June 30, 2020, our operating expenses as a percentage of revenue increased on account of lower revenue adversely being affected by COVID-19.

### **Liquidity and Capital Resources**

#### ***General***

As of December 31, 2020 and March 31, 2021, our principal sources of liquidity were cash and cash equivalents totaling \$51.7 million and \$50.8 million, respectively, which was held for working capital purposes, as well as the available balance of our Revolving Credit Facility, described further below. Following the completion of this offering, we expect that our operating cash flows, in addition to our cash and cash equivalents, will enable us to continue to make such investments in the future. We expect our operating cash flows to further improve as we increase our operational efficiency and experience economies of scale.

We have financed our operations primarily through debt financing. We believe our existing cash and cash equivalents, our Revolving Credit Facility and cash provided by operations will be sufficient to meet our working capital and capital expenditure needs for at least the next twelve months. Our future capital requirements will depend on many factors including our growth rate, the timing and extent of spending to support development efforts, the expansion of sales and marketing activities, the introduction of new and enhanced products and services offerings, the continuing market acceptance of our products. In the future, we may enter into arrangements to acquire or invest in complementary businesses, services and technologies, including intellectual property rights.

We may be required to seek additional equity or debt financing. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all. If we are unable to raise additional capital or generate cash flows necessary to expand our operations and invest in new technologies, it could reduce our ability to compete successfully and harm our results of operations.

Some of our customers pay in advance for subscriptions, a portion of which is recorded as deferred revenue. Deferred revenue consists of the unearned portion of billed fees for our subscriptions, which is later recognized as revenue in accordance with our revenue recognition policy. As of December 31, 2020 and March 31, 2021, we had deferred revenue of \$1.1 million and \$1.1 million, respectively, all of which was recorded as a current liability and is expected to be recorded as revenue in the next twelve months, provided all other revenue recognition criteria have been met.

#### ***Credit Facilities***

On July 19, 2018, we entered into a Credit Agreement with a syndicate of lenders, comprised of the \$325.0 million Term Loan Facility and the \$25.0 million Revolving Credit Facility, with a maturity date of July 19, 2024 and a maturity date of July 19, 2023, respectively. Pursuant to the Incremental Facility Assumption Agreement No. 1, dated as of November 19, 2019 (the "Credit Agreement Amendment"), the Term Loan Facility was increased to \$345.0 million. As of December 31, 2020 and March 31, 2021, we had \$345.0 million outstanding under our Term Loan Facility.

In addition to the cash pay interest described below, the Credit Agreement includes Paid in Kind ("PIK") interest which bears an interest rate of 1.25% per annum. All PIK interest due is paid by capitalizing such interest and adding such applicable PIK interest to the principal amount of the outstanding Term Loan Facility. Total capitalized PIK interest at December 31, 2020 and March 31, 2021 was \$10.5 million and \$10.9 million, respectively. Borrowings under the Credit Agreement bear interest (cash pay) at a rate per annum, at our option,

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equal to an applicable margin, plus, (a) for alternate base rate borrowings, the highest of (i) the rate last quoted by The Wall Street Journal as the “prime rate” in the United States, (ii) the Federal Funds Rate in effect on such day plus 1/2 of 1.00% and (iii) the Adjusted LIBOR for a one month interest period on such day plus 1.00% and (b) for eurodollar borrowings, the Adjusted LIBOR determined by the greater of (i) the LIBOR for the relevant interest period divided by 1 minus the statutory reserves (if any) and (ii) 1.00%. As of March 31, 2021, and subject to maintaining a total leverage ratio less than 6.50 to 1.00, additional PIK interest will not accrue pursuant to the Credit Agreement.

The applicable margin for borrowings under the Credit Agreement is (a) for alternate base rate borrowings, (i) 5.00% so long as the total leverage ratio is greater than 6.50 to 1.00, (ii) 4.50% so long as the total leverage ratio is less than or equal to 6.50 to 1.00 and greater than 5.75 to 1.00 or (iii) 4.00% so long as the total leverage ratio is less or equal to 5.75 to 1.00 and (b) for eurodollar borrowings, (i) 6.00% so long as the total leverage ratio is greater than 6.50 to 1.00, (ii) 5.50% so long as the total leverage ratio is less than or equal to 6.50 to 1.00 and greater than 5.75 to 1.00 or (iii) 5.00% so long as the total leverage ratio is less or equal to 5.75 to 1.00. The total leverage ratio is determined in accordance with the terms of the Credit Agreement.

The interest rate on the Term Loan Facility was 7.00% per annum as of December 31, 2020 and March 31, 2021. The Term Loan Facility does not require periodic principal payments.

As of December 31, 2020 and March 31, 2021, the Company had no amounts outstanding on the Revolving Credit Facility. We are required to pay a commitment fee on the average daily undrawn portion of the Revolving Credit Facility of 0.375%-0.50% per annum (varying based on the leverage ratio tiers applicable to the applicable margin as described above), a letter of credit fronting fee of 0.125% per annum and a letter of credit participation fee equal to the applicable margin for eurodollar revolving loans on the actual daily amount of the letter of credit exposure.

The Credit Agreement contains customary representations and warranties, affirmative covenants, reporting obligations, negative covenants and events of default. See “Description of Certain Indebtedness—Senior Secured Credit Agreement.” The financial covenants underlying the Term Loan Facility require our revenue to debt ratio meet certain thresholds and certain debt-related covenants become more restrictive over successive quarters through June of 2021. Based upon current facts and circumstances, we believe existing cash coupled with the cash flows generated from operations will be sufficient to meet our cash needs and comply with covenants.

### **Cash Flows**

The table below presents a summary of our consolidated cash flows from operating, investing and financing activities for the periods indicated.

	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
Net cash (used in) provided by operating activities	\$ (1,854)	\$33,937	\$ 1,409	\$ 7,697
Net cash (used in) investing activities	(25,034)	(9,662)	(4,899)	(6,377)
Net cash provided by (used in) financing activities	13,656	(1,696)	(612)	(1,338)
Net (decrease) increase in cash and cash equivalents, and restricted cash	(13,232)	22,579	(4,102)	(18)
Effect of exchange rate changes on cash and cash equivalents, and restricted cash	(60)	1,772	(654)	(846)
Cash, cash equivalents, and restricted cash, at beginning of year	43,662	30,370	30,370	54,721
Cash, cash equivalents, and restricted cash, at end of year	<u>\$ 30,370</u>	<u>\$54,721</u>	<u>\$ 25,614</u>	<u>\$53,857</u>

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### *Operating Activities*

For the three months ended March 31, 2020, net cash provided by operating activities was \$1.4 million, resulting from a net loss of \$14.4 million adjusted for non-cash expenses of depreciation and amortization of \$16.7 million, an increase in the allowance for doubtful accounts of \$0.4 million, and non-cash interest expense of \$1.1 million, offset by a reduction in working capital of \$2.4 million.

For the three months ended March 31, 2021, net cash provided by operating activities was \$7.7 million, resulting from a net loss of \$2.8 million adjusted for non-cash expenses of depreciation and amortization of \$14.7 million, and non-cash interest expense of \$0.4 million, offset by a decrease in the allowance for doubtful accounts of \$0.3 million and a decrease in working capital of \$4.4 million.

For the year ended December 31, 2019, net cash used in operating activities was \$1.9 million, resulting from a net loss of \$51.3 million partially offset by adjustments for non-cash expenses of depreciation and amortization of \$70.3 million, a deferred tax benefit of \$16.9 million, a reduction in working capital balances of \$13.6 million offset by other non-cash adjustments of \$9.6 million.

For the year ended December 31, 2020, net cash provided by operating activities was \$33.9 million, resulting from a net loss of \$32.4 million partially offset by adjustments for non-cash expenses of depreciation and amortization of \$65.7 million, a deferred tax benefit of \$14.6 million, cash provided by changes in working capital of \$7.9 million and other non-cash adjustments of \$8.0 million.

### *Investing Activities*

Cash used in investing activities was \$4.9 million for the three months ended March 31, 2020, reflecting capitalized costs related to our internal use software of \$4.8 million and purchase of property and equipment of \$0.1 million.

Cash used in investing activities was \$6.4 million for the three months ended March 31, 2021, reflecting our asset purchase of internal use software for \$4.6 million in January 2021, and \$1.8 million of capitalized costs relating to internal use software.

Cash used in investing activities was \$25.0 million during the year ended December 31, 2019, reflecting our acquisition of ADmantX S.p.A. for \$17.6 million, capitalized costs relating to internal use software of \$6.4 million and purchase of property and equipment of \$1.0 million.

Cash used in investing activities was \$9.7 million during the year ended December 31, 2020, reflecting capitalized costs relating to our internal use software of \$9.0 million and purchase of property and equipment of \$0.6 million.

### *Financing Activities*

Cash used in financing activities was \$0.6 million for the three months ended March 31, 2020, reflecting \$0.5 million in principal payments on our capital leases, and \$0.1 million for unit repurchases.

Cash used in financing activities was \$1.3 million for the three months ended March 31, 2021, reflecting \$0.1 million in principal payments on our capital leases, and \$1.2 million for unit repurchases.

Cash provided by financing activities was \$13.7 million for the year ended December 31, 2019 consisting primarily of proceeds from issuance of debt of \$20.0 million which was partially offset by payments for unit repurchases of \$3.2 million and payments on capital lease obligations of \$2.7 million.

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Cash provided by financing activities was \$1.7 million for the year ended December 31, 2020 consisting primarily of payments on capital lease obligations of \$1.5 million and unit repurchases of \$0.2 million.

### *Contractual Obligations and Commitments*

Our principal commitments consist of obligations under operating leases for office space, our purchase commitments related to hosting and data services and repayments of long-term debt. We lease office space under operating leases, which expire on various dates through May 2027 and the total noncancelable payments under these leases were \$25.2 million as of March 31, 2021. Total noncancelable purchase commitments related to hosting services as of December 31, 2020 were \$66,250 for periods through 2024. The Term Loan Facility of \$345.0 million matures in 2024.

### **Impact of Inflation**

While inflation may impact our revenues and costs of revenues, we believe the effects of inflation, if any, on our results of operations and financial condition have not been significant. However, there can be no assurance that our results of operations and financial condition will not be materially impacted by inflation in the future.

### **Indemnification Agreements**

In the ordinary course of business, we enter into agreements of varying scope and terms pursuant to which we agree to indemnify customers, including, but not limited to, losses arising out of the breach of such agreements, services to be provided by us or from intellectual property infringement claims made by third parties. In addition, in connection with the completion of this offering we intend to enter into indemnification agreements with our directors and certain officers and employees that will require us, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors, officers or employees. No demands have been made upon us to provide indemnification under such agreements and there are no claims that we are aware of that could have a material effect on our consolidated balance sheets, consolidated statements of operations and comprehensive loss, or consolidated statements of cash flows.

### **Off-Balance Sheet Arrangements**

We had no off-balance sheet arrangements as of December 31, 2020 and March 31, 2021.

### **JOBS Act**

We qualify as an “emerging growth company” pursuant to the provisions of the JOBS Act. For as long as we are an “emerging growth company,” we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies,” including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, exemptions from the requirements of holding advisory “say-on-pay” votes on executive compensation and shareholder advisory votes on golden parachute compensation.

The JOBS Act also permits an emerging growth company like us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We have elected to “opt-in” to this extended transition period for complying with new or revised accounting standards and, therefore, we will not be subject to the same new or revised accounting standards as other public companies that comply with such new or revised accounting standards on a non-delayed basis.

## Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, revenue and expenses and related disclosures of contingent assets and liabilities at the date of our financial statements. Actual results may differ from these estimates under different assumptions or conditions, impacting our reported results of operations and financial condition.

Certain accounting policies involve significant judgments and assumptions by management, which have a material impact on the carrying value of assets and liabilities and the recognition of income and expenses. Management considers these accounting policies to be critical accounting policies. The estimates and assumptions used by management are based on historical experience and other factors, which are believed to be reasonable under the circumstances. The significant accounting policies which we believe are the most critical to aid in fully understanding and evaluating our reported financial results are described below. Refer to “Note 2 — Summary of Significant Accounting Policies” to the consolidated financial statements included elsewhere in this prospectus for more detailed information regarding our critical accounting policies.

### *Revenue Recognition*

We adopted the new revenue recognition standard Accounting Standards Codification (ASC 606) effective January 1, 2019 using the modified retrospective method for all contracts not completed as of the date of adoption. The core principle of ASC 606 is to recognize revenue when control of promised goods or services is transferred to customers in an amount that reflects the consideration that is expected to be received for those goods and services. Based on the terms of our contracts with customers and consistent with prior practice, we recognize revenue upon invoicing for a large majority of our contracts. Additionally, the performance obligations identified are consistent with prior years. As such, the adoption did not have a material impact on our financial statements. Refer to Recently Issued Accounting Standards in Note 2 for additional information regarding our revenue recognition policies under the new standard and the impact on our financial position and results of operations as of and for the years ended December 31, 2019 and 2020.

We derive revenue primarily from advertisers and programmatic services offered through a demand side platform delivered to customers across the digital advertising platform, which is our performance obligation. Fees associated with our contracts include impression-based fees driven by impression volume and CPM. The solutions are designed to serve both the buy-side and the sell-side of digital ad transactions.

The adoption of ASC 606 in 2019 led us to evaluate all contracts not completed as of January 1, 2019. Part of that assessment is to calculate the cumulative effect of adopting the new revenue recognition standard. A majority of our contracts are usage based or have commitments that refresh quarterly and monthly. We have a small population of contracts for which pricing is variable through tiered pricing arrangements, or include annual base fees that do not coincide with the calendar year, requiring an estimate of the transaction price attributable to each year. We calculated the transaction price related to these contracts to determine the cumulative effect of adoption as of January 1, 2019, and recorded the adjustment, net of tax, to retained earnings and deferred revenue.

We evaluate arrangements with our customers where the customer purchases our services through a demand side platform to determine if such revenue should be reported on a gross or net basis. In these arrangements, the demand side platform collects the fee on our behalf for the purchase of advertising inventory on an exchange. We are primarily responsible for providing these services directly to the customer and have latitude in establishing the sales price with the customers. As a result, we record revenue for the gross amounts paid by the customers for these services and records the amounts retained by the demand side platforms as a cost of revenue.

### *Impairment of Goodwill, Intangible Assets and Long-Lived Assets*

We record goodwill as the excess of purchase price over the fair value of the net tangible and identifiable intangible assets acquired. We evaluate goodwill, at a minimum, on an annual basis in the fourth quarter, and whenever events or changes in circumstances suggest that the carrying amount may not be recoverable. Impairment of goodwill is tested at the reporting unit level by comparing the reporting unit's carrying amount, including goodwill, to its fair value. For purposes of this analysis, we consider the Company to be a single reporting unit. We will first perform a qualitative analysis ("Step Zero") to determine if the existence of events or circumstances would lead to a conclusion that it is more likely than not that the fair value of the reporting unit is less than the carrying value. If after this assessment it is determined that it is more likely than not that the fair value is less than the carrying value, then a quantitative goodwill impairment analysis is performed which is referred to as "Step 1". Depending upon the results of that measurement, the recorded goodwill may be written down, and impairment expense is recorded in the consolidated statements of operations when the carrying amount of the reporting unit exceeds the fair value of the reporting unit. As of the fourth quarter of 2020, we conducted a Step Zero analysis and concluded that there were no impairment indicators. Goodwill is tested annually for impairment as well as whenever events or circumstances change that would make it more likely than not that an impairment may have occurred. There is inherent subjectivity involved in estimating future cash flows, which can have a material impact on the amount of any potential impairment. Changes in estimates of future cash flows could result in a write-down of the asset in a future period.

Our intangible assets consist of developed technology, customer relationships, favorable leases, and trademarks. Intangible assets are amortized on a straight-line basis or using an accelerated method over their estimated useful lives. Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. The fair value of identifiable intangible assets is based on significant judgments and estimates made by management. Such estimates are based on valuation techniques, which require forecasting of future cash flows and developing other assumptions. These estimates and assumptions are based on historical experience and information obtained from the management of the acquired companies, and also include, but are not limited to, future expected cash flows earned from the product-related technology and discount rates applied in determining the present value of those cash flows. Unanticipated events and circumstances may occur that could affect the accuracy or validity of such assumptions, estimates or actual results.

All long-lived assets are subject to review for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is assessed based on the future cash flows expected to result from the use of the asset and its eventual disposition. If the sum of the undiscounted cash flows is less than the carrying amount of the asset, an impairment loss is recognized. Any impairment loss, if indicated, is measured as the amount by which the carrying amount of the asset exceeds its estimated fair value and is recognized as a reduction in the carrying amount of the asset.

As of March 31, 2021, there were no events or changes in circumstances to indicate that the carrying amount of the assets may not be recoverable.

### *Business Combinations*

Upon acquisition of a company, we determine if the transaction is a business combination, which is accounted for using the acquisition method of accounting. Under the acquisition method, once control is obtained of a business, the assets acquired, and liabilities assumed, including amounts attributed to noncontrolling interests, are recorded at fair value. We use our best estimate and assumptions to assign fair value to the tangible and intangible assets acquired and liabilities assumed at the acquisition date. One of the most significant estimates relates to the determination of the fair value of these assets and liabilities. The determination of the fair values is based on estimates and judgments made by us. We estimate fair value are based upon assumptions we believe to be reasonable, but which are inherently uncertain and unpredictable. Measurement period adjustments

are reflected at the time identified, up through the conclusion of the measurement period, which is the time at which all information for determination of the values of assets acquired and liabilities assumed is received, and is not to exceed one year from the acquisition date. We may record adjustments to the fair value of these tangible and intangible assets acquired and liabilities assumed, with the corresponding offset to goodwill.

#### *Equity-Based Compensation*

Equity-based compensation is measured at the grant date based on the fair value of the award and is recognized as expense over the requisite service period, which is generally the vesting period. We estimate expected forfeitures of stock-based awards at the grant date and recognizes compensation cost only for those awards expected to vest. The forfeiture assumption is ultimately adjusted to the actual forfeiture rate. Therefore, changes in the forfeiture assumptions may affect the timing of the total amount of expense recognized over the vesting period. Estimated forfeitures are reassessed in each reporting period and may change based on new facts and circumstances.

The fair value of each option grant is estimated on the date of grant using the modified Black-Scholes pricing model and Monte Carlo simulation. We estimated its future stock price volatility based upon observed option-implied volatilities for a group of peer companies. Management believes this is the best estimate of the expected volatility over the weighted-average expected term of its option grants. The risk-free interest rate is based on the implied yield currently available on U.S. treasury issues with terms approximately equal to the expected term of the option. We currently have no history or expectation of paying cash dividends on common stock. We use the simplified method to calculate the expected term for its options.

For options that include performance conditions, we recognize the associated expense when the performance is considered to be probable. For option awards that contain market conditions (i.e., achievement of a specified equity return or stock price), we value such awards on the date of grant using a Monte Carlo simulation model.

We also expect to incur additional costs as a result of the successful completion of this offering. We have granted time-based service options under our 2018 Unit Option Plan (the "2018 Plan"). The time-based options vest over four years with 25% vesting after 12 months and an additional 6.25% vesting at the end of each successive quarter thereafter. The 2018 Plan currently includes a repurchase feature, wherein the units can be repurchased by the Company at cost upon resignation of the employee. The time-based service options in Integral Ad Science Holding LLC are expected to be adjusted in connection with this offering to reflect the Company's conversion to a C-Corp. In addition, it is expected that the repurchase feature would be removed. As a result of this adjustment, a grant date would be established which is expected to be the completion date of this offering and the Company would recognize the grant date fair value of these awards upon the price to the public in this offering. As such, the fair value of the time-based service options (which comprise of 67% of the total options outstanding) will be determined based on the price to the public in this offering. Upon the successful completion of this offering, assuming an initial public offering price of \$            per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, we would recognize approximately \$            million of compensation expense relating to the time-based service options.

Concurrent with the effectiveness of the Company's IPO, the return target options in Integral Ad Science Holding LLC are expected to be exchanged for a certain number of options, RSUs or other forms of equity instruments in Integral Ad Science Holding Corp. Vesting of the new return target options will be based on a realized cash return of Vista's equity investment. Since the vesting condition associated with the realized cash return is not expected to be met on the IPO date, there would be no additional compensation expense related to the return target options recognized upon successful completion of this offering. Similarly, since the vesting conditions associated with LTIP awards are not being modified, no compensation expense associated with the LTIP awards will be incurred at the IPO date. However, compensation expense related to the return target options and the LTIP awards will be recognized in our post-IPO financial statements when such conditions are met.

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### *Income Taxes*

We are subject to U.S. federal, state, and local income taxation on our income. We account for income taxes using an asset and liability approach, which requires estimates of taxes payable or refunds for the current period and estimates of deferred income tax assets and liabilities for the anticipated future tax consequences attributable to differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for income tax purposes. Current and deferred income tax assets and liabilities are based on provisions of the enacted income tax laws and are measured using the enacted income tax rates and laws that are expected to be in effect when the future tax events are expected to reverse. The effects of future changes in income tax laws or rates are not anticipated. The income tax provision is comprised of the current income tax expense and the change in deferred income tax assets and liabilities.

The portion of any deferred tax asset for which it is more likely than not that a tax benefit will not be realized is offset by recording a valuation allowance. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible.

The tax effects of an uncertain tax position (“UTP”) taken or expected to be taken in income tax returns are recognized only if it is “more-likely-than-not” to be sustained on examination by the taxing authorities, based on its technical merits as of the reporting date. The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than a 50% likelihood of being realized upon ultimate settlement. We recognize estimated interest and penalties related to UTPs in income tax expense.

We recognize the resolution of an UTP in the period when it is effectively settled. Previously recognized tax positions are derecognized in the first period in which it is no longer more likely than not that the tax position would be sustained upon examination.

We evaluated all potential uncertain tax positions and identified no significant uncertain positions.

### *Unit Valuation*

Because our units are not publicly traded, our Board determines the fair value of our units. Their determinations are based, in part, upon valuations provided by third-party valuation firms. Our Board exercises reasonable judgment and considers numerous objective and subjective factors to determine the best estimate of the fair value of our units in accordance with the American Institute of Certified Public Accountants Practice Guide, Valuation of Privately-Held Company Equity Securities Issued as Compensation, or the AICPA Guide. The factors considered by our Board in estimating the fair value of our units include the following:

- Contemporaneous valuations performed regularly by unrelated third-party specialists;
- Our historical operating and financial performance;
- Likelihood of achieving a liquidity event, such as the consummation of an initial public offering or the sale of our company given prevailing market conditions and the nature and history of our business;
- Market multiples of comparable companies in our industry;
- Market multiples of current acquisitions in our industry;
- Stage of development;
- Industry information such as market size and growth;
- The lack of marketability of our securities because we are a private company; and
- General macroeconomic conditions.

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In valuing our units, our Board determines the value using both the income and the market approach valuation methods. The income approach estimates value based on the expectation of future cash flows that a company will generate. These future cash flows are discounted to their present values using a discount rate based on our weighted average cost of capital, or WACC. To derive our WACC, a cost of equity was developed using the Capital Asset Pricing Model and comparable company betas, and a cost of debt was determined based on our estimated cost of borrowing. The costs of debt and equity were then weighted based on our actual capital structure. The market approach estimates value based on a comparison of our company to comparable public companies in a similar line of business. From the comparable companies, a representative market multiple is determined and subsequently applied to our financial results to estimate our enterprise value. Also, our market approach factors in multiples on recent acquisitions in our industry.

Application of these approaches involves the use of estimates, judgment and assumptions that are highly complex and subjective, including those regarding our future expected revenue, expenses, cash flows, discount rates, market multiples, the selection of comparable public companies and the probability of future events. Changes in any or all of these estimates and assumptions impact our valuations at each valuation date and may have a material impact on the valuation of our common stock. Following this offering, it will not be necessary to determine the fair value of our units, as our shares will be traded in the public market.

### **Recent Accounting Pronouncements**

For a description of our recently adopted accounting pronouncements and recently issued accounting standards not yet adopted, see Note 2 to our condensed consolidated financial statements: “Summary of Significant Accounting Policies—Accounting Pronouncements Not Yet Adopted” appearing elsewhere in this prospectus.

### **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. Our market risk exposure is primarily a result of exposure due to potential changes in inflation or interest rates. We do not hold financial instruments for trading purposes.

#### *Foreign Currency Exchange Risk*

The functional currencies of our foreign subsidiaries are the respective local currencies. Most of our sales are denominated in U.S. dollars, and therefore our revenue is not currently subject to significant foreign currency risk. Our operating expenses are denominated in the currencies of the countries in which our operations are located, which are primarily in the United States, U.K., France, Germany, Italy, and Singapore. Our consolidated results of operations and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates and may be adversely affected in the future due to changes in foreign exchange rates. To date, we have not entered into any hedging arrangements with respect to foreign currency risk or other derivative financial instruments. During the three months ended March 31, 2021, a hypothetical 10% change in foreign currency exchange rates applicable to our business would not have had a material impact on our consolidated financial statements.

#### *Interest Rate Risk*

Our primary market risk exposure is changing eurodollar-based interest rates. Interest rate risk is highly sensitive due to many factors, including E.U. and U.S. monetary and tax policies, U.S. and international economic factors and other factors beyond our control. The Term Loan Facility and Revolving Credit Facility carry interest at an applicable margin, plus (a) for alternate base rate borrowings, the highest of (i) the rate last quoted by The Wall Street Journal as the “prime rate” in the United States, (ii) the Federal Funds Rate in effect on such day plus 1/2 of 1.00% and (iii) the Adjusted LIBOR for a one month interest period on such day plus

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1.00% and (b) for eurodollar borrowings, the Adjusted LIBOR determined by the greater of (i) the LIBOR for the relevant interest period divided by 1 minus the statutory reserves (if any) and (ii) 1.00%. The applicable margin is initially 5.00% per annum for alternate base offerings and 6.00% for eurodollar borrowings in the case of the Term Loan Facility and the Revolving Credit Facility. The applicable margin is initially 5.000% per annum in the case of the Incremental Facility Assumption Agreement No. 1, which was entered into November 19, 2019 to increase the aggregate principal amount of the Credit Agreement by \$20 million.

At March 31, 2021, we had total outstanding debt of \$355.9 million under our Term Loan Facility; we had no outstanding debt on our Revolving Credit Facility. Based on these amounts outstanding, a 100-basis point increase or decrease in market interest rates over a twelve-month period would result in a change to interest expense of \$3.6 million.

## BUSINESS

### Our Company

IAS is a leading digital advertising verification company by revenue. Our mission is to be the global benchmark for trust and transparency in digital media quality for the world's leading brands, publishers, and platforms.

With our cloud-based technology platform and the actionable insights it provides, we deliver independent measurement and verification of digital advertising across all devices, channels, and formats, including desktop, mobile, connected TV ("CTV"), social, display, and video. Our proprietary and Media Rating Council (the "MRC") accredited Quality Impressions™ metric is designed to verify that digital ads are served to a real person rather than a bot, viewable on-screen, and appear in a brand-safe and suitable environment in the correct geography.

Without an independent evaluation of digital advertising quality, brands and their agencies previously relied on a wide range of publishers and ad platforms to self-report and measure the effectiveness of campaigns without a global benchmark to understand success. We are an independent, trusted partner for buyers and sellers of digital advertising to increase accountability, transparency, and effectiveness in the market. We help advertisers optimize their ad spend and better measure consumer engagement with campaigns across platforms, while enabling publishers to improve their inventory yield and revenue.

As a leading ad verification partner, we have deep integrations with all the major advertising and technology platforms including Amazon, Facebook, Google, Instagram, LinkedIn, Microsoft, Pinterest, Snap, Spotify, The Trade Desk, Twitter, Verizon Media, Xandr, and YouTube. Our platform uses advanced artificial intelligence ("AI") and machine learning ("ML") technologies to process over 100 billion daily web transactions on average. With this data, we deliver real-time insights and analytics to our global customers through our easy-to-use IAS Reporting Platform helping brands, agencies, publishers, and platform partners improve media quality and campaign performance. Customers currently activate our solutions globally across 111 countries.

We serve customers globally with 11 offices in 8 countries. Our efficient go-to-market strategy has fueled our growth and ability to serve 2,062 current customers, including 1,924 advertising customers and 138 publisher customers, as of March 31, 2021. We serve 35% of the top 150 U.S. advertisers. Our net revenue retention rates of advertising customers were 112%, 108% for the years ended December 31, 2019 and December 31, 2020, and 132% and 110% for the three months ended March 31, 2020 and 2021, respectively.

The digital advertising market is expected to reach \$526 billion in global spend by 2024, growing at a compound annual growth rate of 12% from 2020 to 2024, according to eMarketer. We intend to capitalize on this opportunity and several high growth segments including programmatic, contextual, social, and connected TV. We believe that growing our global customer base represents a significant long-term opportunity, especially for markets outside of the U.S. and Western Europe.

We have an attractive financial profile with a combination of growth and profitability. For the three months ended March 31, 2020, we generated a Net Loss of \$14.4 million, which reduced to \$2.8 million for the three months ended March 31, 2021, representing a 81% reduction in net losses period-over-period. Our Net Loss margin improved from (27)% to (4)% for the three months ended March 31, 2020 compared to the three months ended March 31, 2021 as a result of our revenue growth and our ability to reduce costs and improve efficiencies. Our Adjusted EBITDA improved from \$6.7 million to \$18.8 million which represents a 181% increase period over period, and our Adjusted EBITDA margin improved from 12% to 28% for three months ended March 31, 2020 and 2021, respectively. For the year ended December 31, 2019, we generated a Net Loss of \$51.3 million, which reduced to \$32.4 million for the year ended December 31, 2020, representing a 37% reduction in net losses year-over-year. Our Net Loss margin improved from (24)% to (13)% for the year ended December 31, 2019 to the year ended December 31, 2020, as a result of our revenue growth combined with our measures to reduce

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costs and improve efficiencies. Our Adjusted EBITDA improved from \$38.8 million to \$56.4 million which represents a 45% increase year-over-year, and our Adjusted EBITDA margin improved from 18% to 23% for the years ended December 31, 2019 and 2020, respectively. For definitions of Adjusted EBITDA and Adjusted EBITDA margin, see “Selected Consolidated Financial Data—Non-GAAP Financial Measures.”

### **Our Industry**

We believe that IAS is well-positioned to benefit from several significant digital marketing trends and shifts in consumer behavior, including:

**Significant Growth in Digital Media Usage and Ad Spend** According to comScore, total time spent online in the U.S. grew 43% from June 2017 to June 2019 and, according to eMarketer, time spent consuming digital media in the U.S. increased 15% in 2020. Additionally, eMarketer estimates that the global non-search digital advertising market surpassed \$180 billion in 2020 and will grow to over \$270 billion by 2023. As consumers spend even more time online, we believe that this shift will fuel continued growth in ad spend across all digital channels.

**Increased Focus on Marketing Efficiency** Marketers are increasingly aware of wasted media spend related to ad fraud (for example, when ads are served to bots or non-human traffic instead of real people) or viewability issues (for example, when ads are served but never viewed by a person). Juniper Research estimates advertisers will lose approximately \$100 billion in annual ad spend to ad fraud in 2024, an increase from approximately \$42 billion in 2019.

**Importance of Brand Reputation** Managing brand reputation is a top priority for many modern marketers. To fulfill their brand values and campaign objectives, more brands are focused on ensuring their ad campaigns run adjacent to content that meets their specific standards. To achieve this, marketers are adopting scalable and customizable brand safety and brand suitability solutions to protect their brand reputation and increase campaign performance. According to a 2017 survey by CMO Council, 72% of marketers are concerned about brand integrity and control, with over 25% experiencing contextual incidents detrimental to brand reputation.

**Acceleration of Ad-Supported Connected TV (“CTV”)** Consumers are watching more digital video and CTV programming, spending on average 41% of their total digital video time on CTV devices. The COVID-19 pandemic accelerated what we believe will be ongoing consumer and advertiser adoption. According to eMarketer, CTV ad spend is expected to more than double from \$8.1 billion in 2020 to \$18.3 billion in 2024. With more CTV ad inventory available, we believe this will drive greater demand for verification solutions to ensure that larger ad budgets are deployed effectively and efficiently.

**Changing Regulatory Landscape and Importance of Contextual Targeting** With increased attention on user privacy and the deprecation of third-party cookies, context-based advertising has emerged as a necessary tool for brands. Updated regulations, such as the GDPR and the CCPA, have increased complexity surrounding personal data and cookie usage. Our leading Context Control solution uses semantic language technology to determine the context, sentiment, and emotion of digital content. With these sophisticated tools available, we expect more advertisers to adopt contextual targeting instead of audience data.

**Acceleration of Programmatic Advertising** Programmatic advertising, the automated buying and selling of digital ads, has grown tremendously by helping marketers to optimize performance and pricing through real-time signals. According to eMarketer, U.S. programmatic digital display ad spending is expected to grow from \$59.6 billion in 2019 to \$95.0 billion in 2022, a compound annual growth rate (“CAGR”) of 17%. Programmatic buying enables advertisers to target the highest value inventory in real-time to reach their audience, faster and more efficiently. However, programmatic advertising is heavily susceptible to fraud, viewability, and brand safety and suitability risks, given the speed and opacity of the transaction process. According to eMarketer, ad fraud ranked as the second highest concern among programmatic advertisers.

## **Our Market Opportunity**

We believe there is significant market opportunity to provide advertisers, agencies, publishers, and platforms with measurement and verification solutions that address viewability, brand safety and suitability, ad fraud prevention, contextual targeting, reporting, and inventory yield management. Based on a March 2021 analysis by Frost & Sullivan, we estimate the global market opportunity for our ad verification solutions to be \$9.5 billion and expect it to grow at a 16.2% CAGR from 2021 to 2025.

In addition, we believe we are well poised to expand into the ad measurement and effectiveness market. There are expansion opportunities beyond the existing use cases we currently serve such as providing measurement of ad effectiveness and efficiency to brands and helping them understand marketing performance. Sub-markets include audience and attribution measurement, return on advertising spend, and reach and frequency. Based on a March 2021 analysis by Frost & Sullivan, we estimate the global market opportunity of ad measurement and effectiveness solutions to be \$6.3 billion and expect it to grow at a 20.5% CAGR from 2021 to 2025.

Our statement that we are a leading digital advertising verification company is based on an independent third party market study by Frost & Sullivan we commissioned. The study shows we are a leader in global market share by revenue, including leading in international markets such as EMEA and APAC by revenues in those regions, respectively.

## **Our Strengths**

We believe that the following capabilities reflect our strengths and competitive advantages.

### ***Comprehensive suite of ad verification solutions***

IAS Quality Impressions™ is our proprietary and MRC-accredited metric that ensures digital media quality standards for advertising effectiveness. To achieve Quality Impressions™, a digital ad must be served to a real person rather than a bot, viewable on-screen, and presented in a brand-safe and suitable environment, all within the desired campaign geography. Additionally, our leading contextual capability, Context Control, helps brands avoid and target content based on their specific values or campaign objectives. Our technology is designed to determine sentiment and emotional classification of content at a global scale. For publishers, we help them increase the monetization of their advertising inventory. Our solutions are available across digital channels, ad formats, purchase methods, and devices.

IAS also offers a Quality Attention metric, which is designed to measure attention by evaluating factors such as time-in-view (“TIV”) and share of screen. With Quality Attention, advertisers can optimize campaigns and maximize attention.

### ***Integrations throughout the digital marketing ecosystem***

Operating globally, we are integrated directly with advertisers, publishers, and platforms including demand side platforms (“DSPs”) and ad networks to ensure our solutions are available regardless of where our customers decide to transact.

### ***Long-standing industry partnerships and relationships***

We are a trusted partner to some of the largest technology and advertising platforms, improving the transparency and visibility of their media spend. Our integration partners, such as Google, Facebook, and Amazon account for the majority of digital advertising budgets and directly incorporate our solutions in their platforms to provide for independent verification, measurement, optimization, and insights required by the advertiser customers we serve. We do not generate material revenue directly from our arrangements with our

integration partners. We generate revenue by charging a cost per thousand impressions (“CPM”) based on the volume of purchased digital ads that we analyze for our advertiser and publisher customers, including customers that utilize our integration partners for their ad campaigns. Our solutions help advertisers to measure consumer interactions with their brands across platforms. Additionally, we work closely with industry organizations and accreditation groups, including the Audit Bureau of Circulations (the “ABC”), the Global Alliance for Responsible Media (the “GARM”), the Interactive Advertising Bureau (the “IAB”), the Media Ratings Council (the “MRC”), and the Trustworthy Accountability Group (the “TAG”). We are accredited by the ABC for viewability. We are also accredited by the MRC for our proprietary metric, Quality Impressions™, as well as our Display and Video Total Impressions and Viewable Impression Statistics, Campaign Monitor and Firewall Verification Services, and Sophisticated Invalid Traffic Detection and Filtration. To extend and maintain our MRC accreditations, we participate in annual audits across our solutions that are conducted by an independent third-party and ensure we align with MRC standards. For 2021, IAS also completed the rigorous evaluations required to achieve recertification for TAG’s Certified Against Fraud, Certified Against Piracy, and Brand Safety Certified Programs.

### ***Market leadership and trusted brand***

Advertisers and publishers value our independent verification offerings and our extensive industry thought leadership. We deliver valuable case studies, research, and whitepapers, in addition to participating in industry conferences and hosting proprietary events. In 2020, we developed and released more than 40 thought leadership research studies globally. Our semi-annual Media Quality Reports share unique insights extracted from the trillions of data events we measure globally each month, offering an industry barometer for ad buyers and sellers to benchmark the quality of their campaigns and inventory. All of these thought leadership efforts are amplified and shared through our ongoing demand generation, content marketing, public relations, and social media to help ensure our solutions instill trust and confidence in the media buying process.

### ***Diverse, loyal, and global customer base***

We successfully serve 2,062 customers, consisting of 1,924 advertising customers and 138 publisher customers. We work with many of the largest, global marketers and media companies who want a single verification partner to serve their global needs. Since 2012, our average customer tenure for our top 100 customers has been 6.7 years. We have also grown our customer relationships over time by offering additional products. From December 31, 2017 to December 31, 2020, our average revenue per customer for our top 100 customers has grown at a CAGR of 22% and revenue attributable to our top 100 customers approximated 70% of our total revenue for each of these years. We define average revenue per top 100 customers as our total revenue from our top 100 customers by revenues in a given reporting period divided by 100.

### ***Large and growing dataset driving unique customer insights***

We collect trillions of data events per month, which provide us with a comprehensive view of digital ad transactions. Our data science capabilities harness unique, real-time insights for our customers to improve the effectiveness of their advertising campaigns. Our platform and architecture are highly scalable and capable of ingesting 100 billion web transactions per day on average with exceptional performance and reliability.

## **Our Growth Strategy**

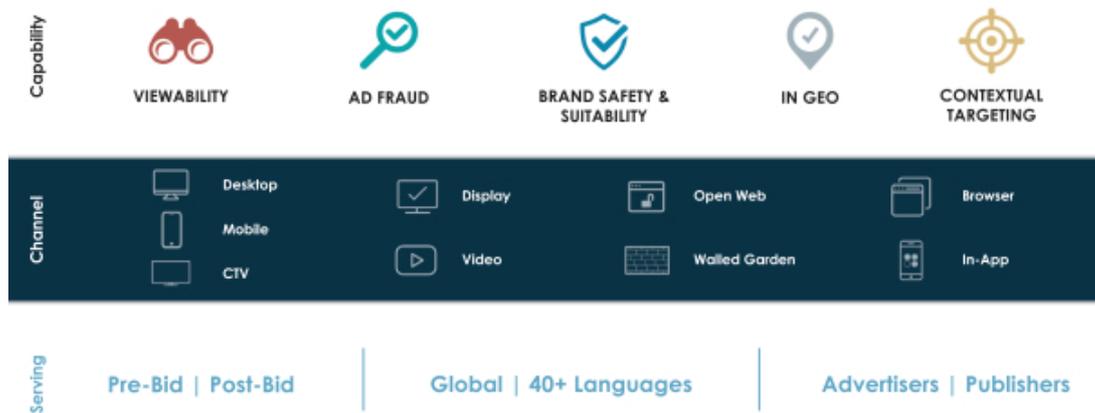
We believe this is the early stage of our growth and that we are at an inflection point in the advertising industry.

We intend to capitalize on our leading brand and competitive positioning to pursue several long-term growth strategies:

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- **Innovate and Develop New Products for Key High-Growth Segments**
  - *Programmatic.* We aim to deliver greater transparency to programmatic ad buying via innovative solutions including contextual targeting and brand safety and suitability.
  - *Social.* We aim to develop deeper integrations with social platforms, also known as Walled Gardens, including feed-based brand safety and suitability, to deliver continued transparency to our customers.
  - *Connected TV.* We plan to expand our CTV-specific verification solutions and contextual targeting capabilities to address the fast-growing connected TV segment.
  - *Adjacent Product Expansion.* We plan to expand our platforms and integrations to address new verification and measurement needs for our clients.
- **Increase Sales Within Our Existing Customer Base** We aim to increase the use of our products among existing customers across more campaigns and impressions. Given our comprehensive product portfolio, we believe we can cross-sell additional or new solutions to provide end-to-end coverage to more clients from pre-bid viewability to post-buy verification, fraud prevention, safety, suitability, and targeting.
- **Acquire New Customers and Increase Market Share** We plan to work with the top 500 global advertisers by targeting high-spend verticals and brands with a natural sensitivity for brand safety, brand suitability, and ROAS needs. We believe we will increase our market share by strengthening our work with the leading social platforms, enhancing our programmatic solutions, deriving benefit from our broad global position, and leveraging our differentiated data science and market-leading contextual capabilities.
- **Expand Customer Base Internationally** Global marketers are investing in more sophisticated verification strategies and we believe there is growing demand for our solutions internationally, especially in the Latin America and APAC regions.

## Our Solutions



Our leading digital ad verification solutions address ad fraud detection and prevention, viewability, brand safety and suitability, contextual targeting, inventory yield management, and reporting. We are integrated into the digital ad buying and selling process to verify, measure campaign quality and reach, and improve results. We support all buying formats, including direct, programmatic, programmatic guaranteed, and private marketplaces. Our solutions support over 40 languages globally and span all advertising channels, including display, video, desktop, mobile browser and in-app, connected TV (“CTV”), and social.

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Our proprietary and MRC-accredited Quality Impressions™ metric is designed to verify that digital ads are served to a real person rather than a bot, viewable on-screen, and presented in a brand-safe and suitable environment in the correct geography.

Launched in early 2020, our Context Control solution delivers contextual targeting and brand suitability capabilities. Context Control is powered by our cognitive semantic-based technology, helping advertisers achieve better contextual matching and brand suitability at scale. With over 300 contextual targeting and avoidance segments that can be customized, Context Control helps ensure ads are displayed in the best-suited environments. In an independent evaluation by The Ozone Project, our contextual technology delivered 42% more accuracy than the next competitor.

Our ad verification solutions serve buyers and sellers. For advertisers, we provide pre-bid programmatic and post-buy verification solutions. For publishers, we provide optimization and verification solutions. Our solutions can measure and verify ad fraud, brand safety, viewability, and geography for all digital ad campaigns.

*Ad Fraud:* Powered by artificial intelligence and machine learning technology, our solutions identify non-human traffic by automatically detecting new threats and uncommon patterns. We also provide malware analysis and reverse engineering to uncover threats. Our three-pillar approach to provide highly accurate ad fraud detection and prevention, includes:

- Machine learning that uses big data to detect hidden, uncommon patterns;
- Rules-based detection that uses automated rule checks to identify invalid traffic sources; and
- The IAS Threat Lab that employs malware analysis and reverse engineering to uncover emerging threats.

*Viewability:* Our solutions measure whether an ad is viewable based on MRC standards, enabling advertisers to optimize media plans. Our comprehensive viewability capabilities include:

- Offer customizable controls based on MRC standards as well as custom brand settings;
- Provide advanced metrics, including time-in-view and frequency performance benchmarks; and
- Deliver cross-channel and cross-device coverage including display and video; desktop, mobile, and connected TV; open web and internet platforms; and mobile browser and in-app.

*Brand Safety and Suitability:* We help marketers manage their brand reputation and avoid issues by ensuring ads run adjacent to content that meets their specific standards. Our solutions include customized scoring and risk thresholds, pre-bid filtering and targeting, and post-bid blocking and monitoring. These tools can be customized to an advertiser's specific risk tolerance with our granular content scoring across eight standard categories including adult, alcohol, gambling, hate speech, illegal downloads, illegal drugs, offensive language, and violence. Additionally, we offer advertisers even more flexibility and precise controls to avoid or target certain placements based on over 300 contextual categories, including:

- Topical: specific topics such as sensitive social issues or natural disasters;
- Verticalized: industry-specific coverage such as automotive, finance, and retail; and
- Brand-specific: negative sentiment associated with a specific brand name.

*Geography:* With a significant and growing number of global customers, we serve many advertisers that target their campaigns to specific geographic regions based on the localized content or language of the ad, or for compliance requirements. With customers currently activating our solutions across 111 countries, we give advertisers confidence in their geographic targeting, ensuring that ads only run in their intended regions.

*Reporting:* Our platform processes data in real-time to provide advanced analytics and reporting for our customers. Our specialized reporting provides customers with a clear view of campaign performance

including ad fraud, viewability, brand safety and suitability, and geography across all channels and formats. We produce specialized reports, offering in-depth insights and enabling our clients to take action to optimize their media spend.

### ***Advertiser solutions***

Our pre-bid and post-bid verification solutions enable advertisers to measure campaign performance and value across viewability, ad fraud prevention, brand safety and suitability, and contextual targeting for ads on desktop, mobile in-app, social, and connected TV platforms. For desktop, we also have the powerful ability to block ads in real-time and protect brands from fraud.

Our pre-bid programmatic solution is directly integrated with DSPs to help optimize return on ad spend (“ROAS”) by directing budget to the best available inventory. It operates in the bid-stream in real-time where standard and custom segments are built into the DSP to project which inventory will meet the advertisers brand safety and suitability criteria, be free from fraud, and be most viewable. We can also build in custom segments for targeting, which is increasingly important as the industry moves away from cookies and other forms of identity-based tracking. Our contextual ability is enabled through our deep integrations with all major DSPs. In addition, our targeting and pre-bid solutions extend to the social platforms. For example, in 2020, we released our YouTube Select and Channel Science targeting solution as well as Content Allow Lists on Facebook.

### ***Publisher solutions***

Our solutions help hundreds of publishers globally deliver high quality ad inventory that is fraud free, viewable, brand safe and suitable, and geographically targeted. With our Context Control solution, we help publishers classify and package their inventory to showcase quality placements, increase site engagement, drive revenue, and reduce blocking. These tools also help to verify, optimize, and provide better matches between inventory and advertisers, ensuring publishers can maximize revenue and yield potential. Leveraging our data and insights, we also help supply-side platforms (SSPs), including ad networks and exchanges, to measure and validate their inventory quality.

### **Our Platform**

Our cloud-based technology platform enables our customers to maximize return on investment by verifying their ads, ensuring they are viewed by a real and targeted audience in a brand safe and suitable environment. We provide our customers with measurement, insights, and analytics, helping them improve media quality and campaign performance. We block fraudulent and brand unsafe inventory in real-time for open web. We also enable our clients to use real-time signals through DSPs to optimize their programmatic spend toward the highest quality inventory and target or avoid content based on custom settings.

Our platform’s scalable and flexible design is central to our success, enabling us to tailor solutions for customers in a cost-effective manner, while delivering leading ad verification capabilities. Our feature-rich and customizable technology encompasses:

#### ***Viewability***

- Delivering cross-channel coverage including the leading internet platforms and cross-device capability including display and video; desktop, mobile, and connected TV; open web and internet platforms; and browser and in-app
- Providing time-in-view and frequency performance benchmarks, enabling advertisers to optimize media plans
- Offering customizable controls ranging from MRC viewability standards to custom brand standards

### ***Ad Fraud***

- Employing a three-pillar approach powered by scale and machine learning to provide highly accurate detection and prevention:
  - Machine learning that uses big data to detect hidden, uncommon patterns
  - Rules-based detection that uses automated rule checks to identify invalid traffic sources
  - The IAS Threat Lab that employs malware analysis and reverse engineering to uncover emerging threats

### ***Brand Safety & Suitability***

- Providing brand safety capabilities customizable to an advertiser's specific risk tolerance through granular content scoring across eight standard categories (i.e., adult, alcohol, gambling, hate speech, illegal downloads, illegal drugs, offensive language, and violence), enabling brands to control the context in which their ads appear
- Delivering precise controls to advertisers and the flexibility to avoid or target certain context through a multi-tier solution that offers over 300 categories:
  - Standard control: content related to hate speech, violence, offensive language, and others
  - Topical control: specific topics such as sensitive social issues, pandemics, or natural disasters
  - Verticalized control: industry-specific coverage such as automotive, finance, pharmaceutical, and retail, among others
  - Brand specific control: negative sentiment associated with a specific brand name

Our contextual technology underlies our distinct brand safety and suitability capabilities. We have leading cognitive semantic-based solutions that enable customers to match ads with relevant online content at the page level. Powered by a large knowledge graph, this semantic technology can detect sentiment and emotion. Through natural language understanding and machine cognition, our technology delivers near-human comprehension of online content, providing context at scale.

Our platform offers comprehensive, real-time signals and measurement for programmatic advertising. This capability enables advertisers to optimize their programmatic buys pre-bid. Through a DSP, advertisers can use our real-time signals integrated in the transaction stream to optimize for viewable, fraud-free, brand safe and suitable, and contextually relevant content.

Technology operates at the core of our solutions, and innovation is deeply embedded throughout our corporate culture. Across our global footprint, we maintain a presence in key technology hubs across the world, including New York, NY, Chicago, IL, and Pune, India. As of December 31, 2020, approximately 34% of our staff operate within a research and development function. We employ a global data science team to improve our competitive strength in the advertising technology market, enhance our software platforms, and deliver unique insights for our customers.

Our platform is capable of ingesting massive volumes of unstructured and structured data and leverages our data science expertise to derive unique insights for our customers. As the advertising industry continues to rapidly evolve, we will facilitate the development and integration of new features and solutions into our platform, ensuring we meet or exceed our customers' requirements. Our platform is seamlessly integrated in key areas of the advertising ecosystem, including advertisers, publishers, social platforms such as YouTube and Facebook, and demand side and programmatic platforms. We designed a feature-rich, intuitive user interface that can be accessed via self-serve or through our various partner interfaces.

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We have invested in significant data science capabilities, applying artificial intelligence and machine learning to maintain and enhance the models underlying our solutions. This enables us to better analyze data and provide customers with critical insights. The application of our investments allow us to provide our customers with many benefits, including:

- Global reach, enabling us to provide ad verification internationally, regardless of language and without compromising latency
- Flexible access, allowing our customers to use our solutions through direct and indirect channels due to our key technology integrations throughout the advertising ecosystem
- A seamless user interface that provides advertisers with important tools and analytics
- Integrations with widely deployed third-party technologies, such as Looker, a business intelligence software providing our customers with leading reporting and analytics capabilities
- The ability to deploy our solutions in emerging digital channels. For example, connected TV represents a new advertising medium and poses significant challenges for advertisers and publishers. We have already begun to address this market need with the introduction of our first connected TV solution in 2019.

### **Our Technology**

We accelerate innovation through artificial intelligence and machine learning. With increasing market demand, we believe advanced verification solutions and other performance metrics to be powered by artificial intelligence and machine learning. This shift will benefit all stakeholders in the advertising ecosystem. Brands will be able to better understand the impact of their campaigns on consumers, agencies will be able to launch more effective and cost-efficient strategies, and publishers will be able to monetize their content more efficiently and drive more revenue. Independent ad verification providers with the most data will be best positioned to win significant market share, because artificial intelligence and machine learning models make better predictions and decisions with higher volumes of data.

We have made significant, recent investments in our technology architecture to better align with our business model and client needs. We collect, analyze, and warehouse a massive amount of data. The advertising industry is seasonal, with peak demand for our solutions occurring towards the end of the calendar year, requiring technology that can scale up or down based on demand. Today, our technology can deliver leading data management capabilities and real-time reporting in a highly flexible and cost-efficient manner.

Features of our technology include:

**Scalability:** We process on average 100 billion web transactions per day through our highly scalable, cloud-based technology platform. We use Amazon Web Services (“AWS”) public cloud to manage peak volumes driven by seasonality trends in advertising. Our recent transition from legacy systems onto AWS has enabled a significantly more cost-effective operation and reduced our dependence on expensive equipment and ongoing capital investment.

**Agility:** Our flexible architecture enables us to push updates and facilitate enhancements to our platform in a timely manner. We can provision a new environment in a new geography within hours, providing a seamless process for our customers, regardless of where they need our solutions. As part of our recent technology upgrade, we migrated our data to Snowflake, which collects our data in a single data warehouse, making our analytics capabilities more efficient, effective, and highly automated to provide real-time insights to our clients. Upon receiving a client query, our platform ingests, sifts, analyzes, and outputs the data into a user-friendly analytics dashboard.

**Reliability:** Our platform’s uptime during the twelve months ending December 31, 2020 exceeded 99.9% while delivering frequent updates and enhancements. We offer our clients best-in-class response times, regional

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support, and around the clock monitoring 365 days a year. We deploy an organized system of raising tickets and mapping issues to the right customer response team and the required escalation process when necessary.

**Security:** We leverage internal security tools, AWS security, and other leading third-party technologies to maximize security. We perform penetration tests and an independent audit every quarter. Our development security operations process analyzes security at an application level by performing a security check before code can be published to production.

**Edge Computing:** To maximize our customer experience, we utilize an edge computing framework to bring IAS applications closer to our clients' data sources. We process and analyze information to allow for faster insights to improve business outcomes for our clients. Also, our edge computing architecture allows us to provision new global environments within a short period of time based on customer volumes and locations.

**Data Governance:** Our data governance solution enables enterprises to comply with a broad range of regulatory requirements, such as the GDPR and the CCPA. We have developed and affirmed policies and standards for data management and security to help protect the integrity of our data assets.

Components of our technology include:

**Data Ingestion:** We have multiple systems that process large amounts of data that include: a large web crawling infrastructure that fetches hundreds of millions of web pages per day; edge measurement servers that collect thousands of data points per transaction; dedicated integrations with social platforms for data ingestion and exchange; and additional integrations to collect data from other applications such as mobile app stores and connected TV stores.

**Data Transformation and Modeling:** Our cloud-based technology platform processes data in real-time using advanced artificial intelligence modeling techniques to improve client reporting. Our models are deployed in production, and regularly monitored and updated. They enable the predictions for brand safety and suitability, fraud, and viewability that we deliver to our customers.

**Real-Time Scoring:** Our edge computing servers package the predictions of the models and serve them in real time, allowing us to score for brand safety, fraud, and viewability across channels and formats, pre-bid and post-bid, and buy-side and sell-side.

**Data Reporting:** Our modernized data platform is capable of ingesting data in near real-time. We collect and store data in a centralized cloud-based data warehouse capable of numerous computations to provide critical data and analytics to our customers via our reporting platform as well as to our data science team for machine learning model creation.

**Data Analytics:** Our product and customer analytics produce specialized reports, offering in-depth insights enabling our clients to optimize their media spend. We offer a comprehensive framework for anomaly detection and application monitoring to ensure our products are always performing at an optimal level.

## **Our Customers**

We have an attractive customer base that is global, diversified, and loyal. We define a "customer" as any advertiser account or publisher account that spends at least \$3,000 in the trailing twelve months. As of March 31, 2021, we had 2,062 customers, including 1,924 advertising customers and 138 publisher customers. The geographic segmentation of revenue from our customers includes 61.5% in the Americas, 28.3% in Europe, Middle East, and Africa ("EMEA"), and 10.2% in Asia and Pacific ("APAC") for the three months ended March 31, 2021.

Our client base encompasses the largest digital ad spenders. In the twelve months ended December 31, 2020, we had 160 large advertising customers, defined as those who spend at least \$200,000 per year. Since

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2012, our average customer tenure for our top 100 customers has been 6.7 years. We have also grown our customer relationships over time as they adopt additional products. From December 31, 2017 to December 31, 2020, our average revenue per customer for our top 100 customers has grown at a CAGR of 22% and revenue attributable to our top 100 customers approximated 70% of our total revenue for each of these years. We have generated strong historical net revenue retention of advertising customers of 112% and 108% as of December 31, 2019 and December 31, 2020, respectively, and 132% and 110% as of March 31, 2020 and 2021, respectively. No single customer accounted for more than approximately 5% of our revenues for the year ended December 31, 2020.

Advertisers can access our solutions through a number of means, including directly through our platform or indirectly through demand-side platforms (DSPs), agencies, and social platforms. Based on recent trends, advertising customers are increasingly accessing our solutions directly, and we signed several of the largest deals in company history in the last two years. Our advertising customers are a reflection of our relevance and value across the digital advertising ecosystem.

We serve some of the largest global brands in a variety of industries including Consumer Packaged Goods (“CPG”), Finance, Technology / Telecommunications, Automotive, Retail / Quick Service Restaurants (“QSR”), and Travel & Entertainment (“T&E”). We also serve advertisers indirectly through demand side platforms including Amazon, AppNexus, Google’s Display and Video 360, The Trade Desk, Verizon Media and Xandr. Additionally, we serve advertisers through global advertising agencies such as IPG, Omnicom, Publicis Groupe, WPP, Vivendi’s Havas Group, and Dentsu.

Our customers also include some of the largest digital publishers. We work with over 150 publishers including Bloomberg, Hulu, Reuters, and Turner, who trust us to improve the quality of their inventory and maximize their revenue.

### **Our Go-To-Market Strategy**

#### ***Sales and Marketing***

We employ a rigorous sales and marketing strategy, which we believe is a competitive differentiator to qualifying opportunities, forecasting pipeline, and achieving financial performance.

We have an established global sales team segmented by geography and we focus our marketing strategy on key regions including the Americas, EMEA, and APAC. We currently address the digital ad verification needs of many of the largest global brands such as Verizon, Disney, Nestlé, and Coca-Cola.

We have aligned sales and go-to-market strategies to efficiently pursue growth opportunities. As a result, we have created a global accounts team to service large opportunities, a mid-market team to efficiently target this customer segment, and a programmatic channel sales team to scale these revenues. Our client services team is responsible for developing customer relationships, promoting retention and loyalty, and improving overall customer satisfaction.

Our marketing team’s core objectives focus on building upon what we believe is leadership for IAS’s brand recognition and brand favorability within our category. These efforts include driving sales effectiveness through field marketing collateral and a sophisticated demand generation engine with impressive top-of-funnel pipeline growth. We also leverage content marketing, which we believe has established IAS as a genuine thought leader by delivering high-value research, whitepapers, case studies, along with associated press coverage, social media content, and industry and proprietary events. Our marquee Media Quality Reports (“MQRs”) share insights extracted from the trillions of data events we capture globally, so that ad buyers and sellers can benchmark the quality of their campaigns and inventory.

#### ***Customer Operations and Support***

We have developed an efficient, full-platform solutions model with a white-glove service to address the needs of large global clients and an end-to-end self-service solution for small-and-medium-sized businesses. Our

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customer operations and support organization continues to leverage automation to better meet the needs of our customers and add scale. For example, in 2020, we were the first digital ad verification company to release an automated tag with Google that reduced a multi-day, labor-intensive process to an activation that can be completed in seconds.

### **Intellectual Property**

The protection of our intellectual property is important to our success and our internally developed technology provides the foundation of our proprietary solutions. We rely on intellectual property laws in the U.S. and abroad, as well as confidentiality procedures and contractual restrictions, to protect our intellectual property. We believe our products are difficult to replicate and we will continue to enhance our intellectual property portfolio as we develop new solutions and services for our customers.

As of March 31, 2021, we had 26 registered U.S. patents, 3 allowed patent applications, and 24 pending patent applications. The terms of individual patents extend for varying periods of time, depending upon the date of filing of the patent application, the date of patent issuance, and the legal term of patents in the countries in which they are obtained. Generally, patents issued for applications filed in the United States are effective for 20 years from the earliest effective filing date of a non-provisional patent application. The duration of patents outside of the United States varies in accordance with provisions of applicable local law, but typically is also 20 years from the earliest effective filing date. However, the actual protection afforded by a patent varies on a country-to-country basis and depends upon many factors, including the type of patent, the scope of its coverage, the availability of legal remedies in a particular country, and the validity and enforceability of the patent.

We also hold or have applied for registration of various service marks, trademarks, and trade names, including “Integral Ad Science,” “IAS,” “Quality Impressions,” and “Total Visibility,” that we believe are important to our business. As of March 31, 2021, we had 4 registered U.S. trademarks, 4 pending U.S. trademark applications, and 8 registered international trademarks.

