

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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2022

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

For the transition period from _____ to _____

Commission File Number: 001-40557



INTEGRAL AD SCIENCE HOLDING CORP.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

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

Not Applicable¹
(Address of principal executive offices)

(Zip Code)

(646) 278-4871
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock, \$0.001 par value per share	IAS	The NASDAQ Stock Market LLC (Nasdaq Global Select Market)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

On November 9, 2022, the Registrant had 153,828,376 shares of common stock, \$0.001 par value, outstanding.

¹Any stockholder or other communication required to be sent to our principal executive offices may be directed to our mailing address: 99 Wall Street, #1950, New York, NY 10005

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Item 1. Financial Statements

PART I — FINANCIAL INFORMATION

INTEGRAL AD SCIENCE HOLDING CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(IN THOUSANDS, EXCEPT SHARE DATA)	September 30, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 73,645	\$ 73,210
Restricted cash	141	70
Accounts receivable, net	57,849	53,028
Unbilled receivables	35,486	36,210
Prepaid expenses and other current assets	20,835	7,647
Total current assets	187,956	170,165
Property and equipment, net	1,591	1,413
Internal use software, net	21,556	18,100
Intangible assets, net	226,922	258,316
Goodwill	670,978	676,513
Operating lease right-of-use assets, net	19,031	—
Deferred tax asset, net	812	887
Other long-term assets	4,292	4,143
Total assets	\$ 1,133,138	\$ 1,129,537
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 44,011	\$ 56,257
Due to related party	104	74
Deferred revenue	287	160
Operating lease liabilities, current	6,856	—
Total current liabilities	51,258	56,491
Accrued rent	—	854
Net deferred tax liability	52,554	53,523
Long-term debt	233,146	242,798
Operating lease liabilities, non-current	19,358	—
Other long-term liabilities	1,639	8,681
Total liabilities	357,955	362,347
Commitments and Contingencies (Note 15)		
Stockholders' Equity		
Preferred Stock, \$0.001 par value, 50,000,000 shares authorized at September 30, 2022; 0 shares issued and outstanding at September 30, 2022 and December 31, 2021.	—	—
Common Stock, \$0.001 par value, 500,000,000 shares authorized, 153,494,308 and 154,398,495 shares issued and outstanding at September 30, 2022 and December 31, 2021, respectively.	153	154
Additional paid-in-capital	797,274	781,951
Accumulated other comprehensive loss	(11,533)	(315)
Accumulated deficit	(10,711)	(14,600)
Total stockholders' equity	775,183	767,190
Total liabilities and stockholders' equity	\$ 1,133,138	\$ 1,129,537

See notes to the unaudited condensed consolidated financial statements.

INTEGRAL AD SCIENCE HOLDING CORP.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(UNAUDITED)

(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue	\$ 101,343	\$ 79,014	\$ 290,913	\$ 221,041
Operating expenses:				
Cost of revenue (excluding depreciation and amortization shown below)	19,171	13,845	53,864	38,191
Sales and marketing	28,190	19,578	77,961	62,990
Technology and development	19,459	14,609	54,071	47,554
General and administrative	20,150	16,081	56,081	57,670
Depreciation and amortization	12,617	16,100	37,585	45,098
Foreign exchange loss, net ⁽¹⁾	4,064	5	3,503	407
Total operating expenses	103,651	80,218	283,065	251,910
Operating income (loss)	(2,308)	(1,204)	7,848	(30,869)
Interest expense, net	(2,619)	(5,753)	(5,859)	(17,880)
Employee retention tax credit	6,981	—	6,981	—
Loss on extinguishment of debt	—	(3,721)	—	(3,721)
Net income (loss) before income taxes	2,054	(10,678)	8,970	(52,470)
(Provision) benefit from income taxes	(1,287)	898	(5,083)	4,855
Net income (loss)	\$ 767	\$ (9,780)	\$ 3,887	\$ (47,615)
Net income (loss) per share:				
Basic	\$ 0.00	\$ (0.06)	\$ 0.03	\$ (0.34)
Diluted	\$ 0.00	\$ (0.06)	\$ 0.02	\$ (0.34)
Weighted average shares outstanding:				
Basic	155,389,195	151,988,054	155,007,655	140,016,260
Diluted	156,696,754	151,988,054	157,581,569	140,016,260
Other comprehensive loss:				
Foreign currency translation adjustments	(3,248)	(2,549)	(11,218)	(3,735)
Total comprehensive loss	\$ (2,481)	\$ (12,329)	\$ (7,331)	\$ (51,350)

⁽¹⁾ Prior period amounts have been reclassified to conform to current period presentation.

See notes to the unaudited condensed consolidated financial statements.

INTEGRAL AD SCIENCE HOLDING CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS'/ STOCKHOLDERS' EQUITY
(UNAUDITED)

Three Months Ended September 30, 2022

(IN THOUSANDS, EXCEPT SHARES)	Common Stock		Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total stockholders' equity
	Shares	Amount				
Balance, July 1, 2022	155,498,704	\$ 155	\$ 804,175	\$ (8,285)	\$ (11,479)	\$ 784,566
RSUs vested	471,995	—	—	—	—	—
Option exercises	603,670	1	2,526	—	—	2,527
Stock-based compensation	—	—	14,225	—	—	14,225
Foreign currency translation adjustment	—	—	—	(3,248)	—	(3,248)
Repurchase of common stock	(3,080,061)	(3)	(23,652)	—	—	(23,655)
Net income	—	—	—	—	767	767
Balance, September 30, 2022	153,494,308	\$ 153	\$ 797,274	\$ (11,533)	\$ (10,711)	\$ 775,183

Nine Months Ended September 30, 2022

(IN THOUSANDS, EXCEPT SHARES)	Common Stock		Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total stockholders' equity
	Shares	Amount				
Balance, January 1, 2022	154,398,495	\$ 154	\$ 781,951	\$ (315)	\$ (14,600)	\$ 767,190
RSUs vested	761,208	1	—	—	—	1
Option exercises	1,414,666	1	5,907	—	—	5,908
Stock-based compensation	—	—	33,068	—	—	33,068
Foreign currency translation adjustment	—	—	—	(11,218)	—	(11,218)
Repurchase of common stock	(3,080,061)	(3)	(23,652)	—	—	(23,655)
Net income	—	—	—	—	3,887	3,887
Balance, September 30, 2022	153,494,308	\$ 153	\$ 797,274	\$ (11,533)	\$ (10,711)	\$ 775,183

See notes to the unaudited condensed consolidated financial statements.

INTEGRAL AD SCIENCE HOLDING CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS'/ STOCKHOLDERS' EQUITY
(UNAUDITED)

Three Months Ended September 30, 2021

(IN THOUSANDS, EXCEPT UNITS AND SHARES)	Common Stock		Additional paid-in capital	Accumulated other comprehensive income (loss)	Accumulated deficit	Total stockholders' equity
	Shares	Amount				
Balance, July 1, 2021	134,203,403	\$ 134	\$ 430,368	\$ 3,337	\$ —	\$ 433,839
RSUs vested	26,931	—	150	—	—	150
Stock-based compensation	—	—	7,984	—	—	7,984
Foreign currency translation adjustment	—	—	—	(2,549)	—	(2,549)
Net loss	—	—	—	—	(9,780)	(9,780)
Issuance of common stock upon initial public offering, net of underwriting discounts and commissions and offering costs	16,821,330	17	274,340	—	—	274,357
Issuance of common stock for the acquisition of Publica	2,888,889	3	49,628	—	—	49,631
Balance, September 30, 2021	<u>153,940,553</u>	<u>\$ 154</u>	<u>\$ 762,470</u>	<u>\$ 788</u>	<u>\$ (9,780)</u>	<u>\$ 753,632</u>

Nine Months Ended September 30, 2021

(IN THOUSANDS, EXCEPT UNITS AND SHARES)	Member's Interest		Common Stock		Additional paid-in capital	Accumulated other comprehensive income (loss)	Accumulated deficit	Total members'/ stockholders' equity
	Units ⁽¹⁾	Amount	Shares	Amount				
Balance, January 1, 2021	134,039,494	\$ 553,717	—	\$ —	\$ —	\$ 4,523	\$ (126,761)	\$ 431,479
Repurchase of units	(99,946)	(413)	—	—	—	—	(791)	(1,204)
Units vested	17,486	—	—	—	—	—	—	—
Option exercises	246,369	1,075	—	—	3,360	—	—	4,435
Foreign currency translation adjustment	—	—	—	—	—	(3,735)	—	(3,735)
Net loss prior to corporate conversion	—	—	—	—	—	—	(37,832)	(37,832)
Conversion to Delaware corporation (Note 1)	(134,203,403)	(554,379)	134,203,403	134	388,860	—	165,385	—
Stock-based compensation	—	—	—	—	46,132	—	—	46,132
RSUs vested	—	—	26,931	—	150	—	—	150
Issuance of common stock upon initial public offering, net of underwriting discounts and commissions and offering costs	—	—	16,821,330	17	274,340	—	—	274,357
Issuance of common stock for the acquisition of Publica	—	—	2,888,889	3	49,628	—	—	49,631
Net loss	—	—	—	—	—	—	(9,780)	(9,780)
Balance, September 30, 2021	<u>—</u>	<u>\$ —</u>	<u>153,940,553</u>	<u>\$ 154</u>	<u>\$ 762,470</u>	<u>\$ 788</u>	<u>\$ (9,780)</u>	<u>\$ 753,632</u>

⁽¹⁾ Amounts for periods prior to the Company's conversion to a Delaware corporation have been retrospectively adjusted to give effect to the corporate conversion described in Note 1.

See notes to the unaudited condensed consolidated financial statements.

INTEGRAL AD SCIENCE HOLDING CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(IN THOUSANDS)	Nine Months Ended September 30,	
	2022	2021
Cash flows from operating activities:		
Net income (loss)	\$ 3,887	\$ (47,615)
Adjustments to reconcile net income (loss) to net cash provided by operating activities		
Depreciation and amortization	37,585	45,098
Stock-based compensation	33,107	49,673
Foreign exchange loss, net	3,503	—
Deferred tax benefit	(657)	(9,966)
Extinguishment of debt	—	3,721
Amortization of debt issuance costs	348	1,020
Allowance for doubtful accounts	647	764
Employee retention tax credit	(6,981)	—
Non-cash interest expense	—	394
Impairment of assets	55	—
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	(8,031)	774
Decrease (increase) in unbilled receivables	(289)	703
Increase in prepaid expenses and other current assets	(6,757)	(6,151)
Increase in operating leases, net	(502)	—
Increase in other long-term assets	(330)	(574)
Increase (decrease) in accounts payable and accrued expenses	(8,226)	220
Increase in accrued rent	—	220
Increase (decrease) in deferred revenue	127	(563)
Increase (decrease) in due to/from related party	74	(62)
Net cash provided by operating activities	47,560	37,656
Cash flows from investing activities:		
Payment for acquisitions, net of acquired cash	(1,603)	(166,204)
Purchase of property and equipment	(917)	(636)
Acquisition and development of internal use software and other	(9,952)	(10,011)
Net cash used in investing activities	(12,472)	(176,851)
Cash flows from financing activities:		
Proceeds from initial public offering, net of underwriting discounts and commissions	—	281,589
Payments for offering costs	—	(4,728)
Repayment of long-term debt	(25,000)	(355,934)
Repayment of short-term debt	(1,836)	—
Proceeds from the New Revolver	15,000	235,000
Payments for debt issuance costs	—	(2,318)
Principal payments on capital lease obligations	—	(275)
Cash paid for unit repurchases	—	(1,202)
Proceeds from exercise of stock options	5,908	1,075
Payments for repurchase of common stock	(23,655)	—
Cash received from Employee Stock Purchase Program (ESPP)	388	—
Net cash (used in) provided by financing activities	(29,195)	153,207
Net increase in cash, cash equivalents and restricted cash	5,893	14,012
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(5,396)	(2,042)
Cash, cash equivalents and restricted cash at beginning of period	76,078	54,721
Cash, cash equivalents, and restricted cash, at end of period	\$ 76,575	\$ 66,691
Supplemental Disclosures:		
Cash paid during the period for:		
Interest	\$ 5,548	\$ 17,109
Taxes	\$ 11,817	\$ 1,438
Non-cash investing and financing activities:		
Deferred offering costs accrued, not yet paid	\$ —	\$ 2,506
Property and equipment acquired included in accounts payable	\$ 145	\$ 11
Internal use software acquired included in accounts payable	\$ 1,385	\$ 682
Conversion of members' equity to additional paid-in capital	\$ —	\$ 165,385
Lease liabilities arising from right of use assets	\$ 26,214	\$ —

INTEGRAL AD SCIENCE HOLDING CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)
(UNAUDITED)

1. Description of business

Integral Ad Science Holding Corp. 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 delivers 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 United States ("U.S.") in New York, California, and Illinois. Operations outside the U.S. include but are not limited to countries such as the United Kingdom ("U.K."), France, Germany, Italy, Singapore, Australia, France, Japan, and India.

Corporate conversion

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 and on June 29, 2021, the Company converted to a Delaware corporation pursuant to a statutory conversion and changed its legal name to Integral Ad Science Holding Corp. in connection with its initial public offering ("IPO"). All of the outstanding member units were converted into 134,203,403 shares of common stock of the Company on a proportion of 1 member unit for 242 shares of common stock with the same voting rights. On June 29, 2021, the Company priced its IPO, which closed on July 2, 2021.

2. Basis of presentation and 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 U.S. GAAP.

The accompanying interim Condensed Consolidated Balance Sheet as of September 30, 2022, the Condensed Consolidated Statements of Operations and Comprehensive Loss, of cash flows and of members'/stockholders' equity for the three and nine months ended September 30, 2022 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 consolidated financial position of the Company. All adjustments made were of a normal recurring nature. The results for the three and nine months ended September 30, 2022 are not necessarily indicative of the results to be expected for the year ending December 31, 2022, or for any future period.

The Company's significant accounting policies are discussed in Note 2 to the consolidated financial statements for the years ended December 31, 2021, 2020 and 2019. There have been no significant changes to these policies, except for the adoption of ASC 842, *Leases* as disclosed in Note 2(h), that have had a material impact on the Company's condensed consolidated financial statements and related notes for the three and nine months ended September 30, 2022. 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 Annual Report on Form 10-K for the year ended December 31, 2021, filed with the Securities and Exchange Commission ("SEC") on March 3, 2022.

During the three and nine months ended September 30, 2022, the Company reclassified foreign exchange loss, net from "General and administrative" expenses within the Condensed Consolidated Statement of Operations as a separate line presented on the Condensed Consolidated Statement of Operations. Corresponding prior period amounts have also been reclassified to conform to current period presentation.

(b) Basis of consolidation

The condensed consolidated financial statements include the accounts of Integral Ad Science Holding Corp. and its wholly-owned subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation.

(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. Significant estimates include fair value of assets acquired in business combinations, including assumptions with respect to future cash inflows and outflows, discount rates, assets useful lives, market multiples, the allocation of purchase price consideration in the business combination valuation of acquired assets and liabilities, the estimated useful lives of intangible assets and internal use software, the allowance for doubtful accounts, goodwill impairment testing, 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. Actual results may differ from these estimates due to risks and uncertainties, including uncertainty surrounding rapidly changing market and economic conditions due to heightened inflation, changes to fiscal and monetary policy, higher interest rates, currency fluctuations, challenges in the supply chain, disruptions in European economies as a result of the conflict in Ukraine and ongoing effects of the COVID-19 pandemic.

(d) Employee retention tax credit

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provided an employee retention credit which was a refundable tax credit against certain employment taxes. The Consolidated Appropriations Act (the "Appropriations Act") extended and expanded the availability of the employee retention credit through December 31, 2021. The Appropriations Act amended the employee retention credit to be equal to 70% of qualified wages paid to employees during the 2021 fiscal year.

The Company qualified for the employee retention credit beginning in March 2020 for qualified wages through June 2021 and filed a cash refund claim during the three months ended September 30, 2022. During the three and nine months ended September 30, 2022, the Company recorded an employee retention credit totaling \$6,981, within Employee retention tax credit on the Company's Condensed Consolidated Statements of Operations. As of September 30, 2022, the tax credit receivable has been included within Prepaid expenses and other current assets on the Company's Condensed Consolidated Balance Sheets.

(e) Cash, cash equivalents, and 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.

	September 30, 2022	December 31, 2021
Cash and cash equivalents	\$ 73,645	\$ 73,210
Short term restricted cash	141	70
Long term restricted cash (held in other long-term assets)	2,789	2,798
Total cash, cash equivalents, and restricted cash shown in the condensed consolidated statements of cash flows	<u>\$ 76,575</u>	<u>\$ 76,078</u>

(f) 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. These costs are recorded in general and administrative expenses within the Consolidated Statements of Operations and Comprehensive Loss.

The activity in our allowance for doubtful accounts consists of the following as of:

	September 30, 2022	September 30, 2021
Balance, beginning of period	\$ 5,883	4,257
Additional provision	647	764
Receivables written off	(1,129)	(640)
Balance, end of period	<u>\$ 5,401</u>	<u>4,381</u>

(g) Stock-based compensation

Stock-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 accounts for forfeitures as they occur. The Company used the following assumptions in valuing its time-based service options, which vest over a period of time subject to continued employment ("Time-Based Options"), return target options ("Return-Target Options"), which vest upon a realized cash return of the equity investment of Vista Equity Partners ("Vista"), the Company's equity sponsor and funds controlled by Vista and registration of the shares held by Vista, market stock units ("MSUs"), and shares to be purchased under the Employee Stock Purchase Plan ("ESPP").

Expected term — For time-based awards, the estimated expected term of options granted is generally calculated as the vesting period plus the midpoint of the remaining contractual term, as the Company does not have sufficient historical information to develop reasonable expectations surrounding future exercise patterns and post-vesting employment termination behavior. For awards subject to market and performance conditions, the expected term represents the period of time that the options granted are expected to be outstanding.

Expected volatility — Since the Company does not have substantive trading history of its common stock, volatility is estimated 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.

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 common stock/units.

Fair value —Prior to the IPO, because there was no public market for the Company’s common stock/units, the board of directors determined the best estimate of the fair value of the Company’s option grants, based on reasonable judgment and numerous objective and subjective factors, including independent third-party valuations of the Company’s common stock/units, operating and financial performance, and general and industry-specific economic outlook, amongst other factors. Following the pricing of the IPO, the Company’s shares are traded in the public market, and accordingly, the Company uses the applicable closing price of its common stock to determine fair value.

The Company used the following assumptions in valuing its stock-based compensation:

	September 30, 2022			September 30, 2021		
Estimated fair value per share	\$3.26	-	\$14.43	\$8.16	-	\$14.04
Expected volatility (%)	65%	-	80%	65%	-	80%
Expected term (in years)	0.5	-	10.00	3.00	-	10.00
Risk-free interest rate (%)	0.46%	-	3.35%	0.46%	-	0.98%
Dividend yield	—			—		

(h) Recently adopted accounting pronouncements

In January 2017, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) No. 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes (“ASU No. 2019-12”) 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 Company early adopted ASU No. 2019-12, which 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 (“ASU No. 2018-15”), 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 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.

In February 2016, the FASB issued ASU 2016-2, “Leases (Topic 842)” (“ASU No. 2016-2”). Under ASU No. 2016-2, lessees are required to put most leases on their balance sheets but to recognize expenses in the income statement in a manner similar to current accounting. ASU No. 2016-2 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 is effective for the Company beginning January 1, 2022. Upon adoption, entities are 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 adopted ASU No. 2016-2 on January 1, 2022 using the modified retrospective transition approach, which resulted in the recognition of right-of-use assets (“ROU assets”) of \$21,666 and lease liabilities of \$29,361. Differences between ROU assets and lease liabilities are attributed to deferred rent, lease incentive obligations and cease-use liability previously recognized under ASC 420 *Exit or Disposal Cost Obligations*. The Company elected the package of practical expedients not to reassess prior conclusions related to contracts containing leases, lease classification and initial direct costs. In addition, the Company elected the expedient permitting the combination of lease and non-lease components into a single lease component. The Company made a policy election to not recognize ROU assets and lease liabilities for short-term leases for all asset classes.

The adoption of ASU No. 2016-2 did not have a material impact on the Consolidated Statements of Operations and Comprehensive Loss or the Consolidated Statement of Cash Flows. Expanded disclosures around the Company's lease agreements under ASU No. 2016-2 are included in Note 14, Leases.

(i) Accounting pronouncements not yet adopted

In October 2021, the FASB issued ASU 2021-08, "Accounting for Contract Assets and Contract Liabilities from Contracts with Customers," which is intended to improve the accounting for acquired revenue contracts with customers in a business combination and create consistency in practice related to (i) the recognition of an acquired contract liability, and (ii) payment terms and their effect on subsequent revenue recognized by the acquirer. This ASU is effective for annual periods, including interim periods within those annual periods, beginning after December 15, 2023. The Company will evaluate the impact of this guidance on future acquisitions as transactions occur.

In March 2020, the FASB issued ASU 2020-4, "Facilitation of the Effects of Reference Rate Reform on Financial Reporting," ("ASU No. 2020-4") which is intended 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 ASU No. 2020-4 provide operational expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships and other transactions to be affected by reference rate reform if certain criteria are met. The amendments in ASU No. 2020-4 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. The Company does not expect the adoption of ASU No. 2020-4 to have a material impact 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," ("ASU No. 2016-13") which is intended to provide more decision-useful information about expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. ASU No. 2016-13 revises the impairment model to utilize an expected loss methodology in place of the currently used incurred loss methodology, which will result in more timely recognition of losses on financial instruments, including, but not limited to accounts receivable. This guidance will be effective for the Company beginning January 1, 2023, including interim periods within that reporting period. Early adoption is permitted and the update allows for a modified retrospective method of adoption. The Company is currently evaluating the potential effect that adopting this guidance will have on its condensed consolidated financial statements.

3. Business combinations

Publica LLC

On August 9, 2021, a wholly-owned subsidiary of the Company acquired, directly or indirectly, all the membership units and membership interests of Publica LLC ("Publica"). The purchase price related to this acquisition was \$171,366 in cash and 2,888,889 shares of common stock of the Company, valued at \$49,631. The acquisition was financed with proceeds received from the Company's IPO.

The Publica acquisition was accounted for in accordance with ASC 805, using the acquisition method of accounting. The assets and liabilities of Publica, including identifiable intangible assets, have been measured at their fair value primarily using Level 3 inputs. Determining the fair value of the assets acquired and liabilities assumed requires judgement and involved the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates, assets useful lives, market multiples, and other items. The use of different estimates and judgements could yield materially different results.

The fair values allocated to the assets acquired are based on management's estimates and assumptions and may be subject to change as additional information becomes available. The fair value of the customer relationship intangible asset acquired was determined using the excess earnings method. The fair value of the trademark and developed technology intangible assets acquired were determined using the relief from royalty method.

The excess of the purchase price, over the fair value of net assets acquired, including the amount assigned to the identifiable intangible assets, has been recorded to goodwill. The resulting goodwill has been allocated to the Company's single reporting unit. \$57,972 of goodwill will be deductible for tax purposes.

The allocation of purchase consideration to the assets acquired and liabilities assumed is as follows:

	<u>Fair Value</u>	<u>Useful Life</u>
Assets acquired:		
Cash and cash equivalents	\$ 4,482	
Accounts receivable	2,391	
Property, plant and equipment	46	
Prepaid expenses	188	
Security deposits	12	
Intangible assets:		
Developed technology	15,200	5 years
Trademarks	2,200	5 years
Customer relationships	42,800	6 years
Total intangible assets	<u>60,200</u>	
Total identifiable assets acquired	\$ 67,319	
Liabilities assumed:		
Accounts payable	\$ 560	
Other current liabilities	2	
Deferred tax liability	36,161	
Total liabilities assumed	36,723	
Goodwill	190,401	Indefinite
Total purchase consideration	<u>\$ 220,997</u>	

Context

On December 31, 2021, a wholly-owned subsidiary of the Company acquired, directly or indirectly, all the common equity of Nobora SAS ("Context"). The Context acquisition builds on the Company's current, market-leading media classification and contextual targeting capabilities. The integration of Context's technology will enable marketing partners to identify brand suitable content beyond standard frameworks and contextually target with granularity. The purchase price related to the Context acquisition was \$22,575 in cash, of which \$967 is payable on December 31, 2023, and 457,959 shares of common stock of the Company, valued at \$10,391.

The Context acquisition was accounted for in accordance with ASC 805, using the acquisition method of accounting. The assets and liabilities of Context, including identifiable intangible assets, have been measured at their fair value primarily using Level 3 inputs. Determining the fair value of the assets acquired and liabilities assumed requires judgement and involved the use of significant estimates and assumptions, including assumptions with respect to discount rates, opportunity costs, and assets useful lives. The use of different estimates and judgments could yield materially different results.

The fair values allocated to the assets acquired are based on management's estimates and assumptions and may be subject to change as additional information becomes available. The fair value of the developed technology intangible asset acquired was determined using the cost method.

The excess of the purchase price, over the fair value of net assets acquired, including the amount assigned to the identifiable intangible assets, has been recorded to goodwill. The resulting goodwill has been allocated to the Company's single reporting unit, none of which will be deductible for tax purposes.

The allocation of purchase consideration to the assets acquired and liabilities assumed is as follows:

	Fair Value	Useful Life
Assets acquired:		
Accounts receivable	\$ 122	
Other assets	112	
Developed technology	7,670	5 years
Total identifiable assets acquired	\$ 7,904	
Liabilities assumed:		
Accounts payable	\$ 318	
Short-term debt	2,354	
Deferred tax liability	142	
Total liabilities assumed	2,814	
Goodwill	27,876	Indefinite
Total purchase consideration	\$ 32,966	

The Company recognized a deferred tax liability of \$142 on its purchase of Context.

4. Property and equipment, net

Property and equipment consisted of the following:

	Estimated useful life (in years)	September 30, 2022	December 31, 2021
Computer and office equipment	1 - 3 years	\$ 3,888	\$ 3,100
Computer software	3 - 5 years	218	218
Leasehold improvements	Various	363	412
Furniture	5 years	81	66
Total property and equipment		4,550	3,796
Less: accumulated depreciation		(2,959)	(2,383)
Total property and equipment, net		\$ 1,591	\$ 1,413

Depreciation expense of property and equipment for the three months ended September 30, 2022 and 2021 was \$234 and \$418, respectively. Depreciation expense of property and equipment for the nine months ended September 30, 2022 and 2021 was \$669 and \$1,378, respectively.

5. Internal use software, net

Internal use software consisted of the following:

	Estimated useful life (in years)	September 30, 2022	December 31, 2021
Internal use software	3 - 5 years	\$ 43,007	\$ 32,591
Less: Accumulated amortization		(21,451)	(14,491)
Total internal use software, net		\$ 21,556	\$ 18,100

Amortization expense for the three months ended September 30, 2022 and 2021 was \$2,453 and \$2,086, respectively. Amortization expense for the nine months ended September 30, 2022 and 2021 was \$7,000 and \$5,793, respectively. For the nine months ended September 30, 2022, the Company impaired \$49 of costs related to projects that were no longer being implemented, recorded in general and administrative expenses within the Condensed Consolidated Statements of Operations and Comprehensive Loss.

6. Intangible assets, net

The gross book value, accumulated amortization, net book value and amortization periods of the intangible assets were as follows:

September 30, 2022					
	Estimated useful life	Gross book value	Accumulated amortization	Net book value	Weighted average remaining useful life
Customer relationships	5 - 15 years	\$ 301,853	\$ (104,902)	\$ 196,951	9.7 years
Developed technology	4 - 5 years	136,462	(116,888)	19,574	3.7 years
Trademarks	5 - 9 years	19,700	(9,362)	10,338	4.6 years
Favorable leases	6 years	198	(139)	59	1.8 years
Total		<u>\$ 458,213</u>	<u>\$ (231,291)</u>	<u>\$ 226,922</u>	

December 31, 2021					
	Estimated useful life	Gross book value	Accumulated amortization	Net book value	Weighted average remaining useful life
Customer relationships	5 - 15 years	\$ 302,026	\$ (82,105)	\$ 219,921	10.4 years
Developed technology	4 - 5 years	138,342	(112,347)	25,995	4.5 years
Trademarks	5 - 9 years	19,700	(7,384)	12,316	5.4 years
Favorable leases	6 years	198	(114)	84	2.5 years
Total		<u>\$ 460,266</u>	<u>\$ (201,950)</u>	<u>\$ 258,316</u>	

Amortization expense related to intangibles for the three months ended September 30, 2022 and 2021 was \$9,930 and \$13,596, respectively. Amortization expense related to intangibles for the nine months ended September 30, 2022 and 2021 was \$29,916 and \$37,927, respectively.

7. Goodwill

The following table provides a roll forward of the changes in the goodwill balance:

Goodwill as of December 31, 2021	\$ 676,513
Measurement period adjustments	(231)
Impact of exchange rates	(5,304)
Goodwill as of September 30, 2022	<u>\$ 670,978</u>

8. Accounts payable and accrued expenses

Accounts payable and accrued expenses consisted of the following:

	September 30, 2022	December 31, 2021
Accounts payable	\$ 9,065	\$ 8,307
Accrued payroll	6,807	5,047
Accrued professional fees	2,701	2,334
Accrued bonuses and commissions	12,663	16,454
Accrued revenue sharing	3,883	8,497
Taxes payable	2,056	6,076
Short term debt	—	1,976
Accrued hosting fees	3,138	2,465
Cease use liability (short-term)	—	1,298
Other accrued expenses	3,698	3,803
Total accounts payable and accrued expenses	<u>\$ 44,011</u>	<u>\$ 56,257</u>

Other long-term liabilities consisted of the following:

	September 30, 2022	December 31, 2021
Purchase price payable for the acquisition of Context	\$ 967	\$ 2,320
Cease use liability (long-term)	—	5,689
Security deposit received	672	672
Total other long-term liabilities	<u>\$ 1,639</u>	<u>\$ 8,681</u>

9. Long-term debt

New Credit Agreement

On September 29, 2021, the Company entered into a new credit agreement with various lenders (the “New Credit Agreement” or the “New Revolver”), that provides for an initial \$300,000 in commitments for revolving credit loans, which amount may be increased or decreased under specific circumstances, with a \$30,000 letter of credit sublimit and a \$100,000 alternative currency sublimit. In addition, the New Credit Agreement provides for the ability to request incremental term loan facilities, in a minimum amount of \$5,000 for each facility. Borrowings pursuant to the New Credit Agreement may be used for working capital and other general corporate purposes, including for acquisitions permitted under the New Credit Agreement. The Company drew down \$235,000 on the New Revolver on September 29, 2021 and an additional \$10,000 on December 23, 2021. On June 27, 2022, the Company paid down \$10,000. During the three months ended September 30, 2022, the Company drew and paid down \$15,000 under the New Revolver.

Borrowings under the New Credit Agreement are scheduled to mature on September 29, 2026. The New Credit Agreement contains certain customary events of default including failure to make payments when due thereunder, and failure to observe or perform certain covenants.

The proceeds of the New Revolver, together with cash on hand, were used to repay the outstanding balance of the term loan and revolving loan under the Company's prior Credit Agreement. In connection with the New Revolver, the Company incurred costs of \$2,318 that are included in Long-term debt, net, in the Condensed Consolidated Balance Sheets. In connection with the extinguishment of the term loan and revolving loan under the prior Credit Agreement, the Company wrote off deferred financing costs of \$3,721 as a loss on extinguishment.

The interest rates for the New Revolver under the New Credit Agreement for U.S. dollar loans are equal to (i) the applicable rate for base rate loans range from 0.75% to 1.50% per annum, (ii) for LIBO Rate (as defined in the New Credit Agreement) loans range from 1.75% to 2.50% per annum, (iii) for RFR Loans (as defined in the New Credit Agreement) denominated in sterling range from 1.7826% to 2.5326%, and (iv) for RFR Loans denominated in euro range from 1.7965% to 2.5456%, in each case, based on the Senior Secured Net Leverage Ratio (as defined in the New Credit Agreement). Base rate borrowings may only be made in dollars. The Company is required to pay a commitment fee during the term of the New Credit Agreement ranging from 0.20% to 0.35% per annum of the average daily undrawn portion of the revolving commitments based on the Senior Secured Net Leverage Ratio. The interest rate on September 30, 2022 was 4.6%.

Any borrowings under the New Credit Agreement may be repaid, in whole or in part, at any time and from time to time without premium or penalty other than customary breakage costs, and any amounts repaid may be reborrowed. No mandatory prepayments will be required other than when borrowings and letter of credit usage exceed the aggregate commitment of all lenders.

The New Credit Agreement contains covenants requiring certain financial information to be submitted quarterly and annually. In addition, the Company is also required to comply with certain financial covenants such as maintaining a Net Leverage Ratio (as defined in the New Credit Agreement) of 3.50 to 1.00 or lower and maintaining a minimum Interest Coverage Ratio (as defined in the New Credit Agreement) of 2.50 to 1.00. As of September 30, 2022, the Company was in compliance with all covenants contained in the New Credit Agreement.

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
New Revolver	\$ 235,000	\$ 245,000
Less: Unamortized debt issuance costs	(1,854)	(2,202)
Total carrying amount	<u>\$ 233,146</u>	<u>\$ 242,798</u>

Amortization of debt issuance costs for the three months ended September 30, 2022 and 2021 were \$116 and \$337, respectively. Amortization of debt issuance costs for the nine months ended September 30, 2022 and 2021 were \$348 and \$1,020, respectively. Amortization of debt issuance costs is recorded to interest expense, net on the Company's Condensed Consolidated Statements of Operations and Comprehensive Loss.

The Company recognized interest expense of \$2,592 and \$5,417 during the three months ended September 30, 2022 and 2021, respectively. The Company recognized interest expense of \$5,615 and \$16,464 during the nine months ended September 30, 2022 and 2021, respectively.

Future principal payments of long-term debt as of September 30, 2022 are as follows:

<u>Year Ending</u>	
2022 (remaining three months)	\$ —
2023	—
2024	—
2025	—
2026	235,000
	<u>\$ 235,000</u>

10. 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. 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 September 30, 2022 and 2021, the Company recorded an income tax provision of \$1,287 and an income tax benefit of \$898, respectively. The Company's effective tax rate for the three months ended September 30, 2022 and 2021 was 62.7% and (8.4%), respectively. The Company's effective tax rate for the three months ended September 30, 2022 differs from the statutory rate for the three months ended September 30, 2021 effective tax rate, primarily due to non-deductible executive compensation as the Company became subject to the provisions of Section 162(m) of the Internal Revenue Code as a result of becoming a public company, other permanent tax differences and discrete items.

For the nine months ended September 30, 2022 and 2021, the Company recorded an income tax provision of \$5,083 and an income tax benefit of \$4,855, respectively. The Company's effective tax rate for the nine months ended September 30, 2022 and 2021 was 56.7% and (9.3%), respectively. The Company's effective tax rate for the nine months ended September 30, 2022 differs from the statutory rate for the nine months ended September 30, 2021 effective tax rate, primarily due to non-deductible executive compensation as the Company became subject to the provisions of Section 162(m) of the Internal Revenue Code as a result of becoming a public company, other permanent tax differences and discrete items.