### **Competition**

Our industry is highly competitive with a mix of large, established companies such as DoubleVerify and Oracle’s MOAT and Grapeshot as well as various point solution providers such as WhiteOps. We believe that we primarily compete on our comprehensive coverage across channels, devices, and platforms; trusted independent position; established client relationships with many of the leading global brands; global footprint; and breadth and performance of our solutions. In addition, we believe new market competitors would find it difficult to effectively compete given our scale, coverage, breadth of solutions, and strong integration throughout the digital ad ecosystem.

The principal competitive factors in our market include:

- channel coverage;
- verification scope and capabilities;
- breadth of solution features;
- technological and data science capabilities;
- scaled data assets;
- trusted position in the marketplace;
- brand awareness and reputation;
- integrations and partnerships;
- industry accreditations and certifications;

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- global coverage;
- reliability, performance, and effectiveness;
- tenure of customer relationships;
- focus on customer success;
- strength of sales and marketing efforts; and
- price of our solutions.

We believe we compete favorably on the basis of these factors.

## **Culture**

IAS was founded in 2009, and since then we have grown to 632 employees with 11 offices in 8 countries. We recognize that attracting, motivating, and retaining passionate talent at all levels is vital to our continued success. By improving employee retention and engagement, we also improve our ability to support our customers and protect the long-term interests of our stakeholders and stockholders. We invest in our employees through high-quality benefits and various health and wellness initiatives, and offer competitive compensation packages, ensuring fairness in internal compensation practices.

We have transformed our business over the past two years by enhancing our talent. We hired leaders with deep expertise in advertising and building global businesses, adding 209 new employees between December 31, 2019 and March 31, 2021 overall. We have also grown our talent internationally with 401 employees based in the United States and 250 based outside of the United States, as of March 31, 2021. We also engage temporary employees and consultants. In certain countries in which we operate we are subject to, and comply with, local labor law requirements, which automatically make our employees subject to industry-wide collective bargaining agreements. We have not experienced any work stoppages. We have a positive relationship with employees and high levels of engagement.

Our culture is defined by a clear set of six values that guide our business, product development, and brand, while delivering tangible financial and operational benefits for our customers, employees, and shareholders:

1. **We Innovate:** We build cool stuff. Innovation is at the core of what we do. We build products, deliver solutions, and generate ideas that provide valuable functions for our customers.
2. **We Do the Right Thing:** Regardless of whether anyone is looking or not. We act with honesty, transparency, and integrity in working with each other and with our customers.
3. **We Are Accountable:** We hold ourselves and each other accountable for our conduct with teammates and our customers. We take full ownership for our deliverables.
4. **We Are Customer Obsessed:** We put the customer front and center of everything that we do. Our customers' success is our success.
5. **We Are One Team:** We value and rely on each other. We are inclusive. We show up for each other, and we act with empathy and consideration for the benefit of the team. None of us succeeds if our team doesn't succeed. So, we never say, "that's not my job."
6. **We Have a Bias for Action:** Speed matters in business. We move at high velocity and we privilege risk-taking.

We believe these values serve as a foundation for our talent efforts. We vigorously invest in recruitment and retention, especially as we continue to grow our engineering talent across global offices where we are rapidly expanding our research and development capacity. As a company born from digital, big data, and data science, it is in our DNA to innovate and continually enhance our technology and products.

## **Our History**

Our company was founded in 2009 and launched our first media quality benchmarks in 2010. With the continued growth of the digital advertising market, we have continued to innovate through new product developments and partnerships across emerging digital media channels and offerings, including connected TV (“CTV”), contextual targeting, programmatic, and social. Key milestones since our company’s founding include:

- 2009: Founded as AdSafe Media and opened our headquarters in New York City
- 2010: Introduced our first Media Quality benchmarks for brand safety and viewability
- 2012: Rebranded to Integral Ad Science (IAS)
- 2013: Patented our ad blocking technology; expanded internationally with a new UK presence
- 2014: Acquired Simplytics; continued international expansion with office openings in Germany and Singapore
- 2015: Acquired Veenome; continued international expansion with office openings in Australia, France, and Japan
- 2016: Announced industry-first social platform partnerships with Facebook and YouTube; acquired Swarm
- 2017: Launched new partnerships with Twitter and Snapchat; launched mobile in-app fraud and publisher optimization solutions
- 2018: Acquired by Vista Equity Partners
- 2019: Pioneered the first CTV verification solution with Verizon and leading video publishers including Hulu, Roku, and FireTV; acquired ADmantX
- 2020: Launched Context Control and Channel Science products; announced Automated Tag partnership with Google; first company approved for brand safety and brand suitability verification with YouTube
- 2021: Acquired Amino Payments

## **Facilities**

Our corporate headquarters are in New York, New York, where we lease 50,246 square feet of office space as of March 31, 2021. We also have domestic offices in Chicago and San Francisco and our international presence is primarily concentrated in London, Paris, Berlin, Hamburg, Madrid, Milan, Modena, Stockholm, Sydney, Tokyo, Singapore, and Pune, India.

We lease all of our facilities. We believe that our facilities are adequate for our current needs and anticipate that suitable additional space will be readily available to accommodate any foreseeable expansion of our operations.

## **Legal Proceedings**

From time to time, we have been and may be involved in various legal proceedings and claims arising in our ordinary course of business. At this time, neither we nor any of our subsidiaries is a party to, and none of our respective property is the subject of, any legal proceeding that, if determined adversely to us, would have a material adverse effect on us.

## CORPORATE CONVERSION

We currently operate as a Delaware limited liability company under the name Integral Ad Science Holding LLC, which directly and indirectly holds all of the equity interests in our operating subsidiaries. Immediately prior to the effectiveness of the registration statement of which this prospectus forms a part, Integral Ad Science Holding LLC will convert into a Delaware corporation pursuant to a statutory conversion and will change its name to Integral Ad Science Holding Corp. In this prospectus, we refer to all of the transactions related to our conversion into a corporation as the Corporate Conversion.

The purpose of the Corporate Conversion is to reorganize our corporate structure so that the entity that is offering our common stock to the public in this offering is a corporation rather than a limited liability company and so that our existing equity holders will own our common stock rather than equity interests in a limited liability company.

In conjunction with the Corporate Conversion, all of our outstanding membership interests will be converted into an aggregate of \_\_\_\_\_ shares of our common stock. The number of shares of common stock issuable in connection with the Corporate Conversion will be determined pursuant to the applicable provisions of the plan of conversion.

We expect to be controlled by our Sponsor following the Corporate Conversion. After giving effect to the Corporate Conversion and the completion of this offering, our Sponsor will control \_\_\_\_\_ % of the voting power of our company. For more information on the indirect ownership of our common stock by our Sponsor and the voting and economic rights associated with each class of our common stock, please read “Principal Stockholders” and “Description of Capital Stock,” respectively.

As a result of the Corporate Conversion, Integral Ad Science Holding Corp. will succeed to all of the property and assets of Integral Ad Science Holding LLC and will succeed to all of the debts and obligations of Integral Ad Science Holding LLC. Integral Ad Science Holding Corp. will be governed by an amended and restated certificate of incorporation filed with the Delaware Secretary of State and bylaws, the material provisions of which are described under the heading “Description of Capital Stock.” On the effective date of the Corporate Conversion, each of our directors and officers will be as described elsewhere in this prospectus. See the section titled “Management.”

Except as otherwise noted herein, the consolidated financial statements included elsewhere in this prospectus are those of Integral Ad Science Holding LLC and its consolidated operations. We do not expect that the Corporate Conversion will have a material effect on the results of our core operations.

## MANAGEMENT

Below is a list of the names, ages, positions and a brief account of the business experience of the individuals who serve as our executive officers, directors and director nominees who are expected to become directors prior to completion of this offering.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Lisa Utzschneider	52	Chief Executive Officer and Director
Joseph Pergola	46	Chief Financial Officer
Tony Lucia	68	Chief Technology Officer
Tom Sharma	47	Chief Product Officer
Oleg Bershadsky	39	Chief Operating Officer
Michael Fosnaugh	42	Director
Rod Aliabadi	36	Director
Martin Taylor	51	Director
Brooke Nakatsukasa	28	Director
Bridgette Heller	59	Director
Jill Putman	53	Director
Otto Berkes	58	Director
Christina Lema	41	Director Nominee

### **Lisa Utzschneider**

Ms. Utzschneider is a member of the board of directors and has been the Chief Executive Officer at IAS since January 2019. Prior to joining IAS, Ms. Utzschneider held the position of Chief Revenue Officer and Senior Vice President at Yahoo!, a web services provider, from 2014 to 2017. From 2008 to 2014, Ms. Utzschneider was Vice President of Global Advertising Sales of Amazon (NASDAQ: AMZN), a multinational technology company. Prior to Amazon, Ms. Utzschneider spent 10 years, from 1998 to 2008, in various executive roles at Microsoft (NASDAQ: MSFT), culminating in her role as General Manager of the national sales and service teams. Ms. Utzschneider holds a bachelor's degree from Bates College and a master's degree in public administration from New York University. Ms. Utzschneider is qualified to serve on the board of directors because of her extensive experience in the technology sector, her experience holding executive positions at various public companies and her insight into our business.

### **Joseph Pergola**

Mr. Pergola joined the IAS team in 2019 and was appointed Chief Financial Officer in 2020. Prior to joining IAS, Mr. Pergola was a Sales Strategy and Operations Leader for the advertising business at Amazon between 2018 and 2019, and before, from 2016 to 2018, was the CFO of the Technology and Product Division for Audible.com, a private online audiobook and podcast service. Prior to his time with Audible.com, he was the Regional CFO for the Americas at Criteo (NASDAQ: CRTO) from 2015 to 2016. Throughout his career, Mr. Pergola also has held senior leadership roles at The Weather Channel, Yahoo!, and Time Warner Inc. He currently serves on the Board of Regents at St. Peter's University, a private university. Mr. Pergola earned his bachelor's degree in Business Administration from St. Peter's University and an MBA from Fordham University.

### **Tony Lucia**

Mr. Lucia is our Chief Technology Officer and joined IAS in 2019. Between 2016 and 2018, Mr. Lucia was the SVP of Data Strategy and Data Science at IAC Applications (NASDAQ: IAC), a holding company that owns

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brands across 100 countries, mostly in media and internet. Prior to that, he worked with Patients Like Me, an iCarbonX company, where he served as Senior Vice President of Software and Data Engineering from 2012 to 2016. Between 2013 and 2016, Mr. Lucia also held key roles at John Wiley & Sons (NYSE: JWA) and Thomson Reuters Healthcare. Mr. Lucia received his bachelor's degree in business management from Mercy College in New York, and holds a certificate from the Columbia Graduate School of Business Executive Education program.

### **Tom Sharma**

Mr. Sharma joined the IAS team in 2020 as our Chief Product Officer. Prior to IAS, Mr. Sharma was the Senior Vice President and Head of Product at Intersection, a smart cities technology and out-of-home advertising company, between 2017 and 2020. He founded and led Impact Digital Media from 2014 to 2017. Between 2008 and 2013, Mr. Sharma held several leadership roles at NBCUniversal (NASDAQ: CMCSA) including Vice President, Emerging Products, and was a founding team member for Hulu in 2006. Mr. Sharma earned his bachelor's degree in Engineering from NM University.

### **Oleg Bershadsky**

Mr. Bershadsky joined the IAS team in 2019 to lead global business operations, monetization, analytics, and sales strategy. He was appointed Chief Operating Officer in 2020. Prior to IAS, Mr. Bershadsky was with Verizon Media (NYSE: VZ), where he led Americas Business Operations, Sales Insights, and Global Data Solutions functions between 2017 and 2019. Mr. Bershadsky joined Verizon Media via its acquisition of Yahoo! Between 2008 and 2017, Mr. Bershadsky held various roles at Yahoo!, including Senior Director of Business Operations. Mr. Bershadsky holds a Master's Degree in Politics and International Relations from New York University and a bachelor's degree in Economics from Stony Brook University.

### **Michael Fosnaugh**

Michael Fosnaugh has served on our Board since 2018. Mr. Fosnaugh is a Senior Managing Director at Vista. Mr. Fosnaugh is Co-Head of Vista's Flagship Fund and sits on the Flagship Fund's Investment Committee. Additionally, Mr. Fosnaugh serves as a member of Vista's Executive Committee, the firm's governing and decision-making body for matters affecting its overall management and strategic direction, and Vista's Private Equity Management Committee, the firm's decision-making body for matters affecting Vista's overall private equity platform. Mr. Fosnaugh currently serves as Chairman of the Board for Ping Identity Holding Corp. (NYSE: PING) and Jamf Holding Corp. (NASDAQ: JAMF) and is on the board of several of Vista's private portfolio companies, including Acquia Inc., Advicent Solutions Inc., Alegeus Technologies Holdings Corp., Applause App Quality Inc., CentralSquare Technologies, LLC, EAB Global Inc., Greenway Health LLC, Market Track, LLC, Mediaocean LLC, PlanSource Benefits Administration Inc., SmartBear Software Inc., STATS LLC (d/b/a STATS Perform) and Triple Lift, Inc. Mr. Fosnaugh was actively involved in Vista's investments in Forcepoint LLC, MRI Software, LLC, SirsiDynix Corporation, Sunquest Information Systems Inc., Vertafore, Inc., Websense, Inc., and Zywave, Inc. Mr. Fosnaugh is Co-Head of Vista's Chicago office. Prior to joining Vista in 2005, Mr. Fosnaugh worked in the Technology, Media & Telecommunications group at SG Cowen & Co., where he focused on the software, services and financial technology sectors. While at SG Cowen & Co., Mr. Fosnaugh advised clients on buy-side and sell-side transactions, public and private equity financings and other strategic advisory initiatives. Mr. Fosnaugh received a bachelor's degree in economics, cum laude, from Harvard College. Mr. Fosnaugh's extensive experience in the areas of corporate strategy, technology, finance, marketing, business transactions and software investments, as well as his experience working with other technology and software companies, make him a valuable member of our Board.

### **Rod Aliabadi**

Mr. Aliabadi has served on our Board since June 2018. Mr. Aliabadi is a Managing Director at Vista and sits on the Flagship Fund's Investment Committee. Prior to joining Vista in 2008, Mr. Aliabadi worked at the

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Stanford Genome Technology Center, focusing on the development of nanotechnology-driven diagnostics. Mr. Aliabadi currently serves on the board of Ping Identity Holding Corp. and several of Vista's private portfolio companies, including Acquia Inc., EAB Global Inc., MediaOcean LLC, QuickBase, Inc., and Triple Lift, Inc. Mr. Aliabadi received a bachelor of engineering in biomedical engineering from Vanderbilt University. We believe Mr. Aliabadi's extensive experience in the areas of corporate strategy, technology, finance and engineering, as well as his experience on the boards of other technology and software companies, make him a valuable member of our Board.

### **Martin Taylor**

Mr. Taylor has served on our Board since 2018. Mr. Taylor is an Operating Managing Director at Vista Equity Partners. In his capacity as an Operating Managing Director he works with the leadership teams in the Vista portfolio creating value. Mr. Taylor currently serves on the board of Jamf Holding Corp., and several of Vista's private portfolio of companies. He also works on a variety of cross portfolio initiatives. Prior to joining Vista in 2006, Mr. Taylor spent over 13 years at Microsoft in various capacities, including roles managing corporate strategy, sales, product marketing and various segment focused teams in North America and Latin America. Mr. Taylor attended George Mason University. We believe Mr. Taylor's extensive experience in the areas of corporate strategy, technology, finance, marketing, business transactions and mergers and acquisitions as well as his experience serving on the boards of other technology and software companies, make him a valuable member of our Board.

### **Brooke Nakatsukasa**

Ms. Nakatsukasa has served on our Board since December 2020. Ms. Nakatsukasa joined Vista Equity Partners in August 2016 and is currently a Vice President on the private equity Flagship team. Ms. Nakatsukasa currently works with the firm's investments in Gainsight, Inc., iCIMS, Inc., Ping Identity Holding Corp., and Zapproved LLC and was actively involved with Vista's investments in Datto (NYSE: MSP), Market Track, LLC, and QuickBase, Inc. Prior to joining Vista, Ms. Nakatsukasa worked at Deutsche Bank as an analyst in the Financial Sponsors Group, where she advised private equity clients on mergers, acquisitions and capital raises across a variety of sectors including consumer, industrials and financial institutions. Ms. Nakatsukasa holds a B.B.A. in Finance, magna cum laude, from the George Washington School of Business at George Washington University. We believe Ms. Nakatsukasa's public company experience as well as her insights into the areas of technology, private equity and finance will make her a valuable member of our board.

### **Bridgette Heller**

Ms. Heller has served on our board since May 2021. Ms. Heller founded the Shirley Proctor Puller Foundation in 2014 and currently serves as the Chief Executive Officer. Previously, from 2016 to 2019, Ms. Heller served as the Executive Vice President and President of Nutricia, the Specialized Nutrition Division of Danone S.A. Ms. Heller also previously served as Executive Vice President of Merck & Co., Inc. (NYSE: MRK) and President of Merck's Consumer Care division from 2010 to 2015. Prior to joining Merck & Co., Inc., Ms. Heller was the President of Johnson and Johnson's (NYSE: JNJ) Global Baby Business Unit from 2007 to 2010, and served as President of its Global Baby, Kids, and Wound Care business from 2005 to 2007. Ms. Heller also served as Executive Vice President and General Manager of Kraft Foods' (NASDAQ: KHC) North American Coffee Portfolio from 2002 to 2005. Currently, Ms. Heller is a director on the boards of Dexcom, Inc. (NASDAQ: DXCM), Aramark, Inc. (NYSE: ARMK), and Novartis AG (NYSE: NVS). Ms. Heller received her bachelor's degree in Economics and Computer Studies from Northwestern University and an MBA from Northwestern University's Kellogg Graduate School of Management. She is a Trustee of Northwestern, a member of the Weinberg College Board of Visitors and serves on Advisory Board for the Kellogg School. We believe Ms. Heller's extensive business experience as well as her insights into the area of technology will make her a valuable member of our Board.

### **Jill Putman**

Ms. Putman has been a member of the board of directors since April 2021. Ms. Putman has been the Chief Financial Officer of Jamf Holding Corp. since 2014. Prior to her role at Jamf Holding Corp., Ms. Putman was the Chief Financial Officer at Kroll Ontrack from July 2011 until May 2014. From 1997 to 2009, Ms. Putman held several roles, including VP of Finance, at Secure Computing, which was acquired by McAfee in 2008. Ms. Putman began her career with KPMG, serving in its audit practice. Ms. Putman holds a bachelor's degree in Accounting and Psychology from Luther College, an MBA from the University of St. Thomas, and is a CPA, inactive. We believe Ms. Putman's leadership experience as a board member and executive at high-growth technology companies qualifies her to serve on the board.

### **Otto Berkes**

Mr. Berkes has served on our board since August 2020. Mr. Berkes is currently the Chief Executive Officer at Acendre, a provider of talent management software solutions. Before Acendre, Mr. Berkes led the development of the popular HBO GO video streaming platform from 2011 to 2015. Mr. Berkes joined HBO after an 18-year career at Microsoft, where he drove groundbreaking hardware and software innovation in computer graphics, home entertainment, mobile devices, and cloud services. Mr. Berkes earned a B.A. in Physics with a minor in Music Performance from Middlebury College, and he holds a MS of Computer Science and Electrical Engineering from the University of Vermont. We believe Mr. Berkes' experience and expertise in building businesses with innovative technology solutions will make him a valuable member of our board.

### **Christina Lema**

Christina Lema is expected to join our board prior to the completion of this offering. Ms. Lema has served as Managing Director and General Counsel of Vista Equity Partners since February 2012. As General Counsel of Vista, she divides her time between corporate and transactional matters, fund formation, every day legal matters, and advising Vista's portfolio companies. Ms. Lema earned a B.A. in Economics and Spanish from the University of Pennsylvania and a J.D. from the Columbia University School of Law. We believe Ms. Lema's expertise in legal matters and experience working with similar companies will make her a valuable member of our board.

### **Family Relationships**

There are no family relationships between any of our executive officers or directors.

### **Corporate Governance**

#### ***Board Composition and Director Independence***

Our business and affairs are managed under the direction of our Board. Following completion of this offering, our Board will be composed of nine directors. Our certificate of incorporation will provide that the authorized number of directors may be changed only by resolution of our Board and with the prior written consent of Vista for so long as it holds director nomination rights. Our certificate of incorporation will also provide that our Board will be divided into three classes of directors, with the classes as nearly equal in number as possible. Subject to any earlier resignation or removal in accordance with the terms of our certificate of incorporation and bylaws, our Class I directors will be Mr. Fosnaugh, Mr. Aliabadi, and Mr. Taylor and will serve until the first annual meeting of shareholders following the completion of this offering, our Class II directors will be Mr. Berkes, Ms. Nakatsukasa, and Ms. Utzschneider, and will serve until the second annual meeting of shareholders following the completion of this offering and our Class III directors will be Ms. Putman, Ms. Lema, and Ms. Heller and will serve until the third annual meeting of shareholders following the completion of this offering. Upon completion of this offering, we expect that each of our directors will serve in the classes as indicated above. In addition, our certificate of incorporation will provide that our directors may be

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removed with or without cause by the affirmative vote of at least a majority of the voting power of our outstanding shares of stock entitled to vote thereon, voting together as a single class for so long as Vista beneficially owns 40% or more of the total number of shares of our common stock then outstanding. If Vista's beneficial ownership falls below 40% of the total number of shares of our common stock outstanding, then our directors may be removed only for cause upon the affirmative vote of at least 66 2/3% of the voting power of our outstanding shares of stock entitled to vote thereon. Our bylaws will provide that Vista will have the right to designate the Chair of the Board for so long as Vista beneficially owns at least 30% or more of the voting power of the then outstanding shares of our capital stock then entitled to vote generally in the election of directors. Following this offering, Mr. Fosnaugh will be the Chair of our Board.

This classification of our board of directors may have the effect of delaying or preventing changes in control of our company.

The listing standards of NASDAQ require that, subject to specified exceptions, each member of a listed company's audit, compensation and nominating and governance committees be independent and that audit committee members also satisfy independence criteria set forth in Rule 10A-3 under the Exchange Act.

We anticipate that, prior to our completion of this offering, the Board will determine that Ms. Putman, Mr. Berkes and Ms. Heller meet the NASDAQ requirements to be independent directors. In making this determination, our Board considered the relationships that each such non-employee director has with the Company and all other facts and circumstances that our Board deemed relevant in determining their independence, including beneficial ownership of our common stock.

See "Certain Relationships and Related Party Transactions—Director Nomination Agreement" for more information.

### ***Controlled Company Status***

After completion of this offering, Vista will continue to control a majority of our outstanding common stock. As a result, we will be a "controlled company." Under NASDAQ rules, a company of which more than 50% of the voting power for the election of directors is held by an individual, group or another company is a "controlled company" and may elect not to comply with certain NASDAQ corporate governance requirements, including the requirements that, within one year of the date of the listing of our common stock:

- we have a board that is composed of a majority of "independent directors," as defined under the rules of such exchange;
- we have a compensation committee that is composed entirely of independent directors; and
- we have a nominating and corporate governance committee that is composed entirely of independent directors.

Following this offering, we intend to rely on this exemption. As a result, we may not have a majority of independent directors on our Board. In addition, our Compensation and Nominating Committee may not consist entirely of independent directors or be subject to annual performance evaluations. Accordingly, you may not have the same protections afforded to shareholders of companies that are subject to all of the NASDAQ corporate governance requirements.

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### **Board Committees**

Upon completion of this offering, our Board will have an Audit Committee and a Compensation and Nominating Committee. The composition, duties and responsibilities of these committees will be as set forth below. In the future, our Board may establish other committees, as it deems appropriate, to assist it with its responsibilities.

Board Member	Audit Committee	Compensation and Nominating Committee
Lisa Utschneider		X
Michael Fosnaugh		X(Chair)
Rod Aliabadi		X
Martin Taylor		
Jill Putman	X(Chair)	
Otto Berkes	X	
Brooke Nakatsukasa		X
Bridgette Heller	X	
Christina Lema		

### **Audit Committee**

Following this offering, our Audit Committee will be composed of Ms. Putman, Mr. Berkes, and Ms. Heller, with Ms. Putman serving as chair of the committee. We intend to comply with the audit committee requirements of the SEC and NASDAQ, which require that the Audit Committee be composed of at least one independent director at the closing of this offering, a majority of independent directors within 90 days following this offering and all independent directors within one year following this offering. We anticipate that, prior to the completion of this offering, our Board will determine that Ms. Putman, Mr. Berkes and Ms. Heller meet the independence requirements of Rule 10A-3 under the Exchange Act and the applicable listing standards of NASDAQ. We anticipate that, prior to our completion of this offering, our Board will determine that \_\_\_\_\_ is an “audit committee financial expert” within the meaning of SEC regulations and applicable listing standards of NASDAQ. The Audit Committee’s responsibilities upon completion of this offering will include:

- appointing, approving the compensation of, and assessing the qualifications, performance and independence of our independent registered public accounting firm;
- pre-approving audit and permissible non-audit services, and the terms of such services, to be provided by our independent registered public accounting firm;
- reviewing our policies on risk assessment and risk management;
- reviewing and discussing with management and the independent registered public accounting firm our annual and quarterly financial statements and related disclosures as well as critical accounting policies and practices used by us;
- reviewing the adequacy of our internal control over financial reporting;
- establishing policies and procedures for the receipt and retention of accounting-related complaints and concerns;
- recommending, based upon the Audit Committee’s review and discussions with management and the independent registered public accounting firm, whether our audited financial statements shall be included in our Annual Report on Form 10-K;
- monitoring our compliance with legal and regulatory requirements as they relate to our financial statements and accounting matters;
- preparing the Audit Committee report required by the rules of the SEC to be included in our annual proxy statement;
- reviewing all related party transactions for potential conflict of interest situations and approving all such transactions; and

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- reviewing and discussing with management and our independent registered public accounting firm our earnings releases and scripts.

### **Compensation and Nominating Committee**

Following this offering, our Compensation and Nominating Committee will be composed of Mr. Fosnaugh, Mr. Aliabadi, and Mr. Taylor, with Mr. Aliabadi serving as chair of the committee. The Compensation and Nominating Committee's responsibilities upon completion of this offering will include:

- annually reviewing and approving corporate goals and objectives relevant to the compensation of our chief executive officer;
- evaluating the performance of our chief executive officer in light of such corporate goals and objectives and determining and approving the compensation of our chief executive officer;
- reviewing and approving the compensation of our other executive officers;
- appointing, compensating and overseeing the work of any compensation consultant, legal counsel or other advisor retained by the compensation committee;
- conducting the independence assessment outlined in the NASDAQ rules with respect to any compensation consultant, legal counsel, or other advisor retained by the compensation committee;
- annually reviewing and reassessing the adequacy of the committee charter in its compliance with the listing requirements of NASDAQ;
- reviewing and establishing our overall management compensation, philosophy, and policy;
- overseeing and administering our compensation and similar plans;
- reviewing and making recommendations to our Board with respect to director compensation;
- reviewing and discussing with management the compensation discussion and analysis to be included in our annual proxy statement or Annual Report on Form 10-K;
- developing and recommending to our Board criteria for board and committee membership;
- subject to the rights of Vista under the Director Nomination Agreement, identifying and recommending to our Board the persons to be nominated for election as directors and to each of our Board's committees;
- developing and recommending to our Board best practices and corporate governance principles;
- developing and recommending to our Board a set of corporate governance guidelines; and
- reviewing and recommending to our Board the functions, duties, and compositions of the committees of our Board.

### **Compensation Committee Interlocks and Insider Participation**

None of our executive officers currently serves, or in the past fiscal year has served, as a member of the Board or compensation committee of any entity that has one or more executive officers serving on our Board or Compensation and Nominating Committee.

### **Risk Oversight**

Our Board will oversee the risk management activities designed and implemented by our management. Our Board will execute its oversight responsibility for risk management both directly and through its committees. The full Board will also consider specific risk topics, including risks associated with our strategic plan, business operations and capital structure. In addition, our Board will receive detailed regular reports from members of our senior management and other personnel that include assessments and potential mitigation of the risks and exposures involved with their respective areas of responsibility.

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Our Board will delegate to the Audit Committee oversight of our risk management process. Our other committees of our Board will also consider and address risk as they perform their respective committee responsibilities. All committees will report to the full Board as appropriate, including when a matter rises to the level of a material or enterprise level risk.

**Code of Business Conduct and Ethics**

Prior to completion of this offering, we intend to adopt a code of business conduct and ethics that applies to all of our employees, officers, and directors, including those officers responsible for financial reporting. Upon the closing of this offering, our code of business conduct and ethics will be available on our website. We intend to disclose any amendments to the code, or any waivers of its requirements, on our website.

## EXECUTIVE COMPENSATION

We are currently considered an “emerging growth company” as defined in the JOBS Act for purposes of the SEC’s executive compensation disclosure rules. In accordance with those rules, we are required to provide a Summary Compensation Table and an Outstanding Equity Awards at Fiscal Year End Table, as well as limited narrative disclosures regarding executive compensation for our last completed fiscal year. Further, our reporting obligations extend only to our “named executive officers,” who are the individuals who served as our principal executive officer and our next two other most highly compensated executive officers at the end of the last completed fiscal year. Accordingly, for the purposes of the disclosures in this section, our “Named Executive Officers” are:

<u>Name</u>	<u>Principal Position</u>
Lisa Utzschneider	Chief Executive Officer
Joseph Pergola	Chief Financial Officer
Tom Sharma	Chief Product Officer

### 2020 Summary Compensation Table

The following table summarizes the compensation awarded to, earned by or paid to our Named Executive Officers for the fiscal year ended December 31, 2020.

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary (\$)</u>	<u>Bonus (\$)(1)</u>	<u>Option Awards (\$)(2)</u>	<u>All Other Compensation (\$)(3)</u>	<u>Total (\$)</u>
Lisa Utzschneider (Chief Executive Officer)	2020	\$ 491,667	\$ 250,000	—	\$ 16,738	\$ 758,405
Joseph Pergola (Chief Financial Officer)	2020	\$ 256,455(4)	\$ 150,000	\$ 2,061,528	\$ 10,890	\$ 2,478,873
Tom Sharma (Chief Product Officer)	2020	\$ 66,667	\$ 26,667	\$ 2,152,591	\$ 1,382	\$ 2,247,307

- (1) Amounts reported in the “Bonus” column represent discretionary bonuses awarded with respect to the 2020 fiscal year. Please see the section entitled “Narrative Disclosure to the Summary Compensation Table—Employment Agreements” below for additional details regarding our bonus structure.
- (2) Amounts reported in the “Option Awards” column reflect the aggregate grant date fair value, computed in accordance with FASB ASC Topic 718, of non-qualified options to purchase non-voting units of Integral Ad Science Holding LLC, granted in the 2020 fiscal year pursuant to the Integral Ad Science Holding LLC 2018 Non-Qualified Unit Option Plan that are subject to performance-based vesting requirements (the “Return Target Options”). Each award granted in the 2020 fiscal year also included options subject to time-based vesting requirements (the “Service Options”). The Service Options are not in the scope of FASB ASC Topic 718 and therefore do not have an aggregate grant date fair value, but for the purposes of the amounts in the “Option Awards” column, the value of the Service Options was determined using a Black Scholes option-pricing model. Amounts reported in the “Option Awards” column reflect (i) in the case of Mr. Pergola, \$1,577,107 in Service Options and \$484,421 in Return Target Options granted during the 2020 fiscal year; and (ii) in the case of Mr. Sharma, \$1,721,787 in Service Options and \$430,804 in Return Target Options granted during the 2020 fiscal year. Please see the sections entitled “Narrative Disclosure to the Summary Compensation Table—Equity Incentives” and “Additional Narrative Disclosures—Integral Ad Science Holding LLC 2018 Non-Qualified Unit Option Plan” below for more details regarding these awards.
- (3) Amounts reported in the “All Other Compensation” column reflect (i) in the case of Ms. Utzschneider, \$8,550 in profit sharing contributions and \$8,188 in 401(k) plan matching contributions made on her behalf during the 2020 fiscal year; (ii) in the case of Mr. Pergola, \$8,550 in profit sharing contributions and \$2,340

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in 401(k) plan matching contributions made on his behalf during the 2020 fiscal year; and (iii) in the case of Mr. Sharma, \$1,382 in profit sharing contributions. The profit sharing contributions were made based on the Company's performance in lieu of our typical 401(k) matching contributions, which were temporarily suspended in April 2020 due to COVID-19. Please see the section entitled "Additional Narrative Disclosure—Retirement Benefits" for additional information regarding 401(k) plan contributions.

- (4) Effective November 24, 2020, Mr. Pergola's role was changed from Chief of Staff to Chief Financial Officer. In connection with this, his annual base salary was adjusted from \$285,000 to \$375,000.

### **Narrative Disclosure to Summary Compensation Table**

#### ***Employment Agreements***

We have entered into employment agreements, as amended, with each of our Named Executive Officers that provide for each executive's annual base salary, target bonus opportunity, eligibility to receive options to purchase non-voting units of Integral Ad Science Holding LLC, and eligibility to participate in our benefit plans generally.

Each of Ms. Utschneider, Mr. Pergola, and Mr. Sharma's annual base salaries for the 2020 fiscal year were \$500,000, \$375,000, and \$400,000, respectively, and their annual potential discretionary bonuses were 50%, 40%, and 40%, respectively, of their base salaries. As noted above, Mr. Pergola's annual base salary was adjusted from \$285,000 to \$375,000, effective November 24, 2020. The annual discretionary bonuses are determined in the discretion of the Board based on financial targets such as revenue, recurring revenue, gross profit, and/or EBITDA targets. In addition to these financial targets, the achievement of certain "stretch" targets, as determined in the sole discretion of the Board, will entitle each Named Executive Officer an additional bonus of up to 10% of base salary (in the case of Ms. Utschneider, 50%). Pursuant to his employment agreement, Mr. Sharma is also eligible for an additional one-time discretionary bonus in the aggregate amount of up to \$101,000 on or around February 1, 2021, subject to his achievement of pre-established performance goals and his continued employment through the payment date.

The employment agreements provide for certain severance benefits upon a resignation by the applicable executive for "good reason" or upon a termination by the Company without "cause." Please see the section entitled "Additional Narrative Disclosure—Potential Payments upon Termination or Change in Control" below for more details regarding the severance benefits provided to our Named Executive Officers under the employment agreements.

#### ***Equity Incentives***

Pursuant to the Integral Ad Science Holding LLC 2018 Non-Qualified Unit Option Plan (the "2018 Plan"), we have historically offered long-term incentives to our Named Executive Officers through grants of options to purchase interests in Integral Ad Science Holding LLC (the "Options"). The Service Options are subject to service-based vesting requirements and accelerated vesting upon the occurrence of certain change in control events. The Return Target Options are subject to vesting based on total equity return, and expire if such return-based vesting requirements are not met upon certain change in control events. The Return Target Options will vest in connection with certain change in control events, upon the achievement of a 3x return on investment to Vista. See below under "Additional Narrative Disclosures—Integral Ad Science Holding LLC 2018 Non-Qualified Unit Option Plan" for additional details regarding these awards, and under "Additional Narrative Disclosure—Potential Payments upon a Termination or Change in Control" for additional information regarding the circumstances that could result in accelerated vesting of these awards.

**Outstanding Equity Awards at 2020 Fiscal Year-End**

<u>Name</u>	<u>Option Awards(1)</u>			
	<u>Number of securities underlying unexercised options exercisable (#)(2)</u>	<u>Number of securities underlying unexercised options unexercisable (#)(3)</u>	<u>Option exercise price (\$)</u>	<u>Option expiration date (8)</u>
Lisa Utzschneider	3,709.6950	9,009.2592(4)	\$ 1,000.00	01/07/2029
Joseph Pergola	75.3216	376.608(5)	\$ 1,055.58	10/19/2029
	—	1,656.7265(6)	\$ 2,075.98	11/24/2030
Tom Sharma	—	1,807.4184(7)	\$ 2,075.98	11/2/2030

- (1) For each Named Executive Officer, two-thirds (2/3) of the Options disclosed in this table are Service Options and the remaining one-third (1/3) are Return Target Options. Twenty-five percent (25%) of the Service Options vest on the first anniversary of the vesting commencement date, and 6.25% of the Service Options vest on the last day of each calendar quarter following the first anniversary of the vesting commencement date until 100% of the Service Options are vested, subject to the Named Executive Officer’s continued employment through the applicable vesting date. The Return Target Options vest upon the achievement of a 3x return on investment to Vista upon certain change in control events. The treatment of these awards upon certain terminations of employment and change in control events is described below under “Additional Narrative Disclosure—Potential Payments Upon Termination or Change in Control.”
- (2) Awards reflected as “exercisable” are Service Options that have vested, but remain outstanding.
- (3) Awards reflected as “unexercisable” are Service and Return Target Options that have not vested.
- (4) Under the terms of the applicable Option award agreement, (i) 3,709.6950 Service Options are vested and exercisable, (ii) 4,769.6078 Service Options are unvested; and (iii) 4,239.6514 Return Target Options are unvested and will vest upon the achievement of a 3x return on investment to Vista upon certain change in control events, so long as Ms. Utzschneider remains employed through the date of such event.
- (5) Under the terms of the applicable Option award agreement, (i) 75.3216 Service Options are vested and exercisable, (ii) 225.9648 Service Options are unvested; and (iii) 150.6432 Return Target Options are unvested and will vest upon the achievement of a 3x return on investment to Vista upon certain change in control events, so long as Mr. Pergola remains employed through the date of such event.
- (6) Mr. Pergola received an additional Option grant upon his promotion to CFO. Under the terms of the applicable Option award agreement, (i) none of the Service Options are vested and exercisable, (ii) 1,104.4843 Service Options are unvested; and (iii) 552.2422 Return Target Options are unvested and will vest upon the achievement of a 3x return on investment to Vista upon certain change in control events, so long as Mr. Pergola remains employed through the date of such event.
- (7) Under the terms of the applicable Option award agreement, (i) none of the Service Options are vested and exercisable, (ii) 1,204.9456 Service Options are unvested; and (iii) 602.4728 Return Target Options are unvested and will vest upon the achievement of a 3x return on investment to Vista upon certain change in control events, so long as Mr. Sharma remains employed through the date of such event.
- (8) These awards are subject to expiration upon the earlier of (i) thirty (30) days after the termination of the Named Executive Officer and (ii) the tenth anniversary of the date of the Option award agreement. The date disclosed as the “expiration date” is the tenth anniversary of the date of grant of each Option award.

**Additional Narrative Disclosure**

***Retirement Benefits***

We do not have a defined benefit pension plan or nonqualified deferred compensation plan. We currently maintain a retirement plan intended to provide benefits under Section 401(k) of the Code, pursuant to which employees, including the Named Executive Officers, can make voluntary pre-tax contributions. We match 50% of elective deferrals made by employees, up to 3% of each employee’s base salary with respect to each calendar

year. All amount contributed to employees' accounts, including these matching contributions, are 100% vested at all times. All contributions under the plan are subject to certain annual dollar limitations, which are periodically adjusted for changes in the cost of living. With respect to the 2020 fiscal year, the company suspended 401(k) matching contributions in April 2020 for the remainder of the 2020 fiscal year. In lieu of these contributions, as noted above, at the end of the 2020 fiscal year, we made profit sharing contributions to our 401(k) plan on behalf of each employee, including to the Named Executive Officers, based on the Company's performance.

#### ***Potential Payments upon Termination or Change in Control***

Each Named Executive Officer's outstanding Service Options will accelerate and vest upon a "termination event," which is generally defined as (i) any sale or transfer by the Company (or any of its significant subsidiaries) of all or substantially all of their assets on a consolidated basis, (ii) any consolidation, merger or reorganization of the Company (or any of its significant subsidiaries) with or into any other entity or entities as a result of which any person or group other than the pre-public investors obtains possession of voting power to elect a majority of the surviving entity's board of directors or, in the case of a surviving entity which is not a corporation, governing body, or (iii) any sale or transfer to any third party of units or shares of the capital stock of any significant subsidiary by the holders thereof as a result of which any person or group other than the pre-public investors obtains possession of voting power to elect a majority of the Company's board of managers or the board of directors or any other governing body of the applicable significant subsidiary.

Our Named Executive Officers' employment agreements provide that upon a termination by us other than for "cause" or upon a resignation by such executive for "good reason," each as defined therein, subject to the execution and delivery of a fully effective release of claims in favor of the Company and continued compliance with applicable restrictive covenants, Ms. Utzschneider will receive salary continuation payments and continued COBRA coverage at the Company's expense for 12 months and, at the sole discretion of the Board, a prorated portion of any bonus that may have been awarded in the year of termination; Mr. Pergola will receive salary continuation payments for 6 months, continued COBRA coverage at the Company's expense for up to 3 months and, at the sole discretion of the Board, a prorated portion of any bonus that may have been awarded in the year of termination; Mr. Sharma will receive salary continuation payments for 12 months, continued COBRA coverage at the Company's expense for up to 3 months and, at the sole discretion of the Board, a prorated portion of any bonus that may have been awarded in the year of termination. The employment agreements also contain certain restrictive covenants, including provisions that create restrictions, with certain limitations, on our Names Executive Officers (i) soliciting any customers, soliciting or hiring Company employees or inducing them to terminate their employment during the term of the Named Executive Officers' employment with the Company and, in the case of Ms. Utzschneider and Mr. Sharma, for a 12 month period following termination of employment, and in the case of Mr. Pergola, for a 24 month period following termination of employment, (ii) competing with the Company during the term of the Named Executive Officers' employment with the Company and, in the case of Ms. Utzschneider and Mr. Sharma, for a 12 month period following termination of employment, and in the case of Mr. Pergola, for a 24 month period following termination of employment, in each case, subject to restrictions in certain jurisdictions, (iii) making disparaging statements about the Company or its officers, directors or employees, and (iv) disclosing confidential information of the Company or its affiliates.

For the purposes of each Named Executive Officer's employment agreement:

- "Cause" means any of the following: (i) a material failure to perform his or her responsibilities or duties to the Company, subject to certain a notice and cure period; (ii) engagement in illegal conduct or gross misconduct that the Company in good faith believes has materially harmed, or is reasonably likely to materially harm , the standing and reputation of the Company; (iii) commission or conviction of, or plea of guilty or nolo contendere to, a felony, a crime involving moral turpitude or any other act or omission that the Company in good faith believes has materially harmed, or is reasonably likely to materially harm , the standing and reputation of the Company; (iv) a material breach of his or her duty of loyalty to the Company or material breach of the Company's written code of conduct and business

ethics or a violations of any of the restrictive covenants; (v) fraud, gross negligence or repetitive negligence committed without regard to written corrective direction in the course of the discharge of duties as an employee to the Company; or (vi) excessive and unreasonable absences from his or her duties for any reason (other than an authorized leave or as a result of disability).

For the purposes of the employment agreement with Ms. Utschneider:

- “Good Reason” means, subject to certain notice and cure provisions, any of the following: (i) a material, adverse change in Ms. Utschneider’s duties or responsibilities; (ii) a reduction of greater than 10% of her base salary, or that is not implemented in conjunction with a general decrease in salary for the executive management team; (iii) a material breach by us of any employment agreement between the Named Executive Officer and the Company; or (iv) a relocation of her primary place of work by more than 25 miles.

For the purposes of the employment agreement with each of Messrs. Pergola and Sharma:

- “Good Reason” means, subject to certain notice and cure provisions, any of the following: (i) a material, adverse change in his duties or responsibilities; (ii) a change from reporting to the CEO, except that a change to reporting to the COO, the President or the Board shall not constitute Good Reason; (iii) a reduction in base salary of greater than 10% of his base salary, or that is not implemented in conjunction with a general decrease in salary for the executive management team; (iv) a material breach by us of any employment agreement between the Named Executive Officer and the Company; or (iv) a relocation of his primary place of work by more than fifty (50) miles.

#### ***Integral Ad Science Holding LLC 2018 Non-Qualified Unit Option Plan***

The 2018 Plan permits the granting of only options that do not qualify as incentive options under Section 422 of the Code. The option exercise price of each option is determined by the administrator but may not be less than 100% of the fair market value of our common stock on the date of grant. The term of each option is established by the administrator and may not exceed ten (10) years from the date of grant.

Our Board designated a Special Committee as the administrator of the 2018 Plan. The administrator has the full power to select the individuals eligible for awards, the individuals to whom awards will be granted, and to determine the specific terms and conditions of each award. The administrator is authorized to exercise its discretion to reduce the exercise price of outstanding stock options or effect the repricing of such awards through cancellation and re-grants without shareholder approval. Persons eligible to participate in the plan are those officers, employees, directors, consultants and other advisors (including prospective employees, but conditioned upon their employment) of the Company and its subsidiaries as selected from time to time by the administrator in its discretion.

Our Board has determined not to make any further awards under the 2018 Plan following the completion of this offering.

#### ***2021 Employee Stock Purchase Plan***

In order to incentivize our employees following the completion of this offering, we anticipate that our Board will adopt the 2021 Employee Stock Purchase Plan (the “ESPP”), the material terms of which are summarized below, prior to the completion of this offering. This summary is not a complete description of all of the provisions of the ESPP and is qualified in its entirety by reference to the ESPP, a copy of which will be filed as an exhibit to the registration statement of which this prospectus forms a part.

The ESPP is comprised of two distinct components in order to provide increased flexibility to grant options to purchase shares under the ESPP to U.S. and non-U.S. employees. Specifically, the ESPP authorizes (i) the

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grant of options to U.S. employees that are intended to qualify for favorable U.S. federal tax treatment under Section 423 of the Code (the “Section 423 Component”), and (ii) the grant of options that are not intended to be tax-qualified under Section 423 of the Code to facilitate participation for employees located outside of the U.S. who do not benefit from favorable U.S. federal tax treatment and to provide flexibility to comply with non-U.S. law and other considerations (the “Non-Section 423 Component”). Where permitted under local law and custom, we expect that the Non-Section 423 Component will generally be operated and administered on terms and conditions similar to the Section 423 Component.

### *Shares Available for Awards; Administration*

A total of \_\_\_\_\_ shares of our common stock will initially be reserved for issuance under the ESPP. In addition, the number of shares available for issuance under the ESPP will be increased annually on January 1 of each calendar year beginning in 2022 and ending in and including 2031, by an amount equal to the lesser of (i) \_\_\_\_\_ % of the shares outstanding on the final day of the immediately preceding calendar year and (ii) such smaller number of shares as is determined by our Board, provided that no more than \_\_\_\_\_ shares of our common stock may be issued under the Section 423 Component. In no event will more than the reserved shares of our common stock be available for issuance under the ESPP. Our Board or a committee of our Board will administer and will have authority to interpret the terms of the ESPP and determine eligibility of participants. We expect that the compensation committee will be the initial administrator of the ESPP.

### *Eligibility*

We expect that all of our employees and employees of any designated subsidiary, as defined in the ESPP, will be eligible to participate in the ESPP. However, an employee may not be granted rights to purchase stock under our ESPP if the employee, immediately after the grant, would own (directly or through attribution) stock possessing 5% or more of the total combined voting power of all classes of our stock.

### *Grant of Rights*

Stock will be offered under the ESPP during offering periods. Each offering will consist of an offering period commencing on the first day of the calendar quarter following the end of the immediately preceding offering period. The plan administrator may, at its discretion, choose a different length of the offering period not to exceed 27 months. Employee payroll deductions will be used to purchase shares on each purchase date during an offering period. The purchase date for each offering period will be the final trading day in the offering period. The plan administrator may, in its discretion, modify the terms of future offering periods.

The ESPP permits participants to purchase common stock through payroll deductions of up to 15% of their eligible compensation. The maximum number of shares that may be purchased by a participant during any offering period will be \_\_\_\_\_ shares. In addition, no employee will be permitted to accrue the right to purchase stock under the Section 423 Component at a rate in excess of \$25,000 worth of shares during any calendar year during which such a purchase right is outstanding (based on the fair market value per share of our common stock as of the first day of the offering period).

On the first trading day of each offering period, each participant will automatically be granted an option to purchase shares of our common stock. The option will expire at the end of the applicable offering period, and will be exercised at that time to the extent of the payroll deductions accumulated during the offering period. The purchase price of the shares, in the absence of a contrary designation, will be \_\_\_\_\_ % of the lower of the fair market value of our common stock on the first trading day of the offering period or on the purchase date. Participants may voluntarily end their participation in the ESPP at any time during a specified period prior to the end of the applicable offering period, and will be paid their accrued payroll deductions that have not yet been used to purchase shares of common stock. Participation ends automatically upon a participant’s termination of employment.

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A participant may not transfer rights granted under the ESPP other than by will or the laws of descent and distribution, and rights granted under the ESPP are generally exercisable only by the participant.

### *Certain Transactions*

In the event of certain transactions or events affecting our common stock, the plan administrator will make equitable adjustments to the ESPP and outstanding rights. In the event of certain unusual or non-recurring events or transactions, including a change in control, the plan administrator may provide for (i) either the replacement of outstanding rights with other rights or property or termination of outstanding rights in exchange for cash, (ii) the assumption or substitution of outstanding rights by the successor or survivor corporation or parent or subsidiary thereof, if any, (iii) an adjustment to the number and type of shares of stock subject to outstanding rights, (iv) the use of participants' accumulated payroll deductions to purchase stock on a new purchase date prior to the next scheduled purchase date and termination of any rights under ongoing offering periods or (v) the termination of all outstanding rights.

### *Plan Amendment*

The plan administrator may amend, suspend or terminate the ESPP at any time. However, stockholder approval will be obtained for any amendment that increases the aggregate number or changes the type of shares that may be sold pursuant to rights under the ESPP or changes the corporations or classes of corporations whose employees are eligible to participate in the ESPP.

### *Omnibus Incentive Plan*

In order to incentivize our employees following the completion of this offering, we anticipate that our Board will adopt the 2021 Omnibus Incentive Plan (the "2021 Plan"), for the benefit of employees, consultants and directors prior to the completion of this offering. This summary is not a complete description of all of the provisions of the 2021 Plan and is qualified in its entirety by reference to the 2021 Plan, a copy of which will be filed as an exhibit to the registration statement of which this prospectus forms a part. Our Named Executive Officers will be eligible to participate in the 2021 Plan, which we expect will become effective upon the consummation of this offering. We anticipate that the 2021 Plan will provide for the grant of options, stock appreciation rights, restricted stock, restricted stock units, stock awards, dividend equivalents, other stock-based awards, cash awards and substitute awards intended to align the interests of service providers, including our Named Executive Officers, with those of our shareholders.

### *Securities to be Offered*

Subject to adjustment in the event of certain transactions or changes of capitalization in accordance with the 2021 Plan, a certain number of shares of common stock will initially be reserved for issuance pursuant to awards under the 2021 Plan. The total number of shares reserved for issuance under the 2021 Plan may be issued pursuant to incentive options. Shares of common stock subject to an award that expires or is canceled, forfeited, exchanged, settled in cash or otherwise terminated without delivery of shares and shares withheld to pay the exercise price of, or to satisfy the withholding obligations with respect to, an award will again be available for delivery pursuant to other awards under the 2021 Plan.

The total number of shares reserved for issuance under the 2021 Plan will be increased on January 1 of each of the first 10 calendar years during the term of the 2021 Plan, by the lesser of (i) % of the total number of shares of common stock outstanding on each December 31 immediately prior to the date of increase or (ii) such number of shares of common stock determined by our Board or compensation committee.

### *Administration*

The 2021 Plan will be administered by our Board, except to the extent our Board elects a committee of directors to administer the 2021 Plan (as applicable, the "Administrator"). The Administrator has broad

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discretion to administer the 2021 Plan, including the power to determine the eligible individuals to whom awards will be granted, the number and type of awards to be granted and the terms and conditions of awards. The Administrator may also accelerate the vesting or exercise of any award and make all other determinations and to take all other actions necessary or advisable for the administration of the 2021 Plan. To the extent the Administrator is not our Board, our Board will retain the authority to take all actions permitted by the Administrator under the 2021 Plan.

### *Eligibility*

Our employees, consultants and non-employee directors, and employees, consultants and non-employee directors of our affiliates, will be eligible to receive awards under the 2021 Plan.

### *Non-Employee Director Compensation Limits*

Under the 2021 Plan, in a single calendar year, a non-employee director may not be granted awards for such individual's service on our Board having a value in excess of \$ . Additional awards may be granted for any calendar year in which a non-employee director first becomes a director, serves on a special committee of our Board, or serves as lead director. This limit does not apply to cash fees or awards granted in lieu of cash fees.

### *Types of Awards*

*Options.* We may grant options to eligible persons, except that incentive options may only be granted to persons who are our employees or employees of one of our subsidiaries, in accordance with Section 422 of the Code. The exercise price of an option generally cannot be less than 100% of the fair market value of a share of common stock on the date on which the option is granted and the option must not be exercisable for longer than ten years following the date of grant. In the case of an incentive option granted to an individual who owns (or is deemed to own) at least 10% of the total combined voting power of all classes of our equity securities, the exercise price of the option must be at least 110% of the fair market value of a share of common stock on the date of grant and the option must not be exercisable more than five years from the date of grant.

*Stock Appreciation Right ("SAR").* A SAR is the right to receive an amount equal to the excess of the fair market value of one share of common stock on the date of exercise over the grant price of the SAR. The grant price of a SAR generally cannot be less than 100% of the fair market value of a share of common stock on the date on which the SAR is granted. The term of a SAR may not exceed ten years. SARs may be granted in connection with, or independent of, other awards. The Administrator will have the discretion to determine other terms and conditions of an SAR award.

*Restricted Stock Awards.* A restricted stock award is a grant of shares of common stock subject to the restrictions on transferability and risk of forfeiture imposed by the Administrator. Unless otherwise determined by the Administrator and specified in the applicable award agreement, the holder of a restricted stock award will have rights as a shareholder, including the right to vote the shares of common stock subject to the restricted share award or to receive dividends on the shares of common stock subject to the restricted stock award during the restriction period. In the discretion of the Administrator, dividends distributed prior to vesting may be subject to the same restrictions and risk of forfeiture as the restricted shares with respect to which the distribution was made.

*Restricted Stock Units ("RSU").* An RSU is a right to receive cash, shares of common stock or a combination of cash and shares of common stock at the end of a specified period equal to the fair market value of one share of common stock on the date of vesting. RSUs may be subject to the restrictions, including a risk of forfeiture, imposed by the Administrator.

*Share awards.* A share award is a transfer of unrestricted shares of common stock on terms and conditions, if any, determined by the Administrator.

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*Dividend Equivalents.* Dividend equivalents entitle a participant to receive cash, shares of common stock, other awards or other property equal in value to dividends or other distributions paid with respect to a specified number of shares of common stock. Dividend equivalents may be granted on a free-standing basis or in connection with another award (other than a restricted share award or a share award).

*Other Stock-Based Awards.* Other stock-based awards are awards denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, the value of our shares of common stock.

*Cash Awards.* Cash awards may be granted on a free-standing basis or as an element of, a supplement to, or in lieu of any other award.

*Substitute Awards.* Awards may be granted in substitution or exchange for any other award granted under the 2021 Plan or under another equity incentive plan or any other right of an eligible person to receive payment from us. Awards may also be granted under the 2021 Plan in substitution for similar awards held for individuals who become participants as a result of a merger, consolidation or acquisition of another entity by or with us or one of our affiliates.

### *Certain Transactions*

If any change is made to our capitalization, such as a share split, share combination, share dividend, exchange of shares or other recapitalization, merger or otherwise, which results in an increase or decrease in the number of outstanding shares of common stock, appropriate adjustments will be made by the Administrator in the shares subject to an award under the 2021 Plan. The Administrator will also have the discretion to make certain adjustments to awards in the event of a change in control, such as accelerating the vesting or exercisability of awards, requiring the surrender of an award, with or without consideration, or making any other adjustment or modification to the award that the Administrator determines is appropriate in light of such transaction.

### *Clawback*

All awards granted under the 2021 Plan will be subject to reduction, cancellation or recoupment under any written clawback policy that we may adopt and that we determine should apply to awards under the 2021 Plan.

### *Plan Amendment and Termination*

Our Administrator may amend or terminate any award, award agreement or the 2021 Plan at any time; however, shareholder approval will be required for any amendment to the extent necessary to comply with applicable law or exchange listing standards. The Administrator will not have the authority, without the approval of shareholders, to amend any outstanding option or share appreciation right to reduce its exercise price per share. The 2021 Plan will remain in effect for a period of 10 years (unless earlier terminated by our Board).

## **Non-Employee Director Compensation**

The following table presents the total compensation for each person who served as a non-employee member of our Board during 2020. Other than as set forth in the table and described more fully below, we did not pay any compensation, reimburse any expense of, make any equity awards or non-equity awards to, or pay any other compensation to any of, the other non-employee members of our Board in 2020.

<b>Name</b>	<b>Fees earned or paid in cash (\$)(1)</b>	<b>Total (\$)</b>
Bill Wise	100,000	100,000
Otto Berks	100,000	100,000

(1) Messrs. Wise and Berks received cash Board fees of \$25,000 per quarterly meeting.

**Non-Employee Director Compensation Policy**

We do not currently have a formal policy with respect to compensating our non-employee directors for service as directors. Following the consummation of this offering, we anticipate that directors who are not also officers or employees of the Company will receive compensation for their service on our Board and committees thereof. The amount and form of such compensation has not yet been determined. Each non-employee director will be reimbursed for out-of-pocket expenses incurred in connection with attending Board and committee meetings.

**PRINCIPAL SHAREHOLDERS**

The following table sets forth information about the beneficial ownership of our common stock as of \_\_\_\_\_, 2021 and as adjusted to reflect the completion of the Corporate Conversion and sale of the common stock in this offering, for

- each person or group known to us who beneficially owns more than 5% of our common stock immediately prior to this offering;
- each of our directors;
- each of our Named Executive Officers; and
- all of our directors and executive officers as a group.

Each shareholder’s percentage ownership before the offering is based on common stock outstanding as of \_\_\_\_\_, after giving effect to the Corporate Conversion. Each shareholder’s percentage ownership after the offering is based on common stock outstanding immediately after the completion of this offering. We have granted the underwriters an option to purchase up to \_\_\_\_\_ additional shares of common stock.

Beneficial ownership for the purposes of the following table is determined in accordance with the rules and regulations of the SEC. These rules generally provide that a person is the beneficial owner of securities if such person has or shares the power to vote or direct the voting thereof, or to dispose or direct the disposition thereof or has the right to acquire such powers within 60 days. Common stock subject to options that are currently exercisable or exercisable within 60 days of \_\_\_\_\_, 2021 are deemed to be outstanding and beneficially owned by the person holding the options. These shares, however, are not deemed outstanding for the purposes of computing the percentage ownership of any other person. Except as disclosed in the footnotes to this table and subject to applicable community property laws, we believe that each shareholder identified in the table possesses sole voting and investment power over all common stock shown as beneficially owned by the shareholder.

Unless otherwise noted below, the address of each beneficial owner listed on the table is c/o 95 Morton St. 8th Floor, New York, NY 10014. Beneficial ownership representing less than 1% is denoted with an asterisk (\*).

Name of Beneficial Owner	Shares Beneficially Owned Prior to this Offering		Shares Beneficially Owned After this Offering		
	Number of Shares	Percentage	Number of Shares	No Exercise of Underwriters’ Option Percentage	Full Exercise of Underwriters’ Option Percentage
<b>5% Stockholders:</b>					
Vista Funds <sup>(1)</sup>		%			%
Atlas Venture Fund VIII, L.P. <sup>(2)</sup>					
Sapphire Ventures Fund II, LP <sup>(3)</sup>					
<b>Directors and Named Executive Officers:</b>					
Lisa Utzschneider					
Joseph Pergola					
Tom Sharma					
<b>Directors and executive officers as a group ( individuals)</b>					

(1) Represents \_\_\_\_\_ shares held directly by Vista Equity Partners Fund VI, L.P. (“VEPF VI”), \_\_\_\_\_ shares held directly by Vista Equity Partners Fund VI-A, L.P. (“VEPF VI-A”), and \_\_\_\_\_ shares held directly by VEPF VI FAF, L.P. (“FAF,” and collectively with VEPF VI and VEPF VI-A, the “Vista Funds”). Vista Equity Partners Fund VI GP, L.P. (“Fund VI GP”) is the sole general

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partner of each of VEPF VI, VEPF VI-A and FAF. Fund VI GP's sole general partner is VEPF VI GP, Ltd. ("Fund VI UGP"). Robert F. Smith is the sole director and one of 11 members of Fund VI UGP. VEPF Management, L.P. ("Management Company") is the sole management company of each of the Vista Funds. The Management Company's sole general partner is VEP Group, LLC ("VEP Group"), and the Management Company's sole limited partner is Vista Equity Partners Management, LLC ("VEPM"). VEP Group is the Senior Managing Member of VEPM. Robert F. Smith is the sole Managing Member of VEP Group. Consequently, Mr. Smith, Fund VI GP, Fund VI UGP, the Management Company, VEPM and VEP Group may be deemed the beneficial owners of the shares held by the Vista Funds. The principal business address of each of the Vista Funds, Fund VI GP, Fund VI UGP, the Management Company, VEPM and VEP Group is c/o Vista Equity Partners, 4 Embarcadero Center, 20th Fl., San Francisco, California 94111. The principal business address of Mr. Smith is c/o Vista Equity Partners, 401 Congress Drive, Suite 3100, Austin, Texas 78701.