The Company recognizes interest and, if applicable, penalties related to unrecognized tax benefits in the income tax provision. The Company is not currently under audit in any taxing jurisdiction.

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 condensed consolidated financial statements.

The following table summarizes revenue by geographic area:

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
North and South America ("Americas")	\$ 69,786	\$ 50,286	\$ 199,078	\$ 136,919
Europe, Middle East and Africa ("EMEA")	23,110	20,222	68,368	61,185
Asia and Pacific Rim ("APAC")	8,447	8,506	23,467	22,937
Total	<u>\$ 101,343</u>	<u>\$ 79,014</u>	<u>\$ 290,913</u>	<u>\$ 221,041</u>

For the three months ended September 30, 2022 and 2021, revenue in the U.S. was \$65,725 and \$46,156, respectively. For the nine months ended September 30, 2022 and 2021, revenue in the U.S. was \$188,193 and \$126,226, respectively.

The following table summarizes long lived assets (including property and equipment, net and operating right-of-use assets, net) by geographic area:

	September 30, 2022	December 31, 2021
Long lived assets		
Americas	\$ 17,252	\$ 876
EMEA	327	181
APAC	3,043	356
Total	<u>\$ 20,622</u>	<u>\$ 1,413</u>

12. Stock-based compensation

Integral Ad Science Holding Corp. Amended and Restated 2018 Stock Option Plan

On August 1, 2018, the Company adopted the 2018 Non-Qualified Stock Option Plan (“2018 Plan”). Under the 2018 Plan, the Company had issued (i) Time-Based Options that vest over four years with 25% vesting after twelve months and an additional 6.25% vesting at the end of each successive quarter thereafter; and (ii) Return-Target Options that vest upon the first to occur of sale of the Company, or, sale or transfer to any third party of shares, 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.

The 2018 Plan contained a provision wherein, the Time-Based Options can be repurchased by the Company at cost upon resignation of the employee. Due to this repurchase feature, the Time-Based Options did not automatically provide the employee with the potential benefits associated with a stock award holder, and therefore, these awards were not accounted for as a stock-based award under ASC 718, *Compensation - Stock Compensation* but instead, compensation cost was recognized when the benefit to the employee was determined to be probable.

The Return-Target Options were considered to contain both market (total stockholder return threshold) and performance (exit event) conditions. As such, the award was measured on the date of grant. Since the conditions for vesting related to the Return-Target Options were not met prior to the IPO, no stock-based compensation was recognized in the pre-IPO financial statements of the Company.

In connection with the Company’s IPO, the 2018 Plan was amended and restated (“Amended and Restated 2018 Plan”) with the following modifications: (i) the provision to repurchase the Time-Based Options at cost upon resignation of the employee was removed and (ii) the Return-Target Options were modified to include vesting upon a sale of shares by Vista following the IPO resulting in Vista realizing a cash return on its investment in the Company equaling or exceeding \$1.17 billion.

As a result of the modification to the Time-Based Options, the awards became subject to the guidance in ASC 718, *Compensation - Stock Compensation*. During the three and nine months ended September 30, 2022, the Company recognized stock compensation expense of \$3,234 and \$10,970, respectively, related to the Time-Based Options. During the three and nine months ended September 30, 2021, the Company recognized stock compensation expense of \$4,595 and \$42,742, respectively, related to the Time-Based Options.

As the return multiple and vesting conditions associated with the Return-Target Options were also modified, the Company fair valued the Return-Target Options using a Monte Carlo simulation model. The Return-Target Options become exercisable following both (i) a registration of shares of common stock held by Vista and (ii) Vista realizing a cash return on its investment in the Company equaling or exceeding \$1.17 billion. As of September 30, 2022, the condition relating to Vista’s cash return was not deemed probable and therefore, no stock-based compensation expense relating to the Return-Target Options was recognized during the three month period ended September 30, 2022.

Vesting of the Time-Based Options accelerate when the Return-Target Options vest and therefore, recognition of the remaining unamortized stock compensation expense related to the Time-Based Options will accelerate when it becomes probable that the Return-Target Options would vest.

The total number of Time-Based Options and Return Target Options outstanding under the Amended and Restated 2018 Plan as of September 30, 2022 were 3,464,146 and 1,759,104, respectively. The Company does not expect to issue any additional awards under the Amended and Restated 2018 Plan.

2021 Omnibus Incentive Plan (“2021 Plan”)

On June 29, 2021, the Company adopted the 2021 Plan to incentivize executive officers, management, employees, consultants and directors of the Company and to align the interests of the participants with those of the Company’s shareholders. As of September 30, 2022, there were 27,421,802 shares reserved for issuance under the 2021 Plan and 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) 5% 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.

During the three and nine months ended September 30, 2022, the Company recognized stock compensation expense of \$672 and \$2,417 respectively related to stock options. During the three and nine months ended September 30, 2021, the Company recognized stock compensation expense of \$887 related to stock options. As of September 30, 2022, there are 1,525,398 total options outstanding under the 2021 Plan, consisting of 1,021,111 Time-Based Options and 504,287 Return-Target Options. The vesting conditions for the options issued under the 2021 Plan are identical to those described under the Amended and Restated 2018 Plan.

Stock option activity for the three months ended September 30, 2022 is as follows:

Time-Based Options

	Stock options	Weighted average exercise price	Weighted average remaining contractual life (years)	Aggregate intrinsic value
Outstanding at July 1, 2022	5,636,565	\$ 8.06	7.51	20,889
Granted	—	—	—	—
Canceled or forfeited	(547,638)	11.32	—	—
Exercised	(603,670)	4.19	—	—
Outstanding at September 30, 2022	<u>4,485,257</u>	<u>\$ 8.18</u>	<u>6.85</u>	<u>\$ 8,119</u>
Vested and expected to vest at September 30, 2022	4,485,257	\$ 8.18	6.85	\$ 8,119
Exercisable as of September 30, 2022	3,004,243	\$ 6.47	6.29	\$ 6,847

Return-Target Options

	Stock options	Weighted average exercise price	Weighted average remaining contractual life (years)	Aggregate intrinsic value
Outstanding at July 1, 2022	2,898,674	\$ 7.95	7.50	10,892
Granted	—	—	—	—
Canceled or forfeited	(745,410)	7.73	—	—
Exercised	—	—	—	—
Outstanding at September 30, 2022	<u>2,153,264</u>	<u>\$ 8.03</u>	<u>7.22</u>	<u>\$ 4,047</u>
Vested and expected to vest at September 30, 2022	2,153,264	\$ 8.03	7.22	\$ 4,047
Exercisable as of September 30, 2022	—	—	—	—

Stock option activity for the nine months ended September 30, 2022 is as follows:

Time-Based Options

	Stock options	Weighted average exercise price	Weighted average remaining contractual life (years)	Aggregate intrinsic value
Outstanding at January 1, 2022	6,648,975	\$ 7.46	7.76	98,055
Granted	—	—	—	—
Canceled or forfeited	(749,052)	9.38	—	—
Exercised	(1,414,666)	4.18	—	—
Outstanding at September 30, 2022	4,485,257	\$ 8.18	6.85	\$ 8,119
Vested and expected to vest at September 30, 2022	4,485,257	\$ 8.18	6.85	\$ 8,119
Exercisable as of September 30, 2022	3,004,243	\$ 6.47	6.29	\$ 6,847

Return-Target Options

	Stock options	Weighted average exercise price	Weighted average remaining contractual life (years)	Aggregate intrinsic value
Outstanding at January 1, 2022	3,265,126	\$ 7.53	7.27	47,947
Granted	—	—	—	—
Canceled or forfeited	(1,111,862)	6.54	—	—
Exercised	—	—	—	—
Outstanding at September 30, 2022	2,153,264	\$ 8.03	7.22	\$ 4,047
Vested and expected to vest at September 30, 2022	2,153,264	\$ 8.03	7.22	\$ 4,047
Exercisable as of September 30, 2022	—	—	—	—

As of September 30, 2022, unamortized stock-based compensation expense related to the Time-Based Options was \$15,845, which will be recognized over the weighted average vesting term of 2.1 years. In addition, unamortized stock-based compensation expense related to the Return-Target Options of \$26,108 will be recognized when events that trigger vesting are deemed probable.

Restricted Stock Units ("RSUs")

The majority of RSUs under the 2021 Plan vest 25% each year and become fully vested after four years of service. Beginning in May 2022, RSUs will begin to vest 6.25% at the end of each successive quarter and become fully vested after four years of service.

RSU activity for the three months ended September 30, 2022 is as follows:

	RSUs	
	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding as of July 1, 2022	7,365,070	\$ 13.85
Granted	1,369,772	8.44
Canceled or forfeited	(176,180)	13.63
Vested	(471,995)	15.54
Outstanding as of September 30, 2022	8,086,667	\$ 12.83
Expected to vest as of September 30, 2022	8,086,667	

RSU activity for the nine months ended September 30, 2022 is as follows:

	RSUs	
	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding as of January 1, 2022	2,426,147	\$ 19.43
Granted	6,949,384	11.13
Canceled or forfeited	(527,656)	15.94
Vested	(761,208)	16.35
Outstanding as of September 30, 2022	8,086,667	\$ 12.83
Expected to vest as of September 30, 2022	8,086,667	

During the three and nine months ended September 30, 2022, the Company recognized \$7,552 and \$16,524, respectively, of stock-based compensation expense related to these RSU awards. During the three and nine months ended September 30, 2021, the Company recognized \$2,652 of stock-based compensation expense related to these RSU awards. Unamortized stock-based compensation expense related to RSUs as of September 30, 2022 was \$93,458, which will be recognized over the weighted average vesting term of 3.4 years.

Performance Stock Units

The Company granted Performance Stock Units under the 2021 Plan, which are contingent upon achieving specified revenue performance goals by December 31, 2023. As of September 30, 2022, no stock-based compensation expense has been recognized as performance vesting conditions were not deemed probable to occur. The unrecognized compensation expense is \$12,000 assuming performance at the highest tier.

Market Stock Units

The Company granted market stock units ("MSUs") under the 2021 Plan to certain executive officers. MSUs vest over four years, 25% on May 2, 2023 and 6.25% at the end of each quarter thereafter. The number of MSUs eligible to vest is based on the performance of the Company's common stock over each vesting period. The number of shares eligible to vest is calculated based on a payout factor. The payout factor is calculated by dividing the average closing price of the Company's stock during the ten trading days immediately preceding the applicable vesting date by the closing price of the Company's stock on April 29, 2022. The payout factor is zero if the quotient is less than 0.60 and is capped at 2.25. This quotient is then multiplied by the target number of MSUs granted to the relevant officer to determine the number of shares to be issued to the officer at vesting. The grant date fair value of the MSUs was determined using a Monte-Carlo simulation. The Company uses the accelerated attribution method to account for these awards.

MSU activity for the three and nine months ended September 30, 2022 is as follows:

	MSUs	
	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding as of January 1, 2022	—	\$ —
Granted	1,261,413	14.43
Canceled or forfeited	(86,674)	14.43
Vested	—	—
Outstanding as of September 30, 2022	1,174,739	\$ 14.43
Expected to vest as of September 30, 2022	1,174,739	

All outstanding MSU awards were granted in three months ended June 30, 2022. Forfeitures of MSU awards occurred during the three and nine months ended September 30, 2022. During the three and nine months ended September 30, 2022, the Company recognized stock-based compensation expense of \$2,657 and \$3,065, respectively related to the MSU awards. Unamortized stock-based compensation expense related to MSUs was \$13,882, which will be recognized over the weighted average vesting term of 3.7 years.

2021 Employee Stock Purchase Plan (“ESPP”)

The Company adopted the ESPP for the primary purpose of incentivizing employees in future periods. As of September 30, 2022, 3,033,556 shares of common stock are reserved for issuance under the ESPP. The number of shares available for issuance under the ESPP will be increased on January 1 of each calendar year, ending in and including 2031, by an amount equal to the lesser of (i) 1% 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, subject to a maximum of 16,000,000 shares of our common stock for the portion of the ESPP intended to qualify as an employee stock purchase plan under Section 423 of the Internal Revenue Code. All Company employees and employees of designated subsidiaries are eligible to participate in the ESPP and may purchase shares through payroll deductions of up to 15% of their eligible compensation, subject to a maximum of \$25,000 in any annual period for the portion of the ESPP intended to qualify as an employee purchase plan under Section 423 of the Internal Revenue Code.

The ESPP provides eligible employees the opportunity to purchase shares of the Company's common stock through payroll deductions at a price equal to 85% of the fair market value of the shares on the first business day of the offering period or the last business day of the offering period, whichever is lower. The six month offering under the ESPP commenced on August 1, 2022. There are no shares issued under the ESPP plan as of September 30, 2022. Stock-based compensation expense recognized in the three and nine months ended September 30, 2022 was \$131.

Total stock-based compensation expense for all equity arrangements for the three and nine months ended September 30, 2022 and 2021 were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Cost of revenue	\$ 101	\$ 48	\$ 258	\$ 48
Sales and marketing	4,457	2,419	10,650	13,227
Technology and development	3,168	1,820	6,979	8,829
General and administrative	6,521	3,854	15,220	27,569
Total	\$ 14,247	\$ 8,141	\$ 33,107	\$ 49,673

13. Members’/ Stockholders’ equity

As discussed in Note 1, the Company converted to a Delaware corporation, which created new elements of the capital structure upon its IPO.

Common stock

As of September 30, 2022, our authorized common stock consists of 500,000,000 shares of common stock, par value \$0.001 per share and 50,000,000 preferred stock, par value \$0.001 per share.

For the three months ended September 30, 2022, the Company issued 471,995 shares of common stock for vested RSUs and employees exercised stock options in exchange for 603,670 shares of common stock for \$2,527. For the nine months ended September 30, 2022, the Company issued 761,208 shares of common stock for vested RSUs and employees exercised stock options in exchange for 1,414,666 shares of common stock for \$5,908. During the three and nine months ended September 30, 2022, the Company repurchased 3,080,061 shares of common stock for \$23,655.

For the three and nine months ended September 30, 2021, the Company issued and sold 15,000,000 shares of common stock in connection with the closing of its IPO on July 2, 2021 and 1,821,330 shares of common stock in connection with the exercise of the underwriters' option that closed on July 28, 2021. The Company issued 2,888,889 shares of common stock in connection with its acquisition of Publica on August 9, 2021. For the three months ended September 30, 2021, the Company also issued 26,931 shares of common stock for vested RSUs.

Members' equity

Prior to the IPO, the Company was a single member LLC, and the Company's Board of Directors, through the Kavacha Topco, LLC Amended and Restated Limited Liability Company Agreement (the "Operating Agreement"), had the authority to admit additional members. Under the terms of the Operating Agreement, the members of the Company were 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.

In conjunction with the pricing of the IPO, the Operating Agreement was terminated, and the Company converted from a Delaware domestic limited liability company to a Delaware domestic corporation. All outstanding member units were converted into 134,203,403 shares of common stock of the Company on a proportion of 1 member unit for 242 shares of common stock.

For the nine months ended September 30, 2021, the Company repurchased 99,946 units from members of the Company for \$1,204. The repurchases in excess of par value for the nine months ended September 30, 2021 was \$791. The repurchase of units has been accounted for as a reduction in members'/shareholders' equity in these condensed consolidated financial statements. The Company also issued 17,486 units for vested unit awards. In addition, employees exercised 246,369 options for \$4,435.

14. Leases

Determination of a leasing arrangement is performed at inception. Right-of-use assets represent the Company's right to use leased assets over the term of the lease, adjusted for lease incentives such as tenant improvements. Lease liabilities represent the Company's contractual obligation to make lease payments over the lease term. Right-of-use assets and lease liabilities are determined based on the present value of future lease payments using the interest rate implicit in the loan or, if that rate cannot be readily determined, the incremental borrowing rate. Incremental borrowing rates were determined for each lease based on the Company's borrowing rate adjusted for term differences and foreign currency risk.

Some real estate leases contain lease and non-lease components. Non-lease components generally represent use-based charges for common area maintenance, taxes and utilities. The Company has elected not to separate lease and non-lease components. Variable lease payments consist primarily of common area maintenance, utilities and taxes, which are not included in the recognition of ROU assets and related lease liabilities. Some contracts also contain lease incentives such as tenant improvement allowances and rent holidays, which are treated as a reduction of lease payments for the measurement of the lease liability.

The Company leases office spaces under non-cancelable lease terms, and have a remaining lease term of up to 4.4 years, with a number of month-to-month leases that are accounted for as short-term leases. The Company has not recognized renewal options as part of its right-of-use assets and lease liabilities, as the renewal options are not reasonably certain of exercise or occurrence as of September 30, 2022. Additionally, these lease arrangements do not contain residual value guarantees, and there are no other restrictions or covenants in the contracts.

The weighted-average remaining term of the Company's operating leases was 3.9 years as of September 30, 2022. The weighted-average discount rate used to measure the present value of the operating lease liabilities was 4.7% as of September 30, 2022.

The following table presents components of lease cost recorded in the Condensed Consolidated Statement of Operations and Comprehensive Loss for the three and nine months ended September 30, 2022.

	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2022
Lease costs:		
Operating lease costs	\$ 1,756	\$ 5,294
Short-term lease costs	838	2,524
Variable lease costs	62	241
Sublease income	(656)	(1,968)
Total lease costs	<u>\$ 2,000</u>	<u>\$ 6,091</u>

For the nine months ended September 30, 2022, operating cash flows included \$5,665 of cash paid for operating lease liabilities and \$672 received from the sublease. As of September 30, 2022, there are no material operating leases that have not yet commenced.

As of September 30, 2022, the maturities of remaining lease payments included in the measurement of operating leases are as follows:

Year Ended December 31,		
2022 (remaining three months)	\$	2,015
2023		7,761
2024		6,286
2025		6,377
2026		5,142
Thereafter		1,149
Total lease payments		28,730
Less: imputed interest		(2,516)
Total operating lease liability	\$	26,214

As previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2021, the following table summarizes operating leases as of December 31, 2021 under ASC 840.

Year Ended December 31,	Minimum lease payments	Sublease income
2022	\$ 6,957	\$ 1,569
2023	6,276	2,756
2024	6,345	2,825
2025	6,467	2,896
2026	5,157	2,968
2027 and thereafter	1,149	761
	\$ 32,351	\$ 13,775

15. 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.

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 information technology operations. Total non-cancelable purchase commitments as of September 30, 2022 were approximately \$110,488 for periods through 2026.

16. Net income (loss) per share

For periods prior to the Company's conversion to a Delaware corporation, including fiscal 2021 for which a portion of the period preceded the conversion, the Company has retrospectively presented net income (loss) per share as if the conversion had occurred at the beginning of the earliest period presented. The weighted average shares used in computing net income (loss) per share in these periods are based on the number of units held by members after giving effect to the conversion ratio.

Basic and diluted income (loss) per share is computed by dividing net income (loss) by the weighted-average shares outstanding:

	Three months ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Numerator:				
Net income (loss)	\$ 767	\$ (9,780)	\$ 3,887	\$ (47,615)
Denominator:				
Basic Shares:				
Weighted-average shares outstanding	155,389,195	151,988,054	155,007,655	140,016,260
Diluted Shares:				
Basic weighted-average shares outstanding	155,389,195	151,988,054	155,007,655	140,016,260
Dilutive effect of stock based awards	1,307,559	—	2,573,914	—
Weighted-average diluted shares outstanding	156,696,754	151,988,054	157,581,569	140,016,260
Net income (loss) per share				
Basic	\$ 0.00	\$ (0.06)	\$ 0.03	\$ (0.34)
Diluted	\$ 0.00	\$ (0.06)	\$ 0.02	\$ (0.34)

The following potentially dilutive securities were excluded from the computation of diluted net income (loss) per share attributable to common stock/unit-holders for the periods presented given that their inclusion would have been anti-dilutive. 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 potentially anti-dilutive securities.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Options to purchase common stock	5,169,703	6,676,630	4,493,135	6,676,630
RSUs	6,964,588	2,237,050	2,086,980	2,237,050
MSUs	793,212	—	284,942	—
Total	12,928,267	8,913,680	6,865,197	8,913,680

17. Fair value disclosures

Financial instruments

The carrying value of cash and cash equivalents, restricted cash, accounts receivable and accounts payable approximated fair value due to their short maturities. The carrying value of long-term debt approximates its fair value based on Level 2 inputs as the principal amounts outstanding are subject to variable interest rates that are based on market rates (see Note 9).

18. Related-party transactions

The Company incurs expenses for consulting services and other expenses related to services provided by Vista Consulting Group, LLC ("VCG"). For the three months ended September 30, 2022 and 2021, the Company incurred expenses of \$18 and \$20, respectively. For the nine months ended September 30, 2022 and 2021, the Company incurred expenses of \$82 and \$153, respectively. These costs were included in general and administrative expenses in the Condensed Consolidated Statements of Operations and Comprehensive Loss. Amounts due to VCG as of September 30, 2022 and December 31, 2021 were \$21 and \$0, respectively. In addition, amounts due from VCG as of September 30, 2022 and December 31, 2021 were \$25 and \$0, respectively.

The Company incurs various travel and other expenses related to services provided by Vista Equity Partners Management, LLC (“VEP”). For the three months ended September 30, 2022 and 2021, the Company incurred expenses of \$19 and \$22, respectively. For the nine months ended September 30, 2022 and 2021, the Company incurred expenses of \$56 and \$23, respectively. These costs were included in general and administrative expenses in the Condensed Consolidated Statements of Operations and Comprehensive Loss. Amounts due to VEP as of September 30, 2022 and December 31, 2021 were \$18 and \$0, respectively.

The Company had other related party transactions with companies owned by Vista Equity Partners that are immaterial individually and in aggregate to the Condensed Consolidated Balance Sheets and Condensed Consolidated Statement of Operations.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (“Quarterly Report”) contains forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical fact included in this Quarterly Report 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:

- geopolitical, economic and market conditions, including heightened inflation, slower growth or recession, changes to fiscal and monetary policy, higher interest rates, currency fluctuations, challenges in the supply chain and any disruptions in European economies as a result of the conflict in Ukraine;
- the adverse effect on our business, operating results, financial condition, and prospects from the ongoing COVID-19 pandemic;
- our dependence on the overall demand for advertising;
- a failure to innovate or make the right investment decisions;
- our failure to maintain or achieve industry accreditation standards;
- our ability to compete successfully with our current or future competitors in an intensely competitive market;
- our dependence on integrations with advertising platforms, digital service providers (“DSPs”), and proprietary platforms that we do not control;
- our international expansion;
- our ability to expand into new channels;
- our ability to sustain our profitability and revenue growth rate 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 acquisitions we have completed in the past and may consummate in the future, 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;
- 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 of being 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 our Annual Report on Form 10-K and this Quarterly Report.

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 our Annual Report on Form 10-K, as well as in the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this Quarterly Report. 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 Quarterly Report 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 Quarterly Report 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.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q. 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 “Forward-Looking Statement” included in this Quarterly Report on Form 10-Q and the sections titled “Risk Factors” and “Forward-Looking Statements” included in our Annual Report on Form 10-K for the year ended December 31, 2021. 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 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 the context otherwise requires, the terms “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.

Overview

We are a leading digital media quality 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 media quality partner, we have deep integrations with all the major advertising and technology platforms including Amazon, Facebook, Google, Instagram, LinkedIn, Microsoft, Pinterest, Snap, Spotify, TikTok, The Trade Desk, Twitter, Xandr, Yahoo, 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 reporting platform, IAS Signal™, 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 CTV platforms. Our pre-bid programmatic solution is directly integrated with DSPs to help optimize return on ad spend (“ROAS”) by directing advertising budgets to the best available inventory. With our Context Control solution, advertisers can leverage more than 300 contextual segments from the Company on a pre-bid basis to avoid undesirable content or target towards content that is more suitable for their campaigns. Additionally, our Total Visibility® offering provides marketers with actionable insights to optimize their campaign spend and drive higher yield by focusing on the most efficient and cost effective pathways. Our solutions help hundreds of publishers globally deliver high quality ad inventory that is fraud free, viewable, brand safe and suitable, and geographically targeted.

Macroeconomic and Geopolitical Conditions

Current adverse macroeconomic and geopolitical conditions, including the conflict in Ukraine, heightened inflation, slower growth or recession, changes to fiscal and monetary policy, higher interest rates, currency fluctuations, challenges in the supply chain and the ongoing effects of the COVID-19 pandemic may adversely affect our results. In response to heightened levels of inflation in 2022, central banks, including the U.S. Federal Reserve and the European Central Bank, have increased interest rates. Our operating expenses are denominated in the currencies of the countries in which our operations are located, and our consolidated results of operations and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates. The U.S. dollar may continue to strengthen against these foreign currencies if the Federal Reserve further raises the federal funds rate, which may result in downstream impacts to global exchange rates and further adverse impacts to our reported results.

Our business depends on the overall demand for advertising and on the economic health of advertisers that benefit from our platform. Economic downturns or unstable market conditions cause advertisers to decrease their advertising budgets, which in turn reduces spend through our platform.

Throughout the COVID-19 pandemic, we have had sufficient liquidity and capital resources to continue to meet our operating needs and service our debt. However, if macroeconomic conditions deteriorate or there are unforeseen developments with respect to the current COVID-19 pandemic our results of operations may be adversely affected.

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 an auto renewal provision), and a fixed fee each month (tied to a total number of impressions), and an overage cost per thousand impressions ("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 CTV 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 CTV solution expanded our presence into this important and emerging digital channel. In 2021, we acquired Publica LLC, a leading CTV ad platform and launched our brand safety solution for in-feed video ads on TikTok.

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, macroeconomic conditions, 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. We believe that the Latin America and the APAC regions 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 of each calendar year. We expect these 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 of each calendar year usually reflects the highest level of measurement activity, and the first quarter of each calendar year 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 and macroeconomic conditions. 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.

Key Business Metrics

In addition to our U.S. 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 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:

<i>(as of the end of the period)</i>	September 30,	
	2022	2021
Net revenue retention of advertising customers (%)	120 %	129 %
Total advertising customers	2,152	2,045
Total number of large advertising customers	184	183

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 trailing-twelve-month revenues from customers who were also advertising customers in the prior trailing-twelve-month period. As such, this metric includes the impact of any churned, or lost, advertising customers from the prior trailing-twelve-month 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 trailing-twelve-month 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 applicable trailing-twelve-month periods. We calculate our net revenue retention of advertising customers as follows:

Numerator: The total revenue earned during the current trailing-twelve-month period from the cohort of advertising customers in the prior trailing-twelve-month period.

Denominator: The total revenue earned during the immediately preceding trailing-twelve-month period from such cohort of advertising customers in such trailing-twelve-month period.

The quotient obtained from this calculation is our net revenue retention rate of advertising customers.

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 decreased from 129% as of September 30, 2021 to 120% as of September 30, 2022. The decrease in the net revenue retention of advertising customers as of September 30, 2021 compared to September 30, 2022 was primarily due lower revenue growth during the trailing-twelve-month period of 25% in 2022 compared to 34% in 2021.

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, total advertising customers in conjunction with our other metrics, including net revenue retention, net income (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. We determine our total number of large advertising customers by counting the total number of advertising accounts who have spent at least \$200,000 in the trailing-twelve-month period. We believe the recruitment and cultivation of large advertising customers contributes to our long-term success. Our total number of large advertising customers increased from 183 as of September 30, 2021 to 184 as of September 30, 2022.

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 a 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, (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, 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, as well as software licenses. Personnel costs including salaries, bonuses, equity-based compensation and employee benefits costs, third-party consultant costs associated with the ongoing development 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 consists 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.

Foreign exchange loss, net. Foreign exchange loss, net, is impacted by movements in exchange rates and the amount of foreign-currency denominated cash, receivables, intercompany balances, and payables, which are impacted by our billings to customers, payments to sellers and intercompany transactions.

Interest expense, net

Interest expense, net. Interest expense consists primarily of interest payments on our outstanding borrowings under our Prior Credit Agreement (as defined below), New Credit Agreement (as defined below) and amortization of related debt issuance costs net of interest income.

Employee retention tax credit

Employee retention tax credit. Employee retention tax credit was recognized in connection with our submission for employee retention credits under the CARES Act.

Loss on extinguishment of debt

Loss on extinguishment of debt. Loss on extinguishment of debt was incurred in connection with the repayment of outstanding debt under our Prior Credit Agreement.

Provision (benefit) from income taxes

Provision (benefit) from income taxes. The provision (benefit) from income taxes resulted primarily from the current period book income (loss) multiplied by the effective tax rate.

Results of Operations

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<i>(in thousands except percentages)</i>				
Revenue	\$ 101,343	\$ 79,014	\$ 290,913	\$ 221,041
Operating expenses:				
Cost of revenue (excluding depreciation and amortization shown below)	19,171	13,845	53,864	38,191
Sales and marketing	28,190	19,578	77,961	62,990
Technology and development	19,459	14,609	54,071	47,554
General and administrative	20,150	16,081	56,081	57,670
Depreciation and amortization	12,617	16,100	37,585	45,098
Foreign exchange loss, net	4,064	5	3,503	407
Total operating expenses	103,651	80,218	283,065	251,910
Operating income (loss)	(2,308)	(1,204)	7,848	(30,869)
Interest expense, net	(2,619)	(5,753)	(5,859)	(17,880)
Employee retention tax credit	6,981	—	6,981	—
Loss on extinguishment of debt	—	(3,721)	—	(3,721)
Net income (loss) before income taxes	2,054	(10,678)	8,970	(52,470)
(Provision) benefit from income taxes	(1,287)	898	(5,083)	4,855
Net income (loss)	\$ 767	\$ (9,780)	\$ 3,887	\$ (47,615)
Net income (loss) margin	1 %	(12)%	1 %	(22)%

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue	100 %	100 %	100 %	100 %
Operating expenses:				
Cost of revenue (excluding depreciation and amortization shown below)	19 %	18 %	19 %	17 %
Sales and marketing	28 %	25 %	27 %	28 %
Technology and development	19 %	18 %	19 %	22 %
General and administrative	20 %	20 %	19 %	26 %
Depreciation and amortization	12 %	20 %	13 %	20 %
Foreign exchange loss, net	4 %	— %	1 %	— %
Total operating expenses	102 %	102 %	97 %	114 %
Operating income (loss)	(2)%	(2)%	3 %	(14)%
Interest expense, net	(3)%	(7)%	(2)%	(8)%
Employee retention tax credit	7 %	— %	2 %	— %
Loss on extinguishment of debt	— %	(5)%	— %	(2)%
Net income (loss) before income taxes	2 %	(14)%	3 %	(24)%
(Provision) benefit from income taxes	(1)%	1 %	(2)%	2 %
Net income (loss)	1 %	(12)%	1 %	(22)%

Comparison of the Three Months Ended September 30, 2022 and 2021

	Three Months Ended September 30,			
	2022	2021	\$ change	% change
<i>(in thousands except percentages)</i>				
Revenue	\$ 101,343	\$ 79,014	\$ 22,329	28 %
Operating expenses:				
Cost of revenue (excluding depreciation and amortization shown below)	19,171	13,845	5,326	38 %
Sales and marketing	28,190	19,578	8,612	44 %
Technology and development	19,459	14,609	4,850	33 %
General and administrative	20,150	16,081	4,069	25 %
Depreciation and amortization	12,617	16,100	(3,483)	(22)%
Foreign exchange loss, net	4,064	5	4,059	81178 %
Total operating expenses	103,651	80,218	23,433	29 %
Operating income (loss)	(2,308)	(1,204)	(1,104)	92 %
Interest expense, net	(2,619)	(5,753)	3,134	(54)%
Employee retention tax credit	6,981	—	6,981	100 %
Loss on extinguishment of debt	—	(3,721)	\$ 3,721	(100)%
Net income (loss) before income taxes	2,054	(10,678)	12,732	(119)%
(Provision) benefit from income taxes	(1,287)	898	(2,185)	(243)%
Net income (loss)	\$ 767	\$ (9,780)	\$ 10,547	(108)%

Revenue

Total revenue increased by \$22.3 million, or 28%, for the three months ended September 30, 2022 as compared to the three months ended September 30, 2021.

	Three Months Ended September 30,			
	2022	2021	\$ change	% change
<i>(in thousands)</i>				
Programmatic revenue	\$ 47,067	\$ 33,723	\$ 13,344	40 %
Advertiser direct revenue	38,955	34,444	4,511	13 %
Supply side revenue	15,321	10,847	4,474	41 %
Total revenue	<u>\$ 101,343</u>	<u>\$ 79,014</u>	<u>\$ 22,329</u>	<u>28 %</u>

Total revenue increased primarily due to a significant increase in our programmatic revenue of \$13.3 million, or 40%, attributable to growth in volume of impressions of 28% and an increase of 9% in average CPMs. The increase in average CPMs was attributable to significant growth of our Context Control solution. Revenue from our advertiser direct customers increased by \$4.5 million, or 13%, reflecting growth in volume of impressions of 13%, as well as increased growth from our customer base. Revenue from our supply side customers increased by \$4.5 million, or 41%, primarily due to the impact of the acquisition of Publica.

Operating expenses

Cost of Revenue. Cost of revenue increased by \$5.3 million, or 38%, for the three months ended September 30, 2022 as compared to the three months ended September 30, 2021. This increase was driven by a \$2.5 million increase in data center and hosting fees resulting from overall revenue growth and migration of data centers to Amazon Web Services cloud, an increase of \$2.3 million in revenue share to our DSP partners on account of our growth in programmatic revenue, an increase in compensation expenses of \$0.3 million and \$0.2 million of stock-based compensation expense, due to increased headcount.

Sales and marketing. Sales and marketing expenses increased by \$8.6 million, or 44%, for the three months ended September 30, 2022 as compared to the three months ended September 30, 2021. This increase was primarily due to an increase in compensation expenses of \$3.0 million to support our growth and international expansion, \$2.0 million in stock-based compensation expense, an increase in sales commissions of \$1.3 million due to higher revenue growth, \$0.2 million related to other staff related costs, an increase in restructuring severance costs of \$0.3 million, an increase of \$0.5 million in marketing and advertising expenses, an increase of \$0.8 million in travel expenses and an increase of \$0.3 million in software license fees.

Technology and development. Technology and development expenses increased by \$4.9 million, or 33%, for the three months ended September 30, 2022 as compared to the three months ended September 30, 2021. This increase was primarily due to a \$1.3 million increase in stock-based compensation expense, an increase in compensation expenses of \$2.7 million, an increase in hosting and license fees of \$0.8 million to support our growth, \$0.2 million due to higher allocation of overhead costs, and an increase in restructuring severance costs of \$0.2 million. This was offset by decreases related to professional fees of \$0.3 million.

General and administrative. General and administrative expenses increased by \$4.1 million, or 25%, for the three months ended September 30, 2022 as compared to the three months ended September 30, 2021. This increase was primarily due to \$2.7 million stock-based compensation expense, an increase in compensation expenses of \$2.2 million due to increased headcount, an increase of \$1.7 million in professional fees incurred for audit, tax, legal and other services, an increase in travel and entertainment costs of \$0.2 million, and an increase of \$0.2 million for software licenses and computer maintenance. This was offset by a decrease of \$1.3 million related to acquisition costs, a decrease in insurance costs of \$0.4 million related to public company costs, \$0.4 million due to decreased lease expense, \$0.2 million due to lower allocation of overhead costs, and a decrease for bad debt reserves of \$0.5 million.