- (2) Represents shares held directly by Atlas Venture Fund VIII, L.P. ("Atlas VIII"). Atlas Venture Associates VIII, L.P. ("AVA VIII LP") is the sole general partner of Atlas VIII. Atlas Venture Associates VIII, Inc. ("AVA VIII Inc.") is the sole general partner of AVA VIII LP and its four directors are Jeff Fagnan, Peter Barrett, Jean-Francois Formela and Bruce Booth, who may act by majority. Each of Atlas VIII, AVAI VIII LP and AVA VIII Inc. disclaim beneficial ownership of all shares except to the extent of its pecuniary interest, if any, therein. The business address of each of Atlas VIII, AVA VIII LP and AVA VIII Inc. is 56 Wareham Street, Floor 3, Boston, MA 02118.
- (3) Represents shares held directly by Sapphire Ventures Fund II, L.P. ("SAP LP") and shares held directly by Sapphire SAP HANA Fund of Funds, LP ("HANA LP"). Sapphire Ventures (GPE) II, L.L.C. ("SAP GP") is the general partner of Sapphire Ventures Fund II, L.P. ("SAP LP"). Nino N. Marakovic, Richard Douglas Higgins, Jayendra Das, David A. Hartwig and Andreas Weiskam are the managing members of SAP GP. Sapphire SAP HANA Fund of Funds (GPE), L.L.C. ("HANA GP") is the general partner of Sapphire SAP HANA Fund of Funds, LP ("HANA LP"). Nino N. Marakovic, Elizabeth AE Clarkson, Richard Douglas Higgins, Jayendra Das, David A. Hartwig and Andreas Weiskam are the managing members of HANA GP. The managing members of SAP GP and HANA GP may be deemed to share voting and investment power with respect to the shares held by SAP LP and HANA LP, respectively. The mailing address of each of the entities identified in this footnote is 801 W. 5th St., Suite 100, Austin, TX 78703. The managing members each disclaim beneficial ownership of the securities reported herein, except to the extent of his or her pecuniary interest therein.

## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

### **Policies for Approval of Related Party Transactions**

Prior to completion of this offering, we intend to adopt a policy with respect to the review, approval and ratification of related party transactions. Under the policy, our Audit Committee is responsible for reviewing and approving related person transactions. In the course of its review and approval of related party transactions, our Audit Committee will consider the relevant facts and circumstances to decide whether to approve such transactions. In particular, our policy requires our Audit Committee to consider, among other factors it deems appropriate:

- the related person's relationship to us and interest in the transaction;
- the material facts of the proposed transaction, including the proposed aggregate value of the transaction;
- the impact on a director's independence in the event the related person is a director or an immediate family member of the director;
- the benefits to us of the proposed transaction;
- if applicable, the availability of other sources of comparable products or services; and
- an assessment of whether the proposed transaction is on terms that are comparable to the terms available to an unrelated third party or to employees generally.

The Audit Committee may only approve those transactions that are in, or are not inconsistent with, our best interests and those of our shareholders, as the Audit Committee determines in good faith.

In addition, under our code of business conduct and ethics, which will be adopted prior to the consummation of this offering, our employees, and directors will have an affirmative responsibility to disclose any transaction or relationship that reasonably could be expected to give rise to a conflict of interest.

All of the transactions described below were entered into prior to the adoption of the Company's written related party transactions policy (which policy will be adopted prior to the consummation of this offering), but all were approved by our Board considering similar factors to those described above.

### **Related Party Transactions**

Other than compensation arrangements for our directors and named executive officers, which are described in the section entitled "Executive Compensation," below we describe transactions since January 1, 2018 to which we were a participant or will be a participant, in which:

- the amounts involved exceeded or will exceed \$120,000; and
- any of our directors, executive officers, or holders of more than 5% of our capital stock, or any member of the immediate family of, or person sharing the household with, the foregoing persons, had or will have a direct or indirect material interest.

### ***Director Nomination Agreement***

In connection with this offering, we will enter into a Director Nomination Agreement with Vista that provides Vista the right to designate nominees for election to our Board for so long as Vista beneficially owns 5% or more of the total number of shares of our common stock that it owns as of the completion of this offering. Vista may also assign its designation rights under the Director Nomination Agreement to an affiliate.

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The Director Nomination Agreement will provide Vista the right to designate: (i) all of the nominees for election to our Board for so long as Vista beneficially owns 40% or more of the total number of shares of our common stock beneficially owned by Vista upon completion of this offering, as adjusted for any reorganization, recapitalization, stock dividend, stock split, reverse stock split, or similar changes in the Company's capitalization, or such amount of shares, as adjusted, the Original Amount; (ii) a number of directors (rounded up to the nearest whole number) equal to 40% of the total directors for so long as Vista beneficially owns at least 30% and less than 40% of the Original Amount; (iii) a number of directors (rounded up to the nearest whole number) equal to 30% of the total directors for so long as Vista beneficially owns at least 20% and less than 30% of the Original Amount; (iv) a number of directors (rounded up to the nearest whole number) equal to 20% of the total directors for so long as Vista beneficially owns at least 10% and less than 20% of the Original Amount; and (v) one director for so long as Vista beneficially owns at least 5% and less than 10% of the Original Amount. In each case, Vista's nominees must comply with applicable law and stock exchange rules. In addition, Vista shall be entitled to designate the replacement for any of its board designees whose board service terminates prior to the end of the director's term regardless of Vista's beneficial ownership at such time. Vista shall also have the right to have its designees participate on committees of our Board proportionate to its stock ownership, subject to compliance with applicable law and stock exchange rules. The Director Nomination Agreement will also prohibit us from increasing or decreasing the size of our Board without the prior written consent of Vista. This agreement will terminate at such time as Vista owns less than 5% of the Original Amount.

### ***Registration Rights Agreement***

In connection with this offering, we intend to enter into a registration rights agreement with Vista. Vista will be entitled to request that we register Vista's shares on a long-form or short-form registration statement on one or more occasions in the future, which registrations may be "shelf registrations." Vista will also be entitled to participate in certain of our registered offerings, subject to the restrictions in the registration rights agreement. We will pay Vista's expenses in connection with Vista's exercise of these rights. The registration rights described in this paragraph apply to (i) shares of our common stock held by Vista and its affiliates and (ii) any of our capital stock (or that of our subsidiaries) issued or issuable with respect to the common stock described in clause (i) with respect to any dividend, distribution, recapitalization, reorganization, or certain other corporate transactions ("Registrable Securities"). These registration rights are also for the benefit of any subsequent holder of Registrable Securities; provided that any particular securities will cease to be Registrable Securities when they have been sold in a registered public offering, sold in compliance with Rule 144 of the Securities Act, or repurchased by us or our subsidiaries. In addition, with the consent of the company and holders of a majority of Registrable Securities, any Registrable Securities held by a person other than Vista and its affiliates will cease to be Registrable Securities if they can be sold without limitation under Rule 144 of the Securities Act.

### ***Indemnification of Officers and Directors***

Upon completion of this offering, we intend to enter into indemnification agreements with each of our executive officers and directors. The indemnification agreements will provide the executive officers and directors with contractual rights to indemnification, expense advancement and reimbursement, to the fullest extent permitted under the DGCL. Additionally, we may enter into indemnification agreements with any new directors or officers that may be broader in scope than the specific indemnification provisions contained in Delaware law.

### ***Management Agreement***

We entered into a management agreement with Vista Equity Partners Management ("VEPM"), pursuant to which VEPM was retained to provide us with certain management and consulting services. We agreed to indemnify VEPM against liabilities that may arise by reason of their service. We reimburse VEPM for any out-of-pocket costs and expenses, and have recorded expenses under the management agreement of \$0.04 million, \$0.04 million and \$0.1 million for the years ended December 31, 2018, 2019 and 2020, respectively. The management agreement will terminate at no additional cost to us in connection with the completion of this offering.

***Consulting Agreement***

We have used Vista Consulting Group, LLC (“VCG”), the operating and consulting arm of Vista, for consulting services, and have also reimbursed VCG for expenses related to participation by our employees in VCG sponsored events and for software and professional services centrally managed and administered by VCG and utilized by us, and also paid to VCG related fees and expenses. We paid VCG \$0.9 million, \$2.4 million, and \$0.9 million for the years ended December 31, 2018, 2019, and 2020, respectively. Following this offering, we may continue to engage VCG from time to time, subject to compliance with our related party transactions policy.

***Agreement with MediaOcean***

We have subscription software arrangements with companies owned by Vista, including MediaOcean. We paid MediaOcean \$0.05 million, \$0.18 million, and \$0.12 million for the years ended December 31, 2018, 2019, and 2020, respectively, to support an integration of our data into the Prisma system at MediaOcean. Following this offering, we may continue to engage MediaOcean for subscription software services, subject to compliance with our related party transactions policy.

## DESCRIPTION OF CERTAIN INDEBTEDNESS

Set forth below is a summary of the terms of the Credit Agreement governing certain of our outstanding indebtedness. This summary is not a complete description of all of the terms of the Credit Agreement. The Credit Agreement setting forth the terms and conditions of certain of our outstanding indebtedness is filed as an exhibit to the registration statement of which this prospectus forms a part.

### Senior Secured Credit Agreement

On July 19, 2018, Integral Ad Science, Inc., as borrower, Kavacha Intermediate, LLC (“Holdings”), as a guarantor, each of the other guarantors party thereto, each of which are wholly-owned subsidiaries of ours, entered into the \$325.0 million Credit Agreement with a syndicate of lenders and Goldman Sachs BDC, Inc. (“the Administrative Agent”), as Administrative Agent and Collateral Agent, comprised of the \$25.0 million Revolving Credit Facility and \$325.0 million Term Loan Facility. Pursuant to the Credit Agreement Amendment, the Term Loan Facility was increased to \$345.0 million. A portion of the proceeds from the borrowings under the Credit Agreement were used to fund the Vista acquisition of us and a portion of the incremental term loans funded pursuant to the Credit Agreement Amendment were used to fund the acquisition of ADmantX S.p.A. As of March 31, 2021, we had outstanding debt of \$355.9 million under our Term Loan Facility and no amounts were drawn under our Revolving Credit Facility. As of March 31, 2021, the interest rate on our Term Loan Facility and Revolving Credit Facility was 7.0%.

### Interest Rates and Fees

In addition to the cash pay interest described below, the Credit Agreement includes Paid in Kind (“PIK”) interest which bears an interest rate of 1.25% per annum. All PIK interest due is paid by capitalizing such interest and adding such applicable PIK interest to the principal amount of the outstanding Term Loan. Borrowings under the Credit Agreement bear interest (cash pay) at a rate per annum, at the borrower’s option, equal to an applicable margin, plus, (a) for alternate base rate borrowings, the highest of (i) the rate last quoted by The Wall Street Journal as the “prime rate” in the United States, (ii) the Federal Funds Rate in effect on such day plus 1/2 of 1.00%, and (iii) the Adjusted LIBOR for a one month interest period on such day plus 1.00% and (b) for eurodollar borrowings, the Adjusted LIBOR determined by the greater of (i) the LIBOR for the relevant interest period divided by 1 minus the statutory reserves (if any) and (ii) 1.00%. As of March 31, 2021, and subject to maintaining a total leverage ratio less than 6.50 to 1.00, additional PIK interest will not accrue pursuant to the Credit Agreement.

The applicable margin for borrowings under the Credit Agreement is (a) for alternate base rate borrowings, (i) 5.00% so long as the total leverage ratio is greater than 6.50 to 1.00, (ii) 4.50% so long as the total leverage ratio is less than or equal to 6.50 to 1.00 and greater than 5.75 to 1.00 or (iii) 4.00% so long as the total leverage ratio is less or equal to 5.75 to 1.00 and (b) for eurodollar borrowings, (i) 6.00% so long as the total leverage ratio is greater than 6.50 to 1.00, (ii) 5.50% so long as the total leverage ratio is less than or equal to 6.50 to 1.00 and greater than 5.75 to 1.00, or (iii) 5.00% so long as the total leverage ratio is less or equal to 5.75 to 1.00.

The borrower is also required to pay a commitment fee on the average daily undrawn portion of the Revolving Credit Facility of 0.375%-0.50% per annum (varying based on the leverage ratio tiers applicable to the applicable margin described above), a letter of credit fronting fee of 0.125% per annum and a letter of credit participation fee equal to the applicable margin for eurodollar revolving loans on the actual daily amount of the letter of credit exposure.

### Voluntary Prepayments

The borrower may voluntarily prepay outstanding loans under the Credit Agreement (i) subject to a 0.75% premium with respect to prepayments made on or after the second anniversary of the closing date but prior to the third anniversary of the closing date (subject to certain exclusions) and (ii) on or after the third anniversary of the closing date, without premium or penalty, subject to certain notice and priority requirements.

### ***Mandatory Prepayments***

The Credit Agreement requires the borrower to prepay, subject to certain exceptions, the Term Loan Facility with:

- commencing with the fiscal year ending on December 31, 2019, 50% of excess cash flow for the fiscal year then ended, minus, at the borrower's option, certain optional prepayments and permitted assignments of indebtedness, to the extent such amount is above a threshold amount and subject to step downs to (i) 25% when total leverage ratio is less than or equal to 6.50 to 1.00 but greater than 5.50 to 1.00, and (ii) 0% when total leverage ratio is less than or equal to 5.50 to 1.00;
- 100% of the net cash proceeds of certain asset sales or casualty events above a threshold amount, subject to reinvestment rights and other exceptions; and
- 100% of the net cash proceeds of any issuance or incurrence of debt other than debt permitted under the Credit Agreement.

### ***Final Maturity and Amortization***

The Term Loan Facility and Revolving Credit Facility will mature on July 19, 2024 and July 19, 2023, respectively. Neither of the Term Loan Facility nor the Revolving Credit Facility amortize.

### ***Guarantors***

All obligations under the Credit Agreement are unconditionally guaranteed by Holdings, and substantially all of its existing and future direct and indirect wholly-owned domestic subsidiaries, other than certain excluded subsidiaries.

### ***Security***

All obligations under the Credit Agreement are secured, subject to permitted liens and other exceptions, by first-priority perfected security interests in substantially all of the borrower's and the guarantors' assets.

### ***Certain Covenants, Representations and Warranties***

The Credit Agreement contains customary representations and warranties, affirmative covenants, reporting obligations and negative covenants. The negative covenants restrict Integral Ad Science, Inc. and its subsidiaries' ability (and, with respect to certain of the affirmative covenants and negative covenants, Holdings' and Kavacha Holdings, Inc.'s, ("Intermediate Holdings")), among other things, to (subject to certain exceptions set forth in the Credit Agreement):

- incur additional indebtedness or other contingent obligations;
- create liens;
- make investments, acquisitions, loans, and advances;
- consolidate, merge, liquidate, or dissolve;
- sell, transfer, or otherwise dispose of its assets, including capital stock of its subsidiaries;
- pay dividends on its equity interests or make other payments in respect of capital stock;
- engage in transactions with its affiliates;
- make payments in respect of subordinated debt;
- modify organizational documents in a manner that is materially adverse to the lenders under the Credit Agreement;

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- with respect to Holdings and Intermediate Holdings, modify their holding company status;
- enter into burdensome agreements with negative pledge clauses or restrictions on subsidiary distributions;
- materially alter the business it conducts; and
- change its fiscal year.

### ***Financial Covenants***

The Credit Agreement requires the credit parties to maintain a last twelve months recurring revenue leverage ratio (as calculated pursuant to the Credit Agreement) of 1.60:1.00, 1.55:1.00, and 1.50:1.00 for the test periods ended December 31, 2020, March 31, 2021, and June 30, 2021, respectively, subject to a fall-away following the June 30, 2021 test period.

In addition, the Credit Agreement requires the credit parties to maintain a total leverage ratio (as calculated pursuant to the Credit Agreement) as follows:

<b>Test Period Ended</b>	<b>Total Leverage Ratio</b>
September 30, 2021	8.30:1.00
December 31, 2021	7.60:1.00
March 31, 2022	7.35:1.00
June 30, 2022	7.05:1.00
September 30, 2022	6.70:1.00
December 31, 2022	6.25:1.00
March 31, 2023	6.10:1.00
June 30, 2023	5.90:1.00
September 30, 2023	5.65:1.00
December 31, 2023	5.30:1.00
March 31, 2024	3.65:1.00
June 30, 2024	3.25:1.00

In addition, until the fiscal quarter ended June 30, 2021, the credit parties must maintain liquidity (as calculated pursuant to the Credit Agreement) as of the last day of each fiscal quarter of Holdings of at least \$7,500,000.

### ***Events of Default***

The lenders under the Credit Agreement are permitted to accelerate the loans and terminate commitments thereunder or exercise other remedies upon the occurrence of certain customary events of default, including default with respect to financial and other covenants, subject to certain grace periods and exceptions. These events of default include, among others, payment defaults, cross-defaults to certain material indebtedness, covenant defaults, material inaccuracy of representations and warranties, certain events of bankruptcy, material judgments, material defects with respect to lenders' perfection on the collateral, and changes of control, none of which are expected to be triggered by this offering.

## DESCRIPTION OF CAPITAL STOCK

### General

Upon completion of this offering, our authorized capital stock will consist of 500,000,000 shares of common stock, par value \$0.001 per share, and 50,000,000 shares of undesignated preferred stock, par value \$0.001 per share. As of \_\_\_\_\_, 2021, we had \_\_\_\_\_ shares of common stock outstanding held by \_\_\_\_\_ shareholders of record and no shares of preferred stock outstanding, \_\_\_\_\_ shares of common stock issuable upon exercise of outstanding stock options, assuming the completion of the Corporate Conversion, which will be effective immediately prior to the effectiveness of the registration statement of which this prospectus forms a part, and the effectiveness of our amended and restated certificate of incorporation upon the completion of this offering. After consummation of this offering and the use of proceeds therefrom, we expect to have \_\_\_\_\_ shares of our common stock outstanding, assuming no exercise by the underwriters of their option to purchase additional shares, and expect to have no shares of preferred stock outstanding. The following description of our capital stock is intended as a summary only and is qualified in its entirety by reference to our certificate of incorporation and bylaws to be in effect at the closing of this offering, which are filed as exhibits to the registration statement of which this prospectus forms a part, and to the applicable provisions of the DGCL.

### Common Stock

#### *Dividend Rights*

Subject to preferences that may apply to shares of preferred stock outstanding at the time, holders of outstanding shares of common stock will be entitled to receive dividends out of assets legally available at the times and in the amounts as our Board may determine from time to time.

#### *Voting Rights*

Each outstanding share of common stock will be entitled to one vote on all matters submitted to a vote of shareholders. Holders of shares of our common stock shall have no cumulative voting rights.

#### *Preemptive Rights*

Our common stock will not be entitled to preemptive or other similar subscription rights to purchase any of our securities.

#### *Conversion or Redemption Rights*

Our common stock will be neither convertible nor redeemable.

#### *Liquidation Rights*

Upon our liquidation, the holders of our common stock will be entitled to receive pro rata our assets that are legally available for distribution, after payment of all debts and other liabilities and subject to the prior rights of any holders of preferred stock then outstanding.

### Preferred Stock

Our Board may, without further action by our shareholders, from time to time, direct the issuance of shares of preferred stock in series and may, at the time of issuance, determine the designations, powers, preferences, privileges, and relative participating, optional or special rights as well as the qualifications, limitations, or restrictions thereof, including dividend rights, conversion rights, voting rights, terms of redemption, and

liquidation preferences, any or all of which may be greater than the rights of the common stock. Satisfaction of any dividend preferences of outstanding shares of preferred stock would reduce the amount of funds available for the payment of dividends on shares of our common stock. Holders of shares of preferred stock may be entitled to receive a preference payment in the event of our liquidation before any payment is made to the holders of shares of our common stock. Under certain circumstances, the issuance of shares of preferred stock may render more difficult or tend to discourage a merger, tender offer or proxy contest, the assumption of control by a holder of a large block of our securities or the removal of incumbent management. Upon the affirmative vote of a majority of the total number of directors then in office, our Board, without shareholder approval, may issue shares of preferred stock with voting and conversion rights which could adversely affect the holders of shares of our common stock and the market value of our common stock.

### **Anti-Takeover Effects of Our Certificate of Incorporation and Our Bylaws**

Our certificate of incorporation, bylaws and the DGCL will contain provisions, which are summarized in the following paragraphs that are intended to enhance the likelihood of continuity and stability in the composition of our Board. These provisions are intended to avoid costly takeover battles, reduce our vulnerability to a hostile change of control and enhance the ability of our Board to maximize shareholder value in connection with any unsolicited offer to acquire us. However, these provisions may have an anti-takeover effect and may delay, deter, or prevent a merger or acquisition of the Company by means of a tender offer, a proxy contest or other takeover attempt that a shareholder might consider in its best interest, including those attempts that might result in a premium over the prevailing market price for the shares of common stock held by shareholders.

These provisions include:

#### ***Classified Board***

Our certificate of incorporation will provide that our Board will be divided into three classes of directors, with the classes as nearly equal in number as possible, and with the directors serving three-year terms. As a result, approximately one-third of our Board will be elected each year. The classification of directors will have the effect of making it more difficult for shareholders to change the composition of our Board. Our certificate of incorporation will also provide that, subject to any rights of holders of preferred stock to elect additional directors under specified circumstances, the number of directors will be fixed exclusively pursuant to a resolution adopted by our Board. Upon completion of this offering, we expect that our Board will have nine members.

#### ***Shareholder Action by Written Consent***

Our certificate of incorporation will preclude shareholder action by written consent at any time when Vista beneficially owns, in the aggregate, less than 35% in voting power of the stock of the Company entitled to vote generally in the election of directors.

#### ***Special Meetings of Shareholders***

Our certificate of incorporation and bylaws will provide that, except as required by law, special meetings of our shareholders may be called at any time only by or at the direction of our Board or the chairman of our Board; provided, however, at any time when Vista beneficially owns, in the aggregate, at least 35% in voting power of the stock of the Company entitled to vote generally in the election of directors, special meetings of our shareholders shall also be called by our Board or the chairman of our Board at the request of Vista. Our bylaws will prohibit the conduct of any business at a special meeting other than as specified in the notice for such meeting. These provisions may have the effect of deferring, delaying or discouraging hostile takeovers, or changes in control or management of the Company.

### ***Advance Notice Procedures***

Our bylaws will establish an advance notice procedure for shareholder proposals to be brought before an annual meeting of our shareholders, including proposed nominations of persons for election to our Board; provided, however, at any time when Vista beneficially owns, in the aggregate, at least 10% in voting power of the stock of the Company entitled to vote generally in the election of directors, such advance notice procedure will not apply to Vista. Shareholders at an annual meeting will only be able to consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of our Board or by a shareholder who was a shareholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has given our Secretary timely written notice, in proper form, of the shareholder's intention to bring that business before the meeting. Although the bylaws will not give our Board the power to approve or disapprove shareholder nominations of candidates or proposals regarding other business to be conducted at a special or annual meeting, the bylaws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed or may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempting to obtain control of the Company. These provisions do not apply to nominations by Vista pursuant to the Director Nomination Agreement. See "Certain Relationships and Related Party Transactions—Related Party Transactions—Director Nomination Agreement" for more details with respect to the Director Nomination Agreement.

### ***Removal of Directors; Vacancies***

Our certificate of incorporation will provide that directors may be removed with or without cause upon the affirmative vote of a majority in voting power of all outstanding shares of stock entitled to vote thereon, voting together as a single class; provided, however, at any time when Vista beneficially owns, in the aggregate, less than 40% in voting power of the stock of the Company entitled to vote generally in the election of directors, directors may only be removed for cause, and only by the affirmative vote of holders of at least 66 $\frac{2}{3}$ % in voting power of all the then-outstanding shares of stock of the Company entitled to vote thereon, voting together as a single class. In addition, our certificate of incorporation will provide that, subject to the rights granted to one or more series of preferred stock then outstanding, any newly created directorship on our Board that results from an increase in the number of directors and any vacancies on our Board will be filled only by the affirmative vote of a majority of the remaining directors, even if less than a quorum, by a sole remaining director or by the shareholders; provided, however, at any time when Vista beneficially owns, in the aggregate, less than 40% in voting power of the stock of the Company entitled to vote generally in the election of directors, any newly created directorship on our Board that results from an increase in the number of directors and any vacancy occurring on our Board may only be filled by a majority of the directors then in office, even if less than a quorum, or by a sole remaining director (and not by the shareholders).

### ***Supermajority Approval Requirements***

Our certificate of incorporation and bylaws will provide that our Board is expressly authorized to make, alter, amend, change, add to, rescind, or repeal, in whole or in part, our bylaws without a shareholder vote in any matter not inconsistent with the laws of the State of Delaware and our certificate of incorporation. For as long as Vista beneficially owns, in the aggregate, at least 50% in voting power of the stock of the Company entitled to vote generally in the election of directors, any amendment, alteration, rescission, or repeal of our bylaws by our shareholders will require the affirmative vote of a majority in voting power of the outstanding shares of our stock entitled to vote on such amendment, alteration, change, addition, rescission, or repeal. At any time when Vista beneficially owns, in the aggregate, less than 50% in voting power of all outstanding shares of the stock of the Company entitled to vote generally in the election of directors, any amendment, alteration, rescission, or repeal of our bylaws by our shareholders will require the affirmative vote of the holders of at least 66 $\frac{2}{3}$ % in voting power of all the then-outstanding shares of stock of the Company entitled to vote thereon, voting together as a single class.

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The DGCL provides generally that the affirmative vote of a majority of the outstanding shares entitled to vote thereon, voting together as a single class, is required to amend a corporation's certificate of incorporation, unless the certificate of incorporation requires a greater percentage.

Our certificate of incorporation will provide that at any time when Vista beneficially owns, in the aggregate, less than 50% in voting power of the stock of the Company entitled to vote generally in the election of directors, the following provisions in our certificate of incorporation may be amended, altered, repealed or rescinded only by the affirmative vote of the holders of at least 66 $\frac{2}{3}$ % (as opposed to a majority threshold that would apply if Vista beneficially owns, in the aggregate, 50% or more) in voting power of all the then-outstanding shares of stock of the Company entitled to vote thereon, voting together as a single class:

- the provision requiring a 66 $\frac{2}{3}$ % supermajority vote for shareholders to amend our bylaws;
- the provisions providing for a classified board of directors (the election and term of our directors);
- the provisions regarding resignation and removal of directors;
- the provisions regarding entering into business combinations with interested shareholders;
- the provisions regarding shareholder action by written consent;
- the provisions regarding calling special meetings of shareholders;
- the provisions regarding filling vacancies on our Board and newly created directorships;
- the provision establishing the Court of Chancery of the State of Delaware as the exclusive forum for certain litigation;
- the provision establishing the federal district courts of the United States as the exclusive forum for litigation arising under the Securities Act;
- the provisions eliminating monetary damages for breaches of fiduciary duty by a director; and
- the amendment provision requiring that the above provisions be amended only with a 66 $\frac{2}{3}$ % supermajority vote.

The combination of the classification of our Board, the lack of cumulative voting and the supermajority voting requirements will make it more difficult for our existing shareholders to replace our Board as well as for another party to obtain control of us by replacing our Board. Because our Board has the power to retain and discharge our officers, these provisions could also make it more difficult for existing shareholders or another party to effect a change in management.

### ***Authorized but Unissued Shares***

Our authorized but unissued shares of common stock and preferred stock will be available for future issuance without shareholder approval, subject to stock exchange rules. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. One of the effects of the existence of authorized but unissued common stock or preferred stock may be to enable our Board to issue shares to persons friendly to current management, which issuance could render more difficult or discourage an attempt to obtain control of the Company by means of a merger, tender offer, proxy contest, or otherwise, and thereby protect the continuity of our management and possibly deprive our shareholders of opportunities to sell their shares of common stock at prices higher than prevailing market prices.

### ***Business Combinations***

Upon completion of this offering, we will not be subject to the provisions of Section 203 of the DGCL. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested shareholder" for a three-year period following the time that the person becomes an interested

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shareholder, unless the business combination is approved in a prescribed manner. A “business combination” includes, among other things, a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested shareholder. An “interested shareholder” is a person who, together with affiliates and associates, owns, or did own within three years prior to the determination of interested shareholder status, 15% or more of the corporation’s voting stock.

Under Section 203, a business combination between a corporation and an interested shareholder is prohibited unless it satisfies one of the following conditions: (1) before the shareholder became an interested shareholder, the board of directors approved either the business combination or the transaction which resulted in the shareholder becoming an interested shareholder; (2) upon consummation of the transaction which resulted in the shareholder becoming an interested shareholder, the interested shareholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, shares owned by persons who are directors and also officers, and employee stock plans, in some instances; or (3) at or after the time the shareholder became an interested shareholder, the business combination was approved by the board of directors and authorized at an annual or special meeting of the shareholders by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested shareholder.

A Delaware corporation may “opt out” of these provisions with an express provision in its original certificate of incorporation or an express provision in its certificate of incorporation or bylaws resulting from a shareholders’ amendment approved by at least a majority of the outstanding voting shares.

We will opt out of Section 203; however, our certificate of incorporation will contain similar provisions providing that we may not engage in certain “business combinations” with any “interested shareholder” for a three-year period following the time that the shareholder became an interested shareholder, unless:

- prior to such time, our Board approved either the business combination or the transaction which resulted in the shareholder becoming an interested shareholder;
- upon consummation of the transaction that resulted in the shareholder becoming an interested shareholder, the interested shareholder owned at least 85% of our voting stock outstanding at the time the transaction commenced, excluding certain shares; or
- at or subsequent to that time, the business combination is approved by our Board and by the affirmative vote of holders of at least 66 $\frac{2}{3}$ % of our outstanding voting stock that is not owned by the interested shareholder.

Under certain circumstances, this provision will make it more difficult for a person who would be an “interested shareholder” to effect various business combinations with the Company for a three-year period. This provision may encourage companies interested in acquiring the Company to negotiate in advance with our Board because the shareholder approval requirement would be avoided if our Board approves either the business combination or the transaction which results in the shareholder becoming an interested shareholder. These provisions also may have the effect of preventing changes in our Board and may make it more difficult to accomplish transactions which shareholders may otherwise deem to be in their best interests.

Our certificate of incorporation will provide that Vista, and any of its direct or indirect transferees and any group as to which such persons are a party, do not constitute “interested shareholders” for purposes of this provision.

### **Dissenters’ Rights of Appraisal and Payment**

Under the DGCL, with certain exceptions, our shareholders will have appraisal rights in connection with a merger or consolidation of us. Pursuant to the DGCL, shareholders who properly request and perfect appraisal rights in connection with such merger or consolidation will have the right to receive payment of the fair value of their shares as determined by the Delaware Court of Chancery.

## **Shareholders' Derivative Actions**

Under the DGCL, any of our shareholders may bring an action in our name to procure a judgment in our favor, also known as a derivative action, provided that the shareholder bringing the action is a holder of our shares at the time of the transaction to which the action relates or such shareholder's stock thereafter devolved by operation of law.

## **Exclusive Forum**

Our certificate of incorporation will provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the United States District Court for the District of Delaware) will be the sole and exclusive forum for any state court action for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our shareholders, (3) any action asserting a claim against the Company or any director or officer of the Company arising pursuant to any provision of the DGCL, our certificate of incorporation or our bylaws or (4) any other action asserting a claim against the Company or any director or officer of the Company that is governed by the internal affairs doctrine; provided that for the avoidance of doubt, the forum selection provision that identifies the Court of Chancery of the State of Delaware as the exclusive forum for certain litigation, including any "derivative action," will not apply to suits to enforce a duty or liability created by the Securities Act, the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of and to have consented to the provisions of our certificate of incorporation described above; provided, however, that stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder. Although we believe these provisions benefit us by providing increased consistency in the application of Delaware law for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against us or our directors and officers. Additionally, the forum selection clause in our certificate of incorporation may limit our stockholders' ability to bring a claim in a forum that they find favorable for disputes with us or our directors, officers, employees, or agents, which may discourage such lawsuits against us and our directors, officers, employees, and agents even though an action, if successful, might benefit our stockholders. The Court of Chancery of the State of Delaware may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments may be more or less favorable to us than our stockholders.

Moreover, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all claims brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder and our amended and restated bylaws will provide that the federal district courts of the United States of America will, unless consented to in writing and to the fullest extent permitted by law, be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act.

See "—Our certificate of incorporation will designate the Court of Chancery of the State of Delaware as the exclusive forum for certain litigation that may be initiated by our shareholders and the federal district courts of the United States as the exclusive forum for litigation arising under the Securities Act, which could limit our shareholders' ability to obtain a favorable judicial forum for disputes with us."

### **Conflicts of Interest**

Delaware law permits corporations to adopt provisions renouncing any interest or expectancy in certain opportunities that are presented to the corporation or its officers, directors, or shareholders. Our certificate of incorporation will, to the maximum extent permitted from time to time by Delaware law, renounce any interest or expectancy that we have in, or right to be offered an opportunity to participate in, specified business opportunities that are from time to time presented to certain of our officers, directors or shareholders or their respective affiliates, other than those officers, directors, shareholders, or affiliates who are our or our subsidiaries' employees. Our certificate of incorporation will provide that, to the fullest extent permitted by law, none of Vista or any director who is not employed by us (including any non-employee director who serves as one of our officers in both his director and officer capacities) or his or her affiliates will have any duty to refrain from (1) engaging in a corporate opportunity in the same or similar lines of business in which we or our affiliates now engage or propose to engage or (2) otherwise competing with us or our affiliates. In addition, to the fullest extent permitted by law, in the event that Vista or any non-employee director acquires knowledge of a potential transaction or other business opportunity which may be a corporate opportunity for itself or himself or its or his affiliates or for us or our affiliates, such person will have no duty to communicate or offer such transaction or business opportunity to us or any of our affiliates and they may take any such opportunity for themselves or offer it to another person or entity. Our certificate of incorporation will not renounce our interest in any business opportunity that is expressly offered to a non-employee director solely in his or her capacity as a director or officer of the Company. To the fullest extent permitted by law, no business opportunity will be deemed to be a potential corporate opportunity for us unless we would be permitted to undertake the opportunity under our certificate of incorporation, we have sufficient financial resources to undertake the opportunity, and the opportunity would be in line with our business.

### **Limitations on Liability and Indemnification of Officers and Directors**

The DGCL authorizes corporations to limit or eliminate the personal liability of directors to corporations and their shareholders for monetary damages for breaches of directors' fiduciary duties, subject to certain exceptions. Our certificate of incorporation will include a provision that eliminates the personal liability of directors for monetary damages for any breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL. The effect of these provisions will be to eliminate the rights of us and our shareholders, through shareholders' derivative suits on our behalf, to recover monetary damages from a director for breach of fiduciary duty as a director, including breaches resulting from grossly negligent behavior. However, exculpation will not apply to any director if the director has acted in bad faith, knowingly, or intentionally violated the law, authorized illegal dividends or redemptions or derived an improper benefit from his or her actions as a director.

Our bylaws will provide that we must indemnify and advance expenses to our directors and officers to the fullest extent authorized by the DGCL. We also will be expressly authorized to carry directors' and officers' liability insurance providing indemnification for our directors, officers and certain employees for some liabilities. We believe that these indemnification and advancement provisions and insurance will be useful to attract and retain qualified directors and officers.

The limitation of liability, indemnification and advancement provisions that will be included in our certificate of incorporation and bylaws may discourage shareholders from bringing a lawsuit against directors for breaches of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our shareholders. In addition, your investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

There is currently no pending material litigation or proceeding involving any of our directors, officers or employees for which indemnification is sought.

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**Transfer Agent and Registrar**

The transfer agent and registrar for our common stock is . The transfer agent's address is and its phone number is .

**Listing**

We have applied to list our common stock on the NASDAQ under the symbol "IAS."

## SHARES ELIGIBLE FOR FUTURE SALE

Before this offering, there has been no public market for our common stock. As described below, only a limited number of shares currently outstanding will be available for sale immediately after this offering due to contractual and legal restrictions on resale. Nevertheless, future sales of substantial amounts of our common stock, including shares issued upon the exercise of outstanding options, in the public market after this offering, or the perception that those sales may occur, could cause the prevailing market price for our common stock to fall or impair our ability to raise capital through sales of our equity securities.

Upon the closing of this offering, based on the number of shares of our common stock outstanding as of \_\_\_\_\_, 2021, we will have outstanding shares of our common stock, after giving effect to the issuance of shares of our common stock in this offering, assuming no exercise by the underwriters of their option to purchase additional shares.

Of the \_\_\_\_\_ shares that will be outstanding immediately after the closing of this offering, we expect that the shares to be sold in this offering will be freely tradable without restriction under the Securities Act unless purchased by our “affiliates,” as that term is defined in Rule 144 under the Securities Act. Shares purchased by our affiliates may not be resold except pursuant to an effective registration statement or an exemption from registration, including the safe harbor under Rule 144 of the Securities Act described below.

The remaining \_\_\_\_\_ shares of our common stock outstanding after this offering will be “restricted securities,” as that term is defined in Rule 144 of the Securities Act, and we expect that substantially all of these restricted securities will be subject to the lock-up agreements described below. These restricted securities may be sold in the public market only if the sale is registered or pursuant to an exemption from registration, such as Rule 144 or Rule 701 of the Securities Act, which are summarized below.

### Lock-up Agreements

We, each of our directors, executive officers and other shareholders and option holders owning substantially all of our common stock and options to acquire common stock, have agreed that, without the prior written consent of Morgan Stanley & Co. LLC on behalf of the underwriters, we and they will not, subject to limited exceptions, directly or indirectly sell or dispose of any shares of common stock or any securities convertible into or exchangeable or exercisable for shares of common stock for a period of 180 days after the date of this prospectus. The lock-up restrictions and specified exceptions are described in more detail under “Underwriting.”

Prior to the consummation of the offering, certain of our employees, including our executive officers, and/or directors may enter into written trading plans that are intended to comply with Rule 10b5-1 under the Exchange Act. Sales under these trading plans would not be permitted until the expiration of the lock-up agreements relating to the offering described above.

Following the lock-up periods set forth in the agreements described above, and assuming that the representatives of the underwriters do not release any parties from these agreements, all of the shares of our common stock that are restricted securities or are held by our affiliates as of the date of this prospectus will be eligible for sale in the public market in compliance with Rule 144 under the Securities Act.

### Registration Rights Agreement

Pursuant to the registration rights agreement, we have granted Vista the right to cause us, in certain instances, at our expense, to file registration statements under the Securities Act covering resales of our common stock held by Vista or to piggyback on registered offerings initiated by us in certain circumstances. See “Certain Relationships and Related Party Transactions—Related Party Transactions—Registration Rights Agreement.” These shares will represent \_\_\_\_\_ % of our outstanding common stock after this offering, or \_\_\_\_\_ % if the underwriters exercise their option to purchase additional shares in full.

#### **Rule 144**

In general, under Rule 144, beginning 90 days after we become subject to the public company reporting requirements of the Exchange Act, any person who is not our affiliate, who was not our affiliate at any time during the preceding three months and who has held their shares for at least six months, including the holding period of any prior owner other than one of our affiliates, may sell shares without restriction, subject to the availability of current public information about us and subject to applicable lock-up restrictions. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than one of our affiliates, then that person would be entitled to sell those shares without complying with any of the requirements of Rule 144.

Beginning 90 days after we become subject to the public company reporting requirements of the Exchange Act and subject to applicable lock-up restrictions, a person who is our affiliate or who was our affiliate at any time during the preceding three months and who has beneficially owned restricted securities for at least six months, including the holding period of any prior owner other than one of our affiliates, is entitled to sell a number of shares within any three-month period that does not exceed the greater of: (1) 1% of the number of shares of our common stock outstanding, which will equal approximately shares immediately after this offering; and (2) the average weekly trading volume of our common stock on during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

Sales under Rule 144 by our affiliates are also subject to certain manner of sale provisions, notice requirements and to the availability of current public information about us.

#### **Rule 701**

In general, under Rule 701, any of our employees, directors or officers who acquired shares from us in connection with a compensatory stock or option plan or other compensatory written agreement before the effective date of this offering are, subject to applicable lock-up restrictions, eligible to resell such shares in reliance upon Rule 144 beginning 90 days after the date of this prospectus. If such person is not an affiliate and was not our affiliate at any time during the preceding three months, the sale may be made subject only to the manner-of-sale restrictions of Rule 144. If such a person is an affiliate, the sale may be made under Rule 144 without compliance with the holding period requirements under Rule 144, but subject to the other Rule 144 restrictions described above.

#### **Equity Incentive Plans**

Following this offering, we intend to file with the SEC a registration statement on Form S-8 under the Securities Act covering the shares of common stock that are subject to outstanding options and other awards issuable pursuant to our 2021 Plan. Shares covered by such registration statement will be available for sale in the open market following its effective date, subject to certain Rule 144 limitations applicable to affiliates and the terms of lock-up agreements applicable to those shares.

## MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following discussion is a summary of the material U.S. federal income tax consequences to Non-U.S. Holders (as defined below) of the ownership and disposition of our common stock issued pursuant to this offering, but does not purport to be a complete analysis of all potential tax effects. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local or non-U.S. tax laws, are not discussed. This discussion is based on the Internal Revenue Code of 1986, as amended, or the Code, Treasury regulations promulgated thereunder, or Treasury Regulations, judicial decisions, and published rulings and administrative pronouncements of the U.S. Internal Revenue Service (the “IRS”), in each case as in effect as of the date hereof. These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect a Non-U.S. Holder of our common stock. We have not sought and will not seek any rulings from the IRS regarding the matters discussed below. There can be no assurance the IRS or a court will not take a contrary position to those discussed below regarding the tax consequences of the ownership and disposition of our common stock.

This discussion is limited to Non-U.S. Holders that hold our common stock as a “capital asset” within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all U.S. federal income tax consequences relevant to a Non-U.S. Holder’s particular circumstances, including the impact of the alternative minimum tax, and Medicare contribution tax on net investment income. In addition, it does not address consequences relevant to Non-U.S. Holders subject to special treatment under U.S. federal income tax laws, including, without limitation:

- U.S. expatriates and former citizens or long-term residents of the United States;
- persons holding our common stock as part of a hedge, straddle, or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies, and other financial institutions;
- real estate investment trusts or regulated investment companies;
- brokers, dealers, or certain electing traders in securities that use a mark-to-market method of tax accounting;
- “controlled foreign corporations,” “passive foreign investment companies,” and corporations that accumulate earnings to avoid U.S. federal income tax;
- partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);
- tax-exempt organizations or governmental organizations;
- persons deemed to sell our common stock under the constructive sale provisions of the Code;
- persons that own, or are deemed to own, more than five percent of our capital stock (except to the extent specifically set forth below);
- “qualified foreign pension funds” (within the meaning of Section 897(1)(2)) of the Code and entities, all of the interests of which are held by qualified foreign pension funds; and
- tax-qualified retirement plans.

If any partnership or other entity or arrangement classified as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of a partner in the partnership will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships holding our common stock and partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

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THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY, AND IS ONLY A SUMMARY OF MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS ASSOCIATED WITH THE OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK, AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

### **Definition of a Non-U.S. Holder**

For purposes of this discussion, a “Non-U.S. Holder” is any beneficial owner of our common stock that is neither a “United States person” nor a partnership or other entity or arrangement treated as a partnership for U.S. federal income tax purposes. A United States person is any person that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation, or an entity treated as a corporation for U.S. federal income tax purposes, created or organized under the laws of the United States any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more “United States persons” (within the meaning of Section 7701(a)(30) of the Code), or (2) has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

### **Distributions**

As described in the section entitled “Dividend Policy,” we do not anticipate declaring or paying dividends to holders of our common stock in the foreseeable future. However, if we do make distributions of cash or property on our common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and first be applied against and reduce a Non-U.S. Holder’s adjusted tax basis in its common stock, but not below zero. Any excess amount will be treated as capital gain and will be treated as described below under “Sale or Other Taxable Disposition.”

Subject to the discussion below on effectively connected income, backup withholding, and the Foreign Account Tax Compliance Act (“FATCA”), dividends paid to a Non-U.S. Holder of our common stock will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends (or such lower rate specified by an applicable income tax treaty, provided that the Non-U.S. Holder will be required to provide to the applicable withholding agent prior to the payment of dividends a valid IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) certifying qualification for the lower treaty rate) in order to avoid 30% withholding. A Non-U.S. Holder that does not timely furnish the required documentation, but that qualifies for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

If dividends paid to a Non-U.S. Holder are effectively connected with the Non-U.S. Holder’s conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such dividends are attributable), the Non-U.S. Holder will be exempt from the U.S. federal withholding tax described above. To claim the exemption

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from withholding, the Non-U.S. Holder must furnish to the applicable withholding agent a valid IRS Form W-8ECI, certifying that the dividends are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States.

Any such effectively connected dividends will be subject to U.S. federal income tax on a net-income basis at the regular U.S. federal income tax rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on its effectively connected earnings and profits (as adjusted for certain items), which will include such effectively connected dividends. Non-U.S. Holders should consult their tax advisors regarding any applicable tax treaties that may provide for different treatment.

### **Sale or Other Taxable Disposition**

Subject to the discussion below on backup withholding and FATCA, a Non-U.S. Holder generally will not be subject to U.S. federal income tax on any gain realized upon the sale or other taxable disposition of our common stock unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such gain is attributable);
- the Non-U.S. Holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met; or
- our common stock constitutes a U.S. real property interest ("USRPI") by reason of our status as a U.S. real property holding corporation, or USRPHC, for U.S. federal income tax purposes at any time within the shorter of (1) the five-year period preceding the Non-U.S. Holder's disposition of our common stock and (2) the Non-U.S. Holder's holding period for our common stock. Generally, a domestic corporation is a USRPHC if the fair market value of its USRPIs equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in its trade or business.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular graduated rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on its effectively connected earnings and profits (as adjusted for certain items), which will include such effectively connected gain.

A Non-U.S. Holder described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on any gain derived from the disposition, which may generally be offset by U.S.-source capital losses of the Non-U.S. Holder (even though the individual is not considered a resident of the United States), provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet point above, we believe we currently are not, and do not anticipate becoming, a USRPHC. Because the determination of whether we are a USRPHC depends, however, on the fair market value of our USRPIs relative to the fair market value of our non-U.S. real property interests and our other business assets, there can be no assurance that we currently are not a USRPHC or will not become one in the future. Even if we are or become a USRPHC, gain arising from the sale or other taxable disposition by a Non-U.S. Holder of our common stock will not be subject to U.S. federal income tax if our common stock is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market, and such Non-U.S. Holder owned, actually and constructively, five percent or less of our common stock throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition and the Non-U.S.

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Holder's holding period. If we were to become a USRPHC and our common stock were not considered to be "regularly traded" on an established securities market during the calendar year in which the relevant disposition by a Non-U.S. Holder occurred, such Non-U.S. Holder (regardless of the percentage of stock owned) would be subject to U.S. federal income tax on a sale or other taxable disposition of our common stock and a 15% withholding tax would apply to the gross proceeds from such disposition.

Non-U.S. Holders should consult their tax advisors regarding potentially applicable income tax treaties that may provide for different treatment.

### **Information Reporting and Backup Withholding**

Payments of dividends on our common stock generally will not be subject to backup withholding, provided the applicable withholding agent does not have actual knowledge or reason to know the Non-U.S. Holder is a United States person and the Non-U.S. Holder either certifies its non-U.S. status, such as by furnishing a valid IRS Form W-8BEN, W-8BEN-E or W-8ECI, or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with any dividends on our common stock paid to the Non-U.S. Holder, regardless of whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of our common stock within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting if the applicable withholding agent receives the certification described above and does not have actual knowledge or reason to know that such Non-U.S. Holder is a United States person, or the Non-U.S. Holder otherwise establishes an exemption. If a Non-U.S. Holder does not provide the certification described above or the applicable withholding agent has actual knowledge or reason to know that such Non-U.S. Holder is a United States person, payments of dividends or of proceeds of the sale or other taxable disposition of our common stock may be subject to backup withholding at a rate currently equal to 24% of the gross proceeds of such dividend, sale, or taxable disposition. Proceeds of a disposition of our common stock conducted through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Non-U.S. Holders should consult their tax advisors regarding information reporting and backup withholding.

### **Additional Withholding Tax on Payments Made to Foreign Accounts**

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such Sections commonly referred to as the FATCA), on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on certain amounts paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code) (including, in some cases, when such foreign financial institution or non-financial foreign entity is acting as an intermediary), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each direct and indirect substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other

things, that it undertake to identify accounts held by certain “specified United States persons” or “United States-owned foreign entities” (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to noncompliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the Code, applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on our common stock. On December 13, 2018, the U.S. Department of the Treasury released proposed regulations (which may be relied upon by taxpayers until final regulations are issued), which eliminate FATCA withholding on the gross proceeds from a sale or other disposition of our common stock. Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their investment in our common stock.

## UNDERWRITERS

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. LLC, Jefferies LLC and Barclays Capital Inc. are acting as representatives, have severally agreed to purchase, and we and the selling stockholders have agreed to sell to them, severally, the number of shares indicated below:

<u>Name</u>	<u>Number of Shares</u>
Morgan Stanley & Co. LLC	
Jefferies LLC	
Barclays Capital Inc.	
Evercore Group L.L.C.	
Wells Fargo Securities, LLC	
BMO Capital Markets Corp.	
Oppenheimer & Co. Inc.	
Raymond James & Associates, Inc.	
Stifel, Nicolaus & Company, Incorporated	
Academy Securities, Inc.	
Blaylock Van, LLC	
Penserra Securities LLC	
R. Seelaus & Co., LLC	
Siebert Williams Shank & Co., LLC	
Total	

The underwriters and the representatives are collectively referred to as the “underwriters” and the “representatives,” respectively. The underwriters are offering the shares of common stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters’ over-allotment option described below.

The underwriters initially propose to offer part of the shares of common stock directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of \$ \_\_\_\_\_ per share under the public offering price. After the initial offering of the shares of common stock, the offering price and other selling terms may from time to time be varied by the representatives.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to \_\_\_\_\_ additional shares of common stock at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of common stock offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares of common stock as the number listed next to the underwriter’s name in the preceding table bears to the total number of shares of common stock listed next to the names of all underwriters in the preceding table.

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The following table shows the per share and total public offering price, underwriting discounts, and commissions, and proceeds before expenses to us and the selling stockholders. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase up to an additional \_\_\_\_\_ shares of common stock.

	Per Share	Total	
		No Exercise	Full Exercise
Public offering price	\$	\$	\$
Underwriting discounts:			
Proceeds, before expenses, to us	\$	\$	\$

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately \$ \_\_\_\_\_. We have agreed to reimburse the underwriters for certain expenses incurred by them in connection with the offering, including up to \$50,000 relating to clearance of this offering with the Financial Industry Regulatory Authority, or FINRA.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of shares of common stock offered by them.

We intend to apply to have our common stock approved for listing on the NASDAQ under the trading symbol "IAS."

We and all directors and officers and the holders of substantially all of our outstanding common stock and stock options have agreed that, without the prior written consent of Morgan Stanley & Co. LLC, on behalf of the underwriters, we and they will not, and will not publicly disclose an intention to or cause any affiliate to, during the period ending 180 days after the date of this prospectus (the "Restricted Period"):

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock ("Lock-Up Securities");
- file or confidentially submit any registration statement with the SEC relating to the offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Lock-Up Securities,

whether any such transaction described above is to be settled by delivery of common stock or such other securities, in cash or otherwise. In addition, we and each such person agrees that, without the prior written consent of Morgan Stanley & Co. LLC on behalf of the underwriters, we or such other person will not, during the Restricted Period, make any demand for, or exercise any right with respect to, the registration of any shares of common stock or any security convertible into or exercisable or exchangeable for common stock.

The restrictions described in the immediately preceding paragraph do not apply to our directors and officers or holders of our outstanding common stock or other securities in certain circumstances, including:

- transactions relating to shares of common stock acquired in open market transactions after the completion of the offering contemplated hereby, *provided* that no filing under Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") is required or voluntarily made in connection with subsequent sales of common stock acquired in such open market transactions;

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- transfers of shares of Lock-Up Securities (i) as a bona fide gift, (ii) to any immediate family member or any of its affiliates, or any trust for the direct or indirect benefit of the lock-up party, or any of its affiliates, (iii) to a corporation, partnership, limited liability company, trust or other entity of which the lock-up party, or any of its affiliates, and the immediate family of the lock-up party are the legal and beneficial owner of all of the outstanding equity securities or similar interests, or (iv) to a nominee or custodian of a person or entity to whom a disposition or transfer would be permissible under clauses (i) through (iii), *provided* that in the case of any transfer pursuant to clause (i), (ii), or (iv) (to the extent the transfer is to a transferee referred to in (i) or (ii)), each donee or transferee will sign and deliver a lock-up agreement substantially in the form described herein and no filing under Section 16(a) of the Exchange Act, reporting a reduction in beneficial ownership of shares of common stock, be required or be voluntarily made during the Restricted Period (other than a filing on a Form 5 that clearly indicates in the footnotes the nature and conditions of such transfer, that such transfer is not for value and that the Lock-Up Securities subject to such transfer remain subject to the lock-up agreement described herein), and *provided further* that in the case of any transfer or distribution pursuant to clause (iii) and (iv) (to the extent the transfer is to a transferee referred to in (iii)), each transferee or distributee will sign and deliver a lock-up agreement substantially in the form described herein;
- transfers of Lock-Up Securities to (i) a partner, member or stockholder, as the case may be, of such partnership, limited liability company or corporation, (ii) any wholly-owned subsidiary of the lock-up party, (iii) an affiliate (as such term is defined in Rule 405 of the Securities Act) of or (iv) if a transferee referred to in clauses (i) through (iii) above is not a natural person, any direct or indirect partner, member or shareholder of such transferee until the Lock-Up Securities come to be held by a natural person; *provided* that each transferee or distributee will sign and deliver a lock-up agreement substantially in the form described herein;
- facilitating the establishment of a trading plan on behalf of a shareholder, officer or director of ours pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of common stock, *provided* that (i) such plan does not provide for the transfer of common stock during the Restricted Period and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made regarding the establishment of such plan, such announcement or filing will include a statement to the effect that no transfer of common stock may be made under such plan during the Restricted Period;
- transfer of Lock-Up Securities pursuant to a bona fide third party tender offer, merger, consolidation or other similar transaction or transactions made to all or substantially all holders of our common stock and approved by our board of directors, the result of which is that any “person” or “group” (within the meaning of Section 13(d) of the Exchange Act), will or would become, after giving effect to such transaction or transactions, the beneficial owner (as defined in Rules 13d-3 and 13d-5 of the Exchange Act) of more than 50% of the total voting power of our voting securities), *provided* that in the event that such tender offer, merger, consolidation or other such transaction or transactions is not completed, the Lock-Up Securities will remain subject to the provisions of the lock-up agreement described herein during the Restricted Period;
- (i) as a result of the operation of law, or pursuant to an order of a court (including a domestic order, divorce settlement, divorce decree or separation agreement) or regulatory agency or (ii) by will, other testamentary document or intestate succession, *provided* that no filing under the Exchange Act, or other public announcement, will be required or voluntarily made in connection with any such transfer during the Restricted Period (other than a filing on a Form 5 that would disclose that such transfer was a result of the operation of law, or pursuant to an order of a court or regulatory agency or by will, other testamentary document or intestate succession);
- the repurchase of Lock-Up Securities by us pursuant to equity award agreements or other contractual arrangements providing for the right of said repurchase in connection with the termination of the lock-up party’s employment or service with us, *provided* that no filing under the Exchange Act, or other

public announcement, be voluntarily made in connection with any such transfer, and if a report under the Exchange Act related thereto is required during the Restricted Period, such report will disclose that such transfer was a result of the repurchase of the Lock-Up Securities or such other securities by us pursuant to equity award agreements or other contractual arrangements in connection with the termination of the lock-up party's employment or service with us;

- pursuant to the exercise of an option to purchase Lock-Up Securities in connection with the termination or expiration of such option pursuant to its terms, *provided* that (1) such option was granted pursuant to a stock option plan or other equity incentive plan described herein, (2) any Lock-Up Securities received upon such exercise will be subject to the terms of the lock-up agreement described herein and (3) no filing by the lock-up party or any party (transferor or transferee) under the Exchange Act, or other public announcement be voluntarily made in connection with any such transfer, and if the holder is required to file a report under the Exchange Act related thereto during the Restricted Period, such report will disclose that such transfer was a result of the exercise of option expiring or terminating in accordance with their terms and does not result in any aggregate reduction in the beneficial ownership; or
- a transfer to us (x) pursuant to the exercise, on a "cashless" or "net exercise" basis, of any option to purchase Lock-Up Securities granted by us pursuant to stock option or equity incentive plans described herein, or (y) for the purpose of satisfying any withholding taxes (including estimated taxes) due as a result of the exercise of any option to purchase Lock-Up Securities or the vesting of any equity awards granted by us pursuant to stock option or equity incentive plans described herein, *provided* that no filing by the lock-up party or any party (transferor or transferee) under the Exchange Act, or other public announcement, be voluntarily made in connection with any such transfer, and a report under the Exchange Act is required to be filed during the Restricted Period, such report will disclose that such transfer was a result of the exercise, on a "cashless" or "net exercise" basis, of any option to purchase Lock-Up Securities granted by us pursuant to stock option or equity incentive plans described herein, or for the purpose of satisfying any withholding taxes (including estimated taxes) due as a result of the exercise of any option to purchase Lock-Up Securities or the vesting of any equity awards granted by us pursuant to stock option or equity incentive plans described herein.

The restrictions also do not apply to us in certain circumstances, including:

- the sale of our common stock to the underwriters in this offering;
- the issuance by us of shares of common stock upon the exercise of an option or warrant or the conversion of a security outstanding on the date hereof as described herein;
- the issuance of shares, and options to purchase shares, of common stock and restricted stock units pursuant to stock option plans, stock purchase or other equity incentive plans described herein;
- the sale or issuance of or entry into an agreement providing for the sale or issuance of common stock or securities convertible into, exercisable for or which are otherwise exchangeable for or represent the right to receive common stock in connection with (x) the acquisition by us or any of our subsidiaries of the securities, business, technology, property or other assets of another person or entity or pursuant to an employee benefit plan assumed by us in connection with such acquisition, and the issuance of any common stock or securities convertible into, exercisable for or which are otherwise exchangeable for or represent the right to receive common stock pursuant to any such agreement or (y) joint ventures, commercial relationships and other strategic transactions, *provided* that the aggregate number of shares of common stock or securities convertible into, exercisable for or which are otherwise exchangeable for or represent the right to receive common stock that we may sell or issue or agree to sell or issue pursuant to this clause does not exceed 5.0% of the total number of shares of common stock outstanding as of the closing date immediately following the completion of the offering contemplated hereby, and *provided further* that all recipients of any such securities shall enter into a "lock-up" agreement, substantially as described herein covering the remainder of the Restricted Period;

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- facilitating the establishment of a trading plan on behalf of a shareholder, officer or director of ours pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of common stock, *provided* that (i) such plan does not provide for the transfer of common stock during the Restricted Period and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required or voluntarily made us regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of common stock may be made under such plan during the Restricted Period; or
- the filing of any registration statement on Form S-8 relating to securities granted or to be granted pursuant to any compensation benefit plan described herein.

In order to facilitate the offering of the common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the over-allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the over-allotment option. The underwriters may also sell shares in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of common stock in the open market to stabilize the price of the common stock. These activities may raise or maintain the market price of the common stock above independent market levels or prevent or retard a decline in the market price of the common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representatives may agree to allocate a number of shares of common stock to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make Internet distributions on the same basis as other allocations.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing, and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to customers that they acquire, long or short positions in such securities and instruments.