Depreciation and amortization. Depreciation and amortization expenses decreased by \$3.5 million, or 22%, for the three months ended September 30, 2022 as compared to the three months ended September 30, 2021. This decrease results from decreased depreciation of our property and equipment of \$0.2 million and decreased amortization of our intangible assets of \$3.7 million, resulting from the use of the accelerated method to amortize the asset. This was partially offset by amortization expense related to our internal-use software, which increased \$0.4 million in the three months September 30, 2022 as compared to the three months ended September 30, 2021.

Foreign exchange loss, net. Foreign exchange loss, net increased by \$4.1 million, or 81,178%, for the three months ended September 30, 2022 as compared to the three months ended September 30, 2021. This increase results from fluctuations primarily attributable to the currency movements between the British Pound and Euro relative to the U.S. Dollar.

Interest expense, net

Interest expense, net. Interest expense decreased by \$3.1 million, or 54%, for the three months ended September 30, 2022 as compared to the three months ended September 30, 2021. The decrease in interest expense was primarily attributable to partial repayment of our long-term debt of \$10.0 million, net and a reduction in the interest rates as a result of refinancing our debt.

Employee retention tax credit

Employee retention tax credit. Employee retention tax credit was \$6,981 for the three months ended September 30, 2022 compared to no employee retention credit for the three months ended September 30, 2021. The employee retention tax credits were filed pursuant to the CARES Act.

Loss on extinguishment of debt

Loss on extinguishment of debt. There was no loss on extinguishment of debt for the three months ended September 30, 2022 compared to \$3.7 million for the three months ended September 30, 2021. The loss was incurred in the prior year in connection with the repayment of outstanding debt under our Prior Credit Agreement.

(Provision) benefit from income taxes

(Provision) benefit from income taxes. Provision (benefit) from income taxes increased by \$2.2 million, or 243%, for the three months ended September 30, 2022 as compared to the three months ended September 30, 2021. The tax provision increased mainly due to higher book income for the three months ended September 30, 2022, and executive compensation as the Company became subject to the provisions of Section 162(m) of the Internal Revenue Code as a result of becoming a public company and discrete items, including stock-based compensation.

Comparison of the Nine Months Ended September 30, 2022 and 2021

	Nine Months Ended September 30, 2022			
	2022	2021	\$ change	% change
<i>(in thousands except percentages)</i>				
Revenue	\$ 290,913	\$ 221,041	\$ 69,872	32 %
Operating expenses:				
Cost of revenue (excluding depreciation and amortization shown below)	53,864	38,191	15,673	41 %
Sales and marketing	77,961	62,990	14,971	24 %
Technology and development	54,071	47,554	6,517	14 %
General and administrative	56,081	57,670	(1,589)	(3)%
Depreciation and amortization	37,585	45,098	(7,513)	(17)%
Foreign exchange loss, net	3,503	407	3,096	761 %
Total operating expenses	283,065	251,910	31,155	12 %
Operating income (loss)	7,848	(30,869)	38,717	(125)%
Interest expense, net	(5,859)	(17,880)	12,021	(67)%
Employee retention tax credit	6,981	—	6,981	100 %
Loss on extinguishment of debt	—	(3,721)	3,721	(100)%
Net income (loss) before income taxes	8,970	(52,470)	61,440	(117)%
(Provision) benefit from income taxes	(5,083)	4,855	(9,938)	(205)%
Net income (loss)	<u>\$ 3,887</u>	<u>\$ (47,615)</u>	<u>\$ 51,502</u>	<u>(108)%</u>

Revenue

Total revenue increased by \$69.9 million, or 32%, for the three months ended September 30, 2022 as compared to the nine months ended September 30, 2021.

	Nine Months Ended September 30,			
	2022	2021	\$ change	% change
<i>(in thousands)</i>				
Programmatic revenue	\$ 135,537	\$ 92,090	\$ 43,447	47 %
Advertiser direct revenue	110,210	102,323	7,887	8 %
Supply side revenue	45,166	26,628	18,538	70 %
Total revenue	<u>\$ 290,913</u>	<u>\$ 221,041</u>	<u>\$ 69,872</u>	<u>32 %</u>

Total revenue increased primarily due to a significant increase in our programmatic revenue of \$43.4 million, or 47%, attributable to growth in volume of impressions of 29% and an increase of 14% in average CPMs. The increase in average CPMs was attributable to significant growth of our Context Control solution. Revenue from our advertiser direct customers increased \$7.9 million, or 8%, reflecting growth in volume of impressions of 8% as well as increased growth from our customer base. Revenue from our supply side customers increased \$18.5 million, or 70%, primarily due to the impact of the acquisition of Publica.

Operating expenses

Cost of Revenue. Cost of revenue increased by \$15.7 million, or 41%, for the nine months ended September 30, 2022 as compared to the nine months ended September 30, 2021. This increase was driven by a \$7.1 million increase in data center and hosting fees resulting from overall revenue growth and migration of data centers to Amazon Web Services cloud, an increase of \$8.0 million in revenue share to our DSP partners on account of our growth in programmatic revenue, an increase in stock-based compensation expenses of \$0.2 million and compensation expenses of \$0.3 million to support our growth and international expansion.

Sales and marketing. Sales and marketing expenses increased by \$15.0 million, or 24%, for the nine months ended September 30, 2022 as compared to the nine months ended September 30, 2021. This increase was primarily due to an increase in sales commissions of \$2.7 million due to higher revenue growth, an increase in compensation expenses of \$8.3 million to support our growth and international expansion, an increase in recruiting expenses of \$0.4 million, an increase in restructuring severance costs of \$1.5 million, an increase of \$2.1 million in marketing and advertising expenses, increase in software license fees of \$0.5 million, subscriptions of \$0.3 million, telecommunications expenses of \$0.3 million and an increase of \$1.4 million in travel expenses. These increases were partially offset by a decrease of \$2.6 million in stock-based compensation expense, which was higher in the nine months ended September 30, 2021 due to the modification of the Company's stock awards at the time of the IPO and the charge recognized for all vested options.

Technology and development. Technology and development expenses increased by \$6.5 million, or 14%, for the nine months ended September 30, 2022 as compared to the nine months ended September 30, 2021. This increase was primarily due to an increase in compensation expenses of \$7.2 million, an increase in hosting and license fees of \$1.2 million to support our growth, an increase in professional fees of \$0.8 million, and \$0.4 million due to higher allocation of overhead costs. These increases were partially offset by \$1.9 million in stock-based compensation expense, which was higher in the nine months ended September 30, 2021 due to the modification of the Company's stock awards at the time of the IPO and the charge recognized for all vested options, and a decrease of \$1.1 million related to restructuring severance costs.

General and administrative. General and administrative expenses decreased by \$1.6 million, or 3%, for the nine months ended September 30, 2022 as compared to the nine months ended September 30, 2021. This decrease was primarily due to higher stock-based compensation expense of \$12.3 million in the nine months ended September 30, 2021 due to the modification of the Company's stock awards at the time of the IPO and the charge recognized for all vested options, a decrease in facilities expenses of \$1.0 million due to the sublease of the facility previously used as our New York corporate headquarters, a decrease in acquisition costs of \$1.9 million, a decrease in reserves for bad debts of \$0.1 million, higher allocation of overhead costs of \$0.3 million, and a decrease in IPO related professional fees of \$1.3 million incurred during the nine months ended September 30, 2021. This decrease was offset by increases in compensation expenses of \$4.9 million due to increased headcount, an increase in recruiting expenses of \$0.7 million, an increase in insurance costs of \$2.3 million related to public company costs, an increase of \$4.9 million in professional fees incurred for audit, tax, legal and other services, an increase of \$1.1 million for software licenses and computer maintenance, an increase of \$0.5 million in travel expenses, and an increase of \$1.0 million for restructuring severance costs.

Depreciation and amortization. Depreciation and amortization expenses decreased by \$7.5 million, or 17%, for the nine months ended September 30, 2022 as compared to the nine months ended September 30, 2021. This decrease results from decreased depreciation of our property and equipment of \$0.7 million and decreased amortization of our intangible assets of \$8.0 million, resulting from the use of the accelerated method to amortize the asset. These decreases were partially offset by an increase in amortization expense related to our internal-use software of \$1.2 million.

Foreign exchange loss, net. Foreign exchange loss, net increased \$3.1 million, or 761% for the nine months ended September 30, 2022 as compared to the nine months ended September 30, 2021. The loss results from fluctuations primarily attributable to the currency movements between the British Pound and Euro relative to the U.S. Dollar.

Interest expense, net

Interest expense, net. Interest expense decreased by \$12.0 million, or 67%, for the nine months ended September 30, 2022 as compared to the nine months ended September 30, 2021. The decrease in interest expense was primarily attributable to reduced Paid in Kind ("PIK") interest expense of \$0.4 million and a decrease in interest expense by \$11.5 million due to partial repayment of our long-term debt of \$110.0 million, net and a reduction in the interest rates as a result of refinancing our debt.

Employee retention tax credit

Employee retention tax credit. Employee retention tax credit was \$7.0 million for the nine months ended September 30, 2022 compared to no employee retention tax credit for the nine months ended September 30, 2021. The employee retention tax credits were filed pursuant to the CARES Act.

Loss on extinguishment of debt

Loss on extinguishment of debt. There was no loss on extinguishment of debt for the nine months ended September 30, 2022 compared to \$3.7 million for the nine months ended September 30, 2021. The loss was incurred in the prior year in connection with the repayment of outstanding debt under our Prior Credit Agreement.

(Provision) benefit from income taxes

(Provision) benefit from income taxes. (Provision) benefit from income taxes increased by \$9.9 million, or 205%, for the nine months ended September 30, 2022 as compared to the nine months ended September 30, 2021. The tax provision increased mainly due to higher book income for the nine months ended September 30, 2022, non-deductible executive compensation as the Company became subject to the provisions of Section 162(m) of the Internal Revenue Code as a result of becoming a public company, and discrete items, including executive compensation.

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 U.S. 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 income (loss) before depreciation and amortization, stock-based compensation, interest expense, income taxes, acquisition, restructuring and integration costs, IPO readiness costs, foreign exchange gains and losses, and other one-time, non-recurring costs. Adjusted EBITDA margin represents the Adjusted EBITDA for the applicable period divided by the revenue for that period presented in accordance with U.S. GAAP.

We use non-GAAP financial measures to supplement financial information presented on a U.S. GAAP basis. We believe that excluding certain items from our U.S. 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 U.S. 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 U.S. GAAP and should be read only in conjunction with financial information presented on a U.S. GAAP basis. Reconciliations of Adjusted EBITDA and Adjusted EBITDA margin to their most directly comparable U.S. GAAP financial measures, net income (loss) and corresponding margin, are 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.

Adjusted EBITDA

<i>(in thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net income (loss)	\$ 767	\$ (9,780)	\$ 3,887	\$ (47,615)
Depreciation and amortization	12,617	16,100	37,585	45,098
Stock-based compensation	14,247	8,141	33,107	49,673
Interest expense, net	2,619	5,753	5,859	17,880
Provision (benefit) from income taxes	1,287	(898)	5,083	(4,855)
Acquisition, restructuring and integration costs	1,518	2,314	4,396	4,893
IPO readiness costs	—	56	—	1,094
Loss on extinguishment of debt	—	3,721	—	3,721
Foreign currency transaction gains	4,064	—	3,551	—
Employee retention tax credit	(6,981)	—	(6,981)	—
Impairment of assets	6	—	55	—
Adjusted EBITDA	\$ 30,144	\$ 25,407	\$ 86,542	\$ 69,889
Revenue	\$ 101,343	\$ 79,014	\$ 290,913	\$ 221,041
Net income (loss) margin	1 %	(12)%	1 %	(22)%
Adjusted EBITDA margin	30 %	32 %	30 %	32 %

Liquidity and Capital Resources

General

As of September 30, 2022, our principal sources of liquidity were cash and cash equivalents totaling \$73.6 million, which was held for working capital purposes, as well as the \$65.0 million available balance under our New Revolver, described further below. We expect that our cash and cash equivalents on hand at September 30, 2022 will enable us to continue to make 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 believe our existing cash and cash equivalents, availability under our New Revolver and cash provided by operations will be sufficient to meet our working capital and capital expenditure needs for at least the next twelve months and beyond. 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 and, continued 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 September 30, 2022 and December 31, 2021, we had deferred revenue of \$0.3 million and \$0.2 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 (the "Prior Credit Agreement") with a syndicate of lenders, comprised of the \$325.0 million (the "Term Loan") and the \$25.0 million (the "Revolving Loan"), with maturity dates of July 19, 2024 and July 19, 2023, respectively. Pursuant to the Incremental Facility Assumption Agreement No. 1, dated as of November 19, 2019, the Term Loan was increased to \$345.0 million. As explained below, on September 29, 2021, the Company repaid the outstanding balances and terminated the Prior Credit Agreement.

In addition to the cash pay interest, the Prior Credit Agreement included PIK interest at a rate of 1.25% per annum. All PIK interest due was paid by capitalizing such interest and adding such applicable PIK interest to the principal amount of the outstanding Term Loan. Effective February 1, 2021, and subject to maintaining a total leverage ratio less than 6.50 to 1.00, additional PIK interest was not accrued pursuant to the Prior Credit Agreement. The interest rate during the period prior to the repayment was 6.0%.

On September 29, 2021, we entered into a new credit agreement with various lenders (the "New Credit Agreement" or the "New Revolver"), which provides for an initial \$300.0 million in commitments for revolving credit loans, which amount may be increased or decreased under specific circumstances, with a \$30.0 million letter of credit sublimit and a \$100.0 million alternative currency sublimit. In addition, the New Credit Agreement provides for the ability to request incremental term loan facilities, in a minimum amount of \$5.0 million for each facility. Borrowings under the New Credit Agreement may be used for working capital and other general corporate purposes, including for acquisitions permitted under the New Credit Agreement.

The interest rates applicable to revolving borrowings under the New Credit Agreement are, at our option, either (i) in the case of U.S. dollar loans, (x) a base rate, which is equal to the greater of (a) the Prime Rate, (b) the Federal Funds Effective Rate plus 0.5%, and (c) the Adjusted LIBOR (subject to a floor of 0.0%) for a one month Interest Period (each term as defined in the New Credit Agreement) plus 1%, or (y) the Adjusted LIBOR (subject to a floor of 0.0%) equal to the LIBOR (as defined in the New Credit Agreement) for the applicable Interest Period multiplied by the Statutory Reserve Rate (each term as defined in the New Credit Agreement) or (ii) in the case of RFR Loans (as defined in the New Credit Agreement) denominated in sterling or euro, (x) the applicable RFR (as defined in the New Credit Agreement) or (y) the applicable Term RFR (as defined in the New Credit Agreement), plus in the case of each of clauses (i) and (ii), the Applicable Rate (as defined in the New Credit Agreement). The Applicable Rate (i) for base rate loans range from 0.75% to 1.50% per annum, (ii) for LIBOR loans range from 1.75% to 2.50% per annum, (iii) for RFR Loans denominated in sterling range from 1.7826% to 2.5326%, and (iv) for RFR Loans denominated in euro range from 1.7965% to 2.5456%, in each case, based on the Senior Secured Net Leverage Ratio (as defined in the New Credit Agreement). Base rate borrowings may only be made in dollars. The Company is required to pay a commitment fee during the term of the New Credit Agreement ranging from 0.20% to 0.35% per annum of the average daily undrawn portion of the revolving commitments based on the Senior Secured Net Leverage Ratio (as defined in the New Credit Agreement). The interest rate at September 30, 2022 was 4.6%.

The New Credit Agreement contains covenants requiring certain financial information to be submitted quarterly and annually. In addition, we are also required to comply with certain financial covenants such as maintaining a Net Leverage Ratio (as defined in the New Credit Agreement) of 3.50 to 1.00 or lower and maintaining a minimum Interest Coverage Ratio (as defined in the New Credit Agreement) of 2.50 to 1.00. As of September 30, 2022, the Company was in compliance with all covenants contained in the New Credit Agreement. 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.

	Nine Months Ended September 30,	
	2022	2021
Net cash provided by operating activities	\$ 47,560	\$ 37,656
Net cash used in investing activities	(12,472)	(176,851)
Net cash (used in) provided by financing activities	(29,195)	153,207
Net increase in cash and cash equivalents, and restricted cash	\$ 5,893	\$ 14,012
Effect of exchange rate changes on cash and cash equivalents, and restricted cash	(5,396)	(2,042)
Cash, cash equivalents, and restricted cash, at beginning of period	76,078	54,721
Cash, cash equivalents and restricted cash, at end of period	<u>\$ 76,575</u>	<u>\$ 66,691</u>

Operating Activities

For the nine months ended September 30, 2022, net cash provided by operating activities was \$47.6 million, resulting from a net income of \$3.9 million adjusted for non-cash expenses of depreciation and amortization of \$37.6 million, stock-based compensation of \$33.1 million, foreign exchange losses of \$3.5 million, bad debt expense of \$0.6 million, amortization of debt issuance costs of \$0.3 million partially offset by Employee retention tax credit of \$7.0 million, a decrease in working capital of \$24.0 million, and a deferred tax benefit of \$0.7 million.

For the nine months ended September 30, 2021, net cash provided by operating activities was \$37.7 million, resulting from a net loss of \$47.6 million adjusted for non-cash expenses of depreciation and amortization of \$45.1 million, stock-based compensation of \$49.7 million, a loss on the extinguishment of debt of \$3.7 million, amortization of debt issuance costs of \$1.0 million, bad debt expense of \$0.8 million, and non-cash interest expense of \$0.4 million, partially offset by a decrease in working capital of \$5.4 million, and a deferred tax provision of \$10.0 million.