## **Pricing of the Offering**

Prior to this offering, there has been no public market for our common stock. The initial public offering price was determined by negotiations between us and the representatives. Among the factors considered in determining the initial public offering price were our future prospects and those of our industry in general, our sales, earnings, and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours.

## **Selling Restrictions**

### ***European Economic Area***

In relation to each Member State of the European Economic Area (each, a “Relevant State”), no securities have been offered or will be offered pursuant to the offering to the public in that Relevant State prior to the publication of a prospectus in relation to the securities which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of securities may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation
- to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation;

*provided* that no such offer of securities shall require us or any of our representatives to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to any securities in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any securities to be offered so as to enable an investor to decide to purchase any securities, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129 (as amended).

### ***United Kingdom***

No securities have been offered or will be offered pursuant to the offering to the public in the U.K. prior to the publication of a prospectus in relation to the securities which has been approved by the Financial Conduct Authority, except that it may make an offer to the public in the U.K. of any securities at any time:

- to any legal entity which is a qualified investor as defined under Article 2 of the U.K. Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the U.K. Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or
- in any other circumstances falling within Section 86 of the FSMA,

*provided* that no such offer of the securities shall require us or any of our representatives to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the U.K. Prospectus Regulation.

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For the purposes of this provision, the expression an “offer to the public” in relation to the securities in the U.K. means the communication in any form and by any means of sufficient information on the terms of the offer and any securities to be offered so as to enable an investor to decide to purchase or subscribe for any securities and the expression “U.K. Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 and the expression “FSMA” means the Financial Services and Markets Act 2000.

Each underwriter has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the shares of common stock in circumstances in which Section 21(1) of the FSMA does not apply to the company or the selling stockholders; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares of common stock in, from or otherwise involving the U.K.

### ***Canada***

The common stock may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted customers, as defined in National Instrument 31-103 Registration Requirements, Exemptions, and Ongoing Registrant Obligations. Any resale of the common stock must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

### ***Hong Kong***

The common stock may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (“Companies (Winding Up and Miscellaneous Provisions) Ordinance”) or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (“Securities and Futures Ordinance”), (ii) to “professional investors” as defined in the Securities and Futures Ordinance and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation or document relating to the common stock may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares of common stock which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

### ***Japan***

No registration pursuant to Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) (the “FIEL”) has been made or will be made with respect to the solicitation of the application for the acquisition of the shares of common stock.

Accordingly, the shares of common stock have not been, directly or indirectly, offered or sold and will not be, directly or indirectly, offered or sold in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements, and otherwise in compliance with, the FIEL and the other applicable laws and regulations of Japan.

#### *For Qualified Institutional Investors (“QII”)*

Please note that the solicitation for newly-issued or secondary securities (each as described in Paragraph 2, Article 4 of the FIEL) in relation to the shares of common stock constitutes either a “QII only private placement” or a “QII only secondary distribution” (each as described in Paragraph 1, Article 23-13 of the FIEL). Disclosure regarding any such solicitation, as is otherwise prescribed in Paragraph 1, Article 4 of the FIEL, has not been made in relation to the shares of common stock. The shares of common stock may only be transferred to QIIs.

#### *For Non-QII Investors*

Please note that the solicitation for newly-issued or secondary securities (each as described in Paragraph 2, Article 4 of the FIEL) in relation to the shares of common stock constitutes either a “small number private placement” or a “small number private secondary distribution” (each as is described in Paragraph 4, Article 23-13 of the FIEL). Disclosure regarding any such solicitation, as is otherwise prescribed in Paragraph 1, Article 4 of the FIEL, has not been made in relation to the shares of common stock. The shares of common stock may only be transferred en bloc without subdivision to a single investor.

### ***Singapore***

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the common stock may not be circulated or distributed, nor may the common stock be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”)) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where the shares of common stock are subscribed or purchased under Section 275 of the SFA by a relevant person which is a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for 6 months after that corporation has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer in that corporation’s securities pursuant to Section 275(1A) of the SFA, (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore (“Regulation 32”).

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Where the shares of common stock are subscribed or purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that trust has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets), (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32.

Solely for the purposes of our obligations pursuant to Section 309B of the SFA, we have determined, and hereby notify all relevant persons (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 ("CMP Regulations")) that the shares of Class common stock are "prescribed capital markets products" (as defined in the CMP Regulations) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

### **Switzerland**

This prospectus is not intended to constitute an offer or solicitation to purchase or invest in the common stock. The common stock may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("FinSA") and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading venue (exchange or multilateral trading facility) in Switzerland. This document does not constitute a prospectus within the meaning of, and has been prepared without regard to, the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading venue (exchange or multilateral trading facility) in Switzerland. Neither this document nor any other offering or marketing material relating to the common stock constitutes a prospectus pursuant to the FinSA, and neither this document nor any other offering or marketing material relating to the common stock or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, or the common stock have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of common stock will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of common stock has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of common stock.

### **United Arab Emirates**

The common stock has not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this prospectus does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. This prospectus has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

## LEGAL MATTERS

The validity of the issuance of our common stock offered in this prospectus will be passed upon for us by Kirkland & Ellis LLP, Chicago, Illinois. Certain partners of Kirkland & Ellis LLP are members of a limited partnership that is an investor in one or more investment funds affiliated with Vista. Kirkland & Ellis LLP represents entities affiliated with Vista in connection with legal matters. Certain legal matters will be passed upon for the underwriters by Davis Polk & Wardwell LLP, New York, New York.

## EXPERTS

The financial statements as of December 31, 2019 and 2020 and for the two years in the period ended December 31, 2020 included in this Prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

## WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act to register our common stock being offered in this prospectus. This prospectus, which forms part of the registration statement, does not contain all of the information included in the registration statement and the attached exhibits. You will find additional information about us and our common stock in the registration statement. References in this prospectus to any of our contracts, agreements, or other documents are not necessarily complete, and you should refer to the exhibits attached to the registration statement for copies of the actual contracts, agreements or documents. The SEC maintains an Internet website that contains reports and other information about issuers, like us, that file electronically with the SEC. The address of that website is [www.sec.gov](http://www.sec.gov).

On the closing of this offering, we will be subject to the information reporting requirements of the Exchange Act, and we will file reports, proxy statements and other information with the SEC. These reports, proxy statements and other information will be available for inspection and copying at the website of the SEC referred to above.

We also maintain a website at [www.integralads.com](http://www.integralads.com). Information contained in, or accessible through, our website is not a part of this prospectus, and the inclusion of our website address in this prospectus is only as an inactive textual reference.

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**Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Members of Integral Ad Science Holding LLC

***Opinion on the Financial Statements***

We have audited the accompanying consolidated balance sheets of Integral Ad Science Holding LLC (formerly known as Kavacha Topco, LLC) and its subsidiaries (the “Company”) as of December 31, 2020 and December 31, 2019, and the related consolidated statements of operations and comprehensive loss, changes in members’ equity and of cash flows for the years then ended including, the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

New York, New York  
March 31, 2021

We have served as the Company’s auditor since 2011.

**INTEGRAL AD SCIENCE HOLDING LLC**  
**(FORMERLY KNOWN AS KAVACHA TOPCO, LLC)**  
**CONSOLIDATED BALANCE SHEETS**

(IN THOUSANDS, EXCEPT UNIT DATA)	December 31,	
	2019	2020
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 26,281	\$ 51,734
Restricted cash	1,449	187
Accounts receivable, net	42,438	45,418
Unbilled receivables	23,775	28,083
Prepaid expenses and other current assets	7,444	4,101
Total current assets	101,387	129,523
Property and equipment, net	4,323	2,243
Internal use software, net	7,724	12,322
Intangible assets, net	300,683	243,348
Goodwill	457,649	458,586
Other long-term assets	3,465	3,557
Total assets	<u>\$875,231</u>	<u>\$ 849,579</u>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 24,733	\$ 38,789
Due to related party	640	150
Capital leases payable, current portion	1,427	325
Deferred revenue	1,496	1,144
Total current liabilities	28,296	40,408
Accrued rent	1,617	1,827
Net deferred tax liability	40,102	24,794
Long-term debt	345,329	351,071
Capital leases payable	215	—
Total liabilities	<u>415,559</u>	<u>418,100</u>
<b>COMMITMENTS AND CONTINGENCIES (Note 14)</b>		
<b>MEMBERS' EQUITY:</b>		
Units, \$1,000 par value, 608,695 units authorized at December 31, 2019, and 2020, 553,862, and 553,867 units issued and outstanding at December 31, 2019 and 2020, respectively	553,862	553,717
Additional paid-in-capital	—	—
Accumulated other comprehensive income	175	4,523
Accumulated deficit	(94,365)	(126,761)
Total members' equity	<u>459,672</u>	<u>431,479</u>
Total liabilities and members' equity	<u>\$875,231</u>	<u>\$ 849,579</u>

See accompanying notes to the consolidated financial statements.

**INTEGRAL AD SCIENCE HOLDING LLC**  
**(FORMERLY KNOWN AS KAVACHA TOPCO, LLC)**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

(IN THOUSANDS, EXCEPT UNIT AND PER UNIT DATA)	Year ended December 31,	
	2019	2020
Revenue	\$213,486	\$ 240,633
Operating expenses:		
Cost of revenue (excluding depreciation and amortization shown below)	33,107	40,506
Sales and marketing	71,300	66,022
Technology and development	40,403	48,991
General and administrative	32,135	33,286
Depreciation and amortization	70,327	65,708
Total operating expenses	247,272	254,513
Operating loss	(33,786)	(13,880)
Interest expense, net	(32,994)	(31,570)
Net loss before benefit from income taxes	(66,780)	(45,450)
Benefit from income taxes	15,432	13,076
Net loss	\$ (51,348)	\$ (32,374)
Net loss per unit — basic and diluted	(94.42)	(58.45)
Basic and diluted weighted average units outstanding	543,840	553,902
Other comprehensive income:		
Foreign currency translation adjustments	421	4,348
Total comprehensive loss	\$ (50,927)	\$ (28,026)

See accompanying notes to the consolidated financial statements.

**INTEGRAL AD SCIENCE HOLDING LLC**  
**(FORMERLY KNOWN AS KAVACHA TOPCO, LLC)**  
**CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY**

(IN THOUSANDS, EXCEPT UNIT DATA)	Members' Interest		Additional paid-in capital	Accumulated other comprehensive income (loss)	Accumulated deficit	Total members' equity
	Units	Amount				
<b>Balances at December 31, 2018</b>	556,969	\$556,969	\$ —	\$ (246)	\$ (42,575)	\$514,148
Cumulative effect adjustment from adoption of revenue recognition standard, net of tax	—	—	—	—	(380)	(380)
Repurchase of units	(3,107)	(3,107)	—	—	(62)	(3,169)
Foreign currency translation adjustment	—	—	—	421	—	421
Net loss	—	—	—	—	(51,348)	(51,348)
<b>Balances at December 31, 2019</b>	<u>553,862</u>	<u>\$553,862</u>	<u>\$ —</u>	<u>\$ 175</u>	<u>\$ (94,365)</u>	<u>\$459,672</u>
Repurchase of units	(145)	(145)	—	—	(22)	(167)
Units vested	150	—	—	—	—	—
Foreign currency translation adjustment	—	—	—	4,348	—	4,348
Net loss	—	—	—	—	(32,374)	(32,374)
<b>Balances at December 31, 2020</b>	<u>553,867</u>	<u>\$553,717</u>	<u>—</u>	<u>\$ 4,523</u>	<u>\$ (126,761)</u>	<u>\$431,479</u>

See accompanying notes to the consolidated financial statements.

**INTEGRAL AD SCIENCE HOLDING LLC  
(FORMERLY KNOWN AS KAVACHA TOPCO, LLC)  
CONSOLIDATED STATEMENTS OF CASH FLOWS**

(IN THOUSANDS)	<b>Year ended December 31,</b>	
	2019	2020
<b>Cash flows from operating activities:</b>		
Net loss	\$ (51,348)	\$ (32,374)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	70,327	65,708
Amortization of debt issuance costs	1,272	1,365
Allowance for doubtful accounts	3,396	2,200
Non-cash interest expense	4,191	4,483
Deferred tax benefit	(16,929)	(15,312)
Gain on sale of assets	—	(10)
Impairment of internal use software	861	—
Changes in operating assets and liabilities:		
Increase in accounts receivable	(6,352)	(4,426)
Increase in unbilled receivables	(5,226)	(3,910)
Increase (decrease) in prepaid expenses and other current assets	(3,747)	264
Increase (decrease) in accounts payable and accrued expenses	(242)	16,114
Increase in accrued rent	1,301	202
Increase (decrease) in deferred revenue	642	(367)
Net cash (used in) provided by operating activities	(1,854)	33,937
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(1,059)	(638)
Acquisition of ADmantX S.p.A., net of acquired cash	(17,575)	—
Acquisition and development of internal use software	(6,400)	(9,024)
Net cash used in investing activities	(25,034)	(9,662)
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of term debt	20,000	—
Payments for debt issuance costs	(473)	—
Principal payments on capital lease obligations	(2,702)	(1,529)
Cash paid for unit repurchases	(3,169)	(167)
Net cash provided by (used in) financing activities	13,656	(1,696)
Net (decrease) increase in cash, cash equivalents, and restricted cash	(13,232)	22,579
Effect of exchange rate changes on cash and cash equivalents, and restricted cash	(60)	1,772
Cash, cash equivalents, and restricted cash, at beginning of year	43,662	30,370
<b>Cash, cash equivalents, and restricted cash, at end of year</b>	<b>\$ 30,370</b>	<b>\$ 54,721</b>
<b>Supplemental Disclosures:</b>		
Cash paid during the year for:		
Interest	\$ 27,866	\$ 21,440
Taxes	\$ 1,160	\$ 1,424
<b>Non-cash investing and financing activities:</b>		
Assets acquired under capital leases	\$ 503	\$ 212
Property and equipment acquired included in accounts payable	\$ 114	\$ 130

See accompanying notes to the consolidated financial statements.

**INTEGRAL AD SCIENCE HOLDING LLC  
(FORMERLY KNOWN AS KAVACHA TOPCO, LLC)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**1. Description of business**

Integral Ad Science Holding, LLC. and its wholly-owned subsidiaries (together, the “Company”), formerly known as Kavacha Topco, LLC, is a leading global digital advertising verification company by revenue. The Company’s mission is to be the global benchmark for trust and transparency in digital media quality for the world’s leading brands, publishers, and platforms. The Company’s cloud-based technology platform provides actionable insights and deliver independent measurement and verification of digital advertising across all devices, channels, and formats, including desktop, mobile, connected TV (“CTV”), social, display, and video. The Company’s proprietary and Media Rating Council (the “MRC”) accredited Quality Impressions™ metric is designed to verify that digital ads are served to a real person rather than a bot, viewable on-screen, and appear in a brand-safe and suitable environment in the correct geography. The Company is an independent, trusted partner for buyers and sellers of digital advertising to increase accountability, transparency, and effectiveness in the market. The Company helps advertisers optimize their ad spend and better measure consumer engagement with campaigns across platforms, while enabling publishers to improve their inventory yield and revenue.

The Company has its operations within the U.S. in New York, California, Illinois, Washington, Texas and Virginia. Operations outside the U.S. are within the U.K., Germany, Italy, Spain, Sweden, Singapore, Australia, France, Japan, Canada, Hong Kong and Brazil.

On February 23, 2021, the Company amended the certificate of formation of Kavacha Topco, LLC to change the name of the Company to Integral Ad Science Holding LLC.

**2. Summary of significant accounting policies**

This summary of significant accounting policies is presented to assist in understanding the Company’s consolidated financial statements. These accounting policies have been consistently applied in the preparation of the consolidated financial statements.

***(a) Basis of presentation***

The Company’s consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and reflect the financial position, results of operations and cash flows for all periods presented.

The Company is an Emerging Growth Company, as defined in the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”). Under the JOBS Act, Emerging Growth Companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. The Company has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that it (i) is no longer an Emerging Growth Company or (ii) it affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, these financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates. The adoption dates discussed below reflect this election.

***(b) Basis of consolidation***

The consolidated financial statements include the accounts of Integral Ad Science Holding LLC and its wholly-owned subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation.

**INTEGRAL AD SCIENCE HOLDING LLC  
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***(c) Use of estimates***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Significant estimates include the allocation of purchase price consideration in the business combination and the related valuation of acquired assets and liabilities, the estimated useful lives of our property and equipment, intangible assets and internal use software, the allowance for doubtful accounts, and goodwill impairment testing; the assumptions used to calculate equity-based compensation; and the realization of deferred tax assets. The Company bases its estimates on past experience, market conditions, and other assumptions that the Company believes are reasonable under the circumstances, and the Company evaluates these estimates on an ongoing basis.

***(d) Foreign currency***

The reporting currency of the Company is the U.S. dollar. The functional currency of our foreign subsidiaries is the currency of the primary economic environment in which they operate, which is their local currency. The financial statements of these subsidiaries are translated into U.S. dollars using month-end rates of exchange for assets and liabilities, and average rates of exchange for revenue, costs and expenses. Translation gains and losses are recorded in accumulated other comprehensive income (loss) in members' equity. The Company recorded translation gains of \$421 and \$4,348 for the years ended December 31, 2019 and 2020, respectively. Transaction gains and losses including those on intercompany transactions denominated in a currency other than the functional currency of the entity involved are included in foreign exchange gain (loss) in the Consolidated Statement of Operations and Comprehensive Loss. The Company recorded transaction losses of \$287 and \$706 for the years ended December 31, 2019 and 2020, respectively.

***(e) Concentrations of credit risk***

Our assets that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable.

Cash equivalents consist of money market funds, which are invested through financial institutions in the United States. Such deposits may, at times, exceed federally insured limits. The Company has not experienced any losses in such amounts and believes it is not exposed to any significant credit risk to cash.

Accounts receivable are spread over many customers in various countries. The Company maintains an allowance for uncollectible accounts receivable based on expected collectability and through the ongoing performance of credit evaluations of customers' financial condition.

As of December 31, 2019, and 2020, no customer accounted for more than 10% of accounts receivable.

The Company has entered into long-term revenue share agreements with certain demand-side platforms. The results of operations would be adversely affected if these agreements were to be terminated.

***(f) Cash and cash equivalents***

Cash and cash equivalents include highly liquid investments with an original maturity date of three months or less at the time of purchase.

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**(g) Restricted cash**

Cash amounts with restrictions are classified as restricted cash within the consolidated balance sheets.

The following table provides a roll forward of the changes in the restricted cash balance:

Restricted cash as of January 1, 2019	\$ 3,418
Deposits for facilities leases	478
Deposits for future medical claims	193
Restricted cash as of December 31, 2019	4,089
Release of deposits for facilities leases no longer restricted	(1,096)
Release of deposits for medical claims	(6)
Restricted cash as of December 31, 2020	<u>\$ 2,987</u>

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated balance sheets to the amounts shown in the statements of cash flows.

	December 31,	
	2019	2020
Cash and cash equivalents	\$ 26,281	\$ 51,734
Short-term restricted cash	1,449	187
Long-term restricted cash (held in other long-term assets)	2,640	2,800
Total cash, cash equivalents, and restricted cash shown in the statements of cash flows	<u>\$ 30,370</u>	<u>\$ 54,721</u>

**(h) Accounts receivable, net**

Accounts receivable are carried at the original invoiced amount less an allowance for doubtful accounts. The allowance is estimated based on management's knowledge of its customers' financial condition, credit history, and existing economic conditions. Invoices are typically issued with net 30-days to net 90-days terms. Account balances are considered delinquent if payment is not received by the due date, and the receivables are written off when deemed uncollectible. The allowance for doubtful accounts are recorded in general and administrative expenses within the statements of operations and comprehensive loss.

The activity in our allowance for doubtful accounts consists of the following:

	December 31,	
	2019	2020
Balance at beginning of year	\$ 4,916	\$ 5,843
Additional provision	3,396	2,200
Receivables written-off	(2,469)	(3,786)
Balance at the end of year	<u>\$ 5,843</u>	<u>\$ 4,257</u>

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***(i) Property and equipment, net***

Property and equipment are recognized in the consolidated balance sheet at cost less accumulated depreciation. The Company depreciates its property and equipment using the straight-line method of depreciation over the estimated useful lives of the respective assets, with the exception of leasehold improvements, which is the shorter of the useful life of the asset or the lease term, whichever is shorter.

The cost of repairs and maintenance are expensed as incurred. Major renewals or improvements that extend the useful lives of the assets are capitalized. When assets are retired or disposed of, the cost and accumulated depreciation thereon are removed, and any resulting gain or loss is recognized in the consolidated statements of operations and comprehensive loss.

***(j) Goodwill***

We record as goodwill the excess of purchase price over the fair value of the net tangible and identifiable intangible assets acquired. In testing goodwill for impairment, we have the option to begin with a qualitative assessment, commonly referred to as “Step 0”, to determine whether it is more likely than not that the fair value of a reporting unit containing goodwill is less than its carrying value. This qualitative assessment may include, but is not limited to, reviewing factors such as macroeconomic conditions, industry and market considerations, cost factors, entity-specific financial performance and other events, such as changes in our management, strategy and primary user base. If the Company determines that it is more likely than not that the fair value of a reporting unit is less than its carrying value, then a quantitative goodwill impairment analysis is performed which is referred to as “Step 1”. Depending upon the results of that measurement, the recorded goodwill may be written down, and impairment expense is recorded in the consolidated statements of operations when the carrying amount of the reporting unit exceeds the fair value of the reporting unit.

***(k) Intangible assets, net***

Our intangible assets consist of developed technology, customer relationships, favorable leases, and trademarks. Our intangible assets are recorded at fair value at the time of their acquisition and are stated within our consolidated balance sheets net of accumulated amortization. Intangible assets are amortized on a straight-line basis over their estimated useful lives or using an accelerated method. Amortization is recorded as depreciation and amortization under operating expenses within our consolidated statements of operations and comprehensive loss. Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. As of December 31, 2019, and 2020, there were no events or changes in circumstances to indicate that the carrying amount of the assets may not be recoverable.

***(l) Impairment of long-lived assets***

All long-lived assets used in the Company’s operations are subject to review for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is assessed based on the future cash flows expected to result from the use of the asset and its eventual disposition. If the sum of the undiscounted cash flows is less than the carrying amount of the asset, an impairment loss is recognized. Any impairment loss, if indicated, is measured as the amount by which the carrying amount of the asset exceeds its estimated fair value and is recognized as a reduction in the carrying amount of the asset.

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***(m) Fair value measurements***

The Company follows FASB ASC 820-10, “Fair Value Measurements,” which defines fair value, establishes a framework for measuring fair value in U.S. GAAP, and requires certain disclosures about fair value measurements.

ASC 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the most advantageous market for the asset or liability in an orderly transaction. Fair value measurement is based on a hierarchy of observable or unobservable inputs. The standard describes three levels of inputs that may be used to measure fair value.

Level 1 — Inputs to the valuation methodology are quoted prices available in active markets for identical securities as of the reporting date;

Level 2 — Inputs to the valuation methodology are other significant observable inputs, including quoted prices for similar securities, interest rates, credit risk etc. as of the reporting date, and the fair value can be determined through the use of models or other valuation methodologies; and

Level 3 — Inputs to the valuation methodology are unobservable inputs in situations where there is little, or no market activity of the securities and the reporting entity makes estimates and assumptions relating to the pricing of the securities including assumptions regarding risk.

We segregate all financial assets and liabilities that are measured at fair value on a recurring basis into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date.

***(n) Revenue recognition***

The Company derives revenue primarily from advertisers and programmatic services offered through a demand side platform delivered to customers across the digital advertising platform, which the Company concludes is its performance obligation. Fees associated with our contracts include impression-based fees driven by impression volume and cost per thousand impressions (“CPM”). The solutions are designed to serve both the buy-side and the sell-side of digital ad transactions.

The Company recognizes revenue when control of the promised services are transferred to customers. Revenue from the cloud-based technology platform is primarily recognized based on impressions delivered to customers. An “impression” is delivered when an advertisement appears on pages viewed by users. The majority of the Company’s contracts are usage-based contracts with no substantive minimum commitments. The Company has certain contracts for which pricing is variable through tiered pricing arrangements or include annual base fees that do not coincide with the calendar year, requiring an estimate of the transaction price attributable to each year. The majority of the Company’s contracts have a duration of one year or less.

The Company evaluated arrangements with its customers where the customer purchases the Company’s services through a demand side platform to determine if such revenue should be reported on a gross or net basis. In these arrangements, the demand side platform collects the fee on behalf of the Company for the purchase of advertising inventory on an exchange. In these transactions, the Company is primarily responsible for providing these services directly to the customer and have latitude in establishing the sales price with the customers. As a result, the Company records revenue for the gross amounts paid by the customers for these services and records the amounts retained by the demand side platforms as a cost of revenue.

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The Company bills customers monthly based on the impressions delivered each month. Invoices are typically issued with net 30-days to net 90-days terms and customers do not have a contractual right to refunds for the impressions delivered. Cash payments received prior to the Company's delivery of its services are recorded to deferred revenue until the performance obligation is satisfied. The Company recorded deferred revenue (contract liabilities) to account for billings in excess of revenue recognized, primarily related to contractual minimums billed in advance and customer prepayment of \$1,496 and \$1,144 as of December 31, 2019 and 2020, respectively.

The Company incurs incremental contract costs of obtaining a contract from sales commissions. The Company has elected to expense commission costs when incurred for contracts with an expected amortization period of one year or less. These costs are recorded in sales and marketing expenses within the consolidated statement of operations and comprehensive loss.

See Note 11, Segment data, for disaggregated revenue by geographic region.

**(o) Net loss per unit**

Basic net income (loss) per unit is computed by dividing the net income (loss) by the weighted-average number of units outstanding during the reporting period, without consideration for potentially dilutive securities. Diluted net income (loss) per unit is computed by dividing the net income (loss) attributable to members' by the weighted-average number of units and potentially dilutive securities outstanding during the period. As the Company has reported a net loss for the periods presented, all potentially dilutive securities are antidilutive and were excluded from the computation of diluted net loss per unit attributable to the unitholders.

**(p) Income taxes**

The Company is subject to U.S. federal, state, and local income taxation on its income. The Company accounts for income taxes using an asset and liability approach, which requires estimates of taxes payable or refunds for the current period and estimates of deferred income tax assets and liabilities for the anticipated future tax consequences attributable to differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for income tax purposes. Current and deferred income tax assets and liabilities are based on provisions of the enacted income tax laws and are measured using the enacted income tax rates and laws that are expected to be in effect when the future tax events are expected to reverse. The effects of future changes in income tax laws or rates are not anticipated. The income tax provision is comprised of the current income tax expense and the change in deferred income tax assets and liabilities.

The portion of any deferred tax asset for which it is more likely than not that a tax benefit will not be realized is offset by recording a valuation allowance. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible.

The tax effects of an uncertain tax position (UTP) taken or expected to be taken in income tax returns are recognized only if it is "more-likely-than-not" to be sustained on examination by the taxing authorities, based on its technical merits as of the reporting date. The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Company recognizes estimated interest and penalties related to UTPs in income tax expense. The Company recognizes the resolution of an UTP in the period when it is effectively

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settled. Previously recognized tax positions are derecognized in the first period in which it is no longer more likely than not that the tax position would be sustained upon examination. The Company evaluated all potential uncertain tax positions and identified no significant uncertain positions.

***(q) Business combinations***

The Company determines if the acquisition of an entity or a group of assets is a business combination, which is accounted for using the acquisition method of accounting. Under the acquisition method, once control is obtained of a business, the assets acquired, and liabilities assumed, including amounts attributed to noncontrolling interests, are recorded at fair value. The Company uses its best estimates and assumptions to assign fair value to the tangible and intangible assets acquired and liabilities assumed at the acquisition date. One of the most significant estimates relates to the determination of the fair value of these assets and liabilities. The determination of the fair values is based on estimates and judgments made by management. The Company's estimates of fair value are based upon assumptions it believes to be reasonable, but which are inherently uncertain and unpredictable. Measurement period adjustments are reflected at the time identified, up through the conclusion of the measurement period, which is the time at which all information for determination of the values of assets acquired and liabilities assumed is received, and is not to exceed one year from the acquisition date. The Company may record adjustments to the fair value of these tangible and intangible assets acquired and liabilities assumed, with the corresponding offset to goodwill.

Additionally, uncertain tax positions and tax-related valuation allowances are initially recorded in connection with a business combination as of the acquisition date. The Company continues to collect information and reevaluates these estimates and assumptions periodically and records any adjustments to preliminary estimates to goodwill, provided the Company is within the measurement period. If outside of the measurement period, any subsequent adjustments are recorded in the Company's consolidated statements of operations and comprehensive loss.

***(r) Equity-based compensation***

Equity-based compensation is measured at the grant date based on the fair value of the award and is recognized as expense over the requisite service period, which is generally the vesting period. The Company estimates expected forfeitures of equity-based awards at the grant date and recognizes compensation cost only for those awards expected to vest. The forfeiture assumption is ultimately adjusted to the actual forfeiture rate. Therefore, changes in the forfeiture assumptions may affect the timing of the total amount of expense recognized over the vesting period. Estimated forfeitures are reassessed in each reporting period and may change based on new facts and circumstances.

For awards subject to performance and market conditions, the fair value of each option grant is estimated on the date of grant using a modified Black-Scholes Option model and a Monte Carlo simulation, which utilizes multiple inputs to estimate the probability that market conditions will be achieved. The models require highly subjective assumptions as inputs, including the following:

*Expected term* — The expected term for awards subject to market and performance conditions, represents the weighted-average period the stock options are expected to be outstanding.

*Expected volatility* — The Company estimated its future stock price volatility based upon observed option-implied volatilities for a group of peer companies. The Company believes this is the best estimate of the expected

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volatility over the weighted-average expected term of its option grants. The Company will continue to analyze the historical stock price volatility and expected term assumptions as more historical data for the Company's common stock becomes available.

*Risk-free interest rate* — The risk-free interest rate is based on the implied yield currently available on U.S. Treasury instruments with terms approximately equal to the expected term of the option.

*Expected dividend* — The expected dividend assumption was based on the Company's history and expectation of dividend payouts. The Company currently has no history or expectation of paying cash dividends on its units.

*Fair value of the units*— The fair value of the units underlying the options has historically been determined by the Company's board of directors. Because there has been no public market for the units, the board of directors exercises reasonable judgment and considers numerous objective and subjective factors to determine the best estimate of the fair value of the units, including independent third-party valuations of the units, operating and financial performance, and general and industry-specific economic outlook, amongst other factors. The fair value of the Company's option grants is estimated at the grant date using the Monte Carlo simulation model based on the following weighted average assumptions:

	<b>December 31,</b>	
	<b>2019</b>	<b>2020</b>
Estimated fair value	\$ 379.68	637.86
Estimated fair value of the units or exercise price	\$ 1,011.07	1,637.53
Expected volatility (%)	62.0%	72.0%
Expected term (in years)	5.58	4.10
Risk-free interest rate (%)	2.22%	0.35%
Dividend yield	—	—

**(s) Internal use software, net**

Software development costs consist primarily of cost incurred in research and development, software engineering, and web design activities and related employee compensation costs to create, enhance, and deploy the software infrastructure. Software development costs are expensed as incurred where the amounts primarily relate to planning activities, minor developments or normal maintenance activities that do not meet the requirements under ASC 350-40, *Internal Use Software*. These costs are recorded in technology and development expenses.

Capitalized costs would include costs incurred during the software development stage, which occurs after the preliminary design stage. Such costs include consultant costs and salaries of engineers and data scientists. Enhancements to existing internal use software are capitalized when it is more likely than not that they will result in significant additional capabilities. For the years ended December 31, 2019 and 2020, respectively, the Company incurred \$6,944 and \$9,380 of costs that met the requirements of internal use software capitalization, with \$544 and \$810 of costs in accounts payable as of December 31, 2019 and 2020, respectively. These costs were capitalized when incurred and are recognized in the consolidated balance sheets at cost less accumulated amortization. The Company amortizes the software using the straight-line method over 3 years.

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***(t) Advertising Costs***

The Company expenses advertising costs as incurred. The Company incurred \$595 and \$690 in advertising expense during years ended December 31, 2019 and 2020, respectively.

***(u) Recently adopted accounting pronouncements***

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2014-09, “Revenue from Contracts with Customers” (“Topic 606”). Subsequent to the issuance of Topic 606, the FASB clarified the guidance through several ASUs, referred to as ASC 606. This guidance represents a comprehensive new revenue recognition model that requires a company to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which that company expects to be entitled to receive in exchange for those goods or services. This update sets forth a new five-step revenue recognition model which replaces the prior revenue recognition guidance in its entirety.

On January 1, 2019, the Company adopted Topic 606, using the modified retrospective method, applied to all contracts not completed as of the date of adoption. This method requires the cumulative effect of the adoption to be recognized as an adjustment to opening retained earnings or accumulated deficit in the period of adoption. The adoption of Topic 606 using the modified retrospective method led the Company to evaluate all contracts not completed as of January 1, 2019. Part of that assessment is to calculate the cumulative effect of adopting the new revenue recognition standard. A majority of the Company’s contracts are usage based or have commitments that refresh quarterly and monthly. The Company has a small population of contracts for which pricing is variable through tiered pricing arrangements or include annual base fees that do not coincide with the calendar year, requiring an estimate of the transaction price attributable to each year. The Company calculated the transaction price related to these contracts to determine the cumulative effect of adoption as of January 1, 2019, and recorded the adjustment, net of tax, to retained earnings and deferred revenue. The adoption of Topic 606 did not have a material impact to the Company’s consolidated financial statements.

In January 2017, the FASB issued ASU 2017-01, Clarifying the Definition of a Business (Topic 805), which provides guidance on evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The definition of a business affects many areas of accounting including acquisitions, disposals, goodwill, and consolidation. The new guidance amends ASC 805 to provide a more robust framework to use in determining when a set of assets and activities is a business. In addition, the amendments provide more consistency in applying the guidance, reduce the costs of application, and make the definition of a business more operable. The guidance is effective for annual periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. The adoption of ASU 2017-01 did not have a material impact to the Company’s consolidated financial statements.

In January 2017, the FASB issued ASU 2017-04, “Simplifying the Test for Goodwill Impairment,” Topic 350, “Intangibles – Goodwill and Other” (ASU 2017-04). The amendments in ASU 2017-04 simplify the accounting for goodwill impairment for all entities by requiring impairment charges to be based on the first step in the current two-step impairment test. An impairment charge for the amount by which the carrying amount exceeds the reporting unit’s fair value should be recognized; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. Early adoption is permitted, and the Company early adopted on January 1, 2019. ASU 2017-04 did not have an impact on the Company’s consolidated financial statements.

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In November 2016, the FASB issued ASU 2016-18 “Statement of Cash Flows (Topic 230): Restricted Cash”. ASU 2016-18 requires entities to show the changes in the total of cash, cash equivalents, restricted cash and restricted cash equivalents in the statement of cash flows. As a result, entities will no longer present transfers between cash and cash equivalents and restricted cash and restricted cash equivalents in the statement of cash flows. The ASU requires changes in the Company’s restricted cash to be classified as either operating activities, investing activities or financing activities in the Consolidated Statements of Cash Flows, depending on the nature of the activities that gave rise to the restriction. The new standard is effective for annual reporting periods beginning after December 15, 2018. Retrospective transition method is to be applied to each period presented. The Company adopted ASU 2016-18 on January 1, 2019. The adoption of ASU 2016-18 did not have a material impact to the Company’s consolidated financial statements.

***(v) Accounting pronouncements not yet adopted***

In February 2016, the FASB issued ASU 2016-02, “Leases (Topic 842)”. Under the new guidance, lessees will be required to put most leases on their balance sheets but to recognize expenses in the income statement in a manner similar to current accounting. The guidance also eliminated the current real estate-specific provisions and changes the guidance on sale-leaseback transactions, initial direct costs, and lease executory costs for all entities. The updated guidance will be effective for the Company beginning January 1, 2022, with early adoption permitted. Upon adoption, entities will be required to use the modified retrospective approach for leases that exist, or are entered into, after the beginning of the earliest comparative period in the financial statements. In July 2018, the FASB issued ASU 2018-11, Leases (Topic 842), Targeted Improvements, which allows entities to not apply the new leases standard, including its disclosure requirements, in the comparative periods they present in their financial statements in the year of adoption. The Company is currently evaluating the potential effect that adopting this guidance will have on its consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, “Financial Instruments — Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments,” as amended, which requires, among other things, the use of a new current expected credit loss (“CECL”) model in order to determine our allowances for doubtful accounts with respect to accounts receivable. The CECL model requires that we estimate our lifetime expected credit loss with respect to our receivables and contract assets and record allowances that, when deducted from the balance of the receivables, represent the net amounts expected to be collected. We will also be required to disclose information about how we developed the allowances, including changes in the factors that influenced our estimate of expected credit losses and the reasons for those changes. This ASU is effective for annual periods, including interim periods within those annual periods, beginning after December 15, 2022. The Company is currently evaluating the potential effect that adopting this guidance will have on its consolidated financial statements.

In August 2018, the FASB issued ASU 2018-15, “Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract”, which requires customers in a cloud computing arrangement that is a service contract to follow the internal use software guidance in ASC 350-40 to determine which implementation costs to capitalize as assets. The guidance requires certain costs incurred during the application development stage to be capitalized and other costs incurred during the preliminary project and post-implementation stages to be expensed as they are incurred. Capitalized implementation costs related to a hosting arrangement that is a service contract will be amortized over the term of the hosting arrangement, beginning when the module or component of the hosting arrangement is ready for its intended use. A customer’s accounting for the hosting component of the arrangement is not affected. The guidance will be effective for the Company for annual periods beginning after December 15, 2020. Early adoption is permitted. Entities can either

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apply the guidance prospectively to all implementation costs incurred after the date of adoption or retrospectively in accordance with ASC 250-10-45-5 through 45-10. The Company will adopt the new standard effective January 1, 2021, however, it is not expected to have a material impact on the Company's consolidated financial statements.

### 3. Business combinations

On November 20, 2019, the Company acquired 100% equity interest in ADmantX S.p.A for a purchase price of \$17,777 paid in cash at closing. The acquisition was made to enhance our existing service offering by enabling publishers and advertisers to match ads with relevant online content at the page level. The purchase price was funded by issuing term debt of \$20,000 discussed in Note 9. The purchase price was adjusted for acquired cash, bonus amounts included in transaction expenses, indebtedness, and the adjustment escrow to calculate the total purchase consideration.

The following table summarizes the allocation of the purchase price, based on the fair value of the assets acquired and liabilities assumed at the acquisition date:

	<u>Fair Value</u>
Assets acquired:	
Cash and cash equivalents	\$ 202
Other current assets	2,407
Customer relationships	1,200
Developed technology	6,700
Liabilities assumed:	
Accounts payable and accrued expenses	(1,788)
Deferred revenue	(42)
Net identifiable assets acquired	<u>8,679</u>
Goodwill	<u>9,098</u>
Total purchase consideration	<u>\$ 17,777</u>

The acquisition was accounted for under the acquisition method of accounting and the assets and liabilities were adjusted to fair value on the closing date of the acquisition. The goodwill represents the excess of the purchase price over the fair value of the underlying intangible assets and net liabilities assumed. The goodwill recognized in this acquisition is primarily attributable to the expected future growth and is not deductible for income tax purposes.

The Company amortizes the intangible assets on a straight-line basis or using an accelerated method over their estimated useful lives. The Company used valuation techniques to estimate the fair value of the intangible assets acquired which requires the use of significant judgment after taking into consideration all the relevant factors that might affect the fair value such as, present value factors, estimates of future revenue, costs, and expected customer attrition rates. For more details on the intangible assets, see Note 6.

During the year ended December 31, 2019, the Company incurred \$835 in acquisition related expenses related to the acquisition recorded in general and administrative expenses within the statements of operations and comprehensive loss. These expenses primarily related to investment banking, legal, debt and consulting fees.

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During the year ended December 31, 2019, Revenue, Operating expenses and the resulting impact to net loss attributable to the acquisition of ADmantX S.p.A were immaterial.

#### 4. Property and equipment, net

Property and equipment consisted of the following:

	Estimated Useful Lives	December 31,	
		2019	2020
Computer and office equipment	1 to 3 years	\$ 8,308	\$ 9,167
Computer software	3 to 5 years	209	236
Leasehold improvements	Various	2,112	2,120
Furniture	5 years	309	317
		<u>10,938</u>	<u>11,840</u>
Less: Accumulated depreciation and amortization		(6,615)	(9,597)
Total property and equipment, net		<u>\$ 4,323</u>	<u>\$ 2,243</u>

Depreciation and amortization expense of property and equipment for years ended December 31, 2019 and 2020, was \$4,215 and \$2,981, respectively.

Computer and office equipment under capital leases are as follows:

	December 31,	
	2019	2020
Computer and office equipment	\$ 5,861	\$ 6,073
Less: Accumulated depreciation	(4,286)	(5,782)
Total computer and office equipment under capital leases, net	<u>\$ 1,575</u>	<u>\$ 291</u>

Depreciation expense included \$2,671 and \$1,495 for the years ended December 31, 2019 and 2020, respectively of depreciation related to computer and office equipment under capital leases.

#### 5. Internal use software, net

Internal use software consisted of the following:

	Estimated Useful Life	December 31,	
		2019	2020
Internal use software	3-5 years	\$ 10,605	\$ 19,124
Less: Impairment		(861)	—
Less: Accumulated amortization		(2,020)	(6,802)
Total internal use software, net		<u>\$ 7,724</u>	<u>\$ 12,322</u>

During the year ended December 31, 2020, the Company acquired internal-use software of \$3,075.

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Amortization expense for the years ended December 31, 2019 and 2020 was \$1,881 and \$4,813, respectively. For the year ended December 31, 2019, the Company impaired \$861 of costs related to projects that were no longer being implemented, recorded in general and administrative expenses within the statements of operations and comprehensive loss.

The estimated amortization expense for the next four years for assets held at December 31, 2020 is as follows:

	<b>Estimated Amortization Expense</b>
2021	\$ 5,826
2022	4,084
2023	1,797
2024	615
<b>Total</b>	<b>\$ 12,322</b>

During the years ended December 31, 2019 and 2020 respectively, the Company capitalized \$118 and \$0 related to internal use software projects that are currently in development.

**6. Intangible assets, net**

The gross book value, accumulated amortization, net book value and amortization periods of the intangible assets were as follows:

	<b>Estimated Useful Life</b>	<b>December 31, 2019</b>			<b>Weighted Average Remaining Useful Life</b>
		<b>Gross Book Value</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>	
Customer relationships	5-15 years	\$ 259,212	\$ (31,331)	\$ 227,881	13.5 Years
Developed technology	4-5 years	115,266	(57,240)	58,026	2.8 Years
Trademarks	9 years	17,500	(2,874)	14,626	7.5 Years
Favorable leases	6 years	198	(48)	150	4.5 Years
<b>Total</b>		<b>\$ 392,176</b>	<b>\$ (91,493)</b>	<b>\$ 300,683</b>	

	<b>Estimated Useful Life</b>	<b>December 31, 2020</b>			<b>Weighted Average Remaining Useful Life</b>
		<b>Gross Book Value</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>	
Customer relationships	5-15 years	\$ 259,329	\$ (55,282)	\$ 204,047	12.5 Years
Developed technology	4-5 years	115,921	(89,219)	26,702	2.1 Years
Trademarks	9 years	17,500	(5,018)	12,482	6.5 Years
Favorable leases	6 years	198	(81)	117	3.5 Years
<b>Total</b>		<b>\$ 392,948</b>	<b>\$ (149,600)</b>	<b>\$ 243,348</b>	

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Included in customer relationships and developed technology are \$1,200 and \$6,700, respectively, of assets acquired pursuant to the Company's acquisition of ADmantX S.p.A. (Note 3). Amortization expense related to intangibles for the years ended December 31, 2019 and 2020 were \$64,231 and \$58,090, respectively.

Amortization expense that will be charged to income for the subsequent five years and thereafter is as follows:

2021	\$ 48,693
2022	27,129
2023	26,076
2024	25,389
2025	22,942
2026 and thereafter	93,119
	<u>\$ 243,348</u>

#### 7. Goodwill

The following table provides a roll forward of the changes in the goodwill balance:

Goodwill as of January 1, 2019	\$ 448,461
Acquisition of ADmantX S.p.A (Note 3)	9,098
Impact of changes in exchange rates	90
Goodwill as of December 31, 2019	\$ 457,649
Impact of changes in exchange rates	937
Goodwill as of December 31, 2020	<u>458,586</u>

As of December 31, 2020, there were no impairment losses related to goodwill.

#### 8. Accounts payable and accrued expenses

Accounts payable and accrued expenses consisted of the following:

	December 31,	
	2019	2020
Accounts payable	\$ 4,645	\$ 8,808
Accrued expenses	5,629	11,318
Accrued interest	—	4,277
Accrued bonuses and commissions	9,430	11,883
Accrued revenue sharing	1,052	2,503
NY sales tax reserve (Note 14)	3,977	—
	<u>\$ 24,733</u>	<u>\$ 38,789</u>

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## 9. Long-term debt

### *Credit Agreement*

On July 19, 2018, the Company entered into a credit agreement with various lenders (“Credit Agreement”), providing a term facility in the aggregate principal amount of \$325,000 (“Term Loan”) and the ability to draw additional funds through a revolving facility (“Revolving Loan”) of up to \$25,000. The Term Loan and Revolving Loan have a maturity date of July 19, 2024 and July 19, 2023, respectively.

The Credit Agreement includes Paid in Kind (“PIK”) interest which bears an interest rate of 1.25% per annum. All PIK interest due is paid by capitalizing such interest and adding such applicable PIK interest to the principal amount of the outstanding Term Loan. The interest rate for the Credit Agreement may be either the (a) Alternate Base Rate, which is equal to the greatest of the base rate in effect, the Federal Funds Rate in effect on such day plus 0.5% and one month adjusted LIBOR plus 1.0%, plus an applicable margin of 5% or for eurodollar borrowings, the (b) Eurodollar rate, which is the adjusted LIBOR plus an applicable margin of 6%. The Company has elected the Eurodollar rate through 2020. The interest rate as of December 31, 2020 was 7.0%.

On November 19, 2019, the Company entered into an incremental facility assumption amendment (“Incremental Term Loan”) to the Credit Agreement which increased the aggregate principal amount by \$20,000 used to finance the ADmantX S.p.A acquisition, pay fees, costs, and expenses incurred in connection with the agreement, and finance working capital and general corporate purposes. All terms and conditions of the Term Loan remained consistent under the Incremental Term Loan. In connection with the Credit Agreement, the Company incurred debt issuance costs of \$7,476. In connection with Incremental Term Loan, the Company incurred debt issuance costs of \$473. Debt issuance costs related to the Term Loan and Incremental Term Loan were recorded as a deferred charge as a direct offset to long-term debt and are amortized into interest expense over the contractual term of the borrowings using the straight-line method. As no amounts were drawn on the Revolving Loan as of December 31, 2020, the debt issuance costs related to this facility were recorded as a deferred financing asset within prepaid expenses and other current assets and are amortized into interest expense over the contractual term of the borrowings using the straight-line method.

All of the obligations under the Credit Agreement are guaranteed by the Company and its subsidiaries other than certain excluded subsidiaries. The Credit Agreement contains covenants requiring certain financial information to be submitted monthly, quarterly and annually. The Company must maintain a minimum liquidity, as defined, and comply with a Revenue Leverage Ratio based on the last twelve months (“LTM”) which was required to be 1.60:1.00 or lower for the fourth quarter of 2020. The benchmark for the Revenue Leverage Ratio decreases through the term of the loan. The Credit Agreement also places restrictions on the incurrence of additional indebtedness, the payment of dividends, sale of assets, and entering into any merger or acquisition. As of December 31, 2020, the Company was in compliance with all covenants.

The carrying amounts of Long-term debt are as follows:

	<b>December 31,</b>	
	<b>2019</b>	<b>2020</b>
Term loan	\$ 345,000	\$ 345,000
PIK Interest	6,056	10,539
Less: Unamortized long-term debt issuance costs	(5,727)	(4,468)
Total carrying amount of Long-term debt	\$ 345,329	\$ 351,071

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Amortization expense related to debt issuance costs for the years ended December 31, 2019 and 2020 was \$1,272 and \$1,365 respectively. The Company recognized interest expense of \$27,720 and \$25,717 during the years ending December 31, 2019 and 2020 respectively.

Future principal payments of long-term debt as of December 31, 2020 are as follows:

<b>Year Ending December 31,</b>	
2021	\$ —
2022	—
2023	—
2024	345,000
Total principal payments	<u>\$ 345,000</u>

**10. Income taxes**

Integral Ad Science Holding LLC, filed a check the box election to be treated as a regarded entity for U.S. Federal income tax purposes. The components of our income/(loss) before benefit from income taxes for the years ended December 31, 2019 and December 31, 2020 are as follows:

	<b>December 31,</b>	
	<b>2019</b>	<b>2020</b>
United States	\$ (68,361)	\$ (50,764)
Foreign Operations	1,581	5,314
Total loss before benefit from taxes	<u>\$ (66,780)</u>	<u>\$ (45,450)</u>

The components of the (benefit) provision for income taxes are as follows:

	<b>December 31,</b>	
	<b>2019</b>	<b>2020</b>
<b>Current tax (benefit) provision</b>		
Federal	\$ 397	\$ (220)
Foreign	806	1,672
State and Local	294	784
Total current tax (benefit) provision	<u>1,497</u>	<u>2,236</u>
<b>Deferred tax (benefit) provision</b>		
Federal	(14,594)	(8,467)
Foreign	(5)	102
State and Local	(2,330)	(6,947)
Total deferred tax (benefit) provision	<u>(16,929)</u>	<u>(15,312)</u>
Total (benefit) provision from income taxes	<u>\$ (15,432)</u>	<u>\$ (13,076)</u>

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The following table presents a reconciliation of the statutory federal rate and the Company's effective tax rate for the periods presented:

	<b>December 31,</b>			
	<b>2019</b>	<b>%</b>	<b>2020</b>	
Statutory U.S. federal income tax expected benefit	\$ (13,964)	21.0%	\$ (9,544)	21.0%
State income taxes, net of federal benefit	(2,037)	3.1%	(6,331)	13.9%
Foreign rate differential adjusted for U.S. taxation of foreign profits	115	(0.2%)	158	(0.3%)
Nondeductible expenses	662	1.0%	1,028	(2.3%)
Change in valuation allowance	—		—	
GILTI foreign tax credit utilization	(108)	0.2%	—	
Foreign-derived intangible income	(477)	0.7%	—	
CARES Act <sup>1</sup>	—	—	810	(1.8)%
Other	377	(0.6%)	803	(1.8)%
Income tax (benefit)	<u>\$ (15,432)</u>	<u>23.0%</u>	<u>\$ (13,076)</u>	<u>28.8%</u>

The income tax benefit for the years ended December 31, 2019 and 2020 relates principally to current period U.S. losses.

<sup>1</sup> In the U.S., on March 27, 2020, the President signed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) into law to provide economic stimulus during a country-wide shut down.

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Deferred income taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The components of net deferred tax assets for the years ending December 31, 2019 and 2020 is as follows:

	December 31,	
	2019	2020
<b>Deferred tax assets</b>		
Capital lease obligations	\$ 496	\$ 94
Allowance for doubtful accounts	766	366
Other miscellaneous amounts	12	70
Payroll and commissions	1,598	2,606
Deferred rent	336	399
Deferred revenue	—	29
Net Operating Loss (“NOL”) and other carryforwards	37,458	31,807
Tax credit carryforward	192	283
Interest expense carryforward	10,513	11,005
<b>Total deferred tax assets</b>	<b>51,371</b>	<b>46,659</b>
Net deferred tax assets	<u>51,371</u>	<u>46,659</u>
<b>Deferred tax liabilities</b>		
Capital lease assets	(521)	(116)
Depreciation	(2,704)	(2,935)
Acquired identifiable intangibles	(88,248)	(68,402)
<b>Total deferred tax liabilities</b>	<b>(91,473)</b>	<b>(71,453)</b>
Net deferred tax liability	<u>\$ (40,102)</u>	<u>\$ (24,794)</u>

Deferred tax liabilities and assets are recognized for the expected future tax consequences of events that have been reflected in the consolidated financial statements. Deferred tax liabilities and assets are determined based on the differences between the book and tax bases of particular assets and liabilities, using tax rates in effect for the years in which the differences are expected to reverse. A valuation allowance is provided to offset deferred tax assets if, based upon the available evidence, it is more-likely-than-not that some or all of the deferred tax assets will not be realized. In evaluating our ability to recover deferred tax assets within the jurisdiction from which they arise, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax-planning strategies, and results of recent operations. As a result, we have not recorded a valuation allowance against our deferred tax assets. If we determine that we would not be able to realize our deferred tax assets in the future, we would record a valuation allowance, which would increase the provision for income taxes.

The Company has not provided for U.S. federal income and foreign withholding taxes on undistributed earnings from non-U.S. operations as of December 31, 2020 because the Company intends to reinvest such earnings indefinitely outside of the United States. If the Company were to distribute these earnings, foreign tax credits may become available under current law to reduce the resulting U.S. income tax liability. The amount of any unrecognized deferred tax liability related to these earnings would not be material.

As of December 31, 2020, the Company had approximately \$100,000 as compared to \$121,500 as of December 31, 2019 in U.S. federal net operating losses and \$206,300 and \$176,500 as of December 31, 2020 and

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2019 respectively, in state net operating losses. As a result of the Tax Cuts and Jobs Act, federal NOLs generated in tax years ending after December 31, 2017 are limited to a deduction of 80% of the taxpayer's taxable income. Furthermore, the post 2017 federal NOLs are subject to an indefinite carryforward period; therefore, \$100,000 and \$121,500 of as of December 31, 2020 and 2019 respectively of the federal NOL may be carried forward indefinitely. The majority of the Company's state net operating loss carryforwards will begin to expire, if not utilized, in 2029. Not all states have conformed to the Tax Cuts and Jobs Act; therefore, there are some states with indefinite carryforward periods.

#### ***Uncertain tax positions***

The Company has adopted certain provisions of ASC 740, "Income Taxes", which prescribes a recognition threshold and measurement attribute for the recognition and measurement of tax positions taken or expected to be taken in income tax returns. The provisions also provide guidance on the de-recognition of income tax assets and liabilities, classification of current and deferred income tax assets and liabilities, and accounting for interest and penalties associated with tax positions.

The Company files income tax returns in the U.S. federal jurisdiction, and in various state and foreign jurisdictions. The Company's tax returns are subject to tax examinations by U.S. federal and state tax authorities, or examinations by foreign tax authorities until the expiration of the respective statutes of limitation. The Company's 2017 Federal Tax return is currently under audit.

As of December 31, 2020, the Company does not have an accrual relating to uncertain tax positions. It is not anticipated that unrecognized tax benefits would significantly increase or decrease within 12 months of the reporting date.

#### **11. Segment data**

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker ("CODM"), in deciding how to allocate resources and in assessing performance. The Company's Chief Executive Officer is the CODM.

The Company manages its operations as a single segment for the purpose of assessing and making operating decisions. The Company's CODM allocates resources and assesses performance based upon financial information at the consolidated level. Since the Company operates in one operating segment, all required financial segment information can be found in the consolidated financial statements.

The following table summarizes revenue by geographic area:

	<b>December 31,</b>	
	<b>2019</b>	<b>2020</b>
<b>Revenue:</b>		
Americas	\$ 136,152	\$ 148,276
EMEA	58,329	67,691
APAC	19,005	24,666
Total	<u>\$ 213,486</u>	<u>\$ 240,633</u>

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The following table summarizes property and equipment, net by geographic for the years ended December 31, 2019 and 2020:

	<u>December 31,</u>	
	<u>2019</u>	<u>2020</u>
<b>Property and Equipment, net</b>		
Americas	\$ 3,800	\$ 1,954
EMEA	513	282
APAC	10	7
Total	<u>\$ 4,323</u>	<u>\$ 2,243</u>

## 12. Equity-based compensation

### *Integral Ad Science Holding LLC Long-Term Incentive Plan*

During 2018, the Company adopted the Long-Term Incentive Plan (“LTIP”). Under the LTIP, certain employees of the Company and its subsidiaries were granted long-term target incentive cash awards which will be payable subject to continued employment, upon the sale of the Company, or, sale to a third party of at least 50% of the Vista’s equity interest, provided if such sale of equity interests is through a public offering (whether initial or secondary), it would require the transfer of an aggregate of at least 75% of Vista’s equity interest and the achievement of a total equity return multiple of 3.0 or greater. Total equity return multiple is computed based on the quotient of the cumulative total of all cash distributions or cash proceeds received, divided by Vista’s total investment in the Company. The total amount of long-term incentive cash awards based on achieving a total equity return of 3.0 as of December 31, 2019 and 2020 are \$8,410 and \$10,560, respectively. As the multiple is tied to an equity return multiple, any compensation charge associated with these awards is considered equity-based compensation in accordance with U.S. GAAP. Since the liquidity events described above are contingent and generally not considered probable until the event occurs, no compensation expense for the LTIP has been recognized for the years ended December 31, 2019 and December 31, 2020.

### *Integral Ad Science Holding LLC 2018 Stock Option Plan*

On August 1, 2018, the Company adopted the 2018 Non-Qualified Stock Option Plan (“2018 Plan”) and granted awards in order to provide incentives to certain employees and directors of the Company. Under the 2018 Plan, 48,695 units were reserved out of Integral Ad’s authorized but unissued units. These units were reserved for issuance, sale and delivery upon the exercise of any option to purchase the member units in accordance with the terms of the 2018 Plan. The units issued upon exercise will be designated as option units and are subject to repurchase by the Company under certain conditions, no earlier than the later of the unit holder’s termination or 181 days after the acquisition of such unit. If an option unit holder is no longer employed or providing equivalent services to the Company, the Company may elect to repurchase all or a portion of such units at a price equal to i) original cost in the event of termination for cause or resignation for any reason, or ii) fair value in the event of termination without cause.

During the years ending December 31, 2019 and 2020, the Company granted a total of 27,589 and 10,092 options to purchase units, respectively. Each grant is made up of two-thirds Time Based Service Options and one-third Return Target Options, as defined below.

*Time Based Service Options* vest over four years with 25% vesting after 12 months and an additional 6.25% vests at the end of each successive quarters thereafter.

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*Return Target Options* vest upon the sale of the Company, or, sale or transfer to any third party of units, as a result of which, any person or group other than Vista obtains possession of voting power to elect a majority of the Company's board of directors or any other governing body and the achievement of a total equity return multiple of 3.0 or greater. An option holder must be an employee of the Company at the date when these conditions are achieved. No expense has been recorded for the Return Target Options for the years ended December 31, 2019 and December 31, 2020. Unrecognized equity-based compensation related to the Return Target Options for the years ended December 31, 2019 and 2020 were \$4,705 and \$5,652, respectively. As fully vested and exercised Time-Based Service Options can be repurchased by the Company at cost upon resignation of the employee, the Company has determined that the Time-Based Service Options as presently structured does not provide the holder of the award with the potential benefits associated with an equity award holder. As such, these awards are not being accounted for as an equity-based award but rather compensation cost will be recognized when the benefit to the employee is probable.

The Return Target Options are considered to contain both market (total unitholder return threshold) and performance (exit event) conditions. As such, the award is measured on the date of grant using a modified Black-Scholes Option model and a Monte Carlo simulation, and expense will be recorded at the time of an exit event. The risk-free rate for periods within the expected life of the option is based on the U.S. Treasury yield curve in effect at the time of grant.

The weighted average grant date fair value for the Return Target Options granted during the years ended December 31, 2019 and 2020, were \$379.68 and \$637.86, respectively.