Investing Activities

Cash used in investing activities was \$12.5 million for the nine months ended September 30, 2022, reflecting capitalized costs related to our internal use software of \$10.0 million, payment of \$1.6 million for Context and Amino Payments acquisitions, and the purchase of property and equipment of \$0.9 million.

Cash used in investing activities was \$176.9 million for the nine months ended September 30, 2021, reflecting payment for the acquisition of Publica, net of acquired cash of \$166.2 million, capitalized costs related to our internal use software of \$10.0 million and the purchase of property and equipment of \$0.6 million.

Financing Activities

Cash used in financing activities was \$29.2 million for the nine months ended September 30, 2022, reflecting cash paid for share repurchases of \$23.7 million, a repayment of outstanding short-term debt of \$1.8 million, repayment of outstanding long-term debt of \$25.0 million, offset by proceeds from issuance of debt of \$15.0 million, proceeds of \$5.9 million in stock options exercised and cash received from the ESPP of \$0.4 million.

Cash provided by financing activities was \$153.2 million for the nine months ended September 30, 2021, reflecting proceeds from the IPO, net of underwriting discounts and commissions of \$281.6 million, issuance of new debt of \$235.0 million, and \$1.1 million in stock options exercised. This was offset by a repayment of outstanding debt of \$355.9 million, \$1.2 million in common stock repurchases, \$4.7 million in deferred offering costs, payments for debt issuance costs of \$2.3 million and \$0.3 million in principal payment on our capital leases.

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 March 2027 and the total non-cancelable payments under these leases were \$28.7 million as of September 30, 2022. Total non-cancelable purchase commitments related to hosting services as of September 30, 2022 were \$110.5 million for periods through 2026. The New Revolver matures in 2026.

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.

JOBS Act

We qualify as an “emerging growth company” pursuant to the provisions of the Jumpstart Our Business Startups Act of 2012 (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 emerging growth companies 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 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.

There have been no material changes to our critical accounting policies and estimates as compared to the critical accounting estimates described in “Note 2—Basis of presentation and summary of significant accounting policies” to our consolidated financial statements appearing in our Annual Report on Form 10-K for the year ended December 31, 2021.

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: “Basis of presentation and summary of significant accounting policies—Accounting pronouncements not yet adopted” included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. 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 U.S., U.K., France, Germany, Italy, Singapore, Australia, France, Japan, and India. 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 nine months ended September 30, 2022, the U.S. dollar has significantly strengthened against the Euro, and the British pound sterling, resulting in a \$3.6 million foreign exchange loss, net. The U.S. dollar may continue to strengthen against these foreign currencies if the Federal Reserve further raises the federal funds rate, which may result in downstream impacts to global exchange rates and further adverse impacts to our reported results. During the nine months ended September 30, 2022, a hypothetical 10% increase of the exchange rate between the U.S. Dollar and foreign currencies applicable to our business, with the U.S. Dollar strengthening, would have resulted in a negative impact on net income of approximately \$5.0 million.

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 New Revolver carries interest at an applicable margin, for U.S. dollar loans equal to the greater of (a) the rate last quoted by The Wall Street Journal as the “prime rate” in the U.S., (b) the Federal Funds Rate in effect on such day plus 0.5%, or the Adjusted LIBOR (subject to a floor of 0.0%) for a one month interest period on such day multiplied by the Statutory Reserve Rate. For eurodollar borrowings, the New Revolver carries interest at an applicable margin equal to applicable RFR or the applicable Term RFR, plus (i) the Applicable Rate (as defined in the New Credit Agreement) for base rate loans range from 0.75% to 1.50% per annum, (ii) for LIBO Rate (as defined in the New Credit Agreement) loans range from 1.75% to 2.50% per annum, (iii) for RFR Loans denominated in sterling range from 1.7826% to 2.5326%, and (iv) for RFR Loans denominated in euro range from 1.7965% to 2.5456%, in each case, based on the Senior Secured Net Leverage Ratio (as defined in the New Credit Agreement).

The Federal Reserve may further raise the federal funds rate, which may result in downstream impacts to global exchange rates and further adverse impacts to our reported results. At September 30, 2022, we had total outstanding debt of

\$235.0 million under our New Revolver. Rising interest rates have also resulted in an increase in our interest rate to 4.6% at September 30, 2022 compared to 3.1% at June 30, 2022. 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 \$2.4 million or a benefit of \$2.4 million, respectively.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and interim principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 as of September 30, 2022.

Our Chief Executive Officer and interim principal financial officer concluded that our disclosure controls and procedures were not effective at a reasonable assurance level as of September 30, 2022 due to the material weaknesses in our internal control over financial reporting described below.

Material Weaknesses in 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 a company's annual or interim financial statements will not be prevented or detected on a timely basis.

We previously identified material weaknesses in our internal control over financial reporting that continue to exist. We 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) 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. In addition, 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.

Management's Remediation Efforts

We continue to implement measures to remediate the identified material weaknesses. The measures include (i) formalizing the Company's accounting policies with respect to maintaining evidence in the operation of control procedures, (ii) 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, and (iii) 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.

While we are performing remediation activities to strengthen our controls, the material weaknesses will not be considered remediated until management completes the design and implementation of the measures described above and the controls operate for a sufficient period of time and management has concluded, through testing, that these controls are effective. We will continue to monitor the effectiveness of our remediation measures in connection with our future assessments of the effectiveness of internal control over financial reporting and disclosure controls and procedures, and we will make any changes to the remediation plan and take such other actions that we deem appropriate given the circumstances.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the period covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Because of its inherent limitations, disclosure controls and procedures and internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PART II
OTHER INFORMATION

ITEM 1. 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.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors disclosed in Part 1, Item 1A “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2021.

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

The following table sets forth our purchases of our common stock made during the quarter ended September 30, 2022:

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share ⁽¹⁾	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
July 1 through July 31	—	\$ —	—	—
August 1 through August 31	—	\$ —	—	—
September 1 through September 30	3,080,061	\$ 7.68	—	—
Total	3,080,061	\$ 7.68	—	—

⁽¹⁾ Consists of shares of our common stock purchased in a single open market transaction.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

On November 10, 2022, the Company announced that its board of directors (“Board”) appointed Tania Secor as Chief Financial Officer of the Company, effective December 5, 2022.

Most recently, Ms. Secor, age 50, served as Global Chief Financial Officer of R/GA and Reprise, Interpublic Group of Companies, Inc.’s (NYSE: IPG) digital innovation and digital media agencies, respectively, since July 2018. Prior to that, Ms. Secor served as Senior Vice President, Finance of Medidata Solutions from August 2015 to September 2016. Ms. Secor also served as Chief Financial Officer of Dataminr, Inc. from November 2013 to June 2015 and Chief Financial Officer of Gerson Lehrman Group from December 2011 to November 2013. Additionally, Ms. Secor served on the Advisory Board of Rocketrip, Inc. from April 2017 to September 2020. Ms. Secor holds an M.B.A. from Columbia Business School and a B.A. from Columbia College.

In connection with Ms. Secor's appointment as Chief Financial Officer, the Company and Ms. Secor entered into an employment agreement, dated September 11, 2022 (as amended on October 21, 2022, the "Employment Agreement"), which will become effective on December 5, 2022. Pursuant to the terms of the Employment Agreement, Ms. Secor will receive an annual salary of \$500,000; be eligible for an annual bonus, with a target opportunity of 100% of her base salary, based on achievement of performance goals established by the Board, and, beginning in 2023, be eligible for an annual equity grant with an aggregate target value equal to \$3,000,000, calculated in the ordinary manner of the Company. Ms. Secor will also receive a signing bonus of \$500,000, which will be paid in February 2023 (the "Signing Bonus"), provided that Ms. Secor has not resigned without Good Reason or been terminated by the Company for Cause (each as defined in the Employment Agreement). In addition, the Signing Bonus will be subject to repayment in the event that Ms. Secor resigns without Good Reason within one year of the start date provided in the Employment Agreement. Pursuant to the Employment Agreement, Ms. Secor will receive an equity grant with an aggregate value of \$4,000,000 to be awarded as follows: (i) 50% as RSUs and (ii) 50% as MSUs (the "Equity Grant"). The Equity Grant will vest over a four year period, with 25% vesting on the first anniversary of the grant date, and the balance in 12 equal installments of 6.25% each quarter, with the amount of shares earned upon vesting of the MSUs subject to performance vesting conditions, and in each case, subject to Ms. Secor's continued employment through the applicable vesting date. In the event that a Change in Control (as defined in the the Company's 2021 Omnibus Incentive Plan) occurs within 12 months of Ms. Secor's start date, the first 25% of the Equity Grant scheduled to vest on the first anniversary of the grant date will become vested immediately upon such Change in Control. Ms. Secor will also be eligible to participate in the Company's employee benefit plans available to its employees, subject to the terms of those plans. The Employment Agreement provides that upon a termination of Ms. Secor's employment by the Company without Cause or by Ms. Secor for Good Reason not in connection with a Change in Control, subject to Ms. Secor's execution of a fully effective release of claims in favor of the Company and continued compliance with applicable restrictive covenants, Ms. Secor will receive (i) base salary continuation payments, (ii) subject to Ms. Secor's election and continued eligibility, payment or reimbursement of a portion of continuation coverage premiums under the Company's group health plans pursuant to COBRA, in each case of (i) and (ii), for 12 months following such termination date, and (iii) at the sole discretion of the Board, a pro-rated portion of any bonus that may have been awarded to Ms. Secor during the fiscal year in which such termination occurs at the same performance payout as the pool for other senior executives, but not greater than 100%. The Employment Agreement includes customary confidentiality, non-compete and non-solicitation provisions.

There are no family relationships between Ms. Secor and any director or executive officer of the Company, and the Company is not aware of any transactions with Ms. Secor that are reportable pursuant to Item 404(a) of Regulation S-K.

The foregoing description of the Employment Agreement is qualified in its entirety by reference to the full text of the Employment Agreement and Amendment No. 1 thereto, which are filed herewith as Exhibits 10.1 and 10.2 and incorporated by reference herein in their entirety.

In addition, on November 8, 2022, the Board delegated the responsibilities of principal financial officer of the Company to Mr. Anil Sukumaran on an interim basis, until Ms. Secor joins the Company on December 5, 2022. Mr. Sukumaran, age 42, has been the Company's Chief Accounting Officer since January 2021. He joined the Company from Newmark Knight Frank, where he was the Chief Accounting Officer from July 2019 through January 2021. Prior to that, Mr. Sukumaran worked with Roivant Sciences in various positions from October 2017 to July 2019.

ITEM 6. EXHIBITS

The following is a list of all exhibits filed or furnished as part of this report:

<u>Exhibit Number</u>	<u>Description</u>
3.1	Certificate of Incorporation of Integral Ad Science Holding Corp., dated June 29, 2021 (incorporated by reference to Exhibit 3.1 to the Company's Form 8-K filed on July 2, 2021).
3.2	Bylaws of Integral Ad Science Holding Corp., dated June 29, 2021 (incorporated by reference to the Company's Exhibit 3.2 to the Company's Form 8-K filed on July 2, 2021).
10.1	Employment Agreement dated as of September 11, 2022, by and between Integral Ad Science, Inc. and Tania Secor
10.2	Amendment No. 1 to Employment Agreement, dated as of October 21, 2022, by and between Integral Ad Science, Inc. and Tania Secor
31.1	Certification of the Chief Executive Officer pursuant to Exchange Act Rules Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
31.2	Certification of the interim principal financial officer pursuant to Exchange Act Rules Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
32.1**	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, filed herewith.
32.2**	Certification of the interim principal financial officer pursuant to 18 U.S.C. Section 1350, filed herewith.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

** The certifications furnished in Exhibit 32.1 and Exhibit 32.2 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Integral Ad Science Holding Corp. (Registrant)

Date: November 10, 2022

By: /s/ Anil Sukumaran

Anil Sukumaran

Chief Accounting Officer

(Interim Principal Financial Officer and Principal Accounting Officer)



September 11, 2022

Tania Secor
***@gmail.com

Re: Employment with Integral Ad Science, Inc.

Dear Tania

This letter sets forth the terms of your employment by Integral Ad Science, Inc. (the “**Company**”). We value the role that you can serve with the Company.

1. You will be the Chief Financial Officer (“CFO”), reporting to the Chief Executive Officer. In this capacity, you will have the responsibilities and duties consistent with such position. You will commence employment as early as possible. The Company recognizes that you have a 90-day notice period required by your current employer. You will make reasonable efforts to commence employment by October 28, 2022.

2. Your starting base salary will be \$500,000 on an annualized basis, less deductions and withholdings required by law or authorized by you and will be subject to review annually for any increases or decreases (the “Base Salary”); provided, however, that any decreases shall not be greater than ten percent (10%) of your then current Base Salary and will only be implemented in conjunction with and in proportion to a general decrease affecting the executive management team. Your Base Salary will be paid by the Company in regular installments in accordance with the Company’s general payroll practices as in effect from time to time.

3. You will be eligible to earn a discretionary target bonus of 100% of your Base Salary (the “Bonus”). The Bonus will be awarded at the sole discretion of the Board of Directors of the Company (the “Board”), based on the Board’s determination as to your achievement of predetermined thresholds which may include, but are not limited to, management by objectives (“MBOs”) and financial targets such as revenue, recurring revenue, gross profit and/or EBITDA targets. Payment of any bonus that is awarded with respect to a fiscal year shall be paid in the calendar year following the fiscal year in which such bonus was awarded.

4. You will be granted a sign-on cash award of \$500,000, less deductions and withholdings required by law or authorized by you. This award will be paid in the last payroll cycle of February 2023. To be eligible for the cash award, you must not have resigned without Good Reason (as defined in Exhibit C) or been terminated by IAS for Cause (as defined in Exhibit C). Additionally, if you resign without Good Reason from IAS within a year of your start date with IAS, you will be required to repay IAS the full amount received.

5. You will be granted a one-time award with an aggregate value of \$4,000,000. The award will be granted 50% as Restricted Stock Unites (RSUs) and 50% as Market Share Units (MSUs). The effective grant date will be the first of the month following your start date. If the first day of the month falls on a weekend, the first business day of the month that the market is open will be the effective date. The actual number of units granted will be based on the per share value of IAS common stock on the preceding business day closing price and rounded up to the nearest whole unit. Your award will vest over a 4-year period with 25% vesting on the first anniversary of the

grant and remaining amount in 12 equal installments of 6.25% each quarter, subject to your continued employment through the applicable vesting date. This on-time award will be governed by the IAS 2021 Omnibus Incentive Plan (the "Plan") and the award agreements which are attached in Exhibit D to this agreement.

In order to make you whole for the equity you are leaving behind to take the role as CFO of IAS; and, notwithstanding any term in the Plan or Award Agreement, in the event of a Change in Control (as defined in Exhibit C) within 12 months of your start date, the first 25% of the RSUs scheduled to vest on the first anniversary of the grant date shall become vested immediately upon such Change in Control and shall be treated the same as all other Company public holders of shares (meaning shall be purchased in the same manner as other shares by any person or entity acquiring such public Shares). More information about your award (including the award acceptance process, valuation details, and other terms and conditions) will be available in our employee stock plan portal, managed by Fidelity. On or around the 15th of the month of your grant date of your award, you will receive an email notification from Fidelity providing you with the steps on how to access our employee stock plan portal and accept the grant. For the avoidance of doubt, to the extent this Agreement contains any provisions that are more favorable regarding the acceleration for your award that conflict with the terms of the Plan or Award Agreement, the terms of this Agreement shall apply.

6. You will continue to be eligible, subject to your continued employment by the Company to participate in our long-term incentive program. Your annual long-term incentive target will be \$3,000,000. The first annual grant will be awarded to you at the same time as all other members of the executive team receive their 2023 annual grant which is expected to be during the second quarter of 2023. The award will be pursuant to the applicable plan document and would be subject to any terms and conditions established by the Compensation Committee in its sole discretion that would be detailed in a separate agreement you would receive after any award is granted. The vesting, terms, and termination provisions with respect to your future awards will not be less favorable than those held by any member of the executive team.

7. You will also be eligible to participate in regular health, dental and vision insurance plans and other employee benefit plans established by the Company applicable to executive-level employees from time to time, so long as they remain generally available to the Company's executive-level employees.

8. There are some formalities that you need to complete as a condition of your continued employment:

- You must carefully consider and sign the Company's standard "Employment and Restrictive Covenants Agreement" (attached to this letter as **Exhibit A**). Because the Company and its affiliates are engaged in a continuous program of research, development, production and marketing in connection with their business, we wish to reiterate that it is critical for the Company and its affiliates to preserve and protect its proprietary information and its rights in inventions.

- So that the Company has proper records of inventions that may belong to you, we ask that you also complete Schedule 1 attached to **Exhibit A**.

- You and the Company mutually agree that any disputes that may arise regarding

your employment will be submitted to binding arbitration by the American Arbitration Association. As a condition of your employment, you will need to carefully consider and voluntarily agree to the Mandatory Arbitration Agreement set forth in **Exhibit B**.

8. We also wish to remind you that, as a condition of your employment, you are expected to abide by the Company's, and their direct and indirect subsidiaries' policies and procedures, which policies and procedures will be made available to you and may be amended from time to time at the Company's sole discretion, and employees will be notified of any amendments to such policies and procedures.