***Time Based Service Option activity***

Time Based Service Option activity is as follows:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Intrinsic Value
<b>Outstanding at December 31, 2018</b>	19,275	\$ 1,000	9.60	\$ —
Granted	18,393	1,011	9.25	—
Canceled or forfeited	(14,201)	1,000	—	—
Exercised	—	—	—	—
<b>Outstanding at December 31, 2019</b>	<u>23,467</u>	<u>\$ 1,009</u>	<u>9.10</u>	<u>\$ —</u>
Vested and expected to vest as of December 31, 2019	23,467	\$ 1,009	9.10	—
Exercisable as of December 31, 2019	1,712	\$ 1,000	8.61	—

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	<u>Options</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Remaining Contractual Life (years)</u>	<u>Intrinsic Value</u>
<b>Outstanding at December 31, 2019</b>	23,467	\$ 1,009	9.10	\$ —
Granted	6,728	1,638	9.6	—
Canceled or forfeited	(4,950)	1,051	—	—
Exercised	—	—	—	—
<b>Outstanding at December 31, 2020</b>	<u>25,245</u>	<u>1,168</u>	<u>8.47</u>	<u>—</u>
Vested and expected to vest as of December 31, 2020	25,245	1,168	8.47	—
Exercisable as of December 31, 2020	7,640	\$ 1,010	8.16	—

**Return Target Option activity**

Return Target Option activity is as follows:

	<u>Options</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Remaining Contractual Life (years)</u>	<u>Intrinsic Value</u>
<b>Outstanding at December 31, 2018</b>	9,638	\$ 1,000	9.60	\$ —
Granted	9,196	1,011	9.25	—
Canceled or forfeited	(7,100)	1,000	—	—
Exercised	—	—	—	—
<b>Outstanding at December 31, 2019</b>	<u>11,734</u>	<u>\$ 1,009</u>	<u>9.10</u>	<u>\$ —</u>
Vested and expected to vest as of December 31, 2019	11,734	\$ 1,009	9.10	—

	<u>Options</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Remaining Contractual Life (years)</u>	<u>Intrinsic Value</u>
<b>Outstanding at December 31, 2019</b>	11,734	\$ 1,009	9.10	\$ —
Granted	3,364	1,638	9.6	—
Canceled or forfeited	(2,475)	1,051	—	—
Exercised	—	—	—	—
<b>Outstanding at December 31, 2020</b>	<u>12,623</u>	<u>1,168</u>	<u>8.47</u>	<u>—</u>
Vested and expected to vest as of December 31, 2020	12,623	1,168	8.47	—

**13. Members' equity**

Integral Ad Science Holding LLC., an affiliate of Vista, is a single member LLC. The Company's Board of Directors, through the Integral Ad Science Holding LLC. Amended and Restated Agreement (the "Operating Agreement"), has the authority to admit additional members. During the years ended December 31, 2019 and 2020, the Company repurchased 3,107 and 145 units, respectively for \$3,169 and \$167, respectively. The

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repurchase of units has been accounted for as a reduction in members' equity. The repurchases in excess of par value were \$62 and \$22 for the years ended December 31, 2019 and 2020, respectively, and were recorded to accumulated deficit. During the year ended December 31, 2020, 150 units vested and remained outstanding. Under the terms of the Operating Agreement, the members of Integral Ad Science Holding LLC. are not obligated for debt, liabilities, contracts or other obligations of Integral Ad Science Holding LLC. Profits and losses are allocated to members as defined in the Operating Agreement.

#### **14. Commitments and contingencies**

##### ***Indemnifications***

In its normal course of business, the Company has made certain indemnities, commitments, and guarantees under which it may be required to make payments in relation to certain transactions. Those indemnities include intellectual property indemnities to the Company's customers, indemnities to directors and officers of the Company to the maximum extent permitted under the laws of the State of Delaware, and indemnifications related to the Company's lease agreements. In addition, the Company's advertiser, publisher and distribution partner agreements contain certain indemnification provisions which are generally consistent with those prevalent in the Company's industry. The Company has not incurred any obligations under indemnification provisions historically and does not expect to incur significant obligations in the future. Accordingly, the Company has not recorded any liability for these indemnities, commitments, and guarantees in the accompanying balance sheets.

##### ***Operating leases***

The Company leases office space under operating leases, which expire on various dates through May 2026. Certain leases relating to office space include scheduled annual rent increases. Rent expense under operating leases is recognized on a straight-line basis over the lease terms. The excess of expense over payments is recorded as accrued rent on the consolidated balance sheets.

Operating lease expense for office space for the years ended December 31, 2019 and 2020, were \$7,952 and \$8,042, respectively.

Future minimum payments, by year and in the aggregate under operating leases with initial or remaining terms of one year or more, as of December 31, 2020, are as follows:

2021	\$ 6,783
2022	5,892
2023	5,278
2024	4,555
2025	3,264
2026 and thereafter	1,275
	<u>\$ 27,047</u>

##### ***Capital leases***

The Company leases equipment under capital leases. The equipment leases include options to renew, return or purchase at the end of the lease term.

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Future minimum rental payments under the capital leases as of December 31, 2020 are as follows:

Total minimum lease payments	\$331
Less: Amount representing interest	(6)
Total	<u>\$325</u>
Present value of net minimum lease payments, current	<u>\$325</u>

***Purchase Commitments***

In the ordinary course of business, the Company enters into various purchase commitments primarily related to third-party cloud hosting and data services, and IT operation. Total noncancelable purchase commitments as of December 31, 2020 were approximately \$70,000 for periods through 2024.

***Contingency reserve***

During 2019, the Company determined that an exposure for a New York State Sales and Use tax audit is probable and recorded a reserve of \$3,977. The reserve was recorded within Accounts payable and accrued expenses in the balance sheets. The Company also recorded an indemnification asset of \$3,100 to represent the contractual obligation by the Company's former stakeholders. The indemnification asset was recorded within Prepaid expenses and other current assets in the consolidated balance sheets. During 2020, upon completion of the audit, the reserved amounts were paid to New York State and the amounts in escrow were released.

**15. Employee contribution plans**

The Company is a sponsor of certain qualified defined contribution plans covering all eligible employees. Such plans provide for matching contributions and in certain plans profit-sharing contributions. The Company made matching contributions of \$1,879 and \$2,984 for the years ended December 31, 2019 and 2020, respectively.

**16. Net loss per unit**

Basic and diluted loss per unit is computed by dividing net loss by the weighted-average units outstanding:

	<u>December 31,</u>	
	<u>2019</u>	<u>2020</u>
<b>Numerator:</b>		
Net loss	\$ (51,348)	\$ (32,374)
<b>Denominator:</b>		
Weighted average units outstanding, basic and diluted	<u>543,840</u>	<u>553,902</u>
Net loss per unit, basic and diluted	<u>\$ (94.42)</u>	<u>\$ (58.45)</u>

As the Company has reported net loss for the period presented, all potentially dilutive securities are antidilutive. The following potential outstanding Time-Based Service Options were excluded from the computation of diluted net loss per unit attributable to common unitholders for the years presented because

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including them would have been antidilutive. Since the conditions associated with the vesting of the Return Target Options have not occurred as of the reporting date, such options are excluded from the table below.

	<b>Year Ended December 31,</b>	
	<b>2019</b>	<b>2020</b>
Options to purchase member units	23,467	25,245

## 17. Fair value disclosures

### *Financial instruments*

At December 31, 2020, the carrying value of cash and cash equivalents, restricted cash, accounts receivable and accounts payable approximated fair value.

### *Term loan*

The table below provides the book value and estimated fair value of our debt:

	<u>Fair value hierarchy</u>	<u>Book value</u>	<u>Estimated fair value</u>
Term loan (a)			
December 31, 2019	Level 2	\$ 351,056	\$ 375,081
December 31, 2020	Level 2	\$ 355,539	\$ 375,228

(a) The estimated fair value of our Term Loan is based upon market prices as of the valuation date.

## 18. Related-party transactions

The Company paid for consulting services and other expenses related to services provided by Vista Consulting Group, LLC (“VCG”). Total expenses incurred by the Company for VCG (*the related party*) were \$2,435 and \$929 for the years ended December 31, 2019 and 2020. These costs were included in general and administrative expenses. Amount due to VCG, consisting of dues for the consulting services totaled \$640 and \$39 as of December 31, 2019 and 2020.

The Company paid Vista Equity Partners Management, LLC (“VEP”) \$37 and \$134 during the years ended December 31, 2019 and 2020, respectively, for various travel and other expenses. These costs were included in general and administrative expenses. Amount due to VEP, totaled \$101 as of December 31, 2020.

The Company has subscription software arrangements with companies owned by Vista Equity Partners as follows: Total expenses incurred by the Company for Mediaocean (*the related party*) were \$175 and \$120 for the years ended December 31, 2019 and 2020 respectively, of which \$90 and \$120 were included in cost of revenue and \$85 and \$0 in sales and marketing expenses for the years ended December 31, 2019 and 2020, respectively. Amount due to Mediaocean, totaled \$10 as of December 31, 2020. Total expenses incurred by the Company for Navex Global, Inc. (*the related party*) were \$24 and \$29 for the years ended December 31, 2019 and 2020, respectively. These costs were included in general and administrative expenses.

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**19. Subsequent events**

The Company has evaluated subsequent events that have occurred from the balance sheet date of December 31, 2020 through March 31, 2021, the date the consolidated financial statements were available to be issued.

***Debt-related financial covenants***

The Company has financial covenants underlying its debt which require its revenue to debt ratio to meet certain thresholds. Such debt-related covenants become more restrictive over successive quarters through June of 2021. In accordance with ASU 2014-15, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, the Company believes that based upon current facts and circumstances, its existing cash coupled with the cash flows generated from operations will be sufficient to meet its cash needs for 12 months from the date of issuance of these financial statements.

***COVID-19***

Since January 2020, an outbreak of the 2019 novel coronavirus (COVID-19) has evolved into a worldwide pandemic. The outbreak sparked responses across countries, states and cities worldwide to enforce various measures of social distancing, shelter-in-place orders, and temporary closure of non-essential businesses to reduce further transmission of the virus. As a result of these measures, the U.S. and global markets have seen significant disruption, the extent and duration of which remains highly uncertain. Due to the pandemic, we have temporarily closed our offices globally, including our corporate headquarters, and are operating with substantially all staff working remotely.

To date, we have not experienced a material increase in customers' cancellations, or requests for more favorable contractual terms, or concessions. In addition, we have not experienced a significant deterioration in the collectability of our receivables or a material negative impact from our vendors and third-party service providers. Further, the Company has not incurred impairment losses in the carrying values of its assets as result of the pandemic and it is not aware of any specific related events or circumstance that would require a revision to the estimates reflected in these consolidated financial statements.

We have had sufficient liquidity and capital resources to continue to meet our operating needs and our ability to continue to service our debt or other financial obligations is not currently impaired.

***Asset acquisition***

On January 13, 2021, the Company acquired certain assets for cash of \$3,800. The assets acquired primarily comprised of acquired technology for real-time, impression-level financial reporting, which provides the transparency needed to help advertisers and brands optimize their digital media spend.

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**20. Condensed Financial Information of Registrant (Parent Company Only)**

**Integral Ad Science Holding LLC**  
**(formerly known as Kavacha Topco, LLC)**  
**(Parent Company Only)**  
**Condensed Balance Sheets**  
**(In thousands, except unit data)**

	<b>December 31,</b>	
	<b>2019</b>	<b>2020</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ —	\$ —
Total current assets	—	—
Investment in subsidiaries	459,672	431,479
Total assets	<u>\$ 459,672</u>	<u>\$ 431,479</u>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Current liabilities	\$ —	\$ —
Total current liabilities	—	—
Total liabilities	—	—
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>MEMBERS' EQUITY:</b>		
Units, \$1,000 par value, 608,695 units authorized at December 31, 2019, and 2020, 553,862, and 553,867 units issued and outstanding at December 31, 2019 and 2020, respectively	553,862	553,717
Accumulated other comprehensive income	175	4,523
Accumulated deficit	(94,365)	(126,761)
<b>Total members' equity</b>	<u>459,672</u>	<u>431,479</u>
Total liabilities and members' equity	<u>\$ 459,672</u>	<u>\$ 431,479</u>

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**Integral Ad Science Holding LLC.**  
**(formerly known as Kavacha Topco, LLC)**  
**(Parent Company Only)**  
**Condensed Statements of Operations**  
**(In thousands)**

	Year Ended December 31,	
	2019	2020
Revenue	\$ —	—
Operating expenses	—	—
Operating income	—	—
Interest income, net	—	—
Income before provision for income taxes and equity in net income of subsidiaries	—	—
Benefit from income taxes	—	—
Equity in net loss of subsidiaries	(51,348)	(32,374)
Net loss	<u>\$ (51,348)</u>	<u>\$ (32,374)</u>

**Integral Ad Science Holding, LLC.**  
**(formerly known as Kavacha Topco, LLC)**  
**(Parent Company Only)**  
**Condensed Statements of Comprehensive Income (Loss)**  
**(In thousands, except unit and per unit data)**

	Year Ended December 31,	
	2019	2020
Net loss	\$ (51,348)	\$ (32,374)
Other comprehensive income, net of tax:		
Subsidiaries' other comprehensive income	421	4,348
Total other comprehensive income	421	4,348
Total comprehensive loss	<u>\$ (50,927)</u>	<u>\$ (28,026)</u>

**Business and basis of presentation**

***Description of business***

The Company owns 100% of Kavacha Intermediate, LLC, which owns 100% of Kavacha Holdings, LLC, which owns 100% of Integral Ad Science Inc.

The Company, formerly known as Kavacha Topco, LLC, is a holding company with no material operations of its own, no direct outstanding debt obligations and it conducts substantially all its activities through its subsidiaries. The Company's wholly owned subsidiaries are subject to the terms and restrictions in the Credit

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Agreement. Included in the Credit Agreement are terms that limit the ability of the borrower, Integral Ad Science, Inc., to pay dividends or lend to the Company. Those limitations are subject to certain exceptions as defined in the Credit Agreement. The Credit Agreement limits the ability of Integral Ad Science Inc. and the Company's subsidiaries to, among other things, pay dividends or distributions, incur additional debt, incur liens on assets, enter into certain investments, loans or advances, and enter into merger or consolidation agreements. As a result of the aforementioned restrictions, substantially all of the assets of the Company's subsidiaries are restricted.

***Basis of presentation***

These condensed financial statements have been presented on a "parent-only" basis. Under a parent-only presentation, the parent's investments in subsidiaries are presented under the equity method of accounting. A condensed statements of cash flows was not presented because the parent has no material operating, investing, or financing cash flow activities for the years ended December 31, 2019 and 2020. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted. As such, these parent-only statements should be read in conjunction with the accompanying notes to the consolidated financial statements.

**INTEGRAL AD SCIENCE HOLDING LLC**  
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**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**

(IN THOUSANDS, EXCEPT UNIT DATA)	December 31, 2020	March 31, 2021
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 51,734	\$ 50,751
Restricted cash	187	27
Accounts receivable, net	45,418	41,704
Unbilled receivables	28,083	25,001
Prepaid expenses and other current assets	4,101	9,519
Total current assets	129,523	127,002
Property and equipment, net	2,243	1,831
Internal use software, net	12,322	16,687
Intangible assets, net	243,348	230,891
Goodwill	458,586	458,138
Other long-term assets	3,557	3,980
Total assets	<u>\$ 849,579</u>	<u>\$ 838,529</u>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 38,789	\$ 32,637
Due to related party	150	—
Capital leases payable, current portion	325	190
Deferred revenue	1,144	1,071
Total current liabilities	40,408	33,898
Accrued rent	1,827	1,863
Net deferred tax liability	24,794	25,387
Long-term debt	351,071	351,780
Total liabilities	418,100	412,928
COMMITMENTS AND CONTINGENCIES (Note 13)		
<b>MEMBERS' EQUITY</b>		
Units, \$1,000 par value, 608,695 units authorized at December 31, 2020 and March 31, 2021, 553,867 units issued and outstanding at December 31, 2020 and 553,454 units issued and outstanding at March 31, 2021	553,717	553,304
Additional paid-in-capital	—	—
Accumulated other comprehensive income	4,523	2,619
Accumulated deficit	(126,761)	(130,322)
Total members' equity	431,479	425,601
Total liabilities and members' equity	<u>\$ 849,579</u>	<u>\$ 838,529</u>

See notes to the unaudited condensed consolidated financial statements

**INTEGRAL AD SCIENCE HOLDING LLC**  
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**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS (UNAUDITED)**

(IN THOUSANDS, EXCEPT UNIT AND PER UNIT DATA)	<u>Three Months Ended March 31,</u>	
	<u>2020</u>	<u>2021</u>
Revenue	\$ 54,042	\$ 66,952
Operating expenses:		
Cost of revenue (excluding depreciation and amortization shown below)	9,155	11,420
Sales and marketing	18,370	16,545
Technology and development	12,336	12,769
General and administrative	7,640	8,547
Depreciation and amortization	16,338	14,395
Total operating expenses	<u>63,839</u>	<u>63,676</u>
Operating (loss) income	(9,797)	3,276
Interest expense, net	(8,258)	(6,960)
Net loss before benefit from income taxes	(18,055)	(3,684)
Benefit from income taxes	3,611	912
Net loss	<u>\$ (14,444)</u>	<u>\$ (2,772)</u>
Net loss per unit — basic and diluted	<u>\$ (26.08)</u>	<u>\$ (5.01)</u>
Basic and diluted weighted average units outstanding	<u>553,938</u>	<u>553,751</u>
Other comprehensive loss:		
Foreign currency translation adjustments	(1,914)	(1,904)
Total comprehensive loss	<u>\$ (16,358)</u>	<u>\$ (4,676)</u>

See notes to the unaudited condensed consolidated financial statements

**INTEGRAL AD SCIENCE HOLDING LLC**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY (UNAUDITED)**

(IN THOUSANDS, EXCEPT UNIT DATA)	Members' interest			Accumulated other comprehensive income (loss)	Accumulated deficit	Total members' equity
	Units	Amount	Additional paid-in capital			
<b>Balance, December 31, 2019</b>	553,862	\$553,862	\$ —	\$ 175	\$ (94,365)	\$459,672
Repurchase of units	(84)	(84)	—	—	(12)	(96)
Units vested	150	—	—	—	—	—
Foreign currency translation adjustment	—	—	—	(1,914)	—	(1,914)
Net loss	—	—	—	—	(14,444)	(14,444)
<b>Balance, March 31, 2020</b>	<u>553,928</u>	<u>\$553,778</u>	<u>\$ —</u>	<u>\$ (1,739)</u>	<u>\$ (108,821)</u>	<u>\$443,218</u>

(IN THOUSANDS, EXCEPT UNIT DATA)	Members' interest			Accumulated other comprehensive income (loss)	Accumulated deficit	Total members' equity
	Units	Amount	Additional paid-in capital			
<b>Balance, December 31, 2020</b>	553,867	\$553,717	\$ —	\$ 4,523	\$ (126,761)	\$431,479
Repurchase of units	(413)	(413)	—	—	(789)	(1,202)
Foreign currency translation adjustment	—	—	—	(1,904)	—	(1,904)
Net loss	—	—	—	—	(2,772)	(2,772)
<b>Balance, March 31, 2021</b>	<u>553,454</u>	<u>\$553,304</u>	<u>\$ —</u>	<u>\$ 2,619</u>	<u>\$ (130,322)</u>	<u>\$425,601</u>

See notes to the unaudited condensed consolidated financial statements

**INTEGRAL AD SCIENCE HOLDING LLC**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**

(IN THOUSANDS)	<b>Three Months Ended March 31,</b>	
	2020	2021
<b>Cash flows from operating activities:</b>		
Net loss	\$ (14,444)	(2,772)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortization	16,338	14,395
Amortization of debt issuance costs	341	341
Allowance (reversal of) for doubtful accounts	479	(266)
Non-cash interest expense	1,109	395
Changes in operating assets and liabilities:		
Decrease in accounts receivable	1,804	3,556
Decrease in unbilled receivables	4,391	2,939
Increase in prepaid expenses and other current assets	(5,459)	(3,743)
Increase in other long-term assets	(32)	(151)
Decrease in accounts payable and accrued expenses	(3,052)	(6,833)
Decrease in due to related party	(480)	(151)
Increase in accrued rent	78	31
Increase (decrease) in deferred revenue	336	(44)
Net cash provided by operating activities	1,409	7,697
<b>Cash flows from investing activities:</b>		
(Purchase of) proceeds from sale of property and equipment	(125)	5
Acquisition and development of internal use software	(4,774)	(6,382)
Net cash used in investing activities	(4,899)	(6,377)
<b>Cash flows from financing activities:</b>		
Principal payments on capital lease obligations	(516)	(136)
Cash paid for unit repurchases	(96)	(1,202)
Net cash used in financing activities	(612)	(1,338)
Net decrease in cash, cash equivalents and restricted cash	(4,102)	(18)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(654)	(846)
Cash, cash equivalents and restricted cash at beginning of period	30,370	54,721
<b>Cash, cash equivalents, and restricted cash, at end of period</b>	<b>\$ 25,614</b>	<b>\$ 53,857</b>
<b>Supplemental Disclosures:</b>		
Cash paid during the period for:		
Interest	\$ 6,838	\$ 6,281
Taxes	\$ 294	\$ 326
<b>Non-cash investing and financing activities:</b>		
Property and equipment acquired included in accounts payable	\$ 109	\$ 93
Deferred offering costs accrued, not yet paid	\$ —	\$ 1,676

See notes to the unaudited condensed consolidated financial statements

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**1. Description of Business and Basis of Presentation**

***Description of Business***

Integral Ad Science Holding LLC and its wholly-owned subsidiaries (together, the “Company”), formerly known as Kavacha Topco, LLC, is a leading global digital advertising verification company by revenue. The Company’s mission is to be the global benchmark for trust and transparency in digital media quality for the world’s leading brands, publishers, and platforms. The Company’s cloud-based technology platform provides actionable insights and deliver independent measurement and verification of digital advertising across all devices, channels, and formats, including desktop, mobile, connected TV (“CTV”), social, display, and video. The Company’s proprietary and Media Rating Council (the “MRC”) accredited Quality Impressions™ metric is designed to verify that digital ads are served to a real person rather than a bot, viewable on-screen, and appear in a brand-safe and suitable environment in the correct geography. The Company is an independent, trusted partner for buyers and sellers of digital advertising to increase accountability, transparency, and effectiveness in the market. The Company helps advertisers optimize their ad spend and better measure consumer engagement with campaigns across platforms, while enabling publishers to improve their inventory yield and revenue.

The Company has its operations within the U.S. in New York, California, Illinois, Washington, Texas and Virginia. Operations outside the U.S. are within the U.K., Germany, Italy, Spain, Sweden, Singapore, Australia, France, Japan, Canada, Hong Kong and Brazil.

On February 23, 2021, the Company amended the certificate of formation of Kavacha Topco, LLC to change the name of the Company to Integral Ad Science Holding LLC.

**2. Summary of significant accounting policies**

This summary of significant accounting policies is presented to assist in understanding the Company’s condensed consolidated financial statements. These accounting policies have been consistently applied in the preparation of the condensed consolidated financial statements.

***(a) Basis of presentation***

The Company’s condensed consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and reflect the financial position, results of operations and cash flows for all periods presented. The year-end condensed balance sheet data was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America

The accompanying interim condensed consolidated balance sheet as of March 31, 2021, the condensed consolidated statements of operations and comprehensive loss, of cash flows and of members’ equity for the three months ended March 31, 2020 and 2021, and the related footnote disclosures are unaudited. These unaudited interim condensed consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements and, in management’s opinion, include all adjustments necessary to state fairly the condensed consolidated financial position of the Company. All adjustments made were of a normal recurring nature. The results for the three months ended March 31, 2021 are not necessarily indicative of the results to be expected for the year ending December 31, 2021 or for any future period.

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The Company's significant accounting policies are discussed in Note 2 to the consolidated financial statements included in our Prospectus. There have been no significant changes to these policies that have had a material impact on the Company's condensed consolidated financial statements and related notes for the three months ended March 31, 2021. Therefore, these unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes included in the Company's Prospectus for the years ended December 31, 2020 and 2019. The following describes the impact of certain policies.

***(b) Basis of consolidation***

The condensed consolidated financial statements include the accounts of Integral Ad Science Holding LLC and its wholly-owned subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation.

***(c) Use of estimates***

The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Significant estimates include the allocation of purchase price consideration in the business combination and the related valuation of acquired assets and liabilities, the estimated useful lives of our property and equipment, intangible assets and internal use software, the allowance for doubtful accounts, and goodwill impairment testing; the assumptions used to calculate equity-based compensation; and the realization of deferred tax assets. The Company bases its estimates on past experience, market conditions, and other assumptions that the Company believes are reasonable under the circumstances, and the Company evaluates these estimates on an ongoing basis.

Beginning in the first quarter of 2020, the COVID-19 pandemic caused by the novel coronavirus has negatively impacted, and may continue to negatively impact, the macroeconomic environment in the United States and globally, as well as the Company's business, financial condition and results of operations. Due to the evolving and uncertain nature of COVID-19, it is reasonably possible that it could materially impact the Company's estimates, particularly those noted above that require consideration of forecasted financial information, in the near to medium term. The ultimate impact will depend on numerous evolving factors that the Company may not be able to accurately predict, including the duration and extent of the pandemic, the impact of federal, state, local and foreign governmental actions, consumer behavior in response to the pandemic and other economic and operational conditions the Company may face.

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**(d) Restricted cash**

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the condensed consolidated balance sheets to the amounts shown in the condensed consolidated statements of cash flows.

	<b>December 31, 2020</b>	<b>March 31, 2021</b>
Cash and cash equivalents	\$ 51,734	\$ 50,751
Short term restricted cash	187	27
Long term restricted cash	2,800	3,079
Total cash, cash equivalents, and restricted cash shown in the condensed consolidated statements of cash flows	<u>\$ 54,721</u>	<u>\$ 53,857</u>

**(e) Accounts receivable, net**

The activity in our allowance for doubtful accounts consists of the following for the periods ended March 31, 2020 and March 31, 2021 is as follows:

	<b>March 31, 2020</b>	<b>March 31, 2021</b>
Balance at beginning of period	\$ 5,843	\$ 4,257
Additional provision (reversal)	479	(266)
Receivables written off	(196)	(574)
Balance at end of period	<u>\$ 6,126</u>	<u>\$ 3,417</u>

**(f) Equity-based compensation**

Equity-based compensation is measured at the grant date based on the fair value of the award and is recognized as expense over the requisite service period, which is generally the vesting period. The Company estimates expected forfeitures of equity-based awards at the grant date and recognizes compensation cost only for those awards expected to vest. The forfeiture assumption is ultimately adjusted to the actual forfeiture rate. Therefore, changes in the forfeiture assumptions may affect the timing of the total amount of expense recognized over the vesting period. Estimated forfeitures are reassessed in each reporting period and may change based on new facts and circumstances.

For awards subject to performance and market conditions, the fair value of each option grant is estimated on the date of grant using a modified Black-Scholes Option model and a Monte Carlo simulation, which utilizes multiple inputs to estimate the probability that market conditions will be achieved. The models require highly subjective assumptions as inputs, including the following:

*Expected term* — The expected term for awards subject to market and performance conditions, represents the weighted-average period the stock options are expected to be outstanding.

*Expected volatility* — The Company estimated its future stock price volatility based upon observed option-implied volatilities for a group of peer companies. The Company believes this is the best estimate of the expected volatility over the weighted-average expected term of its option grants. The Company will continue to analyze the historical stock price volatility and expected term assumptions as more historical data for the Company's common stock becomes available.

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*Risk-free interest rate* — The risk-free interest rate is based on the implied yield currently available on U.S. Treasury instruments with terms approximately equal to the expected term of the option.

*Expected dividend* — The expected dividend assumption was based on the Company's history and expectation of dividend payouts. The Company currently has no history or expectation of paying cash dividends on its units.

*Fair value of the units*— The fair value of the units underlying the options has historically been determined by the Company's board of directors. Because there has been no public market for the Company's common stock, the board of directors exercises reasonable judgment and considers numerous objective and subjective factors to determine the best estimate of the fair value of the Company's common stock, including independent third-party valuations of the Company's common stock, operating and financial performance, and general and industry-specific economic outlook, amongst other factors. The fair value of the Company's option grants is estimated at the grant date using the Monte Carlo simulation model.

	<b>March 31,</b>	
	<b>2020</b>	<b>2021</b>
Estimated fair value	\$ 486.78	\$ 982.61
Estimated fair value of the units or exercise price	\$ 1,259.25	\$3,001.47
Expected volatility (%)	65%	70%
Expected term (in years)	6.63	5.25
Risk-free interest rate (%)	0.55%	0.42%
Dividend yield	—	—

**(g) Deferred offering costs**

Deferred offering costs are capitalized and consist of fees incurred in connection with the anticipated sale of common stock in an IPO and include legal, accounting, printing, and other IPO-related costs. Upon completion of an IPO, these deferred costs will be reclassified to members'/stockholders' equity and recorded against the proceeds from the offering. In the event an IPO is terminated, the deferred offering costs would be expensed in the period of termination as a charge to operating expenses in the condensed consolidated statements of operations and comprehensive loss. Deferred offering costs of \$1,904 are included within prepaid expenses and other current assets as of March 31, 2021. No such costs were incurred as of December 31, 2020.

**(h) Recently adopted accounting pronouncements**

The Company early adopted ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes* effective January 1, 2021, which simplifies the accounting for income taxes, eliminates certain exceptions within ASC 740, *Income Taxes*, and clarifies certain aspects of the current guidance to promote consistency among reporting entities. Most amendments within ASU No. 2019-12 are required to be applied on a prospective basis, while certain amendments must be applied on a retrospective or modified retrospective basis. The adoption of ASU No. 2019-12 did not have a material impact on the Company's condensed consolidated financial statements.

In August 2018, the FASB issued ASU 2018-15, "Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract", which requires customers in a cloud

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computing arrangement that is a service contract to follow the internal use software guidance in ASC 350-40 to determine which implementation costs to capitalize as assets. The guidance requires certain costs incurred during the application development stage to be capitalized and other costs incurred during the preliminary project and post-implementation stages to be expensed as they are incurred. Capitalized implementation costs related to a hosting arrangement that is a service contract will be amortized over the term of the hosting arrangement, beginning when the module or component of the hosting arrangement is ready for its intended use. A customer's accounting for the hosting component of the arrangement is not affected. The Company adopted this guidance on January 1, 2021 on a prospective basis. The adoption of ASU 2018-15 did not have a material impact on the Company's condensed consolidated financial statements.

***(i) Accounting pronouncements not yet adopted***

In March 2020, the FASB issued ASU 2020-04, "Facilitation of the Effects of Reference Rate Reform on Financial Reporting," which intends to address accounting consequences that could result from the global markets' anticipated transition away from the use of the London Interbank Offered Rate ("LIBOR") and other interbank offered rates to alternative reference rates. The amendments in this ASU provide operational expedients and exceptions for applying U. S GAAP to contracts, hedging relationships and other transactions to affected by reference rate reform if certain criteria are met. The amendments in this ASU apply only to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of the reference rate reform. The optional amendments are effective for all entities as of March 12, 2020, through December 31, 2022. The Company intends to elect to apply certain of the optional expedients when evaluating the impact of reference rate reform on its debt instruments that reference LIBOR.

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)". Under the new guidance, lessees will be required to put most leases on their balance sheets but to recognize expenses in the income statement in a manner similar to current accounting. The guidance also eliminated the current real estate-specific provisions and changes the guidance on sale-leaseback transactions, initial direct costs, and lease executory costs for all entities. The updated guidance will be effective for the Company beginning January 1, 2022, with early adoption permitted. Upon adoption, entities will be required to use the modified retrospective approach for leases that exist, or are entered into, after the beginning of the earliest comparative period in the financial statements. In July 2018, the FASB issued ASU 2018-11, Leases (Topic 842), Targeted Improvements, which allows entities to not apply the new leases standard, including its disclosure requirements, in the comparative periods they present in their financial statements in the year of adoption. The Company is currently evaluating the potential effect that adopting this guidance will have on its condensed consolidated financial statements.

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**3. Property and equipment, net**

Property and equipment consisted of the following as of December 31, 2020 and March 31, 2021:

	Estimated Useful Life	December 31, 2020	March 31, 2021
Computer and office equipment	1 – 3 Years	\$ 9,167	\$ 9,246
Computer software	3 – 5 Years	236	236
Leasehold improvements	Various	2,120	2,124
Furniture	5 Years	317	332
		<u>11,840</u>	<u>11,938</u>
Less: Accumulated depreciation		(9,597)	(10,107)
Total property and equipment, net		<u>\$ 2,243</u>	<u>\$ 1,831</u>

Depreciation expense of property and equipment for the three months ended March 31, 2020 and 2021 was \$852 and \$510, respectively.

Computer and office equipment under capital leases as of December 31, 2020 and March 31, 2021 is as follows:

	December 31, 2020	March 31, 2021
Computer and office equipment	\$ 6,073	\$ 6,073
Less: Accumulated depreciation	(5,782)	(5,918)
Total computer and office equipment under capital leases, net	<u>\$ 291</u>	<u>\$ 155</u>

Depreciation expense included \$507 and \$136 for the three months ended March 31, 2020 and 2021, respectively, for depreciation related to computer and office equipment under capital leases.

**4. Internal use software, net**

Internal use software consisted of the following as of December 31, 2020 and March 31, 2021:

	Estimated Useful Life (in years)	December 31, 2020	March 31, 2021
Internal use software	3 -5 Years	\$ 19,124	\$ 25,175
Less: Accumulated amortization		(6,802)	(8,488)
Total internal use software, net		<u>\$ 12,322</u>	<u>\$ 16,687</u>

Amortization expense for the three months ended March 31, 2020 and 2021 was \$979 and \$1,686 respectively. During the three months ended March 31, 2021, the Company purchased a digital advertising transparency software for \$4,548. This software further expands the Company's Total Visibility product offering which provides insight into digital media quality and corresponding supply path costs.

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**5. Intangible assets, net**

The gross book value, accumulated amortization, net book value and amortization periods of the intangible assets were as follows:

	<u>Estimated Useful Life</u>	<u>December 31, 2020</u>			<u>Weighted Average Remaining Useful Life</u>
		<u>Gross Book Value</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
Customer relationships	5-15 years	\$ 259,329	\$ (55,282)	\$ 204,047	12.5 Years
Developed technology	4-5 years	115,921	(89,219)	26,702	2.1 Years
Trademarks	9 years	17,500	(5,018)	12,482	6.5 Years
Favorable leases	6 years	198	(81)	117	3.5 Years
<b>Total</b>		<u>\$ 392,948</u>	<u>\$ (149,600)</u>	<u>\$ 243,348</u>	

	<u>Estimated Useful Life</u>	<u>March 31, 2021</u>			<u>Weighted Average Remaining Useful Life</u>
		<u>Gross Book Value</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
Customer relationships	5-15 years	\$ 259,268	\$ (61,279)	\$ 197,989	12.3 Years
Developed technology	4-5 years	115,592	(94,733)	20,859	1.9 Years
Trademarks	9 years	17,500	(5,566)	11,934	6.3 Years
Favorable leases	6 years	198	(89)	109	3.3 Years
<b>Total</b>		<u>\$ 392,558</u>	<u>\$ (161,667)</u>	<u>\$ 230,891</u>	

Amortization expense related to intangibles for the three months ended March 31, 2020 and 2021 was \$14,477 and \$12,067 respectively.

**6. Goodwill**

The following table provides a roll forward of the changes in the goodwill balance:

Goodwill as of December 31, 2020	\$458,586
Impact of exchange rates	(448)
<b>Goodwill as of March 31, 2021</b>	<u>\$458,138</u>

As of March 31, 2021, there were no impairment losses related to goodwill.

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## 7. Accounts payable and accrued expenses

Accounts payable and accrued expenses consisted of the following as of December 31, 2020 and March 31, 2021:

	<u>December 31,</u> <u>2020</u>	<u>March 31,</u> <u>2021</u>
Accounts Payable	\$ 8,808	\$ 6,117
Accrued payroll	3,482	3,438
Accrued professional fees	2,503	3,383
Accrued interest	4,277	4,221
Accrued bonuses and sales commissions	11,883	5,050
Accrued revenue sharing	2,503	3,323
Taxes payable	3,019	2,723
Other accrued expenses	2,314	4,382
Total accounts payable and accrued expenses	<u>\$ 38,789</u>	<u>\$ 32,637</u>

## 8. Long-term debt

### *Credit Agreement*

On July 19, 2018, the Company entered into a credit agreement with various lenders (“Credit Agreement”), providing a term facility in the aggregate principal amount of \$325,000 (“Term Loan”) and the ability to draw additional funds through a revolving facility (“Revolving Loan”) of up to \$25,000. The Term Loan and Revolving Loan have a maturity date of July 19, 2024 and July 19, 2023, respectively.

The Credit Agreement includes Paid in Kind (“PIK”) interest which bears an interest rate of 1.25% per annum. All PIK interest due is paid by capitalizing such interest and adding such applicable PIK interest to the principal amount of the outstanding Term Loan. PIK interest capitalization would discontinue if the Total Leverage Ratio for any fiscal quarter is less than 6.50. The Company satisfied the conditions for non-accrual of PIK interest on February 1, 2021. The interest rate for the Credit Agreement may be either the (a) Alternate Base Rate, which is equal to the greatest of the base rate in effect, the Federal Funds Rate in effect on such day plus 0.5% and one month adjusted LIBOR plus 1.0%, plus an applicable margin of 5% or for eurodollar borrowings, the (b) Eurodollar rate, which is the adjusted LIBOR plus an applicable margin of 6%. The Company has elected the Eurodollar rate through 2020. The interest rate as of March 31, 2021 was 7.0%.

On November 19, 2019, the Company entered into an incremental facility assumption amendment (“Incremental Term Loan”) to the Credit Agreement which increased the aggregate principal amount by \$20,000 used to finance the ADmantX S.p.A acquisition, pay fees, costs, and expenses incurred in connection with the agreement, and finance working capital and general corporate purposes. All terms and conditions of the Term Loan remained consistent under the Incremental Term Loan. In connection with the Credit Agreement, the Company incurred debt issuance costs of \$7,476. In connection with Incremental Term Loan, the Company incurred debt issuance costs of \$473. Debt issuance costs related to the Term Loan and Incremental Term Loan were recorded as a deferred charge and direct offset to long-term debt and are amortized into interest expense over the contractual term of the borrowings using the straight-line method. As no amounts were drawn on the Revolving Loan as of March 31, 2021, the debt issuance costs related to this facility were recorded as a deferred financing asset within prepaid expenses and other current assets and are amortized into interest expense over the contractual term of the borrowings using the straight-line method.

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All of the obligations under the Credit Agreement are guaranteed by the Company and its subsidiaries other than certain excluded subsidiaries. The Credit Agreement contains covenants requiring certain financial information to be submitted monthly, quarterly and annually. The Company must maintain a minimum liquidity level, as defined, and comply with a Revenue Leverage Ratio based on the last twelve months ("LTM") which was required to be 1.55:1.00 or lower for the first quarter of 2021. The benchmark for the Revenue Leverage Ratio decreases through the term of the loan. The Credit Agreement also places restrictions on the incurrence of additional indebtedness, the payment of dividends, sale of assets, and entering into any merger or acquisition. As of March 31, 2021, the Company was in compliance with all covenants.

The carrying amount of the Term Loan is as follows:

	<b>December 31, 2020</b>	<b>March 31, 2021</b>
Term Loan	\$ 345,000	\$345,000
PIK Interest	10,539	10,934
Less: Unamortized debt issuance costs	(4,468)	(4,154)
Total carrying amount of Term Loan	<u>\$ 351,071</u>	<u>\$351,780</u>

Amortization expense related to debt issuance costs for the three months ended March 31, 2020 and 2021 was \$341 and \$341, respectively. The Company recognized interest expense of \$6,821 and \$6,222 during the three months ended March 31, 2020 and 2021, respectively.

Future principal payments of long-term debt as of March 31, 2021 are as follows:

2021 (remaining nine months)	\$ —
2022	—
2023	—
2024	345,000
	<u>\$ 345,000</u>

## 9. Income taxes

At the end of each interim period, the Company estimates the annual expected effective income tax rate and applies that rate to its ordinary year-to-date earnings or loss. The income tax provision or benefit related to significant, unusual, or extraordinary items, if applicable, that will be separately reported or reported net of their related tax effects are individually computed and recognized in the interim period in which they occur. In addition, the effect of changes in enacted tax laws or rates, tax status, judgment on the realizability of a beginning-of-the-year deferred tax asset in future years or unrecognized tax benefits is recognized in the interim period in which the change occurs.

The computation of the annual expected effective income tax rate at each interim period requires certain estimates and assumptions including, but not limited to, the expected pre-tax income (or loss) for the year, projections of the proportion of income (and/or loss) earned and taxed in foreign jurisdictions, permanent and temporary differences, and the likelihood of the realization of deferred tax assets generated in the current year.

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The accounting estimates used to compute the provision or benefit for income taxes may change as new events occur, more experience is acquired, additional information is obtained or the Company's tax environment changes. To the extent that the expected annual effective income tax rate changes during a quarter, the effect of the change on prior quarters is included in income tax provision in the quarter in which the change occurs.

For the three months ended March 31, 2020 and 2021, the Company recorded an income tax benefit of \$3,611 and \$912, respectively, due primarily to pre-tax book losses. The Company's effective tax rate as of March 31, 2020 and 2021 was 20.0% and 24.8%, respectively.

The Company recognizes interest and, if applicable, penalties related to unrecognized tax benefits in the income tax provision. The Company is currently under audit by the IRS for the tax year ended December 31, 2017. As of March 31, 2021, the Company does not have an accrual relating to uncertain tax positions.

#### 10. Segment data

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker ("CODM"), in deciding how to allocate resources and in assessing performance. The Company's Chief Executive Officer is the CODM.

The Company manages its operations as a single segment for the purpose of assessing and making operating decisions. The Company's CODM allocates resources and assesses performance based upon financial information at the consolidated level. Since the Company operates in one operating segment, all required financial segment information can be found in the condensed consolidated financial statements.

The following table summarizes revenue by geographic market for the three months ended March 31, 2020 and 2021:

	Three Months Ended March 31,	
	2020	2021
<b>Revenue:</b>		
North and South America ("Americas")	\$ 32,973	\$ 41,190
Europe, Middle East and Africa ("EMEA")	15,780	18,917
Asia and Pacific ("APAC")	5,289	6,845
Total	<u>\$ 54,042</u>	<u>\$ 66,952</u>

The following table summarizes property and equipment, net by geographic market as of December 31, 2020 and March 31, 2021.

	December 31, 2020	March 31, 2021
<b>Property and Equipment, net</b>		
Americas	\$ 1,954	\$ 1,580
EMEA	282	231
APAC	7	21
Total	<u>\$ 2,243</u>	<u>\$ 1,831</u>

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**11. Equity-based compensation**

***Integral Ad Science Holding LLC Long-Term Incentive Plan***

During 2018, the Company adopted the Long-Term Incentive Plan (“LTIP”). Under the LTIP, certain employees of the Company and its subsidiaries were granted long-term target incentive cash awards which will be payable subject to continued employment, upon the sale of the Company, or, sale to a third party of at least 50% of the Vista’s equity interest, provided if such sale of equity interests is through a public offering (whether initial or secondary), it would require the transfer of an aggregate of at least 75% of Vista’s equity interest and the achievement of a total equity return multiple of 3.0 or greater. Total equity return multiple is computed based on the quotient of the cumulative total of all cash distributions or cash proceeds received, divided by Vista’s total investment in the Company. The total amount of long-term incentive cash awards based on achieving a total equity return of 3.0 as of March 31, 2021 and December 31, 2020, are \$11,835 and \$10,560, respectively. As the multiple is tied to an equity return multiple, any compensation charge associated with these awards is considered equity-based compensation in accordance with U.S. GAAP. Since the liquidity events described above are contingent and generally not considered probable until the event occurs, no compensation expense for the LTIP has been recognized for the three months ended March 31, 2020 and 2021, respectively.

***Integral Ad Science Holding LLC 2018 Stock Option Plan***

On August 1, 2018, the Company adopted the 2018 Non-Qualified Stock Option Plan (“2018 Plan”) and granted awards in order to provide incentives to certain employees and directors of the Company. Under the 2018 Plan, 48,695 units were reserved out of Integral Ad’s authorized but unissued units. These units were reserved for issuance, sale and delivery upon the exercise of any option to purchase the member units in accordance with the terms of the 2018 Plan. The units issued upon exercise will be designated as option units and are subject to repurchase by the Company under certain conditions, no earlier than the later of the unit holder’s termination or 181 days after the acquisition of such unit. If an option unit holder is no longer employed or providing equivalent services to the Company, the Company may elect to repurchase all or a portion of such units at a price equal to i) original cost in the event of termination for cause or resignation for any reason, or ii) fair value in the event of termination without cause.

There were no grants of options to purchase units in the three months ended March 31, 2020. During the three months ended March 31, 2021, the Company granted a total of 782 options to purchase units. Each grant is made up of two-thirds Time Based Service Options and one-third Return Target Options, as defined below.

*Time Based Service Options* vest over four years with 25% vesting after 12 months and an additional 6.25% vests at the end of each successive quarter thereafter.

*Return Target Options* vest upon the sale of the Company, or, sale or transfer to any third party of units, as a result of which, any person or group other than Vista obtains possession of voting power to elect a majority of the Company’s board of directors or any other governing body and the achievement of a total equity return multiple of 3.0 or greater. An option holder must be an employee of the Company at the date when these conditions are achieved. No expense has been recorded for the Return Target Options for the three months ended March 31, 2020 and 2021. Unamortized equity-based compensation to be recognized upon the achievement of the performance condition related to the Total Return Options as of December 31, 2020 and March 31, 2021 was \$5,652 and \$5,982, respectively. An option holder must be an employee of the Company at the date when these conditions are achieved. As fully vested and exercised Time-Based Service Options can be repurchased by the

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**(UNAUDITED)**

Company at cost upon resignation of the employee, the Company has determined that the Time-Based Service Options as presently structured does not provide the holder of the award with the potential benefits associated with an equity award holder. As such, these awards are not being accounted for as an equity-based award but rather compensation cost will be recognized when the benefit to the employee is probable.

The Return Target Options are considered to contain both market (total unitholder return threshold) and performance (exit event) conditions. As such, the award is measured on the date of grant using a modified Black-Scholes Option model and a Monte Carlo simulation, and expense will be recorded at the time of an exit event. The risk-free rate for periods within the expected life of the option is based on the U.S. Treasury yield curve in effect at the time of grant.

The weighted average grant date fair value for the Return Target Options granted during the three months ended March 31, 2021 was \$982.61.

***Time Based Service Option activity***

Time Based Service Option activity is as follows:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Intrinsic Value
<b>Outstanding at December 31, 2020</b>	25,245	\$ 1,168	8.47	\$ —
Granted	521	3,001	9.81	—
Canceled or forfeited	—	—	—	—
Exercised	—	—	—	—
<b>Outstanding at March 31, 2021</b>	<u>25,766</u>	<u>\$ 1,205</u>	<u>8.25</u>	<u>\$ —</u>
Vested and expected to vest at March 31, 2021	25,766	\$ 1,205	8.25	—
Exercisable as of March 31, 2021	8,898	\$ 1,007	7.85	—

***Return Target Option activity***

Return Target Option activity is as follows:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Intrinsic Value
<b>Outstanding at December 31, 2020</b>	12,623	\$ 1,168	\$ 8.47	\$ —
Granted	261	3,001	9.81	—
Canceled or forfeited	—	—	—	—
Exercised	—	—	—	—
<b>Outstanding at March 31, 2021</b>	<u>12,884</u>	<u>\$ 1,205</u>	<u>\$ 8.25</u>	<u>\$ —</u>
Vested and expected to vest at March 31, 2021	12,884	\$ 1,205	\$ 8.25	\$ —

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## 12. Members' equity

The Company, an affiliate of Vista, is a single member LLC. The Company's Board of Directors, through the Integral Ad Science Holding LLC Amended and Restated Agreement (the "Operating Agreement"), has the authority to admit additional members. During the three months ended March 31, 2020 and 2021, the Company repurchased 84 units for \$96 and 413 units for \$1,202, respectively. The repurchase of units has been accounted for as a reduction in members' equity in these condensed consolidated financial statements. The repurchases in excess of par value were \$12 and \$789 for the three months ended March 31, 2020 and 2021, respectively, and were recorded to accumulated deficit. Under the terms of the Operating Agreement, the members of the Company are not obligated for debt, liabilities, contracts or other obligations of the Company. Profits and losses are allocated to members as defined in the Operating Agreement.

## 13. Commitments and contingencies

### *Indemnifications*

In its normal course of business, the Company has made certain indemnities, commitments, and guarantees under which it may be required to make payments in relation to certain transactions. Those indemnities include intellectual property indemnities to the Company's customers, indemnities to directors and officers of the Company to the maximum extent permitted under the laws of the State of Delaware, and indemnifications related to the Company's lease agreements. In addition, the Company's advertiser and distribution partner agreements contain certain indemnification provisions which are generally consistent with those prevalent in the Company's industry. The Company has not incurred any obligations under indemnification provisions historically and does not expect to incur significant obligations in the future. Accordingly, the Company has not recorded any liability for these indemnities, commitments, and guarantees in the accompanying balance sheets.

### *Operating leases*

The Company leases office space under operating leases, which expire on various dates through May 2026. Certain leases relating to office space include scheduled annual rent increases. Rent expense under operating leases is recognized on a straight-line basis over the lease terms. The excess of expense over payments is recorded as accrued rent on the condensed consolidated balance sheets.

Operating lease expense for office space for the three months ending March 31, 2020 and 2021, was \$2,130 and \$1,849, respectively.

### *Capital leases*

The Company leases equipment under capital leases. The equipment leases include options to renew, return or purchase at the end of the lease term. Future minimum rental payments under the capital leases as of March 31, 2021 are as follows:

Total minimum lease payments	\$193
Less: Amount representing interest	(3)
Total	<u>\$190</u>
Present value of net minimum lease payments, current	<u>\$190</u>

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**Purchase Commitments**

In the ordinary course of business, the Company enters into various purchase commitments primarily related to third-party cloud hosting and data services, and IT operation. Total noncancelable purchase commitments as of March 31, 2021 were approximately \$66,250 for periods through 2024.

**14. Net loss per unit**

Basic and diluted loss per unit is computed by dividing net loss by the weighted-average units outstanding:

	Three Months Ended March 31,	
	2020	2021
<b>Numerator:</b>		
Net loss	\$ (14,444)	\$ (2,772)
<b>Denominator:</b>		
Weighted average units outstanding, basic and diluted	553,938	553,751
Net loss per unit, basic and diluted	<u>\$ (26.08)</u>	<u>\$ (5.01)</u>

As the Company has reported net loss for the periods presented, all potentially dilutive securities are antidilutive. The following potential outstanding Time-Based Service Options were excluded from the computation of diluted net loss per unit attributable to common unitholders for the years presented because including them would have been antidilutive. Since the conditions associated with the vesting of the Return Target Options have not occurred as of the reporting date, such options are excluded from the table below.

	Three Months Ended March 31,	
	2020	2021
Options to purchase member units	20,124	25,766

**15. Fair value disclosures**

**Financial instruments**

As of March 31, 2021 and December 31, 2020, the carrying value of cash and cash equivalents, restricted cash, accounts receivable and accounts payable approximated fair value. The table below provides the book value and estimated fair value of our financial instruments at December 31, 2020 and March 31, 2021.

	Fair Value Hierarchy	Book Value	Estimated Fair Value
Term Loan (a)			
December 31, 2020	Level 2	\$355,539	\$375,228
March 31, 2021	Level 2	\$355,934	\$374,807

(a) The estimated fair value of our Term Loan is based upon market prices as of the valuation date.

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**16. Related-party transactions**

The Company incurs expenses for consulting and other services from Vista Consulting Group, LLC (“VCG”), a related party to the Company. During the three months ended March 31, 2020 and 2021, the Company incurred \$534 and \$88, respectively, of consulting and other service expenses, with VCG. These costs were included in general and administrative expenses. Amounts due to VCG, totaled \$39 as of December 31, 2020; there were no amounts due as of March 31, 2021.

The Company incurs various travel and other expenses from Vista Equity Partners Management LLC (“VEP”), a related party to the Company. During the three months ended March 31, 2020 and 2021, the Company incurred \$9 and \$0.5, respectively, of travel and other expenses with VEP. These costs were included in general and administrative expenses. Amounts due to VEP, totaled \$101 as of December 31, 2020; there were no amounts due as of March 31, 2021.

The Company has subscription software arrangements with companies owned by Vista Equity Partners as follows: Total expenses incurred by the Company for Mediaocean (*the related party*), were \$30 and \$30 for the three months ended March 31, 2020 and 2021, respectively. These costs were included in cost of revenue. Amounts due to Mediaocean totaled \$10 as of December 31, 2020; there were no amounts due as of March 31, 2021. Total expenses incurred by the Company for Navex Global, Inc. (*the related party*) were \$7 and \$27 for the three months ended March 31, 2020 and 2021, respectively. These costs were included in general and administrative expenses. There were no amounts due as of December 31, 2020 and March 31, 2021. The Company incurred training expenses with Cvent, Inc. (*the related party*), of \$0 and \$20 for the three months ended March 31, 2020 and 2021. These costs were included in sales and marketing expenses. There were no amounts due as of December 31, 2020 and March 31, 2021.

**17. Subsequent events**

The Company has evaluated subsequent events that have occurred from the balance sheet date of March 31, 2021 through May 19, 2021 the date the condensed consolidated financial statements were available to be issued.

***Debt-related financial covenants***

The Company has financial covenants underlying its debt which require its revenue to debt ratio to meet certain thresholds. Such debt-related covenants become more restrictive over successive quarters through June of 2021. In accordance with ASU 2014-15, *Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern*, the Company believes that based upon current facts and circumstances, its existing cash coupled with the cash flows generated from operations will be sufficient to meet its cash needs for 12 months from the date of issuance of these financial statements.

Shares

*Integral Ad Science Holding Corp.*

*Common Stock*



*Morgan Stanley*

*Jefferies*

*Barclays*

*Evercore ISI*

*Wells Fargo Securities*

*BMO Capital Markets*

*Oppenheimer & Co.*

*Raymond James*

*Stifel*

*Academy Securities*

*Blaylock Van, LLC*

*Penserra Securities LLC*

*R. Seelaus & Co., LLC*

*Siebert Williams Shank*

*Through and including \_\_\_\_\_, 2021 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.*

**PART II****INFORMATION NOT REQUIRED IN PROSPECTUS****Item 13. Other Expenses of Issuance and Distribution.**

The following table sets forth all costs and expenses, other than the underwriting discounts and commissions payable by us, in connection with the offer and sale of the securities being registered. All amounts shown are estimates except for the Securities and Exchange Commission, or SEC, registration fee and the FINRA filing fee.

SEC registration fee	\$	*
FINRA filing fee		*
listing fee		*
Printing expenses		*
Legal fees and expenses		*
Accounting fees and expenses		*
Transfer agent fees and registrar fees		*
Miscellaneous expenses		*
Total expenses	\$	*

\* To be provided by amendment.

**Item 14. Indemnification of Directors and Officers.**

Section 102(b)(7) of the DGCL allows a corporation to provide in its certificate of incorporation that a director of the corporation will not be personally liable to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, except where the director breached the duty of loyalty, failed to act in good faith, engaged in intentional misconduct, or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit. Our certificate of incorporation will provide for this limitation of liability.

Section 145 of the DGCL, or Section 145, provides that a Delaware corporation may indemnify any person who was, is or is threatened to be made, party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of such corporation), by reason of the fact that such person is or was an officer, director, employee or agent of such corporation or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the corporation's best interests and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his conduct was illegal. A Delaware corporation may indemnify any persons who are, were or are a party to any threatened, pending or completed action or suit by or in the right of the corporation by reason of the fact that such person is or was a director, officer, employee, or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, provided such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the corporation's best interests, provided that no indemnification is permitted without judicial approval if the officer, director, employee, or agent is adjudged to be liable to the corporation. Where an officer or director is successful on the merits or otherwise in the defense of any action referred to above, the corporation must indemnify him against the expenses which such officer or director has actually and reasonably incurred.

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Section 145 further authorizes a corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation or enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would otherwise have the power to indemnify him under Section 145.

Our bylaws will provide that we will indemnify our directors and officers to the fullest extent authorized by the DGCL and must also pay expenses incurred in defending any such proceeding in advance of its final disposition upon delivery of an undertaking, by or on behalf of an indemnified person, to repay all amounts so advanced if it should be determined ultimately that such person is not entitled to be indemnified under this section or otherwise.

Upon completion of this offering we intend to enter into indemnification agreements with each of our executive officers and directors. The indemnification agreements will provide the executive officers and directors with contractual rights to indemnification, expense advancement, and reimbursement, to the fullest extent permitted under the DGCL.

The indemnification rights set forth above shall not be exclusive of any other right which an indemnified person may have or hereafter acquire under any statute, provision of our certificate of incorporation or bylaws, agreement, vote of shareholders, or disinterested directors or otherwise.

We will maintain standard policies of insurance that provide coverage (1) to our directors and officers against loss arising from claims made by reason of breach of duty or other wrongful act and (2) to us with respect to indemnification payments that we may make to such directors and officers. The proposed form of Underwriting Agreement to be filed as Exhibit 1.1 to this Registration Statement provides for indemnification of our directors and officers by the underwriters party thereto against certain liabilities arising under the Securities Act or otherwise.

### **Item 15. Recent Sales of Unregistered Securities.**

Set forth below is information regarding securities sold by us within the past three years that were not registered under the Securities Act. Also included is the consideration, if any, received by us for such securities and information relating to the section of the Securities Act, or rule of the SEC, under which exemption from registration was claimed.

Since January 1, 2018, we have made sales of the following unregistered securities:

- On July 19, 2018, we issued 560,000.0000 units for an aggregate of \$560,000,000 in connection with the acquisition of Integral Ad Science, Inc. by affiliates of Vista and certain other investors, of which 553,677.5868 remain outstanding for an aggregate of \$553,677,586.96.
- On July 19, 2018, we granted certain directors, employees, consultants, and other service providers options to acquire an aggregate of 42,202.9855 units with per exercise prices of \$1,000.00, of which only 4,413.0435 remain outstanding.
- From January 1, 2019 through January 25, 2021, we granted certain directors, employees, consultants, and other service providers options to acquire 38,154.8625 units with per unit exercise prices ranging from \$1,000.00 to \$3,001.47, of which 33,929.8809 remain outstanding.
- On January 18, 2019 we granted 150.0000 time-based restricted stock units at a price of \$1,000.00 for a total value of \$150,000.00 to a certain individual.
- On August 1, 2020 we granted 111.2867 time-based restricted stock units at a price of \$1,347.87 for a total value of \$150,000.00 to a certain individual.

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- On December 8, 2020 we granted 72.2550 time-based restricted stock units at a price of \$2,075.98 for a total value of \$150,000.00 to a certain individual.
- On January 18, 2021 we granted 49.9755 time-based restricted stock units at a price of \$3,001.47 for a total value of \$150,000.00 to a certain individual.

The offers and sales of the above securities were deemed to be exempt from registration under the Securities Act in reliance upon Section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder, or Rule 701 promulgated under Section 3(b) of the Securities Act, as transactions by an issuer not involving any public offering or pursuant to benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of the above securities represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof. Appropriate legends were placed upon any stock certificates issued in these transactions.

### **Item 16. Exhibits and Financial Statement Schedules.**

#### (i) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
1.1*	Form of Underwriting Agreement.
3.1	Form of Amended and Restated Certificate of Incorporation of Integral Ad Science Holding Corp., to be in effect upon the closing of this offering.
3.2	Form of Amended and Restated Bylaws of Integral Ad Science Holding Corp., to be in effect upon the closing of this offering.
4.1	Form of Registration Rights Agreement.
5.1*	Opinion of Kirkland & Ellis LLP
10.1§	Credit Agreement, dated as of July 19, 2018, among Integral Ad Science, Inc., as borrower, Kavacha Intermediate, LLC, as a guarantor, each of the other guarantors party thereto, and a syndicate of lenders and Goldman Sachs BDC, Inc., as Administrative Agent.
10.2§	Management Agreement, dated as of July 19, 2018, by and among Vista Equity Partners Management, LLC, Kavacha Holdings, Inc., Kavacha Intermediate, LLC, Integral Ad Science, Inc., and the Company.
10.3+*	Form of Integral Ad Science Holding Corp. 2021 Omnibus Incentive Plan
10.4+*	Form of Incentive Stock Option Agreement.
10.5+*	Form of Restricted Stock Agreement.
10.6+*	Form of Nonqualified Stock Option Agreement.
10.7+*	Form of Stock Appreciation Rights Agreement.
10.8+*	Form of Restricted Stock Unit Agreement.
10.9+*	Form of Indemnification Agreement
10.10	Form of Director Nomination Agreement
10.11§+	Employment Agreement with Lisa Utzschneider
10.12§+	Employment Agreement with Joseph Pergola
10.13§+	Amendment To Employment Agreement with Joseph Pergola
10.14§+	Employment Agreement with Kshitij Sharma

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<u>Exhibit Number</u>	<u>Description</u>
10.15§+	Employment Agreement with Oleg Bershadsky
10.16§+	Amendment To Employment Agreement with Oleg Bershadsky
10.17§+	Employment Agreement with Tony Lucia
10.18§	Lease Agreement between Brickman 95 Morton LLC and Integral Ad Science, Inc. dated July 22, 2014.
10.19§	First Amendment to Lease Agreement, between Brickman 95 Morton LLC and Integral Ad Science, Inc. dated March 25, 2016.
21.1*	List of subsidiaries of Integral Ad Science Holding Corp.
23.1*	Consent of PricewaterhouseCoopers LLP.
23.2*	Consent of Kirkland & Ellis LLP (included in Exhibit 5.1)
23.3§	Consent of Frost & Sullivan.
24.1*	Powers of attorney (included on signature page).

§ Indicates previously filed.

\* Indicates to be filed by amendment.

+ Indicates a management contract or compensatory plan or arrangement.

### (ii) Financial statement schedules

No financial statement schedules are provided because the information called for is not applicable or is shown in the financial statements or notes.

### **Item 17. Undertakings.**

The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions referenced in Item 14 of this Registration Statement, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit, or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered hereunder, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in the form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective;

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at the time shall be deemed to be the initial bona fide offering thereof.

## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of New York, State of New York, on .

### Integral Ad Science Holding Corp.

By: \_\_\_\_\_  
Name: Lisa Utzschneider  
Title: Chief Executive Officer

## POWER OF ATTORNEY

The undersigned directors and officers of Integral Ad Science Holding Corp. hereby appoint each of Lisa Utzschneider, and Joseph Pergola, as attorney-in-fact for the undersigned, with full power of substitution and resubstitution, for and in the name, place, and stead of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act of 1933 any and all amendments (including post-effective amendments) and exhibits to this registration statement on Form S-1 (or any other registration statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933) and any and all applications and other documents to be filed with the Securities and Exchange Commission pertaining to the registration of the securities covered hereby, with full power and authority to do and perform any and all acts and things whatsoever requisite and necessary or desirable, hereby ratifying and confirming all that said attorney-in-fact, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
_____ Lisa Utzschneider	Chief Executive Officer (Principal Executive Officer)	
_____ Joseph Pergola	Chief Financial Officer (Principal Financial Officer)	
_____ Anil Sukumaran	Chief Accounting Officer (Principal Accounting Officer)	
_____ Michael Fosnaugh	Director	
_____ Rod Aliabadi	Director	
_____ Martin Taylor	Director	

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<u>Signature</u>	<u>Title</u>	<u>Date</u>
_____ Jill Putman	Director	
_____ Otto Berkes	Director	
_____ Brooke Nakatsukasa	Director	
_____ Bridgette Heller	Director	

**AMENDED AND RESTATED  
CERTIFICATE OF INCORPORATION  
OF  
INTEGRAL AD SCIENCE HOLDING CORP.  
\* \* \* \* \***

Joseph Pergola, being the Chief Financial Officer of Integral Ad Science Holding Corp., a corporation duly organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"), DOES HEREBY CERTIFY as follows:

**FIRST:** The present name of the Corporation is Integral Ad Science Holding Corp. The Corporation was initially formed as a limited liability company under the name Kavacha Topco, LLC (the "LLC Entity") by the filing of its original Certificate of Formation with the Delaware Secretary of State on May 18, 2018. The LLC Entity filed a Certificate of Amendment to the Certificate of Formation changing the LLC Entity's name to Integral Ad Science Holding LLC on February 23, 2021. The LLC Entity filed a Certificate of Conversion and Incorporation converting the LLC Entity into the Corporation and changing the Corporation's name to "Integral Ad Science Holding Corp." on [•], 2021 (the "Certificate of Incorporation").

**SECOND:** The Board of Directors of the Corporation, pursuant to a unanimous written consent, adopted resolutions authorizing the Corporation to amend, integrate and restate the Certificate of Incorporation of the Corporation in its entirety to read as set forth in Exhibit A attached hereto and made a part hereof (the "Restated Certificate").

**THIRD:** The Restated Certificate restates and integrates and further amends the Certificate of Incorporation.

**FOURTH:** The Restated Certificate was duly adopted in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware and by the written consent of its stockholders in accordance with Section 228 of the General Corporation Law of the State of Delaware.

\* \* \* \* \*

IN WITNESS WHEREOF, Integral Ad Science Holding Corp. has caused this Amended and Restated Certificate of Incorporation to be executed by its duly authorized officer on this [•] day of [•], 2021.

INTEGRAL AD SCIENCE HOLDING CORP.

By: \_\_\_\_\_  
Name: Joseph Pergola  
Title: Chief Financial Officer

**Exhibit A**  
**AMENDED AND RESTATED**  
**CERTIFICATE OF INCORPORATION**  
**INTEGRAL AD SCIENCE HOLDING CORP.**

**ARTICLE ONE**

The name of the corporation is Integral Ad Science Holding Corp. (the "Corporation").

**ARTICLE TWO**

The address of the Corporation's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle, Delaware 19801. The name of its registered agent at such address is The Corporation Trust Company.

**ARTICLE THREE**

The nature and purpose of the business of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware ("DGCL").

**ARTICLE FOUR**

Section 1. Authorized Shares. The total number of shares of all classes of capital stock which the Corporation shall have authority to issue is 550,000,000 shares, consisting of two classes as follows:

1. 50,000,000 shares of Preferred Stock, par value \$0.001 per share (the "Preferred Stock"); and
2. 500,000,000 shares of Common Stock, par value \$0.001 per share (the "Common Stock").

The Preferred Stock and the Common Stock shall have the designations, rights, powers and preferences and the qualifications, restrictions and limitations thereof, if any, set forth below.

Section 2. Preferred Stock. The Board of Directors of the Corporation (the "Board of Directors") is authorized, subject to limitations prescribed by law, to provide, by resolution or resolutions for the issuance of shares of Preferred Stock in one or more series, and with respect to each series, to establish the number of shares to be included in each such series, and to fix the voting powers (if any), designations, powers, preferences, and relative, participating, optional or other special rights, if any, of the shares of each such series, and any qualifications, limitations or restrictions thereof. The powers (including voting powers), preferences, and relative, participating, optional and other special rights of each series of Preferred Stock and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding. Subject to the rights of the holders of any series of Preferred Stock, the number of authorized shares of Preferred Stock may be increased or decreased (but not below

the number of shares thereof then outstanding) by the approval of the Board of Directors and by the affirmative vote of the holders of a majority in voting power of the outstanding shares of capital stock of the Corporation entitled to vote generally in an election of directors, without the separate vote of the holders of the Preferred Stock as a class, irrespective of the provisions of Section 242(b)(2) of the DGCL.

### Section 3. Common Stock.

(a) Except as otherwise provided by the DGCL or this amended and restated certificate of incorporation (as it may be amended, the "Restated Certificate") and subject to the rights of holders of any series of Preferred Stock then outstanding, all of the voting power of the stockholders of the Corporation shall be vested in the holders of the Common Stock. Each share of Common Stock shall entitle the holder thereof to one vote for each share held by such holder on all matters voted upon by the stockholders of the Corporation; *provided, however*, that, except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to this Restated Certificate (including any certificate of designation relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Restated Certificate (including any certificate of designation relating to any series of Preferred Stock) or pursuant to the DGCL.

(b) Except as otherwise required by law or expressly provided in this Restated Certificate, each share of Common Stock shall have the same powers, rights and privileges and shall rank equally, share ratably and be identical in all respects as to all matters.

(c) Subject to the rights of the holders of any series of Preferred Stock then outstanding and to the other provisions of applicable law and this Restated Certificate, holders of Common Stock shall be entitled to receive equally, on a per share basis, such dividends and other distributions in cash, securities or other property of the Corporation if, as and when declared thereon by the Board of Directors from time to time out of assets or funds of the Corporation legally available therefor.

(d) In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, after payment or provision for payment of the Corporation's debts and any other payments required by law and amounts payable upon outstanding shares of Preferred Stock ranking senior to the shares of Common Stock upon such dissolution, liquidation or winding up, if any, the remaining net assets of the Corporation shall be distributed to the holders of shares of Common Stock and the holders of shares of any other class or series ranking equally with the shares of Common Stock upon such dissolution, liquidation or winding up, equally on a per share basis. Subject to the rights of the holders of Preferred Stock then outstanding and the other provisions of this Restated Certificate, a merger or consolidation of the Corporation with or into any other corporation or other entity, or a sale or conveyance of all or any part of the assets of the Corporation (which shall not in fact result in the liquidation of the Corporation and the distribution of assets to its stockholders) shall not be deemed to be a voluntary or involuntary liquidation or dissolution or winding up of the Corporation within the meaning of this Paragraph (d).

(e) No holder of shares of Common Stock shall be entitled to preemptive or subscription rights.

## ARTICLE FIVE

Section 1. Board of Directors. Except as otherwise provided in this Restated Certificate or the DGCL, the business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

Section 2. Number of Directors. Subject to any rights of the holders of any series of Preferred Stock then outstanding to elect additional directors under specified circumstances or otherwise, the number of directors which shall constitute the Board of Directors shall initially be nine (9) and, thereafter, shall be fixed from time to time exclusively by resolution of the Board.

Section 3. Classes of Directors. The directors of the Corporation, other than those who may be elected by the holders of any series of Preferred Stock, shall be divided into three classes, as nearly equal in number as possible, designated Class I, Class II and Class III.

Section 4. Election and Term of Office. Subject to the rights of the holders of any series of Preferred Stock then outstanding, the directors shall be elected by a plurality of the votes cast. The term of office of the initial Class I directors shall expire at the first annual meeting of stockholders following the date the Common Stock is first publicly traded (the "IPO Date"), the term of office of the initial Class II directors shall expire at the second succeeding annual meeting of stockholders after the IPO Date and the term of office of the initial Class III directors shall expire at the third succeeding annual meeting of the stockholders after the IPO Date. For the purposes hereof, the Board of Directors may assign directors already in office to Class I, Class II and Class III, in accordance with the terms of that certain Director Nomination Agreement, dated on or about [•], 2021 (as amended and/or restated or supplemented in accordance with its terms, the "Nomination Agreement"), by and among the Corporation and the investors named therein. At each annual meeting of stockholders after the IPO Date, directors elected to replace those of a class whose terms expire at such annual meeting shall be elected to hold office until the third succeeding annual meeting after their election and until their respective successors shall have been duly elected and qualified. Each such director shall hold office until the annual meeting of stockholders for the year in which such director's term expires and a successor is duly elected and qualified or until his or her earlier death, resignation or removal. Nothing in this Restated Certificate shall preclude a director from serving consecutive terms. Elections of directors need not be by written ballot unless the Bylaws of the Corporation (as amended and/or restated, the "Bylaws") shall so provide.

Section 5. Newly-Created Directorships and Vacancies. Subject to the rights of the holders of any series of Preferred Stock then outstanding and except as otherwise provided in the Nomination Agreement, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation, disqualification, removal from office or any other cause may be filled only by resolution of a

majority of the directors then in office, although less than a quorum, or by a sole remaining director, and may not be filled in any other manner. A director elected or appointed to fill a vacancy shall serve for the unexpired term of his or her predecessor in office and until his or her successor is elected and qualified or until his or her earlier death, resignation or removal. A director elected or appointed to fill a position resulting from an increase in the number of directors shall hold office until the next election of the class for which such director shall have been elected or appointed and until his or her successor is elected and qualified, or until his or her earlier death, resignation or removal. No decrease in the authorized number of directors shall shorten the term of any incumbent director.

Section 6. Removal and Resignation of Directors. Subject to the rights of the holders of any series of Preferred Stock then outstanding and notwithstanding any other provision of this Restated Certificate, (i) prior to the first date (the "Trigger Date") on which Vista Equity Partners Fund VI, L.P., Vista Equity Partners Fund VI-A, L.P., VEPF VI FAF, L.P., Vista Equity Partners Fund VI GP, L.P., VEPF VI GP, Ltd., and VEP Group, LLC (collectively, "Vista") and their Affiliated Companies (as defined herein) cease to beneficially own in the aggregate (directly or indirectly) 40% or more of the voting power of the then outstanding shares of capital stock of the Corporation then entitled to vote generally in the election of directors ("Voting Stock"), directors may be removed with or without cause upon the affirmative vote of stockholders representing at least a majority of the voting power of the then outstanding shares of Voting Stock, voting together as a single class and (ii) on and after the Trigger Date, directors may only be removed for cause and only upon the affirmative vote of stockholders representing at least sixty-six and two-thirds percent (66 $\frac{2}{3}$ %) of the voting power of the then outstanding shares of Voting Stock. Any director may resign at any time upon notice in writing or by electronic transmission to the Corporation.

Section 7. Rights of Holders of Preferred Stock. Notwithstanding the provisions of this ARTICLE FIVE, whenever the holders of one or more series of Preferred Stock shall have the right, voting separately or together by series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorship shall be subject to the rights of such series of Preferred Stock. During any period when the holders of any series of Preferred Stock, voting separately as a series or together with one or more series, have the right to elect additional directors, then upon commencement and for the duration of the period during which such right continues: (i) the then otherwise total authorized number of directors of the Corporation shall automatically be increased by such specified number of directors, and the holders of such Preferred Stock shall be entitled to elect the additional directors so provided for or fixed pursuant to said provisions, and (ii) each such additional director shall serve until such director's successor shall have been duly elected and qualified, or until such director's right to hold such office terminates pursuant to said provisions, whichever occurs earlier, subject to his or her earlier death, resignation, disqualification or removal. Except as otherwise provided by the Board of Directors in the resolution or resolutions establishing such series, whenever the holders of any series of Preferred Stock having such right to elect additional directors are divested of such right pursuant to the provisions of such stock, the terms of office of all such additional directors elected by the holders of such stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional directors, shall forthwith terminate (in which case each such director thereupon shall cease to be qualified as, and shall cease to be, a director) and the total authorized number of directors of the Corporation shall automatically be reduced accordingly.

Section 8. Advance Notice. Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner provided in the Bylaws.

## ARTICLE SIX

### Section 1. Limitation of Liability.

(a) To the fullest extent permitted by the DGCL as it now exists or may hereafter be amended no director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages arising from a breach of fiduciary duty as a director.

(b) Any amendment, repeal or modification of the foregoing paragraph shall not adversely affect any right or protection of a director of the Corporation existing at the time of such amendment, repeal or modification with respect to any act, omission or other matter occurring prior to such amendment, repeal or modification.

## ARTICLE SEVEN

Section 1. Action by Consent. Prior to the first date (the "Stockholder Consent Trigger Date") on which Vista and its Affiliated Companies (as defined herein) cease to beneficially own in the aggregate (directly or indirectly) at least 35% of the voting power of the then outstanding Voting Stock, any action which is required or permitted to be taken by the Corporation's stockholders may be taken without a meeting, without prior notice and without a vote if a consent or consents in writing, setting forth the action so taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of the Corporation's stock entitled to vote thereon were present and voted. On and after the Stockholder Consent Trigger Date, any action required or permitted to be taken by the Corporation's stockholders may be taken only at a duly called annual or special meeting of the Corporation's stockholders and the power of stockholders to act by consent without a meeting is specifically denied; provided, however, that any action required or permitted to be taken by the holders of Preferred Stock, voting separately as a series or separately as a class with one or more other such series, may be taken without a meeting, without prior notice and without a vote, to the extent expressly so provided in the resolutions creating such series of Preferred Stock.

Section 2. Special Meetings of Stockholders. Subject to the rights of the holders of any series of Preferred Stock then outstanding and to the requirements of applicable law, special meetings of stockholders of the Corporation may be called only (i) by or at the direction of the Board of Directors or the Chair of the Board of Directors pursuant to a written resolution adopted by the affirmative vote of the majority of the total number of directors that the Corporation would have if there were no vacancies and (ii) prior to the Stockholder Consent Trigger Date, by the Chair of the Board of Directors at the request of Vista in the manner provided for in the Bylaws. Any business transacted at any special meeting of stockholders shall be limited to the purpose or purposes stated in the notice of the meeting.

## ARTICLE EIGHT

Section 1. Certain Acknowledgments. In recognition and anticipation that (i) certain of the directors, partners, principals, officers, members, managers, employees, operating partners and/or contractors of Vista or its Affiliated Companies (as defined below) may serve as directors or officers of the Corporation and (ii) Vista and its Affiliated Companies engage and may continue to engage in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may engage and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may engage, and (iii) that the Corporation and its Affiliated Companies may engage in material business transactions with Vista and its Affiliated Companies, and that the Corporation is expected to benefit therefrom, the provisions of this ARTICLE EIGHT are set forth to regulate and define the conduct of certain affairs of the Corporation as they may involve Vista and/or its Affiliated Companies and/or their respective directors, partners, principals, officers, members, managers, employees, operating partners and/or contractors, including any of the foregoing who serve as officers or directors of the Corporation (Vista and/or its Affiliated Companies and all such other persons each an “Exempted Person” and collectively, the “Exempted Persons”), and the powers, rights, duties and liabilities of the Corporation and its officers, directors and stockholders in connection therewith. As used in this Restated Certificate, “Affiliated Companies” shall mean (a) in respect of Vista, any entity that controls, is controlled by or under common control with Vista (other than the Corporation and any company that is controlled by the Corporation) and any investment funds managed by Vista and (b) in respect of the Corporation, any entity controlled by the Corporation.

Section 2. Competition and Corporate Opportunities. To the fullest extent permitted by applicable law, none of the Exempted Persons shall have any fiduciary duty to refrain from engaging directly or indirectly in the same or similar business activities or lines of business as the Corporation or any of its Affiliated Companies, and no Exempted Person shall be liable to the Corporation or its stockholders for breach of any fiduciary or other duty (whether contractual or otherwise) solely by reason of any such activities of such Exempted Person. To the fullest extent permitted by applicable law, the Corporation, on behalf of itself and its Affiliated Companies, renounces any interest or expectancy of the Corporation and its Affiliated Companies in, or in being offered an opportunity to participate in, business opportunities that are from time to time presented to any of the Exempted Persons, even if the opportunity is one that the Corporation or its Affiliated Companies might reasonably be deemed to have pursued or had the ability or desire to pursue if granted the opportunity to do so, and each Exempted Person shall have no duty to communicate or offer such business opportunity to the Corporation or its Affiliated Companies and, to the fullest extent permitted by applicable law, shall not be liable to the Corporation, any of its Affiliated Companies or its stockholders for breach of any fiduciary or other duty (whether contractual or otherwise), as a director, officer or stockholder of the Corporation solely, by reason of the fact that Vista, its Affiliated Companies or any such Exempted Person pursues or acquires such business opportunity, sells, assigns, transfers or directs such business opportunity to another person or fails to present such business opportunity, or information regarding such business opportunity, to the Corporation or any of its Affiliated Companies. For the avoidance of doubt, each of the Exempted Persons shall, to the fullest extent permitted by law, have the right to, and shall have no duty (whether contractual or otherwise) not to, directly or indirectly: (A) engage in the same, similar or competing business activities or lines of business as the Corporation or its Affiliated Companies, (B) do business with any client or customer of the Corporation or its Affiliated Companies, or (C) make investments in competing businesses of the Corporation or its Affiliated Companies, and such acts shall not be deemed wrongful or improper. Notwithstanding anything to the contrary in this Section 2, the Corporation does not renounce any interest or expectancy it may have in any business opportunity that is expressly offered to any director or officer of the Corporation solely in his or her capacity as such, and not in any other capacity.

Section 3. Certain Matters Deemed Not Corporate Opportunities. In addition to and notwithstanding the foregoing provisions of this ARTICLE EIGHT, a corporate opportunity shall not be deemed to belong to the Corporation if it is a business opportunity the Corporation is not financially able or contractually permitted or legally able to undertake, or that is, from its nature, not in the line of the Corporation's business or is of no practical advantage to it or that is one in which the Corporation has no interest or reasonable expectancy.

Section 4. Amendment of this Article. Notwithstanding anything to the contrary elsewhere contained in this Restated Certificate, subject to the rights of the holders of any series of Preferred Stock then outstanding, and in addition to any vote required by applicable law, the affirmative vote of the holders of at least eighty percent (80%) of the voting power of the then outstanding shares of Voting Stock, voting together as a single class, shall be required to alter, amend or repeal, or to adopt any provision inconsistent with, this ARTICLE EIGHT; *provided however*, that, to the fullest extent permitted by law, neither the alteration, amendment or repeal of this ARTICLE EIGHT nor the adoption of any provision of this Restated Certificate inconsistent with this ARTICLE EIGHT shall apply to or have any effect on the liability or alleged liability of any Exempted Person for or with respect to any activities or opportunities which such Exempted Person becomes aware prior to such alteration, amendment, repeal or adoption.

Section 5. Deemed Notice. Any person or entity purchasing or otherwise acquiring or holding any interest in any shares of the Corporation shall be deemed to have notice of and to have consented to the provisions of this ARTICLE EIGHT.

## ARTICLE NINE

Section 1. Section 203 of the DGCL. The Corporation expressly elects not to be subject to the provisions of Section 203 of the DGCL.

Section 2. Business Combinations with Interested Stockholders. Notwithstanding any other provision in this Restated Certificate to the contrary, the Corporation shall not engage in any Business Combination (as defined hereinafter), at any point in time at which the Common Stock is registered under Section 12(b) or 12(g) of the Exchange Act of 1934, as amended (the "Exchange Act"), with any Interested Stockholder (as defined hereinafter) for a period of three years following the time that such stockholder became an Interested Stockholder, unless:

(a) prior to such time the Board of Directors approved either the Business Combination or the transaction which resulted in such stockholder becoming an Interested Stockholder;

(b) upon consummation of the transaction which resulted in such stockholder becoming an Interested Stockholder, such stockholder owned at least eighty-five percent (85%) of the Voting Stock of the Corporation outstanding at the time the transaction commenced, excluding for purposes of determining the Voting Stock outstanding (but not the outstanding Voting Stock owned by such Interested Stockholder) those shares owned (i) by Persons (as defined hereinafter) who are directors and also officers of the Corporation and (ii) employee stock plans of the Corporation in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

(c) at or subsequent to such time, the Business Combination is approved by the Board of Directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least sixty-six and two-thirds percent (66 $\frac{2}{3}$ %) of the outstanding Voting Stock which is not owned by such Interested Stockholder.

Section 3. Exceptions to Prohibition on Interested Stockholder Transactions. The restrictions contained in this ARTICLE NINE shall not apply if:

(a) a stockholder becomes an Interested Stockholder inadvertently and (i) as soon as practicable divests itself of ownership of sufficient shares so that the stockholder ceases to be an Interested Stockholder; and (ii) would not, at any time within the three- year period immediately prior to a Business Combination between the Corporation and such stockholder, have been an Interested Stockholder but for the inadvertent acquisition of ownership; or

(b) the Business Combination is proposed prior to the consummation or abandonment of and subsequent to the earlier of the public announcement or the notice required hereunder of a proposed transaction which (i) constitutes one of the transactions described in the second sentence of this Section 3(b) of ARTICLE NINE; (ii) is with or by a Person who either was not an Interested Stockholder during the previous three years or who became an Interested Stockholder with the approval of the Board of Directors; and (iii) is approved or not opposed by a majority of the directors then in office (but not less than one) who were directors prior to any Person becoming an Interested Stockholder during the previous three years or were recommended for election or elected to succeed such directors by a majority of such directors. The proposed transactions referred to in the preceding sentence are limited to (x) a merger or consolidation of the Corporation (except for a merger in respect of which, pursuant to Section 251(f) of the DGCL, no vote of the stockholders of the Corporation is required); (y) a sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), whether as part of a dissolution or otherwise, of assets of the Corporation or of any direct or indirect majority-owned subsidiary of the Corporation (other than to any direct or indirect wholly-owned subsidiary or to the Corporation) having an aggregate market value equal to fifty percent (50%) or more of either that aggregate market value of all of the assets of the Corporation determined on a consolidated basis or the aggregate market value of all the outstanding Stock (as defined hereinafter) of the Corporation; or (z) a proposed tender or exchange offer for fifty percent (50%) or more of the outstanding Voting Stock of the Corporation. The Corporation shall give not less than 20 days' notice to all Interested Stockholders prior to the consummation of any of the transactions described in clause (x) or (y) of the second sentence of this Section 3(b) of ARTICLE NINE.

Section 4. Definitions. As used in this ARTICLE NINE only, and unless otherwise provided by the express terms of this ARTICLE NINE, the following terms shall have the meanings ascribed to them as set forth in this Section 4 and, to the extent such terms are defined elsewhere in this Restated Certificate, such definitions shall not apply to this Article NINE:

(a) “Affiliate” means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another Person;

(b) “Associate,” when used to indicate a relationship with any Person, means: (i) any corporation, partnership, unincorporated association or other entity of which such Person is a director, officer or general partner or is, directly or indirectly, the owner of twenty percent (20%) or more of any class of Voting Stock; (ii) any trust or other estate in which such Person has at least a twenty percent (20%) beneficial interest or as to which such Person serves as trustee or in a similar fiduciary capacity; and (iii) any relative or spouse of such Person, or any relative of such spouse, who has the same residence as such Person;

(c) “Business Combination” means:

(i) any merger or consolidation of the Corporation or any direct or indirect majority-owned subsidiary of the Corporation with (A) the Interested Stockholder, or (B) any other corporation, partnership, unincorporated association or entity if the merger or consolidation is caused by the Interested Stockholder and as a result of such merger or consolidation Section 2 of this ARTICLE NINE is not applicable to the surviving entity;

(ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), except proportionately as a stockholder of the Corporation, to or with the Interested Stockholder, whether as part of a dissolution or otherwise, of assets of the Corporation or of any direct or indirect majority-owned subsidiary of the Corporation which assets have an aggregate market value equal to ten percent (10%) or more of either the aggregate market value of all the assets of the Corporation determined on a consolidated basis or the aggregate market value of all the outstanding Stock of the Corporation;

(iii) any transaction which results in the issuance or transfer by the Corporation or by any direct or indirect majority-owned subsidiary of the Corporation of any Stock of the Corporation or of such subsidiary to the Interested Stockholder, except: (A) pursuant to the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into Stock of the Corporation or any such subsidiary which securities were outstanding prior to the time that the Interested Stockholder became such; (B) pursuant to a merger under Section 251(g) of the DGCL; (C) pursuant to a dividend or distribution paid or made, or the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into Stock of the Corporation or any such subsidiary which security is distributed, pro rata to all holders of a class or series

of Stock of the Corporation subsequent to the time the Interested Stockholder became such; (D) pursuant to an exchange offer by the Corporation to purchase Stock made on the same terms to all holders of such Stock; or (E) any issuance or transfer of Stock by the Corporation; *provided however*, that in no case under items (C)-(E) of this Section 4(c)(iii) of ARTICLE NINE shall there be an increase in the Interested Stockholder's proportionate share of the Stock of any class or series of the Corporation or of the Voting Stock of the Corporation;

(iv) any transaction involving the Corporation or any direct or indirect majority-owned subsidiary of the Corporation which has the effect, directly or indirectly, of increasing the proportionate share of the Stock of any class or series, or securities convertible into the Stock of any class or series, of the Corporation or of any such subsidiary which is owned by the Interested Stockholder, except as a result of immaterial changes due to fractional share adjustments or as a result of any purchase or redemption of any shares of Stock not caused, directly or indirectly, by the Interested Stockholder; or

(v) any receipt by the Interested Stockholder of the benefit, directly or indirectly (except proportionately as a stockholder of the Corporation), of any loans, advances, guarantees, pledges or other financial benefits (other than those expressly permitted in Sections 4(c)(i)-(iv) of ARTICLE NINE) provided by or through the Corporation or any direct or indirect majority-owned subsidiary of the Corporation;

(d) "control," including the terms "controlling," "controlled by," and "under common control with," means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of Voting Stock, by contract or otherwise. A Person who is the owner of twenty percent (20%) or more of the outstanding Voting Stock of any corporation, partnership, unincorporated association or other entity shall be presumed to have control of such entity, in the absence of proof by a preponderance of the evidence to the contrary; notwithstanding the foregoing, a presumption of control shall not apply where such Person holds Voting Stock, in good faith and not for the purpose of circumventing this ARTICLE NINE, as an agent, bank, broker, nominee, custodian or trustee for one or more owners who do not individually or as a group (as such term is used in Rule 13d-5 under the Securities Exchange Act of 1934, as such Rule is in effect as of the date of this Restated Certificate) have control of such entity;

(e) "Interested Stockholder" means any Person (other than the Corporation and any direct or indirect majority-owned subsidiary of the Corporation) that (i) is the owner of fifteen percent (15%) or more of the outstanding Voting Stock of the Corporation, or (ii) is an Affiliate or Associate of the Corporation and was the owner of fifteen percent (15%) or more of the outstanding Voting Stock of the Corporation at any time within the three-year period immediately prior to the date on which it is sought to be determined whether such Person is an Interested Stockholder, and the affiliates and associates of such Person. Notwithstanding anything in this ARTICLE NINE to the contrary, the term "Interested Stockholder" shall not include: (x) Vista or any of its Affiliated Companies, or any other

Person with whom any of the foregoing are acting as a group or in concert for the purpose of acquiring, holding, voting or disposing of shares of Stock of the Corporation, (y) any Person who would otherwise be an Interested Stockholder either in connection with or because of a transfer, sale, assignment, conveyance, hypothecation, encumbrance, or other disposition of five percent (5%) or more of the outstanding Voting Stock of the Corporation (in one transaction or a series of transactions) by Vista or any of its affiliates or associates to such Person; *provided, however*, that such Person was not an Interested Stockholder prior to such transfer, sale, assignment, conveyance, hypothecation, encumbrance, or other disposition; or (z) any Person whose ownership of shares in excess of the fifteen percent (15%) limitation set forth herein is the result of action taken solely by the Corporation, *provided that*, for purposes of this clause (z) only, such Person shall be an Interested Stockholder if thereafter such Person acquires additional shares of Voting Stock of the Corporation, except as a result of further action by the Corporation not caused, directly or indirectly, by such Person; *provided*, that, for the purpose of determining whether a Person is an Interested Stockholder, the Voting Stock of the Corporation deemed to be outstanding shall include Stock deemed to be owned by the Person through application of this definition of “owned” but shall not include any other unissued Stock of the Corporation which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise;

(f) “owner,” including the terms “own” and “owned,” when used with respect to any Stock, means a Person that individually or with or through any of its Affiliates or Associates beneficially owns such Stock, directly or indirectly; or has (A) the right to acquire such Stock (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise; *provided, however*, that a Person shall not be deemed the owner of Stock tendered pursuant to a tender or exchange offer made by such Person or any of such Person’s Affiliates or Associates until such tendered Stock is accepted for purchase or exchange; or (B) the right to vote such Stock pursuant to any agreement, arrangement or understanding; *provided, however*, that a Person shall not be deemed the owner of any Stock because of such Person’s right to vote such Stock if the agreement, arrangement or understanding to vote such Stock arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made to 10 or more Persons; or (C) has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent as described in (B) of this Section 4(f) of ARTICLE NINE), or disposing of such Stock with any other Person that beneficially owns, or whose affiliates or associates beneficially own, directly or indirectly, such Stock;

(g) “Person” means any individual, corporation, partnership, unincorporated association or other entity;

(h) “Stock” means, with respect to any corporation, any capital stock of such corporation and, with respect to any other entity, any equity interest of such entity; and

(i) “Voting Stock” means, with respect to any corporation, Stock of any class or series entitled to vote generally in the election of directors and, with respect to any entity that is not a corporation, any equity interest entitled to vote generally in the election of the governing body of such entity. Every reference to a percentage of Voting Stock shall refer to such percentage of the votes of such Voting Stock.

## ARTICLE TEN

Section 1. Amendments to the Bylaws. Subject to the rights of holders of any series of Preferred Stock then outstanding, in furtherance and not in limitation of the powers conferred by law, prior to the first date (the “Amendment Trigger Date”) on which Vista and its Affiliated Companies cease to beneficially own in the aggregate (directly or indirectly) at least 50% of the voting power of the then outstanding Voting Stock, the Bylaws may be amended, altered or repealed and new bylaws made by, (i) the Board or (ii) in addition to any vote of the holders of any class or series of capital stock of the Corporation required herein (including any certificate of designation relating any series of Preferred Stock) and any other vote otherwise required by applicable law, the affirmative vote of the holders of at least a majority of the voting power of all of the then outstanding shares of Voting Stock, voting together as a single class. On and after the Amendment Trigger Date, the Bylaws may be amended, altered or repealed and new bylaws made by (i) the Board or (ii) in addition to any vote of the holders of any class or series of capital stock of the Corporation required herein (including any certificate of designation relating to any series of Preferred Stock), the Bylaws or applicable law, the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 $\frac{2}{3}$ %) of the voting power of the then outstanding Voting Stock, voting together as a single class.

Section 2. Amendments to this Restated Certificate. Subject to the rights of holders of any series of Preferred Stock then outstanding, and in addition to any other vote required by law or this Restated Certificate, no provision of ARTICLE FIVE, ARTICLE SIX, ARTICLE SEVEN, ARTICLE NINE, ARTICLE TEN or ARTICLE ELEVEN of this Restated Certificate may be altered, amended or repealed in any respect, nor may any provision of this Restated Certificate or the Bylaws inconsistent therewith be adopted, unless (i) prior to the Amendment Trigger Date, such alteration, amendment, repeal or adoption is approved by the affirmative vote of the holders of a majority of the voting power of all outstanding shares of Voting Stock, voting together as a single class, and (ii) on and after the Amendment Trigger Date, such alteration, amendment, repeal or adoption is approved by the affirmative vote of holders of at least sixty-six and two-thirds percent (66 $\frac{2}{3}$ %) of the voting power of all outstanding shares of Voting Stock, voting together as a single class.

## ARTICLE ELEVEN

Section 1. Exclusive Forum. Unless this Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the United States District Court for the District of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, employee or stockholder of the Corporation to the Corporation or the Corporation’s stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, the Restated Certificate or the Bylaws or (iv) any

action asserting a claim governed by the internal affairs doctrine; provided that for the avoidance of doubt, this provision, including for any “derivative action”, will not apply to suits to enforce a duty or liability created by the Securities Act of 1933, the Securities Exchange Act of 1934 or any other claim for which the federal courts have exclusive jurisdiction. The federal district courts of the United States shall be the exclusive forum for resolutions of any complaint asserting a cause of action arising under the Securities Act of 1933.

Section 2. Notice. Any Person purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation (including, without limitation, shares of Common Stock) shall be deemed to have notice of and to have consented to the provisions of this ARTICLE ELEVEN.

## ARTICLE TWELVE

If any provision or provisions of this Restated Certificate shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever, the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Restated Certificate (including, without limitation, each portion of any paragraph of this Restated Certificate containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not, to the fullest extent permitted by applicable law, in any way be affected or impaired thereby.

**AMENDED AND RESTATED BYLAWS**  
**OF**  
**INTEGRAL AD SCIENCE HOLDING CORP.**

*A Delaware corporation*  
(Adopted as of [•], 2021)

ARTICLE I  
OFFICES

Section 1. Offices. Integral Ad Science Holding Corp. (the “Corporation”) may have an office or offices other than its registered office at such place or places, either within or outside the State of Delaware, as the Board of Directors of the Corporation (the “Board of Directors”) may from time to time determine or the business of the Corporation may require. The registered office of the Corporation in the State of Delaware shall be as stated in the Corporation’s certificate of incorporation as then in effect (the “Certificate of Incorporation”).

ARTICLE II  
MEETINGS OF STOCKHOLDERS

Section 1. Place of Meetings. The Board of Directors may designate a place, if any, either within or outside the State of Delaware, as the place of meeting for any annual meeting or for any special meeting of stockholders.

Section 2. Annual Meeting. An annual meeting of the stockholders shall be held at such date and time as is specified by resolution of the Board of Directors. At the annual meeting, stockholders shall elect directors to succeed those whose terms expire at such annual meeting and transact such other business as properly may be brought before the annual meeting pursuant to Section 11 of this ARTICLE II of these Amended and Restated Bylaws (these “Bylaws”). The Board of Directors may postpone, reschedule or cancel any annual meeting of stockholders previously scheduled by the Board of Directors.

Section 3. Special Meetings. Special meetings of the stockholders may only be called in the manner provided in the Certificate of Incorporation. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice. The Board of Directors may postpone, reschedule or cancel any special meeting of stockholders previously scheduled by the Board of Directors; provided that prior to the Stockholder Consent Trigger Date (as defined in the Certificate of Incorporation) any special meeting called at the request of Principal Stockholder (as defined herein) may not be postponed, rescheduled or canceled without the consent of the Principal Stockholder at whose request the meeting was originally called.

Section 4. Notice of Meetings. Whenever stockholders are required or permitted to take action at a meeting, notice of the meeting shall be given that shall state the place, if any, date, and time of the meeting of the stockholders, the means of remote communications, if any, by which stockholders and proxyholders not physically present may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given, not less than 10 nor more than 60 days before the date on which the meeting is to be held, to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting, except as otherwise provided herein or required by law (meaning, here and hereinafter, as required from time to time by the General Corporation Law of the State of Delaware (the “DGCL”)) or the Certificate of Incorporation.

(a) Form of Notice. All such notices shall be delivered in writing or in any other manner permitted by the DGCL. If mailed, such notice shall be deemed given when deposited in the United States mail, postage prepaid, addressed to the stockholder at his, her or its address as the same appears on the records of the Corporation. If delivered by courier service, notice shall be deemed given at the earlier of when the notice is received or left at such stockholder’s address as the same appears on the records of the Corporation. If given by electronic mail, notice shall be deemed given when directed to such stockholder’s electronic mail address unless the stockholder has notified the Corporation in writing or by electronic transmission of an objection to receiving notice by electronic mail or such notice is prohibited by the DGCL. Notice to stockholders may also be given by other forms of electronic transmission consented to by the stockholder. If given by facsimile telecommunication, such notice shall be deemed given when directed to a number at which the stockholder has consented to receive notice by facsimile. If given by a posting on an electronic network together with separate notice to the stockholder of such specific posting, such notice shall be deemed given upon the later of (x) such posting and (y) the giving of such separate notice. If notice is given by any other form of electronic transmission, such notice shall be deemed given when directed to the stockholder. An affidavit of the secretary or an assistant secretary of the Corporation, the transfer agent of the Corporation or any other agent of the Corporation that the notice has been given shall, in the absence of fraud, be *prima facie* evidence of the facts stated therein.

(b) Waiver of Notice. Whenever notice is required to be given under any provisions of the DGCL, the Certificate of Incorporation or these Bylaws, a written waiver thereof, signed by the stockholder entitled to notice, or a waiver by electronic transmission given by the stockholder entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Neither the business to be transacted at, nor the purpose of, any meeting of the stockholders of the Corporation need be specified in any waiver of notice of such meeting. Attendance of a stockholder of the Corporation at a meeting of such stockholders shall constitute a waiver of notice of such meeting, except when the stockholder attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened and does not further participate in the meeting.

(c) Notice by Electronic Transmission. Notwithstanding Section 4(a) of this ARTICLE II, a notice may not be given by electronic transmission from and after the time: (i) the Corporation is unable to deliver by electronic transmission two (2) consecutive notices given by the Corporation; and (ii) such inability becomes known to the secretary or an assistant secretary of the Corporation or to the transfer agent or other person responsible for the giving of notice. However, the inadvertent failure to treat such inability as a revocation shall not invalidate any

meeting or other action. For purposes of these Bylaws, except as otherwise limited by applicable law, the term “electronic transmission” means any form of communication not directly involving the physical transmission of paper, including the use of, or participation in, one or more electronic networks or databases (including one or more distributed electronic networks or databases), that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such recipient through an automated process. A notice by electronic mail must include a prominent legend that the communication is an important notice regarding the Corporation. A notice by electronic mail will include any files attached thereto and any information hyperlinked to a website if such electronic mail includes the contact information of an officer or agent of the corporation who is available to assist with accessing such files or information.

Section 5. List of Stockholders. The Corporation shall prepare, at least 10 days before each meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, provided, however, if the record date for determining the stockholders entitled to vote is less than 10 days before the meeting date, the list shall reflect the stockholders entitled to vote as of the 10th day before the meeting date, arranged in alphabetical order and showing the address of each such stockholder and the number of shares registered in the name of each such stockholder. Nothing contained in this section shall require the Corporation to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting for a period of at least 10 days prior to the meeting: (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at the principal place of business of the Corporation. In the event the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place, the list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise provided by law, the list shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 5 or to vote in person or by proxy at any meeting of stockholders.

Section 6. Quorum. The holders of a majority in voting power of the outstanding capital stock entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders, except as otherwise provided by law, by the Certificate of Incorporation or these Bylaws. If a quorum is not present, the chair of the meeting or the holders of a majority of the voting power present in person or represented by proxy at the meeting and entitled to vote at the meeting may adjourn the meeting to another time and/or place from time to time until a quorum shall be present in person or represented by proxy. When a specified item of business requires a vote by a class or series (if the Corporation shall then have outstanding shares of more than one class or series) voting as a separate class or series, the holders of a majority in voting power of the outstanding stock of such class or series shall constitute a quorum (as to such class or series) for the transaction of such item of business. A quorum once established at a meeting shall not be broken by the withdrawal of enough votes to leave less than a quorum.

Section 7. Adjourned Meetings. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place. When a meeting is adjourned to another time and place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the Board of Directors shall fix a new record date for notice of such adjourned meeting, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors and, except as otherwise required by law, shall not be more than 60 days nor less than 10 days before the date of such adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

Section 8. Vote Required. Subject to the rights of the holders of any series of preferred stock then outstanding, when a quorum has been established, all matters other than the election of directors shall be determined by the affirmative vote of the majority of voting power of capital stock present in person or represented by proxy at the meeting and entitled to vote on the subject matter, unless by express provisions of the DGCL or other an applicable law, the rules of any stock exchange upon which the Corporation's securities are listed, any regulation applicable to the Corporation or its securities, the Certificate of Incorporation or these Bylaws a minimum or different vote is required, in which case such minimum or different vote shall be the required vote for such matter. Except as otherwise provided in the Certificate of Incorporation, directors shall be elected by a plurality of the votes cast.

Section 9. Voting Rights. Subject to the rights of the holders of any series of preferred stock then outstanding, except as otherwise provided by the DGCL or the Certificate of Incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote in person or by proxy for each share of capital stock held by such stockholder which has voting power upon the matter in question. Voting at meetings of stockholders need not be by written ballot.

Section 10. Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent to corporate action without a meeting may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may be made irrevocable regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the Corporation generally.

(a) Business at Annual Meetings of Stockholders.

(i) Only such business (other than nominations of persons for election to the Board of Directors, which must be made in compliance with and are governed exclusively by Section 11(b) of this ARTICLE II) shall be conducted at an annual meeting of the stockholders as shall have been brought before the meeting (A) as specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors or any duly authorized committee thereof, (B) by or at the direction of the Board of Directors or any duly authorized committee thereof, or (C) by any stockholder of the Corporation who (1) was a stockholder of record at the time of giving of notice provided for in Section 11(a)(iii) of this ARTICLE II, on the record date for determination of stockholders of the Corporation entitled to vote at the meeting, and at the time of the annual meeting, (2) at the time of the meeting, is entitled to vote at the meeting and (3) complies with the notice procedures set forth in Section 11(a)(iii) of this ARTICLE II. For the avoidance of doubt, the foregoing clause (C) of this Section 11(a)(i) of ARTICLE II shall be the exclusive means for a stockholder to propose such business (other than business included in the Corporation's proxy materials pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") or business brought by the Principal Stockholder (as defined below) and any entity that controls, is controlled by or under common control with the Principal Stockholder (other than the Corporation and any entity that is controlled by the Corporation) and any investment vehicles or funds managed or controlled, directly or indirectly, by or otherwise affiliated with the Principal Stockholder (the "Principal Stockholder Affiliates") at any time prior to the Advance Notice Trigger Date (as defined below)) before an annual meeting of stockholders.

(ii) For any business (other than (A) nominations of persons for election to the Board of Directors, which must be made in compliance with and are governed exclusively by Section 11(b) of this ARTICLE II or (B) business brought by any of Vista Equity Partners Fund VI, L.P., Vista Equity Partners Fund VI-A, L.P., VEPF VI FAF, L.P., Vista Equity Partners Fund VI GP, L.P., VEPF VI GP, Ltd., and VEP Group, LLC (collectively, the "Principal Stockholder") and/or the Principal Stockholder Affiliates at any time prior to the date when the Principal Stockholder ceases to beneficially own in the aggregate (directly or indirectly) at least 10% of the voting power of the then outstanding shares of capital stock of the Corporation then entitled to vote generally in the election of directors (the "Advance Notice Trigger Date")) to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in proper written form as described in Section 11(a)(iii) of this ARTICLE II to the Secretary; any such proposed business must be a proper matter for stockholder action and the stockholder and the Stockholder Associated Person (as defined in Section 11(e) of this ARTICLE II) must have acted in accordance with the representations set forth in the Solicitation Statement (as defined in Section 11(a)(iii) of this ARTICLE II)

required by these Bylaws. To be timely, a stockholder's notice for such business (other than such a notice by the Principal Stockholder prior to the Advance Notice Trigger Date, which may be delivered at any time prior to the mailing of the definitive proxy statement pursuant to Section 14(a) of the Exchange Act related to the next annual meeting of stockholders) must be delivered by hand and received by the Secretary at the principal executive offices of the Corporation in proper written form not less than ninety (90) days and not more than one hundred twenty (120) days prior to the first anniversary of the preceding year's annual meeting of stockholders (which date shall, for purposes of the Corporation's first annual meeting of stockholders after its shares of Common Stock are first publicly traded, be deemed to have occurred on [•], 20[•]); provided, however, that if and only if the annual meeting is not scheduled to be held within a period that commences thirty (30) days before such anniversary date and ends seventy (70) days after such anniversary date, or if no annual meeting was held in the preceding year (other than for purposes of the Corporation's first annual meeting of stockholders after its shares of Common Stock are first publicly traded), such stockholder's notice must be delivered not earlier than the 120th day prior to the date of such annual meeting and by the later of (A) the tenth day following the day the Public Announcement (as defined in Section 11(e) of this ARTICLE II) of the date of the annual meeting is first made or (B) the date which is ninety (90) days prior to the date of the annual meeting. In no event shall any adjournment or postponement of an annual meeting or the announcement thereof commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. Notices delivered pursuant to Section 11(a) of this ARTICLE II will be deemed received on any given day only if received prior to the Close of Business on such day (and otherwise shall be deemed received on the next succeeding Business Day).

(iii) To be in proper written form, a stockholder's notice to the Secretary must set forth as to each matter of business the stockholder proposes to bring before the annual meeting:

(A) a brief description of the business desired to be brought before the annual meeting (including the specific text of any proposal, resolutions or actions proposed for consideration and if such business includes a proposal to amend these Bylaws, the specific language of the proposed amendment) and the reasons for conducting such business at the annual meeting,

(B) the name and address of the stockholder proposing such business, as they appear on the Corporation's books, the name and address (if different from the Corporation's books) of such proposing stockholder, and the name and address of any Stockholder Associated Person,

(C) the class or series and number of shares of stock of the Corporation which are directly or indirectly held of record or beneficially owned by such stockholder or by any Stockholder Associated Person, a description of any Derivative Positions (as defined in Section 11(e) of this ARTICLE II) directly or indirectly held or beneficially held by the stockholder or any Stockholder Associated Person, and whether and to the extent to which a Hedging Transaction (as defined in Section 11(e) of this ARTICLE II) has been entered into by or on behalf of such stockholder or any Stockholder Associated Person,

(D) a description of all arrangements or understandings between or among such stockholder or any Stockholder Associated Person and any other person or entity (including their names) in connection with the proposal of such business by such stockholder and any material interest of such stockholder, any Stockholder Associated Person or such other person or entity in such business,

(E) a representation that such stockholder is a stockholder of record of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the annual meeting to bring such business before the meeting,

(F) any other information related to such stockholder or any Stockholder Associated Person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with the solicitation of proxies or consents (even if a solicitation is not involved) by such stockholder or Stockholder Associated Person in support of the business proposed to be brought before the meeting pursuant to Section 14 of the Exchange Act, and the rules, regulations and schedules promulgated thereunder, and

(G) a representation as to whether such stockholder or any Stockholder Associated Person intends or is part of a group which intends to deliver a proxy statement and/or form of proxy to the holders of at least the percentage of the Corporation's outstanding capital stock required to approve the proposal or otherwise to solicit proxies or votes from stockholders in support of the proposal (such representation, a "Solicitation Statement").

In addition, any stockholder who submits a notice pursuant to Section 11(a) of this ARTICLE II is required to update and supplement the information disclosed in such notice, if necessary, in accordance with Section 11(d) of this ARTICLE II.

(iv) Notwithstanding anything in these Bylaws to the contrary, no business (other than nominations of persons for election to the Board of Directors, which must be made in compliance with and are governed exclusively by Section 11(b) of this ARTICLE II and business included in the Corporation's proxy materials pursuant to the Exchange Act) shall be conducted at an annual meeting except in accordance with the procedures set forth in Section 11(a) of this ARTICLE II.

(b) Nominations at Annual Meetings of Stockholders.

(i) Only persons who are nominated in accordance and compliance with the procedures set forth in this Section 11(b) of ARTICLE II shall be eligible for election to the Board of Directors at an annual meeting of stockholders.

(ii) Nominations of persons for election to the Board of Directors of the Corporation may be made at an annual meeting of stockholders only (A) by or at the direction of the Board of Directors or any duly authorized committee thereof or (B) by any stockholder of the Corporation who (1) was a stockholder of record at the time of giving of notice provided for in this Section 11(b) of ARTICLE II on the record date for determination of stockholders of the Corporation entitled to vote at the meeting, and at the time of the annual meeting, (2) is entitled to vote at the meeting and (3) complies with the notice procedures set forth in this Section 11(b) of ARTICLE II. For the avoidance of doubt, clause (B) of this Section 11(b)(ii) of ARTICLE II shall be the exclusive means for a stockholder to make nominations of persons for election to the Board of Directors at an annual meeting of stockholders. For nominations to be properly brought by a stockholder at an annual meeting of stockholders, the stockholder must have given timely notice thereof in proper written form as described in Section 11(b)(iii) of this ARTICLE II to the Secretary and the stockholder and the Stockholder Associated Person must have acted in accordance with the representations set forth in the Nomination Solicitation Statement required by these Bylaws. To be timely, a stockholder's notice for the nomination of persons for election to the Board of Directors (other than such a notice by the Principal Stockholder prior to the Advance Notice Trigger Date, which may be delivered at any time prior to the mailing of the definitive proxy statement pursuant to Section 14(a) of the Exchange Act related to the next annual meeting of stockholders) must be delivered to the Secretary at the principal executive offices of the Corporation in proper written form not less than ninety (90) days and not more than one hundred twenty (120) days prior to the first anniversary of the preceding year's annual meeting of stockholders (which date shall, for purposes of the Corporation's first annual meeting of stockholders after its shares of Common Stock are first publicly traded, be deemed to have occurred on [•], 20[•]); provided, however, that if and only if the annual meeting is not scheduled to be held within a period that commences thirty (30) days before such anniversary date and ends seventy (70) days after such anniversary date, or if no annual meeting was held in the preceding year (other than for purposes of the Corporation's first annual meeting of stockholders after its shares of Common Stock are first publicly traded), such stockholder's notice must be delivered not earlier than the 120th day prior to the date of such annual meeting and by the later of the tenth day following the day the Public Announcement of the date of the annual meeting is first made and the date which is ninety (90) days prior to the date of the annual meeting. In no event shall any adjournment or postponement of an annual meeting or the announcement thereof commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. Notices delivered pursuant to this Section 11(b) of ARTICLE II will be deemed received on any given day if received prior to the Close of Business on such day (and otherwise on the next succeeding day). For the avoidance of doubt, a stockholder shall not be entitled to make additional or substitute nominations following the expiration of the time periods set forth in these Bylaws.

(iii) To be in proper written form, a stockholder's notice to the Secretary shall set forth:

(A) as to each person that the stockholder proposes to nominate for election or re-election as a director of the Corporation, (1) the name, age, business address and residence address of the person, (2) the principal occupation or employment of the person, (3) the class or series and number of shares of capital stock of the Corporation which are directly or indirectly owned beneficially or of record by the person, (4) the date such shares were acquired and the investment intent of such acquisition and (5) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with the solicitation of proxies or consents for a contested election of directors (even if an election contest or proxy solicitation is not involved), or is otherwise required, pursuant to Section 14 of the Exchange Act, and the rules, regulations and schedules promulgated thereunder (including such person's written consent to being named in the proxy statement as a nominee of the stockholder, if applicable, and to serving as a director if elected),

(B) as to the stockholder giving the notice, the name and address of such stockholder, as they appear on the Corporation's books, the name and address (if different from the Corporation's books) of such proposing stockholder, and the name and address of any Stockholder Associated Person,

(C) the class or series and number of shares of stock of the Corporation which are directly or indirectly held of record or beneficially owned by such stockholder or by any Stockholder Associated Person with respect to the Corporation's securities, a description of any Derivative Positions directly or indirectly held or beneficially held by the stockholder or any Stockholder Associated Person, and whether and the extent to which a Hedging Transaction has been entered into by or on behalf of such stockholder or any Stockholder Associated Person,

(D) a description of all arrangements or understandings (including financial transactions and direct or indirect compensation) between or among such stockholder or any Stockholder Associated Person and each proposed nominee and any other person or entity (including their names) pursuant to which the nomination(s) are to be made by such stockholder,

(E) a representation that such stockholder is a holder of record of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the persons named in its notice,

(F) any other information relating to such stockholder or any Stockholder Associated Person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with the solicitation of proxies or consents for a contested election of directors (even if an election contest or proxy solicitation is not involved), or otherwise required, pursuant to Section 14 of the Exchange Act, and the rules, regulations and schedules promulgated thereunder, and

(G) a representation as to whether such stockholder or any Stockholder Associated Person intends or is part of a group which intends to deliver a proxy statement and/or form of proxy to the holders of a sufficient number of the Corporation's outstanding shares reasonably believed by the stockholder or any Stockholder Associated Person, as the case may be, to elect each proposed nominee or otherwise to solicit proxies or votes from stockholders in support of the nomination (such representation, a "Nomination Solicitation Statement").

In addition, any stockholder who submits a notice pursuant to this Section 11(b) of ARTICLE II is required to update and supplement the information disclosed in such notice, if necessary, in accordance with Section 11(d) of this ARTICLE II and shall comply with Section 11(f) of this ARTICLE II.

(iv) Notwithstanding anything in Section 11(b)(ii) of this ARTICLE II to the contrary, if the number of directors to be elected to the Board of Directors is increased effective after the time period for which nominations would otherwise be due under paragraph 11(b)(ii) of this Article II and there is no Public Announcement naming the nominees for additional directorships at least ten (10) days prior to the last day a stockholder may deliver a notice of nomination in accordance with Section 11(b)(ii), a stockholder's notice required by Section 11(b)(ii) of this ARTICLE II shall also be considered timely, but only with respect to nominees for the additional directorships, if it shall be received by the Secretary at the principal executive offices of the Corporation not later than the Close of Business on the tenth day following the day on which such Public Announcement is first made by the Corporation. The number of nominees a stockholder may nominate for election at the annual meeting (or in the case of a stockholder giving the notice on behalf of a beneficial owner, the number of nominees a stockholder may nominate for election at the annual meeting on behalf of such beneficial owner) shall not exceed the number of directors to be elected at such annual meeting.

(c) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the notice of meeting. Only persons who are nominated in accordance and compliance with the procedures set forth in this Section 11(c) of ARTICLE II shall be eligible for election to the Board of Directors at a special meeting of stockholders at which directors are to be elected. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the notice of meeting only (i) by or at the direction of the Board of Directors, any duly authorized committee thereof, or stockholders (if stockholders are permitted to call a special meeting of stockholders pursuant to Section 2 of Article SEVEN of the Certificate of Incorporation) or (ii) provided that the Board of Directors or stockholders (if stockholders are permitted to call a special meeting of stockholders pursuant to Section 2 of Article Eight of the Certificate of Incorporation) has determined that directors are to be elected at such special meeting, by any stockholder of the Corporation who (A) was a stockholder of record at the time of giving of notice provided for in this Section 11(c) of ARTICLE II and at the time of the special meeting, (B) is entitled to vote at the meeting and (C) complies with the notice procedures provided for in this Section 11(c) of ARTICLE II. For nominations to be properly brought by a stockholder at a special meeting of stockholders, the stockholder must have given timely notice thereof in proper written form as described in this Section 11(c) of ARTICLE II to the Secretary. To be timely, a stockholder's notice for the nomination of persons for election to the Board of Directors (other than such a notice by the Principal Stockholder prior to the Advance Notice Trigger Date, which may be delivered at any time prior to the mailing of the definitive proxy statement pursuant to Section 14(a) of the Exchange Act related to the special meeting of stockholders) must be received by the Secretary at the principal executive offices of the Corporation not earlier than the 120th day prior to such special meeting and not later than the Close of Business on the later of the 90th day prior to such special meeting or the tenth day following the day on which a Public Announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall any adjournment or postponement of a special meeting or the announcement thereof commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. Notices delivered pursuant to this Section 11(c) of ARTICLE II will be deemed received on any given day if received prior to the Close of Business on such day (and otherwise on the next succeeding day). To be in proper written form, such stockholder's notice shall set forth all of the information required by, and otherwise be in compliance with, Section 11(b)(iii) of this ARTICLE II. In addition, any stockholder who submits a notice pursuant to this Section 11(c) of ARTICLE II is required to update and supplement the information disclosed in such notice, if necessary, in accordance with Section 11(d) of this ARTICLE II and shall comply with Section 11(f) of this ARTICLE II. The number of nominees a stockholder may nominate for election at the special meeting (or in the case of a stockholder giving the notice on behalf of a beneficial owner, the number of nominees a stockholder may nominate for election at the special meeting on behalf of such beneficial owner) shall not exceed the number of directors to be elected at such special meeting.

(d) Update and Supplement of Stockholder's Notice. Any stockholder who submits a notice of proposal for business or nomination for election pursuant to this Section 11 of ARTICLE II is required to update and supplement the information disclosed in such notice, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for determining the stockholders entitled to notice of the meeting of stockholders and as of the date that is ten (10) Business Days prior to such meeting of the stockholders or any adjournment or postponement thereof, and such update and supplement shall be received by the Secretary at the principal executive offices of the Corporation not later than the Close of Business on the fifth Business Day after the record date for the meeting of stockholders

(in the case of the update and supplement required to be made as of the record date), and not later than the Close of Business on the eighth Business Day prior to the date for the meeting of stockholders or any adjournment or postponement thereof (in the case of the update and supplement required to be made as of ten (10) Business Days prior to the meeting of stockholders or any adjournment or postponement thereof).

(e) Definitions. For purposes of this Section 11 of ARTICLE II, the term:

(i) “Business Day” shall mean each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in Salt Lake City, UT or New York, NY are authorized or obligated by law or executive order to close;

(ii) “Close of Business” shall mean 5:00 p.m. local time at the principal executive offices of the Corporation, and if an applicable deadline falls on the Close of Business on a day that is not a Business Day, then the applicable deadline shall be deemed to be the Close of Business on the immediately preceding Business Day;

(iii) “Derivative Positions” means, with respect to a stockholder or any Stockholder Associated Person, any derivative positions including, without limitation, any short position, profits interest, option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of the Corporation or otherwise and any performance-related fees to which such stockholder or any Stockholder Associated Person is entitled based, directly or indirectly, on any increase or decrease in the value of shares of capital stock of the Corporation;

(iv) “Hedging Transaction” means, with respect to a stockholder or any Stockholder Associated Person, any hedging or other transaction (such as borrowed or loaned shares) or series of transactions, or any other agreement, arrangement or understanding, the effect or intent of which is to increase or decrease the voting power or economic or pecuniary interest of such stockholder or any Stockholder Associated Person with respect to the Corporation’s securities;

(v) “Public Announcement” means disclosure in a press release reported by the Dow Jones News Service, Associated Press, Business Wire, PR Newswire or comparable news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act; and

(vi) “Stockholder Associated Person” of any stockholder means (A) any person controlling, directly or indirectly, or acting in concert with, such stockholder, (B) any beneficial owner of shares of stock of the Corporation owned of record or beneficially by such stockholder or (C) any person directly or indirectly controlling, controlled by or under common control with such Stockholder Associated Person.