9. Your employment with the Company is at-will. The Company may terminate your employment at any time with or without notice, and for any reason or no reason. Notwithstanding any provision to the contrary contained in **Exhibit A**, you shall be entitled to terminate your employment with the Company at any time and for any reason or no reason by giving notice in writing to the Company of not less than four (4) weeks ("**Notice Period**"), unless otherwise agreed to in writing by you and the Company. In the event of such notice, the Company reserves the right, in its discretion, to give immediate effect to your resignation in lieu of requiring or allowing you to continue work throughout the Notice Period; provided that the Company pays your Base Salary in lieu of the Notice Period. You shall continue to be an employee of the Company during the Notice Period, and thus owe to the Company the same duty of loyalty you owed it prior to giving notice of your termination. The Company may, during the Notice Period, relieve you of all of your duties and prohibit you from entering the Company's offices.

10. If the Company terminates your employment without "Cause" or you voluntarily terminate your employment for a "Good Reason" not in connection with a Change in Control, you will be entitled to receive a severance payment (the "**Severance Pay**") equal to 12 months of your then applicable Base Salary, payable in equal installments over the 12 month period following your termination, and, at the sole discretion of the Board, a pro-rated portion of any Bonus that may have been awarded to you during the fiscal year in which such termination occurs at the same performance payout as the pool for other senior executives but not greater than 100%, less deductions and withholdings required by law or authorized by you and subject to (A) your timely election of continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**") and; your continued copayment of premiums at the same level and cost to you as if you were an employee of the Company (excluding, for purposes of calculating cost, an employee's ability to pay premiums with pre-tax dollars), continued participation in the Company's group health plan (to the extent permitted under applicable law and the terms of such plan) which covers you for a period of 12 months at the Company's expense, provided that you are eligible and remain eligible for COBRA coverage; provided, further, that the Company's obligation to subsidize COBRA premiums is contingent on the Company determining that such subsidies would reasonably be expected to not result in the imposition of any excise taxes on the Company for failure to comply with the nondiscrimination requirements of the Patient Protection and Affordable Care Act and/or the Health Care and Education Reconciliation Act of 2010, as amended (to the extent applicable); and provided, further, that in the event that you obtain other employment that offers group health benefits, such continuation of coverage by the Company under this Section 9 shall immediately cease.

11. The Company will not be required to pay the Severance Pay unless (i) you execute and deliver to the Company an agreement (“**Release Agreement**”) in a form satisfactory to the Company releasing from all liability (other than as set forth below) the Company, each member of the Company, and any of their respective past or present officers, directors, managers, employees investors, agents or affiliates, including Vista, and you do not revoke such Release Agreement during any applicable revocation period, (ii) such Release Agreement is executed and delivered (and no longer subject to revocation, if applicable) within sixty (60) days following the date of your termination of employment, and (iii) you have not breached the provisions of Sections 4 through 10 and 16 of Exhibit A, the terms of this letter or any agreement between you and the Company or the provisions of the Release Agreement. If the Release Agreement is executed and delivered and no longer subject to revocation as provided in the preceding sentence, then the Severance Pay shall be paid in accordance with the Company’s general payroll practices at the time of termination, and commencing on the first payroll date occurring after the effective date of the Release Agreement (if permitted by Code Section 409A), or otherwise commencing on the first payroll date occurring after the sixtieth (60th) day following your termination of employment. The first payment of Severance Pay shall include payment of all amounts that otherwise would have been due prior thereto under the terms of this letter had such payments commenced immediately upon your termination of employment, and any payments made thereafter shall continue as provided herein. Additionally, if the Release Agreement is executed and delivered and no longer subject to revocation as provided in the preceding sentence, then the bonus portion shall be paid to you at the same time other senior executives receive their bonuses. The Release Agreement will not require you to release (A) the payments and benefits contemplated by this letter, (B) any rights to indemnification pursuant to any statute or governing documents of the Company, and (C) any claims which by law cannot be waived in a private agreement between an employer and employee. Further, the Release Agreement shall not contain any post-employment restrictive covenants that are greater in length or scope than those provided for herein.

12. While we look forward to a long and profitable relationship, you will be an at-will employee of the Company as described in Section 9 of this letter and Section 3 of Exhibit A. Any statements or representations to the contrary (and, indeed, any statements contradicting any provision in this letter) are, and should be regarded by you as, ineffective. Further, your participation in any benefit program or other Company program, if any, is not to be regarded as assuring you of continuing employment for any particular period of time.

13. Please note that because of employer regulations adopted in the Immigration Reform and Control Act of 1986, within three (3) business days of starting your new position you will need to present documentation establishing your identity and demonstrating that you have authorization to work in the United States. If you have questions about this requirement, which applies to U.S. citizens and non-U.S. citizens alike, you may contact our personnel office.

14. It should also be understood that all offers of employment are conditioned on the Company’s completion of a satisfactory background check, including a drug screening process. The Company reserves the right to perform background checks during the term of your employment, subject to compliance with applicable laws. You will be required to execute forms authorizing such a background check.

15. You will enter into an indemnification agreement with the Company on the same terms as the indemnification agreements the Company has entered into with the executive officers of the Company.

16. This letter along with its Exhibits and the documents referred to herein constitute the entire agreement and understanding of the parties with respect to the subject matter of this letter, and supersede all prior understandings and agreements, including but not limited to severance, employment or similar agreements, whether oral or written, between or among you and the Company or its predecessor with respect to the specific subject matter hereof. This Agreement and its exhibits shall be governed by the laws of the State of New York and any action brought under this Agreement shall be brought in the State of New York.

17. In the event of a conflict between the terms of this letter and the provisions of Exhibit A, the terms of this letter shall prevail.

18. Notwithstanding any other provision herein, the Company shall be entitled to withhold from any amounts otherwise payable hereunder any amounts required to be withheld in respect to federal, state or local taxes.

19. The intent of the parties is that payments and benefits under this letter be exempt from or comply with Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder (collectively "**Code Section 409A**") and, accordingly, to the maximum extent permitted, this letter shall be interpreted to be in compliance therewith. In addition, the following shall apply:

(a) In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on you by Code Section 409A or damages for failing to comply with Code Section 409A.

(b) A termination of employment shall not be deemed to have occurred for purposes of any provision of this letter providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this letter, references to a "termination," "termination of employment" or like terms shall mean "separation from service."

(c) Notwithstanding anything to the contrary in this Agreement, if you are deemed on the date of termination to be a "specified employee" within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment or the provision of any benefit that is considered deferred compensation under Code Section 409A payable on account of a "separation from service," such payment or benefit shall not be made or provided until the date which is the earlier of (i) the expiration of the six (6)- month period measured from the date of such "separation from service", and (ii) the date of your death, to the extent required under Code Section 409A.

(d) For purposes of Code Section 409A, your right to receive any installment payments pursuant to this letter shall be treated as a right to receive a series of separate and distinct payments. To the extent that reimbursements or other in-kind benefits under this letter constitute "nonqualified deferred compensation" for purposes of Code Section 409A, (i) all such expenses or other reimbursements hereunder shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by you, (ii) any right to such reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (iii) no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year.

(e) Notwithstanding any other provision of this letter to the contrary, in no event shall any payment under this letter that constitutes “nonqualified deferred compensation” for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

20. The effective date of employment under the terms of this offer is your start date which we currently anticipate to be on or around October 28, 2022, subject to the 90-day notice period due to your current employer.

21. If after you resign from your current employment and before you commence employment with the Company, the Company withdraws this offer to you other than for a reason that would constitute Cause, you will receive severance in the amount set forth in paragraph 10 (meaning \$500,000 Severance Pay and 12 months subsidized COBRA).

Should you have anything that you wish to discuss, please do not hesitate to contact me.

By signing this letter and Exhibit A attached hereto, you represent and warrant that you have had the opportunity to seek the advice of independent counsel before signing and have either done so, or have freely chosen not to do so, and either way, you sign this letter voluntarily.

Very truly yours,
 /s/ Lisa Nadler

 Lisa Nadler
 Chief Human Resources Officer

 I have read and understood this letter and Exhibit A attached and hereby acknowledge, accept and agree to the terms set forth therein.

/s/ Tania Sector

 Signature

Name: Tania Sector

Date signed: 9/11/2022

LIST OF EXHIBITS

Exhibit A: Employment and Restrictive Covenants Agreement

Exhibit B: Mandatory Arbitration Agreement

Exhibit C: Certain Definitions

Exhibit D: RSU and MSU Award Agreements

EXHIBIT A**(To the Letter dated September 11, 2022)****Employment and Restrictive Covenants Agreement**

This Employment and Restrictive Covenants Agreement (the “**Agreement**”) is made effective XXX (the “**Effective Date**”), by and between Integral Ad Science, Inc. (together with its affiliates and related companies, hereafter referenced as “**Company**”) and Tania Secor (hereafter referenced as “**Employee**” and together with the Company, each a “**Party**” and collectively, the “**Parties**”).

1. **PURPOSE.** In connection with Employee’s employment by the Company (the “**Employment**”), Employee and the Company wish to set forth the terms and conditions under which Employee will be employed by the Company, and certain restrictions applicable to Employee as a result of the Employment with the Company. This Agreement is intended: to allow the parties to engage in the Employment, with the Company giving Employee access to the Company’s Customers, employees, and Confidential Information (as those terms are defined below); to protect the Company’s business, information, and relationships against unauthorized competition, solicitation, recruitment, use, or disclosure; and to clarify Employee’s legal rights and obligations, to the extent not set forth in the letter to which this Agreement is attached (the “**Letter**”). Capitalized terms used but not defined in this Agreement shall have the meanings indicated in the Letter or any other exhibit to the Letter, as applicable.

2. **THE BUSINESS OF THE COMPANY.** The Company is engaged in the business of data collection and analytics, research and design, development, sales, licensing or marketing, relating to the provision of ad verification and related optimization services and software and/or the provision of related products, services and solutions, including a continuous program of research, development, production and marketing (collectively the “**Business**” of the Company). Employee acknowledges that the Company has a legitimate interest in protecting its Confidential Information, trade secrets, customer relationships, customer goodwill, employee relationships, and the special investment and training given to Employee.

3. **“AT-WILL” EMPLOYMENT AND OTHER ACKNOWLEDGEMENTS.**

(a) Employee shall perform such duties or responsibilities as assigned to Employee from time to time. The Parties acknowledge that Employee’s Employment by the Company at all times is and shall remain “at will,” and may be terminated by either Party at any time, with or without notice and with or without Cause. Employee acknowledges that but for Employee’s execution of this Agreement, Employee would not be employed by the Company.

(b) Employee acknowledges that Employee’s duties shall entail Employee’s contact with the Company’s Customers to whom Employee is introduced, to which Employee is assigned, whose accounts Employee shall oversee, or for which Employee otherwise is directly or indirectly responsible.

(c) Employee further acknowledges that Employee will be given the use of the Company’s Confidential Information. Employee acknowledges that the Company’s goodwill with its Customers and Prospective Customers, as well as the Company’s Confidential Information, are among the most valuable assets of the Company’s Business. Accordingly, Employee hereby agrees, acknowledges, covenants, represents, and warrants that at all times during Employee’s Employment with the Company, Employee will faithfully perform Employee’s duties with the utmost loyalty to the Company, and will owe a fiduciary duty and duty of loyalty to the Company. Employee agrees that during the Employment, Employee will do nothing disloyal or adverse to the Company or the Company’s Business, or which creates any conflict of interest with the Company or the Business of

the Company. Employee will abide by the policies of the Company at all times during Employee's Employment and acknowledges that the Company may unilaterally change its policies, practices, and procedures at any time, at the sole discretion of the Company.

(d) Employee understands and acknowledges that all equipment, communication devices, physical property, documents, information, data bases, furniture, accessories, premises, and any other items provided to Employee while employed by Company, shall at all times remain the sole property of the Company, and as such, Employee shall have no reasonable expectation of privacy when using such items.

(e) Employee acknowledges that Employee will be afforded an investment of time, training, money, trust, exposure to the public, or exposure to Customers, vendors, suppliers, investors, joint venture partners, or other business relationships of the Company during the course of the Employment, and Employee's position gives Employee a high level of influence or credibility with the Company's Customers, vendors, suppliers, or other business relationships. Employee understands and acknowledges that Employee will possess specialized skills, learning, abilities, Customer contacts, or Customer information by reason of working for the Company.

(f) Employee acknowledges that, through Employee's Employment with the Company, Employee may customarily and regularly solicit Customers and/or Prospective Customers for the Company, and/or engage in making sales or obtaining orders or contracts for products or services.

(g) Employee understands that the Company has specifically instructed him/her to refrain from bringing to the Company any documents or materials or intangibles of a former employer or third party that are not in the public domain or have not been legally transferred or licensed to the Company, or that might constitute the confidential information or trade secrets of a prior employer. Employee agrees that when performing duties on behalf of the Company, he/she will not breach any invention assignment, proprietary information, confidentiality, noncompetition, nonsolicitation or other similar agreement with any former employer or other party.

4. **DUTY OF LOYALTY.** Employee understands that his/her Employment and provision of services on behalf of the Company requires Employee's undivided attention and effort. Accordingly, during Employee's Employment, Employee agrees that he/she will not, without the Company's express prior written consent, (a) engage in any **other** business activity, unless such activity is for passive investment purposes not otherwise prohibited by this Agreement and will not require Employee to render any services, (b) be engaged or interested, directly or indirectly, alone or with others, in any trade, business or occupation in competition with the Company, (c) take steps, alone or with others, to engage in competition with the Company in the future, or (d) appropriate for Employee's own benefit business opportunities pertaining to the Company's Business.

5. **INVENTIONS.**

(a) **Prior Inventions.** Attached hereto as Schedule 1 is a complete and accurate list describing all Inventions (as defined below) which were conceived, discovered, created, invented, developed and/or reduced to practice by Employee prior to the commencement of his/her Employment that have not been legally assigned or licensed to the Company (collectively: "**Prior Inventions**"). If there are no such Prior Inventions, Employee shall initial Schedule 1 to indicate Employee has no Prior Inventions to disclose.

Employee acknowledges and agrees that if in the course of Employee's Employment, Employee incorporates or causes to be incorporated into a Company product, service, process, file, system, application or program a Prior Invention, Employee will grant the Company a non-exclusive, royalty-free, irrevocable, perpetual, worldwide, sublicensable and assignable license to make, have made, copy, modify, make derivative works of, use, offer to sell, sell or otherwise distribute such Prior Invention as part of or in connection with such product, process, file, system, application or program.

(b) **Disclosure and Assignment of Inventions.** Employee agrees to promptly disclose to the Company in writing all Inventions (as defined below) that Employee conceives, develops and/or first reduces to practice or creates, either alone or jointly with others, during the period of Employee's Employment with the Company, and for a period of three (3) months thereafter, whether or not in the course of Employee's Employment. Employee further assigns and agrees to assign all of Employee's rights, title and interest in the Inventions to the Company. Employee understands that this Section 5(b) does not apply to Inventions that the Employee developed entirely on the Employee's own time without using the Company's equipment, supplies, facilities, Confidential Information or Trade Secrets, except for those Inventions that either: (i) relate at the time of conception or use to the Company's business, or actual or demonstrably anticipated research or development; or (ii) result from any work the employee performs for the Company.

(c) In the event that the Company is unable for any reason to secure Employee's signature to any document required to file, prosecute, register or memorialize the ownership and/or assignment of any Invention, Employee hereby irrevocably designates and appoints the Company's duly authorized officers and agents as Employee's agents and attorneys-in- fact to act for and on Employee's behalf and stead to (i) execute, file, prosecute, register and/or memorialize the assignment and/or ownership of any Invention; (ii) to execute and file any documentation required for such enforcement and (iii) do all other lawfully permitted acts to further the filing, prosecution, registration, memorialization of assignment and/or ownership of, issuance of and enforcement of any Inventions, all with the same legal force and effect as if executed by Employee.

(d) **Use of Inventions.** Employee acknowledges that he/she is not entitled to use the Inventions for Employee's own benefit or the benefit of anyone except the Company without written permission from the Company, and then only subject to the terms of such permission. Employee further agrees that Employee will communicate to the Company, as directed by the Company, any facts known to Employee and testify in any legal proceedings, sign all lawful papers, make all rightful oaths, execute all divisionals, continuations, continuations-in-part, foreign counterparts, or reissue applications, all assignments, all registration applications and all other instruments or papers to carry into full force and effect, the assignment, transfer and conveyance hereby made or to be made and generally do everything possible for title to the Inventions to be clearly and exclusively held by the Company as directed by the Company.

(e) For purposes of this Agreement, "**Inventions**" means, without limitation, any and all formulas, algorithms, processes, techniques, concepts, designs, developments, technology, ideas, patentable and unpatentable inventions and discoveries, copyrights and works of authorship in any media now known or hereafter invented (including computer programs, source code, object code, hardware, firmware, software, mask work, applications, files, internet site content, databases and compilations, documentation and related items) patents, trade and service marks, logos, trade dress, corporate names and other source indicators and the good will of any business symbolized thereby, trade secrets, know-how, confidential and proprietary information, documents, analyses, research and lists (including current and potential customer and user lists) and all applications and registrations and recordings, improvements and licenses that (i) relate in any manner, whether at the time of conception, design or reduction to practice, to the Company's

Business or its actual or demonstrably anticipated research or development; (ii) result from any work performed by Employee on behalf of the Company; or (iii) result from the use of the Company's equipment, supplies, facilities, Confidential Information or Trade Secrets.

Employee recognizes that Inventions or proprietary information relating to Employee's activities while working for the Company, and conceived, reduced to practice, created, derived, developed, or made by Employee, alone or with others, within three (3) months after termination of Employee's Employment may have been conceived, reduced to practice, created, derived, developed, or made, as applicable, in significant part while Employee was employed by the Company. Accordingly, Employee agrees that such Inventions and proprietary information shall be presumed to have been conceived, reduced to practice, created, derived, developed, or made, as applicable, during Employee's Employment with the Company and are to be assigned to the Company pursuant to this Agreement and applicable law unless Employee has established the contrary by clear and convincing evidence.