(f) Submission of Questionnaire, Representation and Agreement. To be qualified to be a nominee for election or re-election as a director of the Corporation, a person must deliver (in the case of a person nominated by a stockholder in accordance with Sections 11(b) or 11(c) of this ARTICLE II, in accordance with the time periods prescribed for delivery of notice under such sections) to the Secretary at the principal executive offices of the Corporation a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request of any stockholder of record identified by name within five Business Days of such written request) and a written representation and agreement (in the form provided by the Secretary upon written request of any stockholder of record identified by name within five Business Days of such) that such person (i) is not and will not become a party to (A) any agreement, arrangement or understanding (whether written or oral) with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a “Voting Commitment”) that has not been disclosed to the Corporation or (B) any Voting Commitment that could limit or interfere with such person’s ability to comply, if elected as a director of the Corporation, with such person’s fiduciary duties under applicable law, (ii) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed to the Corporation and (iii) would be in compliance, and if elected as a director of the Corporation will comply, with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation.

(g) Update and Supplement of Nominee Information. The Corporation may also, as a condition to any such nomination or business being deemed properly brought before an annual meeting, require any Stockholder Associated Person or proposed nominee to deliver to the Secretary, within five Business Days of any such request, such other information as may reasonably be requested by the Corporation, including such other information as may be reasonably required by the Board, in its sole discretion, to determine (A) the eligibility of such proposed nominee to serve as a director of the Corporation, (B) whether such nominee qualifies as an “independent director” or “audit committee financial expert” under applicable law, Securities and Exchange Commission and stock exchange rules or regulation, or any publicly disclosed corporate governance guideline or committee charter of the Corporation and (C) such other information that the Board of Directors determines, in its sole discretion, could be material to a reasonable stockholder’s understanding of the independence, or lack thereof, of such nominee.

(h) Authority of Chair; General Provisions. Except as otherwise provided by applicable law, the Certificate of Incorporation or these Bylaws, the chair of the meeting shall have the power and duty to determine whether any nomination or other business proposed to be brought before the meeting was made or brought in accordance with the procedures set forth in these Bylaws (including whether the stockholder or Stockholder Associated Person, if any, on whose

behalf the nomination or proposal is made or solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies or votes in support of such stockholder's nominee or proposal in compliance with such stockholder's representation as required by Section 11(a)(iii)(G) or Section 11(b)(iii)(G), as applicable, of these Bylaws) and, if any nomination or other business is not made or brought in compliance with these Bylaws, to declare that such nomination or proposal of other business be disregarded and not acted upon. Notwithstanding the foregoing provisions of this Section 11, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or proposed business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 11, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

(i) Compliance with Exchange Act. Notwithstanding the foregoing provisions of these Bylaws, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules, regulations and schedules promulgated thereunder with respect to the matters set forth in these Bylaws; provided, however, that any references in these Bylaws to the Exchange Act or the rules, regulations and schedules promulgated thereunder are not intended to and shall not limit the requirements applicable to any nomination or other business to be considered pursuant to Section 11 of this ARTICLE II.

(j) Effect on Other Rights. Nothing in these Bylaws shall be deemed to (A) affect any rights of the stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act, (B) confer upon any stockholder a right to have a nominee or any proposed business included in the Corporation's proxy statement, except as set forth in the Certificate of Incorporation or these Bylaws, (C) affect any rights of the holders of any series of preferred stock to elect directors pursuant to any applicable provisions of the Certificate of Incorporation or (D) limit the exercise, the method or timing of the exercise of, the rights of any person granted by the Corporation to nominate directors (including pursuant to that Director Nomination Agreement, dated as of on or about [•], 20[•] (as amended and/or restated or supplemented from time to time, the "Nomination Agreement"), by and among the Corporation and the investors named therein, which rights may be exercised without compliance with the provisions of this Section 11 of ARTICLE II.

Section 12. Fixing a Record Date for Stockholder Meetings. In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than 60 days nor less than 10 days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting

shall be the date for making such determination. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be the close of business on the next day preceding the day on which notice is first given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting in conformity herewith; and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the foregoing provisions of this Section 12 at the adjourned meeting.

Section 13. Action by Stockholders Without a Meeting. So long as stockholders of the Corporation have the right to act by written consent in accordance with Section 1 of ARTICLE SEVEN of the Certificate of Incorporation, the following provisions shall apply:

(a) Record Date. For the purpose of determining the stockholders entitled to consent to corporate action without a meeting as may be permitted by the Certificate of Incorporation or the certificate of designation relating to any outstanding class or series of preferred stock, the Board of Directors may fix a record date, which record date shall not precede the date on which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than ten (10) (or the maximum number permitted by applicable law) days after the date on which the resolution fixing the record date is adopted by the Board of Directors. Any stockholder of record seeking to have the stockholders authorize or take action by consent in lieu of a meeting shall, by written notice delivered to the Secretary at the Corporation's principal place of business during regular business hours, request that the Board of Directors fix a record date, which notice shall include the text of any proposed resolutions. Notices delivered pursuant to Section 13(a) of this ARTICLE II will be deemed received on any given day only if received prior to the close of business on such day (and otherwise shall be deemed received on the next succeeding business day). The Board of Directors shall promptly, but in all events within ten (10) days after the date on which such written notice is properly delivered to and deemed received by the Secretary, adopt a resolution fixing the record date (unless a record date has previously been fixed by the Board of Directors pursuant to the first sentence of this Section 13(a)). If no record date has been fixed by the Board of Directors pursuant to this Section 13(a) or otherwise within ten (10) days of receipt of a valid request by a stockholder, the record date for determining stockholders entitled to consent to corporate action without a meeting, when no prior action by the Board of Directors is required pursuant to applicable law, shall be the first date after the expiration of such ten (10) day time period on which a signed consent setting forth the action taken or proposed to be taken is delivered to the Corporation pursuant to Section 13(b); provided, however, that if prior action by the Board of Directors is required by applicable law, the record date for determining stockholders entitled to consent to corporate action without a meeting shall in such an event be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(b) Generally. No consent shall be effective to take the corporate action referred to therein unless consents signed by a sufficient number of stockholders to take such action are delivered to the Corporation, in the manner required by this Section 13, within sixty (60) (or the maximum number permitted by applicable law) days of the first date on which a consent is delivered to the Corporation in the manner required by applicable law. The validity of any consent executed by a proxy for a stockholder pursuant to an electronic transmission transmitted to such proxy holder by or upon the authorization of the stockholder shall be determined by or at the direction of the Secretary. A written record of the information upon which the person making such determination relied shall be made and kept in the records of the proceedings of the stockholders. Any such consent shall be inserted in the minute book as if it were the minutes of a meeting of stockholders. Prompt notice of the taking of the corporate action without a meeting by less than unanimous consent shall be given by the Corporation (at its expense) to those stockholders who have not consented and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for notice of such meeting had been the date that consents signed by a sufficient number of holders to take the action were delivered to the Corporation.

#### Section 14. Conduct of Meetings.

(a) Generally. Meetings of stockholders shall be presided over by the Chair of the Board, if any, or in the Chair's absence or disability, by the Chief Executive Officer, or in the Chief Executive Officer's absence or disability, by the President, or in the President's absence or disability, by a Vice President (in the order as determined by the Board of Directors), or in the absence or disability of the foregoing persons by a chair designated by the Board of Directors, or in the absence or disability of such person, by a chair chosen at the meeting. The Secretary shall act as secretary of the meeting, but in the Secretary's absence or disability the chair of the meeting may appoint any person to act as secretary of the meeting.

(b) Rules, Regulations and Procedures. The Board of Directors may adopt by resolution such rules, regulations and procedures for the conduct of any meeting of stockholders of the Corporation as it shall deem appropriate including, without limitation, such guidelines and procedures as it may deem appropriate regarding the participation by means of remote communication of stockholders and proxyholders not physically present at a meeting. Except to the extent inconsistent with such rules, regulations and procedures as adopted by the Board of Directors, the chair of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chair, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chair of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chair of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; (v) limitations on the time allotted to questions or comments by participants; and (vi) restrictions on the use of mobile phones, audio or video recording devices and similar devices at the meeting. The chair of the meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a nomination or matter or business was not properly brought before the meeting and if such chair should so determine, such chair shall so declare to the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board of Directors

or the chair of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure. The chair of the meeting shall announce at the meeting when the polls for each matter to be voted upon at the meeting will be opened and closed. After the polls close, no ballots, proxies or votes or any revocations or changes thereto may be accepted. The chair of the meeting shall have the power, right and authority, for any or no reason, to convene, recess and/or adjourn any meeting of stockholders.

(c) Inspectors of Elections. The Corporation may, and to the extent required by law shall, in advance of any meeting of stockholders, appoint one or more inspectors of election to act at the meeting and make a written report thereof. One or more other persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the chair of the meeting shall appoint one or more inspectors to act at the meeting. Unless otherwise required by law, inspectors may be officers, employees or agents of the Corporation. No person who is a candidate for an office at an election may serve as an inspector at such election. Each inspector, before entering upon the discharge of such inspector's duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such inspector's ability. The inspector shall have the duties prescribed by law and, when the vote is completed, shall make a certificate of the result of the vote taken and of such other facts as may be required by law.

Section 15. Remote Communication. If authorized by the Board in its sole discretion, and subject to such guidelines and procedures as the Board may adopt, stockholders and proxyholders not physically present at a meeting of stockholders may, by means of remote communication:

(a) participate in a meeting of stockholders; and

(b) be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication,

provided that

(c) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder;

(d) the Corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings; and

(e) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

ARTICLE III  
DIRECTORS

Section 1. General Powers. Except as otherwise provided in this Certificate of Incorporation or the DGCL, the business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

Section 2. Annual Meetings. The annual meeting of the Board of Directors shall be held without other notice than this Bylaw immediately after, and at the same place as, the annual meeting of stockholders. In the event that the annual meeting of stockholders takes place telephonically or through any other means by which the stockholders do not convene in any one location, the annual meeting of the Board of Directors shall be held at the principal offices of the Corporation immediately after the annual meeting of the stockholders.

Section 3. Regular Meetings and Special Meetings. Regular meetings, other than the annual meeting, of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by resolution of the Board of Directors and publicized among all directors. Special meetings of the Board of Directors may be called by (i) the Chair of the Board, if any, (ii) by the Secretary upon the written request of a majority of the directors then in office or (iii) if the Board of Directors then includes a director nominated or designated for nomination by the Principal Stockholder, by any director nominated or designated for nomination by the Principal Stockholder, and in each case shall be held at the place, if any, on the date and at the time as he, she or they shall fix. Any and all business may be transacted at a special meeting of the Board of Directors.

Section 4. Notice of Meetings. Notice of regular meetings of the Board of Directors need not be given except as otherwise required by law or these Bylaws. Notice of each special meeting of the Board of Directors, and of each regular and annual meeting of the Board of Directors for which notice is required, shall be given by the Secretary as hereinafter provided in this Section 4. Such notice shall be state the date, time and place, if any, of the meeting. Notice of any special meeting, and of any regular or annual meeting for which notice is required, shall be given to each director at least (a) twenty-four (24) hours before the meeting if by telephone or by being personally delivered or sent by overnight courier, telecopy, electronic transmission, email or similar means or (b) five (5) days before the meeting if delivered by mail to the director's residence or usual place of business. Such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage prepaid, or when transmitted if sent by telex, telecopy, electronic transmission, email or similar means. Neither the business to be transacted at, nor the purpose of, any special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 5. Waiver of Notice. Any director may waive notice of any meeting of directors by a writing signed by the director or by electronic transmission. Any member of the Board of Directors or any committee thereof who is present at a meeting shall have waived notice of such meeting except when such member attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened and does not further participate in the meeting. Such member shall be conclusively presumed to have assented to any action taken unless his or her dissent shall be

entered in the minutes of the meeting or unless his or her written dissent to such action shall be filed with the person acting as the secretary of the meeting before the adjournment thereof or shall be forwarded by registered mail to the secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to any member who voted in favor of such action.

Section 6. Chair of the Board, Quorum, Required Vote and Adjournment. The Board of Directors may elect a Chair of the Board. The Chair of the Board must be a director and may be an officer of the Corporation. Subject to the provisions of these Bylaws and the direction of the Board of Directors, he or she shall perform all duties and have all powers which are commonly incident to the position of Chair of the Board or which are delegated to him or her by the Board of Directors, preside at all meetings of the stockholders and Board of Directors at which he or she is present and have such powers and perform such duties as the Board of Directors may from time to time prescribe. If the Chair of the Board is not present at a meeting of the Board of Directors, the Chief Executive Officer (if the Chief Executive Officer is a director and is not also the Chair of the Board) shall preside at such meeting, and, if the Chief Executive Officer is not present at such meeting, a majority of the directors present at such meeting shall elect one of the directors present at the meeting to so preside. At all meetings of the Board of Directors, a majority of the directors then in office shall constitute a quorum for the transaction of business, provided, however, that a quorum shall never be less than one-third the total number of directors. Unless by express provision of an applicable law, the Certificate of Incorporation or these Bylaws a different vote is required, the vote of a majority of directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. At any meeting of the Board of Directors, business shall be transacted in such order and manner as the Board of Directors may from time to time determine. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may, to the fullest extent permitted by law, adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 7. Committees.

(a) The Board of Directors may designate one or more committees, including an executive committee, consisting of one or more of the directors of the Corporation, and any committees required by the rules and regulations of such exchange as any securities of the Corporation are listed. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Except to the extent restricted by applicable law or the Certificate of Incorporation, each such committee, to the extent provided by the DGCL and in the resolution creating it, shall have and may exercise all the powers and authority of the Board of Directors. Each such committee shall serve at the pleasure of the Board of Directors. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors upon request.

(b) Each committee of the Board of Directors may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided by a resolution of the Board of Directors designating such committee. Unless otherwise provided in such a resolution, the presence of at least a majority of the members of the committee shall be necessary to constitute a quorum. All matters shall be determined by a majority vote of the members present at a meeting at which a quorum is present. Unless otherwise provided in such a

resolution, in the event that a member and that member's alternate, if alternates are designated by the Board of Directors, of such committee is or are absent or disqualified, the member or members present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member.

Section 8. Action by Written Consent. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing or by electronic transmission. After the action is taken, the consent or consents relating thereto shall be filed with the minutes of proceedings of the board or committee in the same paper form or electronic form as the minutes are maintained.

Section 9. Compensation. The Board of Directors shall have the authority to fix the compensation, including fees, reimbursement of expenses and equity compensation, of directors for services to the Corporation in any capacity, including for attendance of meetings of the Board of Directors or participation on any committees. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 10. Reliance on Books and Records. A member of the Board of Directors, or a member of any committee designated by the Board of Directors shall, in the performance of such member's duties, be fully protected in relying in good faith upon records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of the Corporation's officers or employees, or committees of the Board of Directors, or by any other person as to matters the member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

Section 11. Telephonic and Other Meetings. Unless restricted by the Certificate of Incorporation, any one or more members of the Board of Directors or any committee thereof may participate in a meeting of the Board of Directors or such committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. Participation by such means shall constitute presence in person at a meeting.

#### ARTICLE IV OFFICERS

Section 1. Number and Election. Subject to the authority of Chief Executive Officer to appoint officers as set forth in Section 11 of this Article IV, the officers of the Corporation shall be elected by the Board of Directors and shall consist of a Chief Executive Officer, a President, one or more Vice Presidents, a Secretary, a Chief Financial Officer, a Treasurer and such other officers and assistant officers as may be deemed necessary or desirable by the Board of Directors. Any number of offices may be held by the same person. In its discretion, the Board of Directors may choose not to fill any office for any period as it may deem advisable.

Section 2. Term of Office. Each officer shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

Section 3. Removal. Any officer or agent of the Corporation may be removed with or without cause by the Board of Directors, a duly authorized committee thereof or by such officers as may be designated by a resolution of the Board of Directors, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any officer appointed by the Chief Executive Officer in accordance with Section 11 of this Article IV may also be removed by the Chief Executive Officer in his or her sole discretion.

Section 4. Vacancies. Any vacancy occurring in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors or the Chief Executive Officer in accordance with Section 11 of this Article IV.

Section 5. Compensation. Compensation of all executive officers shall be approved by the Board of Directors or a duly authorized committee thereof, and no officer shall be prevented from receiving such compensation by virtue of his or her also being a director of the Corporation.

Section 6. Chief Executive Officer. The Chief Executive Officer shall have the powers and perform the duties incident to that position. The Chief Executive Officer shall, in the absence of the Chair of the Board, or if a Chair of the Board shall not have been elected, preside at each meeting of (a) the Board of Directors if the Chief Executive Officer is a director and (b) the stockholders. Subject to the powers of the Board of Directors and the Chair of the Board, the Chief Executive Officer shall be in general and active charge of the entire business and affairs of the Corporation, and shall be its chief policy making officer. The Chief Executive Officer shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or provided in these Bylaws. The Chief Executive Officer is authorized to execute bonds, mortgages and other contracts requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Corporation. Whenever the President is unable to serve, by reason of sickness, absence or otherwise, the Chief Executive Officer shall perform all the duties and responsibilities and exercise all the powers of the President.

Section 7. The President. The President of the Corporation shall, subject to the powers of the Board of Directors, the Chair of the Board and the Chief Executive Officer, have general charge of the business, affairs and property of the Corporation, and control over its officers, agents and employees. The President shall see that all orders and resolutions of the Board of Directors are carried into effect. The President is authorized to execute bonds, mortgages and other contracts requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Corporation. The President shall, in the absence of the Chief Executive Officer, act with all of the powers and be subject to all of the restrictions of the Chief Executive Officer. The President shall have such other powers and perform such other duties as may be prescribed by the Chair of the Board, the Chief Executive Officer, the Board of Directors or as may be provided in these Bylaws or otherwise are incident to the position of President.

Section 8. Vice Presidents. The Vice President, or if there shall be more than one, the Vice Presidents, in the order determined by the Board of Directors or the Chair of the Board, shall, perform such duties and have such powers as the Board of Directors, the Chair of the Board, the Chief Executive Officer, the President or these Bylaws may, from time to time, prescribe or which otherwise are incident to the position of Vice President. The Vice Presidents may also be designated as Executive Vice Presidents or Senior Vice Presidents, as the Board of Directors may from time to time prescribe.

Section 9. The Secretary and Assistant Secretaries. The Secretary shall attend all meetings of the Board of Directors (other than executive sessions thereof) and all meetings of the stockholders and record all the proceedings of the meetings in a book or books to be kept for that purpose or shall ensure that his or her designee attends each such meeting to act in such capacity. Under the Board of Directors' supervision, the Secretary shall give, or cause to be given, all notices required to be given by these Bylaws or by law; shall have such powers and perform such duties as the Board of Directors, the Chair of the Board, the Chief Executive Officer, the President or these Bylaws may, from time to time, prescribe or which otherwise are incident to the position of Secretary; and shall have custody of the corporate seal of the Corporation. The Secretary, or an Assistant Secretary, shall have authority to affix the corporate seal to any instrument requiring it and when so affixed, it may be attested by his or her signature or by the signature of such Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his or her signature. The Assistant Secretary, or if there be more than one, any of the assistant secretaries, shall in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Board of Directors, the Chair of the Board, the Chief Executive Officer, the President, or Secretary may, from time to time, prescribe.

Section 10. The Chief Financial Officer and the Treasurer. The Chief Financial Officer shall have the custody of the corporate funds and securities; shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation as shall be necessary or desirable in accordance with applicable law or generally accepted accounting principles; shall deposit all monies and other valuable effects in the name and to the credit of the Corporation as may be ordered by the Chair of the Board or the Board of Directors; shall receive, and give receipts for, moneys due and payable to the Corporation from any source whatsoever; shall cause the funds of the Corporation to be disbursed when such disbursements have been duly authorized, taking proper vouchers for such disbursements; and shall render to the Board of Directors, at its regular meeting or when the Board of Directors so requires, an account of the financial condition and operations of the Corporation; shall have such powers and perform such duties as the Board of Directors, the Chair of the Board, the Chief Executive Officer, the President or these Bylaws may, from time to time, prescribe or which otherwise are incident to the position of Chief Financial Officer. The Treasurer, if any, shall in the absence or disability of the Chief Financial Officer, perform the duties and exercise the powers of the chief financial officer, subject to the power of the board of directors. The Treasurer, if any, shall perform such other duties and have such other powers as the board of directors may, from time to time, prescribe.

Section 11. Appointed Officers. In addition to officers designated by the Board in accordance with this ARTICLE IV, the Chief Executive Officer shall have the authority to appoint other officers below the level of Board-appointed Vice President as the Chief Executive Officer may from time to time deem expedient and may designate for such officers titles that appropriately reflect their positions and responsibilities. Such appointed officers shall have such powers and shall perform such duties as may be assigned to them by the Chief Executive Officer or the senior officer to whom they report, consistent with corporate policies. An appointed officer shall serve until the earlier of such officer's resignation or such officer's removal by the Chief Executive Officer or the Board of Directors at any time, either with or without cause.

Section 12. Other Officers, Assistant Officers and Agents

. Officers, assistant officers and agents, if any, other than those whose duties are provided for in these Bylaws, shall have such authority and perform such duties as may from time to time be prescribed by resolution of the Board of Directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board of Directors.

Section 13. Officers' Bonds or Other Security. If required by the Board of Directors, any officer of the Corporation shall give a bond or other security for the faithful performance of his duties, in such amount and with such surety as the Board of Directors may require.

Section 14. Delegation of Authority. The Board of Directors may by resolution delegate the powers and duties of such officer to any other officer or to any director, or to any other person whom it may select.

ARTICLE V  
CERTIFICATES OF STOCK

Section 1. Form. The shares of stock of the Corporation shall be represented by certificates, provided that the Board of Directors may provide by resolution that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. If shares are represented by certificates, the certificates shall be in such form as required by applicable law and as determined by the Board of Directors. Each certificate shall certify the number of shares owned by such holder in the Corporation and shall be signed by, or in the name of the Corporation by two authorized officers of the Corporation including, but not limited to, the Chair of the Board (if an officer), the Chief Executive Officer, the President, a Vice President, the Chief Financial Officer, the Treasurer, the Secretary and an Assistant Secretary of the Corporation. Any or all signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed, or whose facsimile signature or signatures have been used on, any such certificate or certificates shall cease to be such officer, transfer agent or registrar of the Corporation whether because of death, resignation or otherwise before such certificate or certificates have been issued by the Corporation, such certificate or certificates may nevertheless be issued as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been used thereon had not ceased to be such officer, transfer agent or registrar of the Corporation at the date of issue. All certificates for shares shall be consecutively numbered or otherwise identified. The Board of Directors may appoint a bank or trust company organized under the laws of the United States or any state thereof to act as its transfer agent or registrar, or both in

connection with the transfer of any class or series of securities of the Corporation. The Corporation, or its designated transfer agent or other agent, shall keep a book or set of books to be known as the stock transfer books of the Corporation, containing the name of each holder of record, together with such holder's address and the number and class or series of shares held by such holder and the date of issue. When shares are represented by certificates, the Corporation shall issue and deliver to each holder to whom such shares have been issued or transferred, certificates representing the shares owned by such holder, and shares of stock of the Corporation shall only be transferred on the books of the Corporation by the holder of record thereof or by such holder's attorney duly authorized in writing, upon surrender to the Corporation or its designated transfer agent or other agent of the certificate or certificates for such shares endorsed by the appropriate person or persons, with such evidence of the authenticity of such endorsement, transfer, authorization and other matters as the Corporation may reasonably require, and accompanied by all necessary stock transfer stamps. In that event, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, cancel the old certificate or certificates and record the transaction on its books. When shares are not represented by certificates, shares of stock of the Corporation shall only be transferred on the books of the Corporation by the holder of record thereof or by such holder's attorney duly authorized in writing, with such evidence of the authenticity of such transfer, authorization and other matters as the Corporation may reasonably require, and accompanied by all necessary stock transfer stamps, and within a reasonable time after the issuance or transfer of such shares, the Corporation shall, if required by applicable law, send the holder to whom such shares have been issued or transferred a written statement of the information required by applicable law. Unless otherwise provided by applicable law, the Certificate of Incorporation, Bylaws or any other instrument, the rights and obligations of the holders of uncertificated stock and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.

Section 2. Lost Certificates. The Corporation may issue or direct a new certificate or certificates or uncertificated shares to be issued in place of any certificate or certificates previously issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the owner of the lost, stolen or destroyed certificate. When authorizing such issue of a new certificate or certificates or uncertificated shares, the Corporation may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his or her legal representative, to give the Corporation a bond in such sum as it may direct, sufficient to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

Section 3. Registered Stockholders. The Corporation shall be entitled to recognize the exclusive right of a person registered on its records as the owner of shares of stock to receive dividends, to vote, to receive notifications and otherwise to exercise all the rights and powers of an owner, except as otherwise required by applicable law. The Corporation shall not be bound to recognize any equitable or other claim to or interest in such share or shares of stock on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise required by applicable law.

Section 4. Fixing a Record Date for Purposes Other Than Stockholder Meetings or Actions by Written Consent. In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment or any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purposes of any other lawful action (other than stockholder meetings and stockholder consents which are expressly governed by Sections 12 and 13 of ARTICLE II hereof), the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

ARTICLE VI  
GENERAL PROVISIONS

Section 1. Dividends. Subject to and in accordance with applicable law, the Certificate of Incorporation and any certificate of designation relating to any series of preferred stock, dividends upon the shares of capital stock of the Corporation may be declared and paid by the Board of Directors, in accordance with applicable law. Dividends may be paid in cash, in property or in shares of the Corporation's capital stock, subject to the provisions of applicable law and the Certificate of Incorporation. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends a reserve or reserves for any proper purpose. The Board of Directors may modify or abolish any such reserves in the manner in which they were created.

Section 2. Checks, Notes, Drafts, Etc. All checks, notes, drafts or other orders for the payment of money of the Corporation shall be signed, endorsed or accepted in the name of the Corporation by such officer, officers, person or persons as from time to time may be designated by the Board of Directors or by an officer or officers authorized by the Board of Directors to make such designation.

Section 3. Contracts. In addition to the powers otherwise granted to officers pursuant to ARTICLE IV hereof, the Board of Directors may authorize any officer or officers, or any agent or agents, in the name and on behalf of the Corporation to enter into or execute and deliver any and all deeds, bonds, mortgages, contracts and other obligations or instruments, and such authority may be general or confined to specific instances.

Section 4. Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

Section 5. Corporate Seal. The Board of Directors may provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the Corporation and the words "Corporate Seal, Delaware." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. Notwithstanding the foregoing, no seal shall be required by virtue of this Section.

Section 6. Voting Securities Owned By Corporation. Voting securities in any other corporation or entity held by the Corporation shall be voted by the Chair of the Board, Chief Executive Officer, the President or the Chief Financial Officer, unless the Board of Directors specifically confers authority to vote with respect thereto, which authority may be general or confined to specific instances, upon some other person or officer. Any person authorized to vote securities shall have the power to appoint proxies, with general power of substitution.

Section 7. Facsimile/Electronic Signatures. In addition to the provisions for use of facsimile signatures elsewhere specifically authorized in these Bylaws, docusign, facsimile and other forms of electronic signatures of any officer or director of the Corporation may be used to the fullest extent permitted by applicable law.

Section 8. Section Headings. Section headings in these Bylaws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

Section 9. Inconsistent Provisions. In the event that any provision (or part thereof) of these Bylaws is or becomes inconsistent with any provision of the Certificate of Incorporation, the DGCL, any other applicable law or the Nomination Agreement, the provision (or part thereof) of these Bylaws shall be construed to be consistent with such other provision or provisions, and to the extent such provision may not be so construed, such provision shall be deemed amended to incorporate such other provision so as to eliminate any such inconsistency and as so amended shall be given full force and effect.

## ARTICLE VII INDEMNIFICATION

Section 1. Right to Indemnification and Advancement. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved (including involvement, without limitation, as a witness) in any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he or she is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, manager, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (an "indemnatee"), whether the basis of such proceeding is alleged action in an official capacity as a director or officer or in any other capacity while serving as a director or officer, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than permitted prior thereto), against all expense, liability and loss (including attorneys' fees and related disbursements, judgments, fines, excise taxes or penalties under the Employee Retirement Income Security Act of 1974, as amended from time to time ("ERISA") and any other penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such indemnatee in connection therewith and such indemnification shall continue as to an indemnatee who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the indemnatee's heirs, executors and administrators; provided, however, that, except as provided in this Section 2 of this ARTICLE VII with respect to proceedings to enforce rights to indemnification and advance of expenses (as defined below), the Corporation shall indemnify any such indemnatee in connection with a proceeding (or part thereof) initiated by such indemnatee only if such proceeding (or part thereof)

was authorized in the specific case by the Board of Directors of the Corporation. In addition to the right to indemnification conferred herein, an indemnitee shall also have the right, to the fullest extent not prohibited by law, to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition (an "advance of expenses"); provided, however, that if and to the extent that the DGCL requires, an advance of expenses shall be made only upon delivery to the Corporation of an undertaking (an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Section 1 or otherwise. The Corporation may also, by action of its Board of Directors, provide indemnification and advancement to employees and agents of the Corporation. Any reference to an officer of the Corporation in this ARTICLE VII shall be deemed to refer exclusively to the Chair of the Board of Directors, Chief Executive Officer, President, Secretary and Treasurer of the Corporation appointed pursuant to ARTICLE IV, and to any Vice President, Assistant Secretary, Assistant Treasurer or other officer of the Corporation appointed by the Board of Directors pursuant to ARTICLE IV of these By-laws, and any reference to an officer of any other enterprise shall be deemed to refer exclusively to an officer appointed by the board of directors or equivalent governing body of such other entity pursuant to the certificate of incorporation and bylaws or equivalent organizational documents of such other enterprise. The fact that any person who is or was an employee of the Corporation or an employee of any other enterprise has been given or has used the title of "Vice President" or any other title, including any titled granted to such person by the Chief Executive Officer pursuant to ARTICLE IV, Section 11, that could be construed to suggest or imply that such person is or may be an officer of the Corporation or of such other enterprise shall not result in such person being constituted as, or being deemed to be, an officer of the Corporation or of such other enterprise for purposes of this ARTICLE VII unless such person's appointment to such office was approved by the Board of Directors pursuant to ARTICLE IV.

Section 2. Procedure for Indemnification. Any claim for indemnification or advance of expenses by an indemnitee under this Section 2 of ARTICLE VII shall be made promptly, and in any event within forty-five days (or, in the case of an advance of expenses, twenty days, provided that the director or officer has delivered the undertaking contemplated by Section 1 of this ARTICLE VII if required), upon the written request of the indemnitee. If the Corporation denies a written request for indemnification or advance of expenses, in whole or in part, or if payment in full pursuant to such request is not made within forty-five days (or, in the case of an advance of expenses, twenty days, provided that the indemnitee has delivered the undertaking contemplated by Section 1 of this ARTICLE VII if required), the right to indemnification or advances as granted by this ARTICLE VII shall be enforceable by the indemnitee in any court of competent jurisdiction. Such person's costs and expenses incurred in connection with successfully establishing his or her right to indemnification, in whole or in part, in any such action shall also be indemnified by the Corporation to the fullest extent permitted by applicable law. It shall be a defense to any such action (other than an action brought to enforce a claim for the advance of expenses where the undertaking required pursuant to Section 1 of this ARTICLE VII, if any, has been tendered to the Corporation) that the claimant has not met the applicable standard of conduct which make it permissible under the DGCL for the Corporation to indemnify the claimant for the amount claimed, but the burden of proof shall be on the Corporation to the fullest extent permitted by law. Neither the failure of the Corporation (including its Board of Directors, a committee thereof, independent legal counsel or its stockholders) to have made a determination prior to the

commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 3. Insurance. The Corporation may purchase and maintain insurance on its own behalf and on behalf of any person who is or was or has agreed to become a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, partner, member, trustee, administrator, employee or agent of another corporation, partnership, joint venture, limited liability company, trust or other enterprise against any expense, liability or loss asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify such person against such expenses, liability or loss under the DGCL.

Section 4. Service for Subsidiaries. Any person serving as a director, officer, partner, member, trustee, administrator, employee or agent of another corporation, partnership, limited liability company, joint venture, trust or other enterprise, at least 50% of whose equity interests are owned by the Corporation (a "subsidiary," for purposes of this ARTICLE VII) shall be conclusively presumed to be serving in such capacity at the request of the Corporation.

Section 5. Reliance. Persons who after the date of the adoption of this provision become or remain directors or officers of the Corporation or who, while a director or officer of the Corporation, become or remain a director, manager, officer, employee or agent of a subsidiary, shall be conclusively presumed to have relied on the rights to indemnity, advance of expenses and other rights contained in this ARTICLE VII in entering into or continuing such service. To the fullest extent permitted by law, the rights to indemnification and to the advance of expenses conferred in this ARTICLE VII shall apply to claims made against an indemnitee arising out of acts or omissions which occurred or occur both prior and subsequent to the adoption hereof. Any amendment, alteration or repeal of this ARTICLE VII that adversely affects any right of an indemnitee or its successors shall be prospective only and shall not limit, eliminate, or impair any such right with respect to any proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment or repeal.

Section 6. Non-Exclusivity of Rights; Continuation of Rights of Indemnification. The rights to indemnification and to the advance of expenses conferred in this ARTICLE VII shall not be exclusive of any other right which any person may have or hereafter acquire under the Certificate of Incorporation or under any statute, by-law, agreement, vote of stockholders or disinterested directors or otherwise. All rights to indemnification under this ARTICLE VII shall be deemed to be a contract between the Corporation and each director or officer of the Corporation who serves or served in such capacity at any time while this ARTICLE VII is in effect. Any repeal or modification of this ARTICLE VII or repeal or modification of relevant provisions of the DGCL or any other applicable laws shall not in any way diminish any rights to indemnification and advancement of expenses of such director or officer or the obligations of the Corporation arising hereunder with respect to any proceeding arising out of, or relating to, any actions, transactions or facts occurring prior to the final adoption of such repeal or modification.

Section 7. Merger or Consolidation. For purposes of this ARTICLE VII, references to the "Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this ARTICLE VII with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

Section 8. Savings Clause. To the fullest extent permitted by law, if this ARTICLE VII or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify and advance expenses to each person entitled to indemnification under Section 1 of this ARTICLE VII as to all expense, liability and loss (including attorneys' fees and related disbursements, judgments, fines, ERISA excise taxes and penalties and any other penalties and amounts paid or to be paid in settlement) actually and reasonably incurred or suffered by such person and for which indemnification and advancement of expenses is available to such person pursuant to this ARTICLE VII to the fullest extent permitted by any applicable portion of this ARTICLE VII that shall not have been invalidated.

ARTICLE VIII  
AMENDMENTS

These Bylaws may be amended, altered, changed or repealed or new Bylaws adopted only in accordance with Section 1 of ARTICLE TEN of the Certificate of Incorporation.

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## INTEGRAL AD SCIENCE HOLDING CORP.

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this "Agreement") is made as of [•], 2021 among Integral Ad Science Holding Corp., a Delaware corporation (the "Company"), each of the investors listed on the signature pages hereto under the caption "Sponsor Investors" (collectively, the "Sponsor Investors"), each Person listed on the signature pages under the caption "Other Investors" or who executes a Joinder as an "Other Investor" (collectively, the "Other Investors") and each of the executives listed on the signature pages under the caption "Executives" or who executes a Joinder as an "Executive" (collectively, the "Executives"). Except as otherwise specified herein, all capitalized terms used in this Agreement are defined in Exhibit A attached hereto.

In consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

Section 1 Demand Registrations.

(a) Requests for Registration. At any time and from time to time, the Sponsor Investors may request registration under the Securities Act of all or any portion of their Registrable Securities on Form S-1 or any similar long-form registration statement ("Long-Form Registrations") or on Form S-3 or any similar short-form registration statement ("Short-Form Registrations"), if available (any such requested registration, a "Demand Registration"). The Sponsor Investors may request that any Demand Registration be made pursuant to Rule 415 under the Securities Act (a "Shelf Registration") and (if the Company is a WKSI at the time any such request is submitted to the Company or will become one by the time of the filing of such Shelf Registration) that such Shelf Registration be an automatic shelf registration statement (as defined in Rule 405 under the Securities Act) (an "Automatic Shelf Registration Statement"). Each request for a Demand Registration must specify the approximate number or dollar value of Registrable Securities requested to be registered by the requesting Holders and (if known) the intended method of distribution. The Sponsor Investors will be entitled to request an unlimited number of Demand Registrations. The Company will pay all Registration Expenses, whether or not any such registration is consummated.

(b) Notice to Other Investors. Within four (4) Business Days after receipt of any such request, the Company will give written notice of the Demand Registration to all other Holders and, subject to the terms of Section 1(e), will include in such Demand Registration (and in all related registrations and qualifications under state blue sky laws and in any related underwriting) all Registrable Securities with respect to which the Company has received written requests for inclusion therein within ten (10) days after the receipt of the Company's notice; provided that, with the written consent of the Sponsor Investor, the Company may, or at the written request of the Sponsor Investors, the Company shall, instead provide notice of the Demand Registration to all Other Investors within three (3) Business Days following the non-confidential filing of the registration statement with respect to the Demand Registration so long as such registration statement is not an Automatic Shelf Registration Statement.

(c) Form of Registrations. All Long-Form Registrations will be underwritten registrations unless otherwise approved by the Sponsor Investor. Demand Registrations will be Short-Form Registrations whenever the Company is permitted to use any applicable short form unless otherwise requested by the Sponsor Investor.

(d) Shelf Registrations.

(i) For so long as a registration statement for a Shelf Registration (a "Shelf Registration Statement") is and remains effective, the Sponsor Investors will have the right at any time or from time to time to elect to sell pursuant to an offering (including an underwritten offering Registrable Securities available for sale pursuant to such registration statement ("Shelf Registrable Securities"). If the Sponsor Investors desire to sell Registrable Securities pursuant to an underwritten offering, then the Sponsor Investors may deliver to the Company a written notice (a "Shelf Offering Notice") specifying the number of Shelf Registrable Securities that the Sponsor Investors desire to sell pursuant to such underwritten offering (the "Shelf Offering"). As promptly as practicable, but in no event later than two (2) Business Days after receipt of a Shelf Offering Notice, the Company will give written notice of such Shelf Offering Notice to all other Holders of Shelf Registrable Securities that have been identified as selling stockholders in such Shelf Registration Statement and are otherwise permitted to sell in such Shelf Offering, which such notice shall request that each such Holder specify, within seven (7) days after the Company's receipt of the Shelf Offering Notice, the maximum number of Shelf Registrable Securities such Holder desires to be disposed of in such Shelf Offering. The Company, subject to Section 1(e) and Section 7, will include in such Shelf Offering all Shelf Registrable Securities with respect to which the Company has received timely written requests for inclusion. The Company will, as expeditiously as possible (and in any event within fourteen (14) days after the receipt of a Shelf Offering Notice), but subject to Section 1(e), use its best efforts to consummate such Shelf Offering.

(ii) If the Sponsor Investors desire to engage in an underwritten block trade or bought deal pursuant to a Shelf Registration Statement (either through filing an Automatic Shelf Registration Statement or through a take-down from an already existing Shelf Registration Statement) (each, an "Underwritten Block Trade"), then notwithstanding the time periods set forth in Section 1(d)(i), the Sponsor Investors may notify the Company of the Underwritten Block Trade not less than two (2) Business Days prior to the day such offering is first anticipated to commence. If requested by the Sponsor Investors, the Company will promptly notify other Holders of such Underwritten Block Trade and such notified Holders (each, a "Potential Participant") may elect whether or not to participate no later than the next Business Day (*i.e.* one (1) Business Day prior to the day such offering is to commence) (unless a longer period is agreed to by the Sponsor Investors), and the Company will as expeditiously as possible use its best efforts to facilitate such Underwritten Block Trade (which may close as early as two (2) Business Days after the date it commences); provided further that, notwithstanding the provisions of Section 1(d)(i), no Holder (other than Holders of Sponsor Investor Registrable Securities) will be permitted to participate in an Underwritten Block Trade without the written consent of the Sponsor Investor. Any Potential Participant's request to participate in an Underwritten Block Trade shall be binding on the Potential Participant.

(iii) All determinations as to whether to complete any Shelf Offering and as to the timing, manner, price and other terms of any Shelf Offering contemplated by this Section 1(d) shall be determined by the Sponsor Investors, and the Company shall use its best efforts to cause any Shelf Offering to occur in accordance with such determinations as promptly as practicable.

(iv) The Company will, at the request of the Sponsor Investors, file any prospectus supplement or any post-effective amendments and otherwise take any action necessary to include therein all disclosure and language deemed necessary or advisable by the Sponsor Investors to effect such Shelf Offering.

(e) Priority on Demand Registrations and Shelf Offerings. The Company will not include in any Demand Registration any securities which are not Registrable Securities without the prior written consent of the Sponsor Investors. If a Demand Registration or a Shelf Offering is an underwritten offering and the managing underwriters advise the Company in writing that in their opinion the number of Registrable Securities and (if permitted hereunder) other securities requested to be included in such offering exceeds the number of Registrable Securities and other securities (if any), which can be sold therein without adversely affecting the marketability, proposed offering price, timing or method of distribution of the offering, then the Company will include in such offering (prior to the inclusion of any securities which are not Registrable Securities) the number of Registrable Securities requested to be included by any Holders which, in the opinion of such underwriters, can be sold, without any such adverse effect, pro rata among such Holders on the basis of the number of Registrable Securities owned by each such Holder. Notwithstanding anything to the contrary herein, if any Holders of Executive Registrable Securities have requested to include such securities in an underwritten offering and the managing underwriters for such offering advise the Company that in their opinion the inclusion of some or all of such Executive Registrable Securities could adversely affect the marketability, proposed offering price, timing and/or method of distribution of the offering, then the Company shall exclude from such offering the number of such Executive Registrable Securities identified by the managing underwriters as having any such adverse effect prior to the exclusion of any Registrable Securities of any other Holders as set forth in this Section 1(e), which, for the avoidance of doubt, may be all such Executive Registrable Securities requested to be included such offering.

(f) Restrictions on Demand Registration and Shelf Offerings.

(i) The Company may postpone, for up to 60 days (or with the consent of the Sponsor Investors, a longer period) from the date of the request (the "Suspension Period"), the filing or the effectiveness of a registration statement for a Demand Registration or suspend the use of a prospectus that is part of a Shelf Registration Statement (and therefore suspend sales of the Shelf Registrable Securities) by providing written notice to the Holders if the following conditions are met: (A) the Company determines that the offer or sale of Registrable Securities would reasonably be expected to have a material adverse effect on any proposal or plan by the Company or any Subsidiary to engage in any material acquisition of assets or stock (other than in the ordinary course of business) or any material merger, consolidation, tender offer, recapitalization, reorganization, financing or other transaction involving the Company and (B) upon advice of counsel, the sale of Registrable Securities pursuant to the registration statement would require disclosure of material non-public information not otherwise required to be disclosed under applicable law, and either (x) the Company has a bona fide business purpose for preserving the confidentiality of such transaction, (y) disclosure would have a material adverse effect on the Company or the Company's ability to consummate such transaction, or (z) such transaction renders the Company unable to comply with SEC requirements, in each case under circumstances that would make it impractical or inadvisable to cause the registration statement (or such filings) to become effective or to promptly amend or supplement the registration statement on a post effective basis, as applicable. The Company may delay or suspend the effectiveness of a Demand Registration or Shelf Registration Statement pursuant to this Section 1(f)(i) only once in any twelve (12)-month period (for avoidance of doubt, in addition to the Company's rights and obligations under Section 4(a)(vi)) unless additional delays or suspensions are approved by the Sponsor Investors.

(ii) In the case of an event that causes the Company to suspend the use of a Shelf Registration Statement as set forth in Section 1(f)(i) above or pursuant to Section 4(a)(vi) (a “Suspension Event”), the Company will give a notice to the Holders whose Registrable Securities are registered pursuant to such Shelf Registration Statement (a “Suspension Notice”) to suspend sales of the Registrable Securities and such notice must state generally the basis for the notice and that such suspension will continue only for so long as the Suspension Event or its effect is continuing. Each Holder agrees not to effect any sales of its Registrable Securities pursuant to such Shelf Registration Statement (or such filings) at any time after it has received a Suspension Notice from the Company and prior to receipt of an End of Suspension Notice. A Holder may recommence effecting sales of the Registrable Securities pursuant to the Shelf Registration Statement (or such filings) following further written notice to such effect (an “End of Suspension Notice”) from the Company, which End of Suspension Notice will be given by the Company to the Holders promptly following the conclusion of any Suspension Event (and in any event during the permitted Suspension Period).

(g) Selection of Underwriters. The legal counsel to the Company, the investment banker(s) and manager(s) to administer any underwritten offering in connection with any Demand Registration or Shelf Offering shall be selected by the Sponsor Investors.

(h) Other Registration Rights. Except as provided in this Agreement, the Company will not grant to any Person(s) the right to request the Company or any Subsidiary to register any equity securities of the Company or any Subsidiary, or any securities convertible or exchangeable into or exercisable for such securities, without the prior written consent of the Sponsor Investors; provided that, with the prior approval of the Sponsor Investors, the Company may grant rights to employees of the Company and its Subsidiaries to participate in Piggyback Registrations so long as they sign a Joinder as an “Executive” and Holder of “Executive Registrable Securities” hereunder.

(i) Revocation of Demand Notice or Shelf Offering Notice. At any time prior to the effective date of the registration statement relating to a Demand Registration or the “pricing” of any offering relating to a Shelf Offering Notice, the Sponsor Investors who initiated such Demand Registration or Shelf Offering may revoke or withdraw such notice of a Demand Registration or Shelf Offering Notice on behalf of all Holders participating in such Demand Registration or Shelf Offering without liability to such Holders (including, for the avoidance of doubt, the other Participating Sponsor Investors), in each case by providing written notice to the Company.

(j) Confidentiality. Each Holder agrees to treat as confidential the receipt of any notice hereunder (including notice of a Demand Registration, a Shelf Offering Notice and a Suspension Notice) and the information contained therein, and not to disclose or use the information contained in any such notice (or the existence thereof) without the prior written consent of the Company until such time as the information contained therein is or becomes available to the public generally (other than as a result of disclosure by such Holder in breach of the terms of this Agreement).

#### Section 2 Piggyback Registrations.

(a) Right to Piggyback. Whenever the Company proposes to register any of its equity securities under the Securities Act (including primary and secondary registrations, and other than pursuant to an Excluded Registration) (a “Piggyback Registration”), the Company will give prompt written notice (and in any event within three (3) Business Days after the public filing of the registration statement relating to the Piggyback Registration) to all Holders of its intention to effect such Piggyback Registration and, subject to the terms of Section 2(b) and Section 2(c), will include in such Piggyback Registration (and in all related registrations or qualifications under blue sky laws and in any related underwriting) all Registrable Securities with respect to which the Company has received written requests for inclusion therein within ten (10) days after delivery of the Company’s notice. Any Participating Sponsor Investor may withdraw its request for inclusion at any time prior to executing the underwriting agreement, or if none, prior to the applicable registration statement becoming effective.

(b) Priority on Primary Registrations. If a Piggyback Registration is an underwritten primary registration on behalf of the Company, and the managing underwriters advise the Company in writing that in their opinion the number of securities requested to be included in such registration exceeds the number which can be sold in such offering without adversely affecting the marketability, proposed offering price, timing or method of distribution of the offering, the Company will include in such registration (i) first, the securities the Company proposes to sell, (ii) second, any Registrable Securities requested to be included in such registration by any Holder which, in the opinion of the underwriters, can be sold without any such adverse effect, pro rata among such Holders on the basis of the number of Registrable Securities owned by each such Holder, and (iii) third, other securities requested to be included in such registration which, in the opinion of the underwriters, can be sold without any such adverse effect. Notwithstanding anything to the contrary herein, if any Holders of Executive Registrable Securities have requested to include such securities in a Piggyback Registration that is an underwritten primary offering on behalf of the Company and the managing underwriters for such offering advise the Company in writing that in their opinion the inclusion of some or all of such Executive Registrable Securities could adversely affect the marketability, proposed offering price, timing and/or method of distribution of the offering, the Company shall first exclude from such offering the number (which may be all) of such Executive Registrable Securities identified by the managing underwriters as having any such adverse effect prior to the exclusion of any securities in such offering.

(c) Priority on Secondary Registrations. If a Piggyback Registration is an underwritten secondary registration on behalf of holders of the Company's equity securities (other than pursuant to Section 1 hereof), and the managing underwriters advise the Company in writing that in their opinion the number of securities requested to be included in such registration exceeds the number which can be sold in such offering without adversely affecting the marketability, proposed offering price, timing or method of distribution of the offering, the Company will include in such registration (i) first, the securities requested to be included therein by the holders initially requesting such registration which, in the opinion of the underwriters, can be sold without any such adverse effect, (ii) second, any Registrable Securities requested to be included in such registration by any Holder, pro rata among such Holders on the basis of the number of Registrable Securities owned by each such Holder which, in the opinion of the underwriters, can be sold without any such adverse effect, and (iv) third, other securities requested to be included in such registration which, in the opinion of the underwriters, can be sold without any such adverse effect. Notwithstanding anything to the contrary herein, if any Holders of Executive Registrable Securities have requested to include such securities in a Piggyback Registration that is an underwritten secondary offering and the managing underwriters for such offering advise the Company in writing that in their opinion the inclusion of some or all of such Executive Registrable Securities could adversely affect the marketability, proposed offering price, timing or method of distribution of the offering, the Company shall be permitted to first exclude from such offering the number (which may be all) of such Executive Registrable Securities identified by the managing underwriters as having any such adverse effect prior to the exclusion of any securities in such offering.

(d) Right to Terminate Registration. The Company will have the right to terminate or withdraw any registration initiated by it under this Section 2, whether or not any holder of Registrable Securities has elected to include securities in such registration.

(e) Selection of Underwriters. If any Piggyback Registration is an underwritten offering, the legal counsel for the Company, the investment banker(s) and manager(s) for the offering shall be selected by the Sponsor Investors.

### Section 3 Stockholder Lock-Up Agreements and Company Holdback Agreement.

(a) Stockholder Lock-up Agreements. In connection with any underwritten Public Offering, each Holder will enter into any lock-up, holdback or similar agreements requested by the underwriter(s) managing such offering, in each case with such modifications and exceptions as may be approved by the Sponsor Investors. Without limiting the generality of the foregoing, each Holder hereby agrees that in connection with the initial Public Offering and in connection with any Demand Registration, Shelf Offering or Piggyback Registration that is an underwritten Public Offering, not to (i) offer, sell, contract to sell, pledge or otherwise dispose of (including sales pursuant to Rule 144), directly or indirectly, any equity securities of the Company (including equity securities of the Company that may be deemed to be beneficially owned by such Holder in accordance with the rules and regulations of the SEC) (collectively, "Securities"), or any securities, options or rights convertible into or exchangeable or exercisable for Securities (collectively, "Other Securities"), (ii) enter into a transaction which would have the same effect as described in clause (i) above, (iii) enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences or ownership of any Securities or Other Securities, whether such transaction is to be settled by delivery of such Securities or Other Securities, in cash or otherwise (each of (i), (ii) and (iii) above, a "Sale Transaction"), or (iv) publicly disclose the intention to enter into any Sale Transaction, commencing on the date on which the Company gives notice to the Holders that a preliminary prospectus has been circulated for such underwritten Public Offering or the "pricing" of such offering and continuing to the date that is (x) 180 days following the date of the final prospectus for such underwritten Public Offering in the case of the initial Public Offering or (y) 90 days following the date of the final prospectus in the case of any other such underwritten Public Offering (each such period, or such shorter period as agreed to by the managing underwriters, a "Holdback Period"), in each case with such modifications and exceptions as may be approved by the Sponsor Investors. The Company may impose stop-transfer instructions with respect to any Securities or Other Securities subject to the restrictions set forth in this Section 3(a) until the end of such Holdback Period.

(b) Company Holdback Agreement. The Company (i) will not file any registration statement for a Public Offering or cause any such registration statement to become effective, or effect any public sale or distribution of its Securities or Other Securities during any Holdback Period (other than as part of such underwritten Public Offering, or a registration on Form S-4 or Form S-8 or any successor or similar form which is (x) then in effect or (y) shall become effective upon the conversion, exchange or exercise of any then outstanding Other Securities) and (ii) will cause each holder of Securities and Other Securities (including each of its directors and executive officers) to agree not to effect any Sale Transaction during any Holdback Period, except as part of such underwritten registration (if otherwise permitted), unless approved in writing by the Sponsor Investors and the underwriters managing the Public Offering and to enter into any lock-up, holdback or similar agreements requested by the underwriter(s) managing such offering, in each case with such modifications and exceptions as may be approved by the Sponsor Investors.

### Section 4 Registration Procedures.

(a) Company Obligations. Whenever the Holders have requested that any Registrable Securities be registered pursuant to this Agreement or have initiated a Shelf Offering, the Company will use its best efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof, and pursuant thereto the Company will as expeditiously as possible:

(i) prepare and file with (or submit confidentially to) the SEC a registration statement, and all amendments and supplements thereto and related prospectuses, with respect to such Registrable Securities and use its best efforts to cause such registration statement to become effective, all in accordance with the Securities Act and all applicable rules and regulations promulgated thereunder (provided that before filing or confidentially submitting a registration statement or prospectus or any amendments or supplements thereto, the Company will furnish to the counsel selected by the Sponsor Investors covered by such registration statement copies of all such documents proposed to be filed or submitted, which documents will be subject to the review and comment of such counsel);

(ii) notify each Holder of (A) the issuance by the SEC of any stop order suspending the effectiveness of any registration statement or the initiation of any proceedings for that purpose, (B) the receipt by the Company or its counsel of any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose, and (C) the effectiveness of each registration statement filed hereunder;

(iii) prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for a period ending when all of the securities covered by such registration statement have been disposed of in accordance with the intended methods of distribution by the sellers thereof set forth in such registration statement (but not in any event before the expiration of any longer period required under the Securities Act or, if such registration statement relates to an underwritten Public Offering, such longer period as in the opinion of counsel for the underwriters a prospectus is required by law to be delivered in connection with sale of Registrable Securities by an underwriter or dealer) and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such registration statement;

(iv) furnish, without charge, to each seller of Registrable Securities thereunder and each underwriter, if any, such number of copies of such registration statement, each amendment and supplement thereto, the prospectus included in such registration statement (including each preliminary prospectus) (in each case including all exhibits and documents incorporated by reference therein), each amendment and supplement thereto, each Free Writing Prospectus and such other documents as such seller or underwriter, if any, may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such seller (the Company hereby consenting to the use in accordance with all applicable laws of each such registration statement, each such amendment and supplement thereto, and each such prospectus (or preliminary prospectus or supplement thereto) or Free Writing Prospectus by each such seller of Registrable Securities and the underwriters, if any, in connection with the offering and sale of the Registrable Securities covered by such registration statement or prospectus);

(v) use its best efforts to register or qualify such Registrable Securities under such other securities or blue sky laws of such jurisdictions as any seller reasonably requests and do any and all other acts and things which may be reasonably necessary or advisable to enable such seller to consummate the disposition in such jurisdictions of the Registrable Securities owned by such seller (provided that the Company will not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this subparagraph or (B) consent to general service of process in any such jurisdiction or (C) subject itself to taxation in any such jurisdiction);

(vi) notify in writing each seller of such Registrable Securities (A) promptly after it receives notice thereof, of the date and time when such registration statement and each post-effective amendment thereto has become effective or a prospectus or supplement to any prospectus relating to a registration statement has been filed and when any registration or qualification has become effective under a state securities or blue sky law or any exemption thereunder has been obtained, (B) promptly after receipt thereof, of any request by the SEC for the amendment or supplementing of such registration statement or prospectus or for additional information, and (C) at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event or of any information or circumstances as a result of which the prospectus included in such registration statement contains an untrue statement of a material fact or omits any fact necessary to make the statements therein not misleading, and, subject to Section 1(f), if required by applicable law or to the extent requested by the Sponsor Investor, the Company will use its best efforts to promptly prepare and file a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading and (D) if at any time the representations and warranties of the Company in any underwriting agreement, securities sale agreement, or other similar agreement, relating to the offering shall cease to be true and correct;

(vii) (A) use best efforts to cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed and, if not so listed, to be listed on a securities exchange and, without limiting the generality of the foregoing, to arrange for at least two market makers to register as such with respect to such Registrable Securities with FINRA, and (B) comply (and continue to comply) with the requirements of any self-regulatory organization applicable to the Company, including without limitation all corporate governance requirements;

(viii) use best efforts to provide a transfer agent and registrar for all such Registrable Securities not later than the effective date of such registration statement;

(ix) enter into and perform such customary agreements (including, as applicable, underwriting agreements in customary form) and take all such other actions as the Sponsor Investors or the underwriters, if any, reasonably request in order to expedite or facilitate the disposition of such Registrable Securities (including, without limitation, making available the executive officers of the Company and participating in "road shows," investor presentations, marketing events and other selling efforts and effecting a stock or unit split or combination, recapitalization or reorganization);

(x) make available for inspection by any seller of Registrable Securities, any underwriter participating in any disposition or sale pursuant to such registration statement and any attorney, accountant or other agent retained by any such seller or underwriter, all financial and other records, pertinent corporate and business documents and properties of the Company as will be necessary to enable them to exercise their due diligence responsibility, and cause the Company's officers, directors, employees, agents, representatives and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant or agent in connection with such registration statement and the disposition of such Registrable Securities pursuant thereto;

(xi) take all actions to ensure that any Free-Writing Prospectus utilized in connection with any Demand Registration or Piggyback Registration or Shelf Offering hereunder complies in all material respects with the Securities Act, is filed in accordance with the Securities Act to the extent required thereby, is retained in accordance with the Securities Act to the extent required thereby and, when taken together with the related prospectus, prospectus supplement and related documents, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(xii) otherwise use its best efforts to comply with all applicable rules and regulations of the SEC, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve (12) months beginning with the first day of the Company's first full calendar quarter after the effective date of the registration statement, which earnings statement will satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder;

(xiii) permit any Holder which, in its sole and exclusive judgment, might be deemed to be an underwriter or a controlling person of the Company, to participate in the preparation of such registration or comparable statement and to allow such Holder to provide language for insertion therein, in form and substance satisfactory to the Company, which in the reasonable judgment of such Holder and its counsel should be included;

(xiv) use best efforts to (A) make Short-Form Registration available for the sale of Registrable Securities and (B) prevent the issuance of any stop order suspending the effectiveness of a registration statement, or the issuance of any order suspending or preventing the use of any related prospectus or suspending the qualification of any Common Equity included in such registration statement for sale in any jurisdiction use, and in the event any such order is issued, best efforts to obtain promptly the withdrawal of such order;

(xv) use its reasonable best efforts to cause such Registrable Securities covered by such registration statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the sellers thereof to consummate the disposition of such Registrable Securities;

(xvi) cooperate with the Holders covered by the registration statement and the managing underwriter or agent, if any, to facilitate the timely preparation and delivery of certificates (not bearing any restrictive legends) representing securities to be sold under the registration statement, or the removal of any restrictive legends associated with any account at which such securities are held, and enable such securities to be in such denominations and registered in such names as the managing underwriter, or agent, if any, or such Holders may request;

(xvii) if requested by any managing underwriter, include in any prospectus or prospectus supplement updated financial or business information for the Company's most recent period or current quarterly period (including estimated results or ranges of results) if required for purposes of marketing the offering in the view of the managing underwriter;

(xviii) take no direct or indirect action prohibited by Regulation M under the Exchange Act; provided, however, that to the extent that any prohibition is applicable to the Company, the Company will take such action as is necessary to make any such prohibition inapplicable;

(xix) cooperate with each Holder covered by the registration statement and each underwriter or agent participating in the disposition of such Registrable Securities and their respective counsel in connection with the preparation and filing of applications, notices, registrations and responses to requests for additional information with FINRA, the New York Stock Exchange, Nasdaq or any other national securities exchange on which the shares of Common Equity are or are to be listed, and (B) to the extent required by the rules and regulations of FINRA, retain a Qualified Independent Underwriter acceptable to the managing underwriter;

(xx) in the case of any underwritten offering, use its best efforts to obtain, and deliver to the underwriter(s), in the manner and to the extent provided for in the applicable underwriting agreement, one or more cold comfort letters from the Company's independent public accountants in customary form and covering such matters of the type customarily covered by cold comfort letters;

(xxi) use its best efforts to provide (A) a legal opinion of the Company's outside counsel, dated the effective date of such registration statement addressed to the Company, (B) on the date that such Registrable Securities are delivered to the underwriters for sale in connection with a Demand Registration or Shelf Offering, if such securities are being sold through underwriters, or, if such securities are not being sold through underwriters, on the closing date of the applicable sale, (1) one or more legal opinions of the Company's outside counsel, dated such date, in form and substance as customarily given to underwriters in an underwritten public offering or, in the case of a non-underwritten offering, to the broker, placement agent or other agent of the Holders assisting in the sale of the Registrable Securities and (2) one or more "negative assurances letters" of the Company's outside counsel, dated such date, in form and substance as is customarily given to underwriters in an underwritten public offering or, in the case of a non-underwritten offering, to the broker, placement agent or other agent of the Holders assisting in the sale of the Registrable Securities, in each case, addressed to the underwriters, if any, or, if requested, in the case of a non-underwritten offering, to the broker, placement agent or other agent of the Holders assisting in the sale of the Registrable Securities and (3) customary certificates executed by authorized officers of the Company as may be requested by any Holder or any underwriter of such Registrable Securities;

(xxii) if the Company files an Automatic Shelf Registration Statement covering any Registrable Securities, use its best efforts to remain a WKSI (and not become an ineligible issuer (as defined in Rule 405 under the Securities Act)) during the period during which such Automatic Shelf Registration Statement is required to remain effective;

(xxiii) if the Company does not pay the filing fee covering the Registrable Securities at the time an Automatic Shelf Registration Statement is filed, pay such fee at such time or times as the Registrable Securities are to be sold;

(xxiv) if the Automatic Shelf Registration Statement has been outstanding for at least three (3) years, at the end of the third year, refile a new Automatic Shelf Registration Statement covering the Registrable Securities, and, if at any time when the Company is required to re-evaluate its WKSI status the Company determines that it is not a WKSI, use its best efforts to refile the Shelf Registration Statement on Form S-3 and, if such form is not available, Form S-1 and keep such registration statement effective during the period during which such registration statement is required to be kept effective; and

(xxv) if requested by any Participating Sponsor Investor, cooperate with such Participating Sponsor Investor and with the managing underwriter or agent, if any, on reasonable notice to facilitate any Charitable Gifting Event and to prepare and file with the SEC such amendments and supplements to such Registration Statement and the Prospectus used in connection therewith as may be necessary to permit any such recipient Charitable Organization to sell in the underwritten offering if it so elects.

(b) Officer Obligations. Each Holder that is an officer of the Company agrees that if and for so long as he or she is employed by the Company or any Subsidiary thereof, he or she will participate fully in the sale process in a manner customary for persons in like positions and consistent with his or her other duties with the Company, including the preparation of the registration statement and the preparation and presentation of any road shows.

(c) Automatic Shelf Registration Statements. If the Company files any Automatic Shelf Registration Statement for the benefit of the holders of any of its securities other than the Holders, and the Sponsor Investors do not request that their Registrable Securities be included in such Shelf Registration Statement, the Company agrees that, at the request of the Sponsor Investors, it will include in such Automatic Shelf Registration Statement such disclosures as may be required by Rule 430B in order to ensure that the Sponsor Investors may be added to such Shelf Registration Statement at a later time through the filing of a prospectus supplement rather than a post-effective amendment. If the Company has filed any Automatic Shelf Registration Statement for the benefit of the holders of any of its securities other than the Holders, the Company shall, at the request of the Sponsor Investors, file any post-effective amendments necessary to include therein all disclosure and language necessary to ensure that the holders of Registrable Securities may be added to such Shelf Registration Statement.

(d) Additional Information. The Company may require each seller of Registrable Securities as to which any registration is being effected to furnish the Company such information regarding such seller and the distribution of such securities as the Company may from time to time reasonably request in writing, as a condition to such seller's participation in such registration.

(e) In-Kind Distributions. If any Sponsor Investor (and/or any of their Affiliates) seeks to effectuate an in-kind distribution of all or part of their Registrable Securities to their respective direct or indirect equityholders, the Company will, subject to any applicable lock-ups, work with the foregoing Persons to facilitate such in-kind distribution in the manner reasonably requested and consistent with the Company's obligations under the Securities Act.

(f) Suspended Distributions. Each Person participating in a registration hereunder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 4(a)(vi), such Person will immediately discontinue the disposition of its Registrable Securities pursuant to the registration statement until such Person's receipt of the copies of a supplemented or amended prospectus as contemplated by Section 4(a)(vi), subject to the Company's compliance with its obligations under Section 4(a)(vi).

(g) Other. To the extent that any of the Participating Sponsor Investors is or may be deemed to be an "underwriter" of Registrable Securities pursuant to any SEC comments or policies, the Company agrees that (i) the indemnification and contribution provisions contained in Section 6 shall be applicable to the benefit of such Participating Sponsor Investor in their role as an underwriter or deemed underwriter in addition to their capacity as a holder and (ii) such Participating Sponsor Investor shall be entitled to conduct the due diligence which they would normally conduct in connection with an offering of securities registered under the Securities Act, including without limitation receipt of customary opinions and comfort letters addressed to such Participating Sponsor Investor.

## Section 5 Registration Expenses.

Except as expressly provided herein, all out-of-pocket expenses incurred by the Company or any Sponsor Investor in connection with the performance of or compliance with this Agreement and/or in connection with any Demand Registration, Piggyback Registration or Shelf Offering, whether or not the same shall become effective, shall be paid by the Company, including, without limitation: (i) all registration and filing fees, and any other fees and expenses associated with filings required to be made with the SEC or FINRA, (ii) all fees and expenses in connection with compliance with any securities or "blue sky" laws, (iii) all printing, duplicating, word processing, messenger, telephone, facsimile and delivery expenses (including expenses of printing certificates for the Registrable Securities in a form eligible for deposit with The Depository Trust Company or other depository and of printing prospectuses and Company Free Writing Prospectuses), (iv) all fees and disbursements of counsel for the Company and of all independent certified public accountants of the Company (including the expenses of any special audit and cold comfort letters required by or incident to such performance), (v) Securities Act liability insurance or similar insurance if the Company so desires or the underwriters so require in accordance with then-customary underwriting practice, (vi) all fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange on which similar securities of the Company are then listed (or on which exchange the Registrable Securities are proposed to be listed in the case of the initial Public Offering), (vii) all applicable rating agency fees with respect to the Registrable Securities, (viii) all fees and disbursements of legal counsel for the Company, (ix) all fees and disbursements of one legal counsel for selling Holders selected by the Sponsor Investors together with any necessary local counsel as may be required by the Sponsor Investors, (xi) any fees and disbursements of underwriters customarily paid by issuers or sellers of securities, (xii) all fees and expenses of any special experts or other Persons retained by the Company or the Sponsor Investors in connection with any Registration (xiii) all of the Company's internal expenses (including all salaries and expenses of its officers and employees performing legal or accounting duties) and (xiv) all expenses related to the "road-show" for any underwritten offering, including all travel, meals and lodging. All such expenses are referred to herein as "Registration Expenses." The Company shall not be required to pay, and each Person that sells securities pursuant to a Demand Registration, Shelf Offering or Piggyback Registration hereunder will bear and pay, all underwriting discounts and commissions applicable to the Registrable Securities sold for such Person's account and all transfer taxes (if any) attributable to the sale of Registrable Securities.

## Section 6 Indemnification and Contribution.

(a) By the Company. The Company will indemnify and hold harmless, to the fullest extent permitted by law and without limitation as to time, each Holder, such Holder's officers, directors employees, agents, fiduciaries, stockholders, managers, partners, members, affiliates, direct and indirect equityholders, consultants and representatives, and any successors and assigns thereof, and each Person who controls such holder (within the meaning of the Securities Act) (the "Indemnified Parties") against all losses, claims, actions, damages, liabilities and expenses (including with respect to actions or proceedings, whether commenced or threatened, and including reasonable attorney fees and expenses) (collectively, "Losses") caused by, resulting from, arising out of, based upon or related to any of the following (each, a "Violation") by the Company: (i) any untrue or alleged untrue statement of material fact contained in (A) any registration statement, prospectus, preliminary prospectus or Free-Writing Prospectus, or any amendment thereof or supplement thereto or (B) any application or other document or communication (in this Section 6, collectively called an "application") executed by or on behalf of the Company or based upon written information furnished by or on behalf of the Company filed in any jurisdiction in order to qualify any securities covered by such registration under the "blue sky" or securities laws thereof, (ii) any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading or (iii) any violation or alleged violation by the Company of the Securities Act or any other similar federal or state securities laws or any rule or regulation promulgated thereunder applicable to the Company and relating to action or inaction required of the Company in connection with any such registration, qualification or compliance. In addition, the Company will reimburse such Indemnified Party for any legal or any other expenses reasonably incurred by them in connection with investigating or defending any such Losses. Notwithstanding the foregoing, the Company will not be liable in any such case to the extent that any such Losses result from, arise out of, are based upon, or relate to an untrue statement, or omission, made in such registration statement, any such prospectus, preliminary prospectus

or Free-Writing Prospectus or any amendment or supplement thereto, or in any application, in reliance upon, and in conformity with, written information prepared and furnished in writing to the Company by such Indemnified Party expressly for use therein or by such Indemnified Party's failure to deliver a copy of the registration statement or prospectus or any amendments or supplements thereto after the Company has furnished such Indemnified Party with a sufficient number of copies of the same. In connection with an underwritten offering, the Company will indemnify such underwriters, their officers and directors, and each Person who controls such underwriters (within the meaning of the Securities Act) to the same extent as provided above with respect to the indemnification of the Indemnified Parties or as otherwise agreed to in the underwriting agreement executed in connection with such underwritten offering. Such indemnity and reimbursement of expenses shall remain in full force and effect regardless of any investigation made by or on behalf of such Indemnified Party and shall survive the transfer of such securities by such seller.

(b) By Holders. In connection with any registration statement in which a Holder is participating, each such Holder will furnish to the Company in writing such information and affidavits as the Company reasonably requests for use in connection with any such registration statement or prospectus and, to the extent permitted by law, will indemnify the Company, its officers, directors, employees, agents and representatives, and each Person who controls the Company (within the meaning of the Securities Act) against any Losses resulting from (as determined by a final and appealable judgment, order or decree of a court of competent jurisdiction) any untrue statement of material fact contained in the registration statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission is contained in any information or affidavit so furnished in writing by such Holder expressly for use therein; provided that the obligation to indemnify will be individual, not joint and several, for each Holder and will be limited to the net amount of proceeds received by such Holder from the sale of Registrable Securities pursuant to such registration statement.

(c) Claim Procedure. Any Person entitled to indemnification hereunder will (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that the failure to give prompt notice will impair any Person's right to indemnification hereunder only to the extent such failure has prejudiced the indemnifying party) and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party will not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent will not be unreasonably withheld, conditioned or delayed). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim will not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim. In such instance, the conflicted indemnified parties will have a right to retain one separate counsel, chosen by the majority of the conflicted indemnified parties involved in the indemnification and approved by the Sponsor Investor, at the expense of the indemnifying party.

(d) Contribution. If the indemnification provided for in this Section 6 is held by a court of competent jurisdiction to be unavailable to, or is insufficient to hold harmless, an indemnified party or is otherwise unenforceable with respect to any Loss referred to herein, then such indemnifying party will contribute to the amounts paid or payable by such indemnified party as a result of such Loss, (i) in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other hand in connection with the statements or omissions which resulted in such Loss as well as any other relevant equitable considerations or (ii) if the allocation provided by clause (i) of this Section 6(d) is not permitted by applicable law, then in such proportion as is appropriate to reflect not

only such relative fault but also the relative benefit of the Company on the one hand and of the sellers of Registrable Securities and any other sellers participating in the registration statement on the other in connection with the statement or omissions which resulted in such Losses, as well as any other relevant equitable considerations; provided that the maximum amount of liability in respect of such contribution will be limited, in the case of each seller of Registrable Securities, to an amount equal to the net proceeds actually received by such seller from the sale of Registrable Securities effected pursuant to such registration. The relative fault of the indemnifying party and of the indemnified party will be determined by reference to, among other things, whether the untrue (or, as applicable alleged) untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just or equitable if the contribution pursuant to this Section 6(d) were to be determined by pro rata allocation or by any other method of allocation that does not take into account such equitable considerations. The amount paid or payable by an indemnified party as a result of the Losses referred to herein will be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending against any action or claim which is the subject hereof. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person who is not guilty of such fraudulent misrepresentation.

(e) Release. No indemnifying party will, except with the consent of the indemnified party, consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

(f) Non-exclusive Remedy; Survival. The indemnification and contribution provided for under this Agreement will be in addition to any other rights to indemnification or contribution that any indemnified party may have pursuant to law or contract (and the Company and its Subsidiaries shall be considered the indemnitors of first resort in all such circumstances to which this Section 6 applies) and will remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling Person of such indemnified party and will survive the transfer of Registrable Securities and the termination or expiration of this Agreement.

Section 7 Cooperation with Underwritten Offerings. No Person may participate in any underwritten registration hereunder unless such Person (i) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Person or Persons entitled hereunder to approve such arrangements (including, without limitation, pursuant to the terms of any over-allotment or "green shoe" option requested by the underwriters; provided that no Holder will be required to sell more than the number of Registrable Securities such Holder has requested to include in such registration) and (ii) completes, executes and delivers all questionnaires, powers of attorney, stock powers, custody agreements, indemnities, underwriting agreements and other documents and agreements required under the terms of such underwriting arrangements or as may be reasonably requested by the Company and the lead managing underwriter(s). To the extent that any such agreement is entered into pursuant to, and consistent with, Section 3, Section 4 and/or this Section 7, the respective rights and obligations created under such agreement will supersede the respective rights and obligations of the Holders, the Company and the underwriters created thereby with respect to such registration.

#### Section 8 Subsidiary Public Offering.

(a) Subsidiary Public Offering. If, after an initial Public Offering of the common equity securities of one of its Subsidiaries, the Company distributes securities of such Subsidiary to its equityholders, then the rights and obligations of the Company pursuant to this Agreement will apply, *mutatis mutandis*, to such Subsidiary, and the Company will cause such Subsidiary to comply with such Subsidiary's obligations under this Agreement as if it were the Company hereunder.

Section 9 Joinder; Additional Parties; Transfer of Registrable Securities.

(a) Joinder. The Company may from time to time (with the prior written consent of the Sponsor Investors) permit any Person who acquires Common Equity (or rights to acquire Common Equity) to become a party to this Agreement and to be entitled to and be bound by all of the rights and obligations as a Holder by obtaining an executed joinder to this Agreement from such Person in the form of Exhibit B attached hereto (a "Joinder"). Upon the execution and delivery of a Joinder by such Person, the Common Equity held by such Person shall become the category of Registrable Securities (i.e. Sponsor Investor, Executive or Other Investor Registrable Securities), and such Person shall be deemed the category of Holder (i.e. Sponsor Investor, Executive or Other Investor), in each case as set forth on the signature page to such Joinder.

(b) Restrictions on Transfers. Prior to transferring any Registrable Securities to any Person (including, without limitation, by operation of law), the transferring Holder must first obtain the prior written consent of the Sponsor Investor, and if so obtained, cause the prospective transferee to execute and deliver to the Company a Joinder, except that such consent and Joinder shall not be required in the case of (i) a transfer to the Company, (ii) a transfer by any Sponsor Investor to its partners or members, (iii) a Public Offering, (iv) a sale pursuant to Rule 144 after the completion of the initial Public Offering and/or (v) a transfer in connection with a Sale of the Company. Any transfer or attempted transfer of Registrable Securities in violation of any provision of this Agreement will be void, and the Company will not record such transfer on its books or treat any purported transferee of such Registrable Securities as the owner thereof for any purpose (but the Company will be entitled to enforce against such Person the obligations hereunder).

(c) Legend. Each certificate (if any) evidencing any Registrable Securities and each certificate issued in exchange for or upon the transfer of any Registrable Securities (unless such Registrable Securities would no longer be Registrable Securities after such transfer) will be stamped or otherwise imprinted with a legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER AND OTHER PROVISIONS SET FORTH IN A REGISTRATION RIGHTS AGREEMENT DATED AS OF \_\_\_\_\_, 20\_\_ AMONG THE ISSUER OF SUCH SECURITIES (THE "COMPANY") AND CERTAIN OF THE COMPANY'S EQUITYHOLDERS, AS AMENDED. A COPY OF SUCH AGREEMENT WILL BE FURNISHED WITHOUT CHARGE BY THE COMPANY TO THE HOLDER HEREOF UPON WRITTEN REQUEST."

The Company will imprint such legend on certificates evidencing Registrable Securities outstanding prior to the date hereof. The legend set forth above will be removed from the certificates evidencing any securities that have ceased to be Registrable Securities.

Section 10 General Provisions.

(a) Amendments and Waivers. Except as otherwise provided herein, the provisions of this Agreement may be amended, modified or waived only with the prior written consent of the Company and the Sponsor Investors; provided that no such amendment, modification or waiver that would treat a specific Holder or group of Holders of Registrable Securities (i.e., Executives or Other Investors) in a manner materially and adversely different than any other Holder or group of Holders will be effective against such Holder or group of Holders without the consent of the holders of a majority of the Registrable Securities that are held by the group of Holders that is materially and adversely affected thereby. The failure or delay of any Person to enforce any of the provisions of this Agreement will in no way be construed as a waiver of such provisions and will not affect the right of such Person thereafter to enforce each and every provision of this Agreement in accordance with its terms. A waiver or consent to or of any breach or default by any Person in the performance by that Person of his, her or its obligations under this Agreement will not be deemed to be a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person under this Agreement.

(b) Remedies. The parties to this Agreement will be entitled to enforce their rights under this Agreement specifically (without posting a bond or other security), to recover damages caused by reason of any breach of any provision of this Agreement and to exercise all other rights existing in their favor. The parties hereto agree and acknowledge that a breach of this Agreement would cause irreparable harm and money damages would not be an adequate remedy for any such breach and that, in addition to any other rights and remedies existing hereunder, any party will be entitled to specific performance and/or other injunctive relief from any court of law or equity of competent jurisdiction (without posting any bond or other security) in order to enforce or prevent violation of the provisions of this Agreement.

(c) Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited, invalid, illegal or unenforceable in any respect under any applicable law or regulation in any jurisdiction, such prohibition, invalidity, illegality or unenforceability will not affect the validity, legality or enforceability of any other provision of this Agreement in such jurisdiction or in any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such prohibited, invalid, illegal or unenforceable provision had never been contained herein.

(d) Entire Agreement. Except as otherwise provided herein, this Agreement contains the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or among the parties hereto, written or oral, which may have related to the subject matter hereof in any way.

(e) Successors and Assigns. Except as otherwise provided herein, this Agreement will bind and inure to the benefit and be enforceable by the Company and its successors and permitted assigns and the Holders and their respective successors and permitted assigns (whether so expressed or not).

(f) Notices. Any notice, demand or other communication to be given under or by reason of the provisions of this Agreement will be in writing and will be deemed to have been given (i) when delivered personally to the recipient, (ii) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient; but if not, then on the next Business Day, (iii) one Business Day after it is sent to the recipient by reputable overnight courier service (charges prepaid) or (iv) three Business Days after it is mailed to the recipient by first class mail, return receipt requested. Such notices, demands and other communications will be sent to the Company at the address specified on the signature page hereto or any Joinder and to any holder, or at such address or to the attention of such other Person as the recipient party has specified by prior written notice to the sending party. Any party may change such party's address for receipt of notice by giving prior written notice of the change to the sending party as provided herein.

The Company's address is:

Integral Ad Science Holding Corp.

95 Morton St, FL 8

New York, NY 10014

Attention: Micah Nesson, General Counsel

Email: \*\*\*\*\*

With a copy to:

Kirkland & Ellis LLP

300 North LaSalle Street

Chicago, IL 60654

Attention: Robert Hayward, P.C.

Robert Goedert, P.C.

Email: \*\*\*\*\*

or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party.

(g) Business Days. If any time period for giving notice or taking action hereunder expires on a day that is not a Business Day, the time period will automatically be extended to the Business Day immediately following such Saturday, Sunday or legal holiday.

(h) Governing Law. The corporate law of the State of Delaware will govern all issues and questions concerning the relative rights of the Company and its equityholders. All other issues and questions concerning the construction, validity, interpretation and enforcement of this Agreement and the exhibits and schedules hereto will be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware. In furtherance of the foregoing, the internal law of the State of Delaware will control the interpretation and construction of this Agreement (and all schedules and exhibits hereto), even though under that jurisdiction's choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily apply.

(i) MUTUAL WAIVER OF JURY TRIAL. AS A SPECIFICALLY BARGAINED FOR INDUCEMENT FOR EACH OF THE PARTIES HERETO TO ENTER INTO THIS AGREEMENT (AFTER HAVING THE OPPORTUNITY TO CONSULT WITH COUNSEL), EACH PARTY HERETO EXPRESSLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY LAWSUIT OR PROCEEDING RELATING TO OR ARISING IN ANY WAY FROM THIS AGREEMENT OR THE MATTERS CONTEMPLATED HEREBY.

(j) CONSENT TO JURISDICTION AND SERVICE OF PROCESS. EACH OF THE PARTIES IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE, FOR THE PURPOSES OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF THIS AGREEMENT, ANY RELATED AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY OR THEREBY. EACH OF THE PARTIES HERETO FURTHER AGREES THAT SERVICE OF ANY PROCESS, SUMMONS, NOTICE OR DOCUMENT BY U.S. REGISTERED MAIL TO SUCH PARTY'S RESPECTIVE ADDRESS SET FORTH ABOVE WILL BE EFFECTIVE SERVICE OF PROCESS FOR ANY ACTION, SUIT OR PROCEEDING WITH RESPECT TO ANY MATTERS TO WHICH IT HAS SUBMITTED TO JURISDICTION IN THIS PARAGRAPH. EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION TO THE LAYING OF VENUE OF ANY ACTION,

SUIT OR PROCEEDING ARISING OUT OF THIS AGREEMENT, ANY RELATED DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE, AND HEREBY AND THEREBY FURTHER IRREVOCABLY AND UNCONDITIONALLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(k) No Recourse. Notwithstanding anything to the contrary in this Agreement, the Company and each Holder agrees and acknowledges that no recourse under this Agreement or any documents or instruments delivered in connection with this Agreement, will be had against any current or future director, officer, employee, general or limited partner or member of any Holder or any Affiliate or assignee thereof, whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable law, it being expressly agreed and acknowledged that no personal liability whatsoever will attach to, be imposed on or otherwise be incurred by any current or future officer, agent or employee of any Holder or any current or future member of any Holder or any current or future director, officer, employee, partner or member of any Holder or of any Affiliate or assignee thereof, as such for any obligation of any Holder under this Agreement or any documents or instruments delivered in connection with this Agreement for any claim based on, in respect of or by reason of such obligations or their creation.

(l) Descriptive Headings; Interpretation. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement. The use of the word "including" in this Agreement will be by way of example rather than by limitation.

(m) No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction will be applied against any party.

(n) Counterparts. This Agreement may be executed in multiple counterparts, any one of which need not contain the signature of more than one party, but all such counterparts taken together will constitute one and the same agreement.

(o) Electronic Delivery. This Agreement, the agreements referred to herein, and each other agreement or instrument entered into in connection herewith or therewith or contemplated hereby or thereby, and any amendments hereto or thereto, to the extent executed and delivered by means of a photographic, photostatic, facsimile or similar reproduction of such signed writing using a facsimile machine or electronic mail will be treated in all manner and respects as an original agreement or instrument and will be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto will re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument will raise the use of a facsimile machine or electronic mail to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or electronic mail as a defense to the formation or enforceability of a contract and each such party forever waives any such defense.

(p) Further Assurances. In connection with this Agreement and the transactions contemplated hereby, each Holder agrees to execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Agreement and the transactions contemplated hereby.

(q) Dividends, Recapitalizations, Etc. If at any time or from time to time there is any change in the capital structure of the Company by way of a stock split, stock dividend, combination or reclassification, or through a merger, consolidation, reorganization or recapitalization, or by any other means, appropriate adjustment will be made in the provisions hereof so that the rights and privileges granted hereby will continue.

(r) No Third-Party Beneficiaries. No term or provision of this Agreement is intended to be, or shall be, for the benefit of any Person not a party hereto, and no such other Person shall have any right or cause of action hereunder, except as otherwise expressly provided herein.

(s) Current Public Information. At all times after the Company has filed a registration statement with the SEC pursuant to the requirements of either the Securities Act or the Exchange Act, the Company will file all reports required to be filed by it under the Securities Act and the Exchange Act and will take such further action as the Sponsor Investors may reasonably request, all to the extent required to enable such Holders to sell Registrable Securities pursuant to Rule 144.

\* \* \* \* \*

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

**INTEGRAL AD SCIENCE HOLDING CORP.**

By: \_\_\_\_\_  
Name: Joseph Pergola  
Its: Chief Financial Officer

*[Signature Page to Registration Rights Agreement]*

**SPONSOR INVESTORS:**

**VISTA EQUITY PARTNERS FUND VI, L.P.**

By: VISTA EQUITY PARTNERS FUND VI GP, L.P.  
Its: General Partner

By: VEPF VI GP, Ltd.  
Its: General Partner

By: \_\_\_\_\_  
Name: Robert F. Smith  
Its: Director

**VISTA EQUITY PARTNERS FUND VI-A, L.P.**

By: VISTA EQUITY PARTNERS FUND VI GP, L.P.  
Its: General Partner

By: VEPF VI GP, Ltd.  
Its: General Partner

By: \_\_\_\_\_  
Name: Robert F. Smith  
Its: Director

**VEPF VI FAF, L.P.**

By: VISTA EQUITY PARTNERS FUND VI GP, L.P.  
Its: General Partner

By: VEPF VI GP, Ltd.  
Its: General Partner

By: \_\_\_\_\_  
Name: Robert F. Smith  
Its: Director

**VISTA EQUITY PARTNERS FUND VI GP, L.P.**

By: VEPF VI GP, Ltd.  
Its: General Partner

By: \_\_\_\_\_  
Name: Robert F. Smith  
Its: Director

**VEPF VI GP, Ltd.**

By: \_\_\_\_\_  
Name: Robert F. Smith  
Its: Director

*[Signature Page to Registration Rights Agreement]*

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**VEP GROUP, LLC**

By: \_\_\_\_\_

Name: Robert F. Smith

Its: Managing Member

*[Signature Page to Registration Rights Agreement]*

**OTHER INVESTORS:**

**ATLAS VENTURE FUND VIII, L.P.**

By: Atlas Venture Associates VIII, L.P.  
Its: General Partner

By: Atlas Venture Associates VIII, Inc.  
Its: General Partner

By: \_\_\_\_\_  
Name:  
Title:

**AUGUST CAPITAL VI SPECIAL OPPORTUNITIES,  
L.P**

By: August Capital Management VI, L.L.C.  
Its: General Partner

By: \_\_\_\_\_  
Name:  
Title:

**SAPPHIRE SAP HANA FUND OF FUNDS, L.P.**

By: Sapphire SAP HANA Fund of Funds (GPE), L.L.C.  
Its general partner

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

*[Signature Page to Registration Rights Agreement]*

**SAPPHIRE VENTURES FUND II, L.P.**

By: Sapphire Ventures Partners (GPE) II, L.L.C.  
Its general partner

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

*[Signature Page to Registration Rights Agreement]*

## DEFINITIONS

“Affiliate” of any Person means any other Person controlled by, controlling or under common control with such Person and, in the case of an individual, also includes any member of such individual’s Family Group; provided that the Company and its Subsidiaries will not be deemed to be Affiliates of any holder of Registrable Securities. As used in this definition, “control” (including, with its correlative meanings, “controlling,” “controlled by” and “under common control with”) will mean possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities, by contract or otherwise).

“Agreement” has the meaning set forth in the recitals.

“Automatic Shelf Registration Statement” has the meaning set forth in Section 1(a).

“Business Day” means a day that is not a Saturday or Sunday or a day on which banks in New York City are authorized or requested by law to close.

“Charitable Gifting Event” means any transfer by an Sponsor Investor, or any subsequent transfer by such holder’s members, partners or other employees, in connection with a bona fide gift to any Charitable Organization on the date of, but prior to, the execution of the underwriting agreement entered into in connection with any underwritten offering.

“Charitable Organization” means a charitable organization as described by Section 501(c)(3) of the Internal Revenue Code of 1986, as in effect from time to time.

“Common Equity” means the Company’s common stock, par value \$0.001 per share. In the event of a Corporate Conversion, Common Equity will thereafter mean the common stock issued upon conversion or in exchange for the Company’s Common Equity.

“Company” has the meaning set forth in the preamble and shall include its successor(s).

“Demand Registrations” has the meaning set forth in Section 1(a).

“End of Suspension Notice” has the meaning set forth in Section 1(f)(ii).

“Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time, or any successor federal law then in force, together with all rules and regulations promulgated thereunder.

“Excluded Registration” means any registration (i) pursuant to a Demand Registration (which is addressed in Section 1(a)), or (ii) in connection with registrations on Form S-4 or S-8 promulgated by the SEC or any successor or similar forms).

“Executives” has the meaning set forth in the recitals.

“Executive Registrable Securities” means any Common Equity held by the management employees of the Company who are listed as “Executives” on the signature page hereto or to a Joinder.

“Family Group” means with respect to any individual, such individual’s current or former spouse, their respective parents, descendants of such parents (whether natural or adopted) and the spouses of such descendants, any trust, limited partnership, corporation or limited liability company established solely for the benefit of such individual or such individual’s current or former spouse, their respective parents, descendants of such parents (whether natural or adopted) or the spouses of such descendants.

“FINRA” means the Financial Industry Regulatory Authority.

“Free Writing Prospectus” means a free-writing prospectus, as defined in Rule 405.

“Holdback Period” has the meaning set forth in Section 3(a).

“Holder” means a holder of Registrable Securities who is a party to this Agreement (including by way of Joinder).

“Indemnified Parties” has the meaning set forth in Section 6(a).

“Joinder” has the meaning set forth in Section 9(a).

“Long-Form Registrations” has the meaning set forth in Section 1(a).

“Losses” has the meaning set forth in Section 6(c).

“Other Investors” has the meaning set forth in the recitals.

“Other Registrable Securities” means (i) any Common Equity held (directly or indirectly) by any Other Investors or any of their Affiliates, and (ii) any equity securities of the Company or any Subsidiary issued or issuable with respect to the securities referred to in clause (i) above by way of dividend, distribution, split or combination of securities, or any recapitalization, merger, consolidation or other reorganization.

“Participating Sponsor Investors” means any Sponsor Investor(s) participating in the request for a Demand Registration, Shelf Offering, Piggyback Registration or Underwritten Block Trade.

“Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

“Piggyback Registrations” has the meaning set forth in Section 2(a).

“Public Offering” means any sale or distribution by the Company, one of its Subsidiaries and/or Holders to the public of Common Equity or other securities convertible into or exchangeable for Common Equity pursuant to an offering registered under the Securities Act.

“Registrable Securities” means Sponsor Investor Registrable Securities and Executive Registrable Securities and Other Registrable Securities. As to any particular Registrable Securities, such securities will cease to be Registrable Securities when they have been (a) sold or distributed pursuant to a Public Offering, (b) sold in compliance with Rule 144 following the consummation of the initial Public Offering, or (c) repurchased by the Company or a Subsidiary of the Company. For purposes of this Agreement, a Person will be deemed to be a holder of Registrable Securities, and the Registrable Securities will be deemed to be in existence, whenever such Person has the right to acquire, directly or indirectly, such Registrable Securities (upon conversion or exercise in connection with a transfer of securities or otherwise, but disregarding any restrictions or limitations upon the exercise of such right), whether or not such

acquisition has actually been effected, and such Person will be entitled to exercise the rights of a holder of Registrable Securities hereunder (it being understood that a holder of Registrable Securities may only request that Registrable Securities in the form of Common Equity be registered pursuant to this Agreement). Notwithstanding the foregoing, following the consummation of an initial Public Offering, any Registrable Securities held by any Person (other than any Sponsor Investor or its Affiliates) that may be sold under Rule 144(b)(1)(i) without limitation under any of the other requirements of Rule 144 will be deemed not to be Registrable Securities.

“Registration Expenses” has the meaning set forth in Section 5.

“Rule 144”, “Rule 158”, “Rule 405”, “Rule 415”, “Rule 403B” and “Rule 462” mean, in each case, such rule promulgated under the Securities Act (or any successor provision) by the SEC, as the same will be amended from time to time, or any successor rule then in force.

“Sale of the Company” means any transaction or series of transactions pursuant to which any Person(s) or a group of related Persons (other than any Sponsor Investor and/or its Affiliates) in the aggregate acquires: (i) Common Equity of the Company entitled to vote (other than voting rights accruing only in the event of a default, breach, event of noncompliance or other contingency) to elect directors with a majority of the voting power of the Company’s board of directors (whether by merger, consolidation, reorganization, combination, sale or transfer of the Company’s Common Equity) or (ii) all or substantially all of the Company’s and its Subsidiaries’ assets determined on a consolidated basis; provided that a Public Offering will not constitute a Sale of the Company.

“Sale Transaction” has the meaning set forth in Section 3(a).

“SEC” means the United States Securities and Exchange Commission.

“Securities” has the meaning set forth in Section 3(a).

“Securities Act” means the Securities Act of 1933, as amended from time to time, or any successor federal law then in force, together with all rules and regulations promulgated thereunder.

“Shelf Offering” has the meaning set forth in Section 1(d)(i).

“Shelf Offering Notice” has the meaning set forth in Section 1(d)(i).

“Shelf Registration” has the meaning set forth in Section 1(a).

“Shelf Registrable Securities” has the meaning set forth in Section 1(d)(i).

“Shelf Registration Statement” has the meaning set forth in Section 1(d).

“Short-Form Registrations” has the meaning set forth in Section 1(a).

“Sponsor Investors” has the meaning set forth in the recitals; provided that any decision to be made under this Agreement by the Sponsor Investors shall be made by the holders of a majority of all Sponsor Investor Registrable Securities

“Sponsor Investor Registrable Securities” means (i) any Common Equity held (directly or indirectly) by any Sponsor Investor or any of its Affiliates, and (ii) any equity securities of the Company or any Subsidiary issued or issuable with respect to the securities referred to in clause (i) above by way of dividend, distribution, split or combination of securities, or any recapitalization, merger, consolidation or other reorganization.

“Subsidiary” means, with respect to the Company, any corporation, limited liability company, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by the Company or one or more of the other Subsidiaries of the Company or a combination thereof, or (ii) if a limited liability company, partnership, association or other business entity, a majority of the limited liability company, partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by the Company or one or more Subsidiaries of the Company or a combination thereof. For purposes hereof, a Person or Persons will be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity if such Person or Persons will be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or will be or control the managing director or general partner of such limited liability company, partnership, association or other business entity.

“Suspension Event” has the meaning set forth in Section 1(f)(ii).

“Suspension Notice” has the meaning set forth in Section 1(f)(ii).

“Suspension Period” has the meaning set forth in Section 1(f)(i).

“Violation” has the meaning set forth in Section 6(a).

“WKSI” means a “well-known seasoned issuer” as defined under Rule 405.

**EXHIBIT B**

The undersigned is executing and delivering this Joinder pursuant to the Registration Rights Agreement dated as of \_\_\_\_\_, 20\_\_ (as amended, modified and waived from time to time, the "Registration Agreement"), among Integral Ad Science Holding Corp., a Delaware corporation (the "Company"), and the other persons named as parties therein (including pursuant to other Joinders). Capitalized terms used herein have the meaning set forth in the Registration Agreement.

By executing and delivering this Joinder to the Company, the undersigned hereby agrees to become a party to, to be bound by, and to comply with the provisions of, the Registration Agreement as a Holder in the same manner as if the undersigned were an original signatory to the Registration Agreement, and the undersigned will be deemed for all purposes to be a Holder, an **[Sponsor Investor//Executive//Other Investor thereunder]** and the undersigned's \_\_\_\_ **[shares of Common Equity// Units]** will be deemed for all purposes to be a **[Sponsor Investor // Executive // Other]** Registrable Securities under the Registration Agreement.

Accordingly, the undersigned has executed and delivered this Joinder as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Agreed and Accepted as of

\_\_\_\_\_, 20\_\_:

**INTEGRAL AD SCIENCE HOLDING CORP.**

By: \_\_\_\_\_

Its: \_\_\_\_\_

## DIRECTOR NOMINATION AGREEMENT

THIS DIRECTOR NOMINATION AGREEMENT (this "Agreement") is made and entered into as of [•], 2021, by and among Integral Ad Science Holding Corp., a Delaware corporation (the "Company"), Vista Equity Partners Fund VI, L.P., Vista Equity Partners Fund VI-A, L.P., VEPF VI FAF, L.P., Vista Equity Partners Fund VI GP, L.P., VEPF VI GP, Ltd., and VEP Group, LLC (collectively, "Vista"). This Agreement shall be effective from the date hereof (the "Effective Date").

WHEREAS, as of the date hereof, Vista beneficially owns a majority of the equity interests in the Company;

WHEREAS, Vista is contemplating causing the Company to effect an initial public offering (the "IPO");

WHEREAS, Vista currently has the authority to appoint all directors of the Company;

WHEREAS, in consideration of Vista agreeing to undertake the IPO, the Company has agreed to permit Vista to designate persons for nomination for election to the board of directors of the Company (the "Board") following the Effective Date on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the parties to this Agreement agrees as follows:

1. Board Nomination Rights.

(a) From the Effective Date, Vista shall have the right, but not the obligation, to nominate to the Board a number of designees equal to at least: (i) 100% of the Total Number of Directors (as defined below), so long as Vista Beneficially Owns shares of common stock, par value \$0.001 per share (the "Common Stock") representing at least 40% of the Original Amount of Vista, (ii) 40% of the Total Number of Directors, in the event that Vista Beneficially Owns shares of Common Stock representing at least 30% but less than 40% of the Original Amount of Vista, (iii) 30% of the Total Number of Directors, in the event that Vista Beneficially Owns shares of Common Stock representing at least 20% but less than 30% of the Original Amount of Vista, (iv) 20% of the Total Number of Directors, in the event that Vista Beneficially Owns shares of Common Stock representing at least 10% but less than 20% of the Original Amount of Vista and (v) one Director, in the event that Vista Beneficially Owns shares of Common Stock representing at least 5% of the Original Amount of Vista (such persons, the "Nominees"). For purposes of calculating the number of directors that Vista is entitled to designate pursuant to the immediately preceding sentence, any fractional amounts shall automatically be rounded up to the nearest whole number (e.g., 1¼ Directors shall equate to 2 Directors) and any such calculations shall be made after taking into account any increase in the Total Number of Directors.

(b) In the event that Vista has nominated less than the total number of designees Vista shall be entitled to nominate pursuant to Section 1(a), Vista shall have the right, at any time, to nominate such additional designees to which it is entitled, in which case, the Company and the Directors shall take all necessary corporation action (including increasing the size of the Board to create a vacancy), to the fullest extent permitted by applicable law (including with respect to fiduciary duties under Delaware law), to (x) enable Vista to nominate and effect the election or appointment of such additional individuals, whether by increasing the size of the Board, or otherwise and (y) to designate such additional individuals nominated by Vista to fill such newly created vacancies or to fill any other existing vacancies.

(c) In addition to the nomination rights set forth in Section 1(a) above, from the Effective Date, for so long as Vista Beneficially Owns shares of Common Stock representing at least 5% of the Original Amount of Vista, Vista shall have the right, but not the obligation, to designate a person (a "Non-Voting Observer") to attend meetings of the Board (including any meetings of any committees thereof) in a non-voting observer capacity. Any such Non-Voting Observer shall be permitted to attend all meetings of the Board. Vista shall have the right to remove and replace its Non-Voting Observer at any time and from time to time. The Company shall furnish to any Non-Voting Observer (i) notices of Board meetings no later than, and using the same form of communication as, notice of Board meetings are furnished to directors and (ii) copies of any materials prepared for meetings of the Board that are furnished to the directors no later than the time such materials are furnished to the directors; provided that failure to deliver notice, or materials, to such Non-Voting Observer in connection with such Non-Voting Observer's right to attend and/or review materials with respect to, any meeting of the Board shall not, by itself, impair the validity of any action taken by such Board at such meeting. Such Non-Voting Observer shall be required to execute or otherwise become subject to any codes of conduct or confidentiality agreements of the Company generally applicable to directors of the Company or as the Company reasonably requests. Notwithstanding the foregoing, the Company reserves the right to withhold any information and to exclude the Non-Voting Observer from receiving any materials and/or attending any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel.

(d) The Company shall pay all reasonable out-of-pocket expenses incurred by the Nominees and the Non-Voting Observer in connection with the performance of his or her duties as a director or a Non-Voting Observer and in connection with his or her attendance at any meeting of the Board.

(e) "Affiliate" of any person shall mean any other person controlled by, controlling or under common control with such person; where "control" (including, with its correlative meanings, "controlling," "controlled by" and "under common control with") means possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities, by contract or otherwise).

(f) "Beneficially Own" shall mean that a specified person has or shares the right, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, to vote shares of capital stock of the Company.

(g) “Director” means any member of the Board.

(h) “Original Amount of Vista” means the aggregate number of shares of Common Stock held, directly or indirectly, by Vista on the date hereof, as such number may be adjusted from time to time for any reorganization, recapitalization, stock dividend, stock split, reverse stock split or other similar changes in the Company’s capitalization.

(i) “Total Number of Directors” means the total number of Directors comprising the Board.

(j) No reduction in the number of shares of Common Stock that Vista Beneficially Owns shall shorten the term of any incumbent director. At the Effective Date, the Board shall be comprised of nine members and including Michael Fosnaugh, Rod Aliabadi, Martin Taylor, Brooke Nakatsukasa, Lisa Utzschneider, Jill Putman, Otto Berkes and Bridgette Heller, and Christina Lema as the director nominee to be approved as of the Effective Date.

(k) In the event that any Nominee shall cease to serve for any reason, Vista shall be entitled to designate such person’s successor in accordance with this Agreement (regardless of Vista’s beneficial ownership in the Company at the time of such vacancy) and the Board shall promptly fill the vacancy with such successor nominee; it being understood that any such designee shall serve the remainder of the term of the director whom such designee replaces.

(l) If a Nominee is not appointed or elected to the Board because of such person’s death, disability, disqualification, withdrawal as a nominee or for other reason is unavailable or unable to serve on the Board, Vista shall be entitled to designate promptly another nominee and the director position for which the original Nominee was nominated shall not be filled pending such designation.

(m) So long as Vista has the right to nominate Nominees under Section 1(a) or any such Nominee is serving on the Board, the Company shall use its reasonable best efforts to maintain in effect at all times directors and officers indemnity insurance coverage reasonably satisfactory to Vista, and the Company’s Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws (each as may be further amended, supplemented or waived in accordance with its terms) shall at all times provide for indemnification, exculpation and advancement of expenses to the fullest extent permitted under applicable law.

(n) If the size of the Board is expanded, Vista shall be entitled to nominate a number of Nominees to fill the newly created vacancies such that the total number of Nominees serving on the Board following such expansion will be equal to that number of Nominees that Vista would be entitled to nominate in accordance with Section 1(a) if such expansion occurred immediately prior to any meeting of the stockholders of the Company called with respect to the election of members of the Board, and the Board shall appoint such Nominees to the Board.

(o) At such time as the Company ceases to be a “controlled company” and is required by applicable law or NASDAQ Global Select Market (the “Exchange”) listing standards to have a majority of the Board comprised of “independent directors” (subject in each case to any applicable phase-in periods), Vista’s Nominees shall include a number of persons that qualify as “independent directors” under applicable law and the Exchange listing standards such that, together with any other “independent directors” then serving on the Board that are not Nominees, the Board is comprised of a majority of “independent directors.”

(p) At any time that Vista shall have any nomination rights under Section 1, the Company shall not take any action, including making or recommending any amendment to the Amended and Restated Certificate of Incorporation or the Company’s Amended and Restated Bylaws that could reasonably be expected to adversely affect Vista’s rights under this Agreement, in each case without the prior written consent of Vista.

(q) The Company recognizes that each Nominee (i) will from time to time receive non-public information concerning the Company, and (ii) may share such information with other individuals associated with Vista that designated such Nominee. The Company hereby irrevocably consents to such sharing. Vista agrees that it will keep confidential and not disclose or divulge to any third party any confidential information regarding the Company it receives from the Company or a Nominee, unless such information (x) is available or becomes available to the public in general, (y) is or has been independently developed or conceived by Vista without use of the Company’s confidential information or (z) is or has been made known or disclosed to Vista by a third party without a breach of any obligation of confidentiality such third party may have to the Company; provided, however, that Vista may disclose confidential information (I) to its Affiliates (other than portfolio companies), (II) to each of its and its Affiliate’s (other than portfolio companies) attorneys, accountants, consultants, advisors and other professionals to the extent necessary to obtain their services in connection with evaluating the information, or (III) as may be required by law or legal, judicial or regulatory process or requested by any regulatory or self-regulatory authority or examiner, provided that Vista takes reasonable steps to minimize the extent of any required disclosure described in this clause (III)

2. Company Obligations. The Company agrees to use its reasonable best efforts to ensure that prior to the date that Vista and its Affiliates cease to Beneficially Own shares of Common Stock representing at least 5% of the total voting power of the then outstanding Common Stock, (i) each Nominee is included in the Board’s slate of nominees to the stockholders (the “Board’s Slate”) for each election of directors; and (ii) each Nominee is included in the proxy statement prepared by management of the Company in connection with soliciting proxies for every meeting of the stockholders of the Company called with respect to the election of members of the Board (each, a “Director Election Proxy Statement”), and at every adjournment or postponement thereof, and on every action or approval by written consent of the stockholders of the Company or the Board with respect to the election of members of the Board. Vista will promptly provide reporting to the Company after Vista ceases to Beneficially Own shares of Common Stock representing at least 5% of the total voting power of the then outstanding Common Stock, such that Company is informed of when this obligation terminates. The calculation of the number of Nominees that Vista is entitled to nominate to the Board’s Slate for any election of directors shall be based on the percentage of the total voting power of the then outstanding Common Stock then Beneficially Owned by Vista (“Vista Voting Control”) immediately prior to the mailing to shareholders of the Director Election Proxy Statement relating to such election (or, if earlier, the filing of the definitive Director Election Proxy Statement with the U.S. Securities and Exchange

Commission). Unless Vista notifies the Company otherwise prior to the mailing to shareholders of the Director Election Proxy Statement relating to an election of directors (or, if earlier, the filing of the definitive Director Election Proxy Statement with the U.S. Securities and Exchange Commission), the Nominees for such election shall be presumed to be the same Nominees currently serving on the Board, and no further action shall be required of Vista for the Board to include such Nominees on the Board's Slate; provided, that, in the event Vista is no longer entitled to nominate the full number of Nominees then serving on the Board, Vista shall provide advance written notice to the Company, of which currently servicing Nominee(s) shall be excluded from the Board Slate, and of any other changes to the list of Nominees. If Vista fails to provide such notice prior to the mailing to shareholders of the Director Election Proxy Statement relating to such election (or, if earlier, the filing of the definitive Director Election Proxy Statement with the U.S. Securities and Exchange Commission), a majority of the independent directors then serving on the Board shall determine which of the Nominees of Vista then serving on the Board will be included in the Board's Slate. Furthermore, the Company agrees for so long as the Company qualifies as a "controlled company" under the rules of the Exchange the Company will elect to be a "controlled company" for purposes of the Exchange and will disclose in its annual meeting proxy statement that it is a "controlled company" and the basis for that determination. The Company and Vista acknowledge and agree that, as of the Effective Date, the Company is a "controlled company." The Company agrees to provide written notice of the preparation of a Director Election Proxy Statement to the Lead Sponsors at least 20 business days, but no more than 40 business days, prior to the earlier of the mailing and the filing date of any Director Election Proxy Statement.

3. Committees. From and after the Effective Date hereof until such time as Vista and its Affiliates cease to Beneficially Own shares of Common Stock representing at least 5% of the total voting power of the then outstanding Common Stock, Vista shall have the right to designate a number of members of each committee of the Board equal to the nearest whole number greater than the product obtained by multiplying (a) the percentage of the total voting power of the then outstanding Common Stock then Beneficially Owned by Vista and (b) the number of positions, including any vacancies, on the applicable committee, provided that any such designee shall be a director and shall be eligible to serve on the applicable committee under applicable law or listing standards of the Exchange, including any applicable independence requirements (subject in each case to any applicable exceptions, including those for newly public companies and for "controlled companies," and any applicable phase-in periods). Any additional members shall be determined by the Board. Nominees designated to serve on a Board committee shall have the right to remain on such committee until the next election of directors, regardless of the level of Vista Voting Control following such designation. Unless Vista notifies the Company otherwise prior to the time the Board takes action to change the composition of a Board committee, and to the extent Vista has the requisite Vista Voting Control for Vista to nominate a Board committee member at the time the Board takes action to change the composition of any such Board committee, any Nominee currently designated by Vista to serve on a committee shall be presumed to be re-designated for such committee.

4. Amendment and Waiver. Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by the Company and Vista, or in the case of a waiver, by the party against whom the waiver is to be effective. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law. Vista shall not be obligated to nominate all (or any) of the Nominees it is entitled to nominate pursuant to this Agreement for any election of directors but the failure to do so shall not constitute a waiver of its rights hereunder with respect to future elections; provided, however, that in the event Vista fails to nominate all (or any) of the Nominees it is entitled to nominate pursuant to this Agreement prior to the mailing to shareholders of the Director Election Proxy Statement relating to such election (or, if earlier, the filing of the definitive Director Election Proxy Statement with the U.S. Securities and Exchange Commission), the Compensation and Nominating Committee of the Board shall be entitled to nominate individuals in lieu of such Nominees for inclusion in the Board's Slate and the applicable Director Election Proxy Statement with respect to the election for which such failure occurred and Vista shall be deemed to have waived its rights hereunder with respect to such election. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

5. Benefit of Parties. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors and assigns. Notwithstanding the foregoing, the Company may not assign any of its rights or obligations hereunder without the prior written consent of Vista. Except as otherwise expressly provided in Section 6, nothing herein contained shall confer or is intended to confer on any third party or entity that is not a party to this Agreement any rights under this Agreement.

6. Assignment. Upon written notice to the Company, Vista may assign to any Affiliate of Vista (other than a portfolio company) all of its rights hereunder and, following such assignment, such assignee shall be deemed to be "Vista" for all purposes hereunder.

7. Indemnification.

(a) The Company shall defend, indemnify and hold harmless Vista, its Affiliates, partners, employees, agents, directors, managers, officers and controlling persons (collectively, the "Indemnified Parties") from and against any and all actions, causes of action, suits, claims, liabilities, losses, damages, costs, expenses, or obligations of any kind or nature (whether accrued or fixed, absolute or contingent) in connection therewith (including reasonable attorneys' fees and expenses) incurred by the Indemnified Parties before or after the date of this Agreement (each, an "Action") arising directly or indirectly out of, or in any way relating to, (i) Vista's or its Affiliates' beneficial ownership of Common Stock or other equity securities of the Company or control or ability to influence the Company or any of its subsidiaries (other than any such Actions (x) to the extent such Actions arise out of any breach of this Agreement by an Indemnified Party or its Affiliates or the breach of any fiduciary or other duty or obligation of such Indemnified Party to its direct or indirect equity holders, creditors or Affiliates or (y) to the extent such Actions are directly caused by such person's willful misconduct), (ii) the business, operations, properties, assets or other rights or liabilities of the Company or any of its subsidiaries or (iii) any services provided prior, on or after the date of this Agreement by Vista or its Affiliates to the Company or any of its subsidiaries. The Company shall defend at its own cost and expense in respect of any Action which may be brought against the Company and/or its Affiliates and the Indemnified

Parties. The Company shall defend at its own cost and expense any and all Actions which may be brought in which the Indemnified Parties may be impleaded with others upon any Action by the Indemnified Parties, except that if such damage shall be proven to be the direct result of gross negligence, bad faith or willful misconduct by any of the Indemnified Parties, then such Indemnified Party shall reimburse the Company for the costs of defense and other costs incurred by the Company in proportion to such Indemnified Party's culpability as proven. In the event of the assertion against any Indemnified Party of any Action or the commencement of any Action, the Company shall be entitled to participate in such Action and in the investigation of such Action and, after written notice from the Company to such Indemnified Party, to assume the investigation or defense of such Action with counsel of the Company's choice at the Company's expense; provided, however, that such counsel shall be reasonably satisfactory to the Indemnified Party. Notwithstanding anything to the contrary contained herein, the Company may retain one firm of counsel to represent all Indemnified Parties in such Action; provided, however, that the Indemnified Party shall have the right to employ a single firm of separate counsel (and any necessary local counsel) and to participate in the defense or investigation of such Action and the Company shall bear the expense of such separate counsel (and local counsel, if applicable), if (x) in the opinion of counsel to the Indemnified Party use of counsel of the Company's choice could reasonably be expected to give rise to a conflict of interest, (y) the Company shall not have employed counsel satisfactory to the Indemnified Party to represent the Indemnified Party within a reasonable time after notice of the assertion of any such Action or (z) the Company shall authorize the Indemnified Party to employ separate counsel at the Company's expense. The Company further agrees that with respect to any Indemnified Party who is employed, retained or otherwise associated with, or appointed or nominated by, Vista or any of its Affiliates and who acts or serves as a director, officer, manager, fiduciary, employee, consultant, advisor or agent of, for or to the Company or any of its subsidiaries, that the Company or such subsidiaries, as applicable, shall be primarily liable for all indemnification, reimbursements, advancements or similar payments (the "Indemnity Obligations") afforded to such Indemnified Party acting in such capacity or capacities on behalf or at the request of the Company, whether the Indemnity Obligations are created by law, organizational or constituent documents, contract (including this Agreement) or otherwise. The Company hereby agrees that in no event shall the Company or any of its subsidiaries have any right or claim against Vista for contribution or have rights of subrogation against Vista through an Indemnified Party for any payment made by the Company or any of its subsidiaries with respect to any Indemnity Obligation. In addition, the Company hereby agrees that in the event that Vista pay or advance an Indemnified Party any expenses with respect to an Indemnity Obligation, the Company will, or will cause its subsidiaries to, as applicable, promptly reimburse Vista, for such payment or advance upon request; subject to the receipt by the Company of a written undertaking executed by the Indemnified Party and Vista, that makes such payment or advance to repay any such amounts if it shall ultimately be determined by a court of competent jurisdiction that such Indemnified Party was not entitled to be indemnified by the Company. The foregoing right to indemnity shall be in addition to any rights that any Indemnified Party may have at common law or otherwise and shall remain in full force and effect following the completion or any termination of the engagement. If for any reason the foregoing indemnification is unavailable to any Indemnified Party or insufficient to hold it harmless as and to the extent contemplated by this Section 7, then the Company shall contribute to the amount paid or payable by the Indemnified Party as a result of such Action in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and the Indemnified Party, as the case may be, on the other hand, as well as any other relevant equitable considerations.

(b) The Company hereby acknowledges that the certain of the Indemnified Parties have certain rights to indemnification, advancement of expenses and/or insurance provided by investment funds managed by Vista and certain of their Affiliates (collectively, the “Fund Indemnitors”). The Company hereby agrees with respect to any indemnification, hold harmless obligation, expense advancement or reimbursement provision or any other similar obligation whether pursuant to or with respect to this Agreement, the organizational documents of the Company or any of its subsidiaries or any other agreement, as applicable, (i) that the Company and its subsidiaries are the indemnitor of first resort (i.e., their obligations to the Indemnified Parties are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for claims, expenses or obligations arising out of the same or similar facts and circumstances suffered by any Indemnified Party are secondary), (ii) that the Company shall be required to advance the full amount of expenses incurred by any Indemnified Party and shall be liable for the full amount of all expenses, liabilities, obligations, judgments, penalties, fines, and amounts paid in settlement to the extent legally permitted and as required by the terms of this Agreement, the organizational documents of the Company or any of its subsidiaries or any other agreement, as applicable, without regard to any rights any Indemnified Party may have against the Fund Indemnitors, and (iii) that the Company, on behalf of itself and each of its subsidiaries, irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all Actions against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Fund Indemnitors on behalf of any Indemnified Party with respect to any Action for which any Indemnified Party has sought indemnification from the Company shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of any Indemnified Party against the Company. The Company agrees that the Fund Indemnitors are express third-party beneficiaries of the terms of this Section 7(b).

8. Headings. Headings are for ease of reference only and shall not form a part of this Agreement.

9. Governing Law. This Agreement shall be construed in accordance with and governed by the law of the State of Delaware without giving effect to the principles of conflicts of laws thereof.

10. Jurisdiction. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement may be brought against any of the parties in any federal court located in the State of Delaware or any Delaware state court, and each of the parties hereby consents to the exclusive jurisdiction of such court (and of the appropriate appellate courts) in any such suit, action or proceeding and waives any objection to venue laid therein. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each of the parties agrees that service of process upon such party at the address referred to in Section 16, together with written notice of such service to such party, shall be deemed effective service of process upon such party.

11. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

12. Entire Agreement. This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings and negotiations, both written and oral among the parties with respect to the subject matter hereof.

13. Counterparts; Effectiveness. This Agreement may be signed in any number of counterparts, each of which shall be deemed an original. This Agreement shall become effective when each party shall have received a counterpart hereof signed by each of the other parties. An executed copy or counterpart hereof delivered by facsimile shall be deemed an original instrument.

14. Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

15. Further Assurances. Each of the parties hereto shall execute and deliver such further instruments and do such further acts and things as may be required to carry out the intent and purpose of this Agreement.

16. Specific Performance. Each of the parties hereto agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof in any federal or state court located in the State of Delaware, in addition to any other remedy to which they are entitled at law or in equity.

17. Notices. All notices, requests and other communications to any party or to the Company shall be in writing (including telecopy or similar writing) and shall be given,

If to the Company:

Integral Ad Science Holding Corp.  
95 Morton St, FL 8  
New York, NY 10014  
Attention: Micah Nesson, General Counsel  
Email: \*\*\*\*\*

With a copy to (which shall not constitute notice):

Kirkland & Ellis LLP  
300 North LaSalle Street

Chicago, IL 60654  
Attention: Robert Hayward, P.C.  
Robert Goedert, P.C.  
Email: \*\*\*\*\*

If to any member of Vista or any Nominee:

c/o Vista Equity Partners  
4 Embarcadero Center  
20th Floor  
San Francisco, California 94111  
Attention: David Breach  
Christina Lema  
Facsimile: \*\*\*\*\*

With a copy to (which shall not constitute notice):

Kirkland & Ellis LLP  
300 North LaSalle Street  
Chicago, IL 60654  
Attention: Robert Hayward, P.C.  
Robert Goedert, P.C.  
Email: \*\*\*\*\*

or to such other address or telecopier number as such party or the Company may hereafter specify for the purpose by notice to the other parties and the Company. Each such notice, request or other communication shall be effective when delivered at the address specified in this Section 16 during regular business hours.

18. Enforcement. Each of the parties hereto covenant and agree that the disinterested members of the Board have the right to enforce, waive or take any other action with respect to this Agreement on behalf of the Company.

\* \* \* \* \*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

**INTEGRAL AD SCIENCE HOLDING CORP.**

By: \_\_\_\_\_  
Name:  
Title:

**VISTA EQUITY PARTNERS FUND VI, L.P.**

By: VISTA EQUITY PARTNERS FUND VI GP, L.P.  
Its: General Partner

By: VEPF VI GP, Ltd.  
Its: General Partner

By: \_\_\_\_\_  
Name: Robert F. Smith  
Its: Director

**VISTA EQUITY PARTNERS FUND VI-A, L.P.**

By: VISTA EQUITY PARTNERS FUND VI GP, L.P.  
Its: General Partner

By: VEPF VI GP, Ltd.  
Its: General Partner

By: \_\_\_\_\_  
Name: Robert F. Smith  
Its: Director

**VEPF VI FAF, L.P.**

By: VISTA EQUITY PARTNERS FUND VI GP, L.P.  
Its: General Partner

By: VEPF VI GP, Ltd.  
Its: General Partner

By: \_\_\_\_\_  
Name: Robert F. Smith  
Its: Director

*[Signature Page to Director Nomination Agreement]*

**VISTA EQUITY PARTNERS FUND VI GP, L.P.**

By: VEPF VI GP, Ltd.  
Its: General Partner

By: \_\_\_\_\_  
Name: Robert F. Smith  
Its: Director

**VEPF VI GP, Ltd.**

By: \_\_\_\_\_  
Name: Robert F. Smith  
Its: Director

**VEP GROUP, LLC**

By: \_\_\_\_\_  
Name: Robert F. Smith  
Its: Managing Member

*[Signature Page to Director Nomination Agreement]*