(f) **Work for Hire.** Employee acknowledges and agrees that any copyrightable works prepared by Employee within the scope of Employee's Employment are "works made for hire" under the Copyright Act of 1976 and that the Company will be considered the author and owner of such copyrightable works. Any copyrightable works the Company specially commissions from Employee while Employee is employed also shall be deemed a work made for hire under the Copyright Act, and if for any reason such work cannot be so designated as a work made for hire, Employee agrees to and hereby assigns to the Company, as directed by the Company, all right, title and interest in and to said work(s). Employee further agrees to and hereby grants the Company, as directed by the Company, a non-exclusive, royalty-free, irrevocable, perpetual, worldwide, sublicensable and assignable license to make, have made, copy, modify, make derivative works of, use, publicly perform, display or otherwise distribute any copyrightable works Employee creates during Employee's Employment. Employee understands that this Section 5(f) does not apply to Inventions that the Employee developed entirely on the Employee's own time without using the Company's equipment, supplies, facilities, Confidential Information or Trade Secrets, except for those Inventions that either: (i) relate at the time of conception or use to the Company's business, or actual or demonstrably anticipated research or development; or (ii) result from any work the employee performs for the Company.

(g) **Assignment of Other Rights.** In addition to the foregoing assignment of Inventions to the Company, Employee hereby irrevocably transfers and assigns to the Company: (i) all worldwide patents, patent applications, copyrights, mask works, trade secrets and other intellectual property rights in any Inventions; and (ii) any and all "Moral Rights" (as defined below) that Employee may have in or with respect to any Inventions. Employee also hereby forever waives and agrees never to assert any and all Moral Rights Employee may have in or with respect to any Inventions, even after termination of Employee's Employment on behalf of the Company. "**Moral Rights**" means any rights to claim authorship of any Inventions, to object to or prevent the modification of any Inventions, or to withdraw from circulation or control the publication or distribution of any Inventions, and any similar right, existing under applicable judicial or statutory law of any country in the world, or under any treaty, regardless of whether or not such right is denominated or generally referred to as a "moral right."

(h) **Applicability to Past Activities.** To the extent Employee has been engaged to provide services by the Company or its predecessor for a period of time before the effective date of this Agreement (the "**Prior Engagement Period**"), Employee agrees that if and

to the extent that, during the Prior Engagement Period: (i) Employee received access to any information from or on behalf of the Company that would have been proprietary information if Employee had received access to such information during the period of Employee's Employment with the Company under this Agreement; or (ii) Employee conceived, created, authored, invented, developed or reduced to practice any item, including any intellectual property rights with respect thereto, that would have been an Invention if conceived, created, authored, invented, developed or reduced to practice during the period of Employee's Employment with the Company under this Agreement, then any such information shall be deemed proprietary information hereunder and any such item shall be deemed an Invention hereunder, and this Agreement shall apply to such information or item as if conceived, created, authored, invented, developed or reduced to practice under this Agreement.

6. **NONDISCLOSURE AGREEMENT.**

(a) Employee expressly agrees that, throughout the term of Employee's Employment with the Company and at all times following the termination of Employee's Employment from the Company, for so long as the information remains confidential, Employee will not use or disclose any Confidential Information disclosed to Employee by the Company, other than for the purpose to carry out the Employment for the benefit of the Company (but in all cases preserving confidentiality by following the Company's policies and obtaining appropriate non-disclosure agreements). Employee shall not, directly or indirectly, use or disclose any Confidential Information to third parties, nor permit the use by or disclosure of Confidential Information by third parties. Employee agrees to take all reasonable measures to protect the secrecy of and avoid disclosure or use of Confidential Information in order to prevent it from falling into the public domain or into the possession of any Competing Business or any persons other than those persons authorized under this Agreement to have such information for the benefit of the Company. Employee agrees to notify the Company in writing of any actual or suspected misuse, misappropriation, or unauthorized disclosure of Confidential Information that may come to Employee's attention. Employee acknowledges that if Employee discloses or uses knowledge of the Company's Confidential Information to gain an advantage for Employee, for any Competing Business, or for any other person or entity other than the Company, such an advantage so obtained would be unfair and detrimental to the Company.

(b) Employee expressly agrees that Employee's duty of non-use and non-disclosure shall continue indefinitely for any information of the Company that constitutes a Trade Secret under applicable law, so long as such information remains a Trade Secret.

(c) **Employee shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that: (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.**

(d) **Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b). Accordingly, the Parties to this Agreement have the right to disclose in confidence trade secrets to federal, state, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. The Parties also have the right to disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure.**

7. **RETURN OF COMPANY PROPERTY AND MATERIALS.** Any

Confidential Information, trade secrets, materials, equipment, information, documents, electronic data, or other items that have been furnished by the Company to Employee in connection with the Employment are the exclusive property of the Company and shall be promptly returned to the

Company by Employee, accompanied by all copies of such documentation, immediately when the Employment has been terminated or concluded, or otherwise upon the written request of the Company. Employee shall not retain any copies of any Company information or other property after the Employment ends, and shall cooperate with the Company to ensure that all copies, both written and electronic, are immediately returned to the Company or permanently deleted, if in electronic form. Employee shall cooperate with Company representatives and allow such representatives to oversee the process of erasing and/or permanently removing any such Confidential Information or other property of the Company from any computer, personal digital assistant, phone, or other electronic device, or any cloud-based storage account or other electronic medium owned or controlled by Employee.

8. **LIMITED NONCOMPETE AGREEMENT.** Employee expressly agrees that Employee will not (either directly or indirectly, by assisting or acting in concert with others) Compete with the Company during the Restricted Period within the Restricted Territory. Notwithstanding the foregoing, nothing herein shall prohibit Employee from:

(a) being a passive owner:

(i) of not more than one percent (1%) of the outstanding stock of any class of securities of a publicly-traded corporation engaged in Competitive Services,

(ii) of not more than five percent (5%) of the outstanding limited partnership interests or similar securities of any unaffiliated, third-party professional investment fund or investment vehicle, which shall not be deemed to be engaging in a Competitive Business solely by reason the business of any of its portfolio companies, so long as, in each instance, Employee has no other participation whatsoever in such investment fund or investment vehicle or their respective portfolio companies; or

(b) accepting employment or other engagement with any person or entity that has several divisions, only certain of which provide Competitive Services, if Employee's employment or engagement is with a division that does not provide Competitive Services, and Employee informs such employing or engaging person or entity of the restrictions and obligations set forth herein, (ii) does not perform any services relating to the Competitive Services during the Restricted Period, and (iii) otherwise complies with the terms of this Agreement.

9. **NONSOLICITATION OF CUSTOMERS / PROSPECTIVE CUSTOMERS.**

Employee expressly agrees that during the Restricted Period, Employee will not (either directly or indirectly, by assisting or acting in concert with others), on behalf of himself/herself or any other person, business, entity, including but not limited to on behalf of a Competing Business, call upon, solicit, or attempt to call upon or solicit any business from any Customer or Prospective Customer for the purpose of providing services substantially similar to the Services.

10. **NONRECRUITMENT OF EMPLOYEES.** Employee expressly agrees that during the Restricted Period, Employee will not, on behalf of himself/herself or any other person, business, or entity (either directly or indirectly, by assisting or acting in concert with others), solicit, recruit or hire, or attempt to solicit, recruit or hire, any of the Company's employees, or encourage any of the Company's employees to leave employment with the Company to work for a Competing

Business. For purposes of this Section 10, “Company employee” means any then current employee of the Company or any individual who was an employee of the Company in the twelve (12) month period preceding the solicitation, recruitment or hiring (or attempt thereof) by Employee.

11. **REASONABLENESS OF RESTRICTIONS.** Employee agrees that the obligations set forth in this Agreement are necessary and reasonable in order to protect the Company’s legitimate business interests and (without limiting the foregoing) that the obligations set forth in Sections 8, 9 and 10 are necessary and reasonable in order to protect the Company’s legitimate business interests in protecting its Confidential Information, Trade Secrets, customer and employee relationships and the goodwill associated therewith.

12. **REMEDIES; INJUNCTIVE RELIEF; TOLLING.**

(a) Employee expressly agrees that due to the unique nature of the Company’s Confidential Information, and its relationships with its Customers and other employees, monetary damages would be inadequate to compensate the Company for any breach by Employee of the covenants and agreements set forth in this Agreement. Accordingly, Employee agrees and acknowledges that any such violation or threatened violation shall cause irreparable injury to the Company and that, in addition to any other remedies that may be available in law, in equity, or otherwise, the Company shall be entitled to obtain injunctive relief against the threatened breach of this Agreement or the continuation of any such breach by Employee, without the necessity of proving actual damages; . and (iii) to recover any reasonable costs or attorneys’ fees, arising out of or in connection with any breach by Employee or enforcement action relating to Employee’s obligations under this Agreement; provided that in any such action in which the Company does not prevail, Employee shall be entitled to recover his/her reasonable costs or attorneys’ fees, arising out of or in connection therewith.

(b) Notwithstanding the arbitration provisions contained herein or in the Letter, or anything else to the contrary in this Agreement, Employee understands that the violation of any restrictive covenants of this Agreement may result in irreparable and continuing damage to the Company for which monetary damages will not be sufficient, and agrees that Company will be entitled to seek, in addition to its other rights and remedies hereunder or at law, and both before or while an arbitration is pending between the parties under this Agreement, a temporary restraining order, preliminary injunction or similar injunctive relief from a court of competent jurisdiction in order to preserve the status quo or prevent irreparable injury pending the full and final resolution of the dispute through arbitration, without the necessity of showing any actual damages or that monetary damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. The aforementioned injunctive relief shall be in addition to, not in lieu of, legal remedies, monetary damages or other available forms of relief through arbitration proceedings. This Section shall not be construed to limit the obligation for either party to pursue arbitration.

(c) The Restricted Period as defined in this Agreement shall be extended by the length of any actual breach or violation of the restrictive covenants of this Agreement.

13. **DEFINITIONS.** For all purposes throughout this Agreement, the terms defined below shall have the respective meanings specified in this Section.

(a) **“Customer”** of the Company shall mean any business or entity with which Employee had Material Contact, for the purpose of providing Services, during the twelve (12) months preceding Employee’s termination date.

(b) **“Compete”** shall mean to provide Competitive Services, whether Employee is acting on behalf of himself/herself, or in conjunction with or in concert with any other entity, person, or business, including activities performed while working for or on behalf of a Customer.

(c) **“Competitive Services”** shall mean the business of data collection and analytics, research and design, development, sales, licensing or marketing, relating to the provision of ad verification and related optimization services and software and/or the provision of related products, services and solutions, including a continuous program of research, development, production and marketing, conducted, authorized, or offered by the Company or any predecessor within the two (2) years prior to the termination of Employee’s Employment.

(d) **“Competing Business”** shall mean any entity, including but not limited to any person, company, partnership, corporation, limited liability company, association, organization or other entity, that provides Competitive Services.

(e) **“Confidential Information”** shall mean sensitive business information having actual or potential value to the Company because it is not generally known to the general public or ascertainable by a Competing Business, and which has been disclosed to Employee, or of which Employee will become aware, as a consequence of the Employment with the Company, including any information related to: the Company’s investment strategies, management planning information, business plans, operational methods, market studies, marketing plans or strategies, patent information, business acquisition plans, past, current and planned research and development, formulas, methods, patterns, processes, procedures, instructions, designs, inventions, operations, engineering, services, drawings, equipment, devices, technology, software systems, price lists, sales reports and records, sales books and manuals, code books, financial information and projections, personnel data, names of customers, customer lists and contact information, customer pricing and purchasing information, lists of targeted prospective customers, supplier lists, product/service and marketing data and programs, product/service plans, product development, advertising campaigns, new product designs or roll out, agreements with third parties, or any such similar information.

Confidential Information shall also include any information disclosed to the Company by a third party (including, but not limited to, current or prospective Customers) that the Company is obliged to treat as confidential.

Confidential Information may be in written or non-written form, as well as information held on electronic media or networks, magnetic storage, cloud storage service, or other similar media. The Company has invested and will continue to invest extensive time, resources, talent, and effort to develop its Confidential Information, all of which generates goodwill for the Company. Employee acknowledges that the Company has taken reasonable and adequate steps to control access to the Confidential Information and to prevent unauthorized disclosure, which could cause injury to the Company. This definition shall not limit any broader definition of “confidential information” or any equivalent term under applicable state or federal law.

(f) **“Material Contact”** shall mean actual contact between Employee and a Customer with whom Employee dealt on behalf of the Company; or whose dealings with the Company were coordinated or supervised by Employee; or who received goods or services from the Company that resulted in payment of commissions or other compensation to Employee; or about whom Employee obtained Confidential Information because of Employee’s Employment with the Company.

(g) **“Prospective Customer”** shall mean any business or entity with whom Employee had Material Contact, for the purpose of attempting to sell or provide Services, and to whom Employee provided a bid, quote for Services, or other Confidential Information of the Company, during the twelve (12) months preceding Employee’s termination date.

(h) **“Restricted Period”** shall mean the entire term of Employee’s Employment with the Company and a one (1) year period immediately following the termination of Employee’s Employment, unless otherwise delineated or described in the “end notes and exceptions” at the end of this Agreement.

(i) **“Restricted Territory”** shall mean the geographic area in which or with respect to which Employee provided or attempted to provide any Services or performed operations on behalf of the Company as of the date of termination or during the twelve (12) months preceding Employee’s termination date.

(j) **“Trade Secrets”** shall mean the business information of the Company that is competitively sensitive and which qualifies for trade secrets protection under applicable trade secrets laws, including but not limited to the Defend Trade Secrets Act. This definition shall not limit any broader definition of “trade secret” or any equivalent term under any applicable local, state or federal law.

(k) **“Services”** shall mean the types of work product, processes and work- related activities relating to the Business of the Company performed by Employee during the Employment.

14. **RESERVED.**

15. **NOTICE OF VOLUNTARY TERMINATION OF EMPLOYMENT.** Unless otherwise stated in the Letter, Employee agrees to use reasonable efforts to provide the Company fourteen (14) days written notice of Employee’s intent to terminate Employee’s Employment; provided, however, that this provision shall not change the at- will nature of the employment relationship between Employee and the Company. It shall be within the Company’s sole discretion to determine whether Employee should continue to perform services on behalf of the Company during this notice period.

16. **NOTIFICATION OF NEW EMPLOYER.** Before Employee accepts employment or enters into any consulting, independent contractor, or other professional or business engagement with any other person or entity while any of the provisions of Sections 8, 9 or 10 of this Agreement are in effect, Employee will provide such person or entity with written notice of the provisions of Sections 8, 9 and/or 10 and will deliver a copy of that notice to the Company. While any of Sections 8, 9 and/or 10 of this Agreement are in effect, Employee agrees that, upon the request of the Company, Employee will furnish the Company with the name and address of any new employer or entity for whom Employee will provide contractor or consulting services, as well as the capacity in which Employee will be employed or otherwise engaged. Employee hereby consents to the Company’s notifying Employee’s new employer about Employee’s responsibilities, restrictions and obligations under this Agreement.

17. **WITHHOLDING.** To the extent allowed by applicable law, Employee agrees to allow the Company to deduct from the final paycheck(s) any amounts due as a

result of the Employment, including, but not limited to, any expense advances or business charges incurred on behalf of the Company, charges for property damaged or not returned when requested, and any other charges incurred that are payable to the Company. Employee agrees to execute any authorization form as may be provided by Company to effectuate this provision.

18. **NO INTELLECTUAL PROPERTY RIGHTS GRANTED.** Nothing in this

Agreement shall be construed as granting to Employee any rights under any patent, copyright, or other intellectual property right of the Company, nor shall this Agreement grant Employee any rights in or to Confidential Information of the Company other than the limited right to review and use such Confidential Information solely for the purpose of participating in the Employment for the benefit of the Company.

19. **SUCCESSORS AND ASSIGNS.** This Agreement will be binding upon Employee's heirs, executors, administrators and other legal representatives and will be for the benefit of the Company, its successors, its assigns and licensees. This Agreement, and Employee's rights and obligations hereunder, may not be assigned by Employee; however, the Company may assign its rights hereunder without Employee's consent, in connection with any sale, transfer or other disposition of any or all of its business or assets.

20. **SEVERABILITY AND REFORMATION.** Employee and the Company agree that if any particular sections, paragraphs, subparagraphs, phrases, words, or other portions of this Agreement are determined by an appropriate court, arbitrator, or other tribunal to be invalid or unenforceable as written, they shall be modified as necessary to comport with the reasonable intent and expectations of the Parties and in favor of providing maximum reasonable protection to the Company's legitimate business interests. Such modification shall not affect the remaining provisions of this Agreement. If such provisions cannot be modified to be made valid or enforceable, then they shall be severed from this Agreement, and all remaining terms and provisions shall remain enforceable. Sections 8, 9 and 10 and each restrictive covenant within them are intended to be divisible and to be interpreted and applied separately and independently.

21. **ENTIRE AGREEMENT; AMENDMENT.** This Agreement, together with each agreement specifically referred to herein as having a continuing effect (including the Letter and any other exhibit to the Letter) contains the entire agreement between the Parties relating to the subject matters contained herein. No term of this Agreement may be amended or modified unless made in writing and executed by both Employee and an authorized agent of the Company. This Agreement replaces and supersedes all prior representations, understandings, or agreements, written or oral, between Employee and the Company with regard to restrictive covenants, post-employment restrictions, and mandatory arbitration.

22. **WAIVER.** Failure to fully enforce any provision of this Agreement by either Party shall not constitute a waiver of any term hereof by such Party; no waiver shall be recognized unless expressly made in writing, and executed by the Party that allegedly made such waiver.

23. **CONSTRUCTION.** The Parties agree that this Agreement has been reviewed by each Party, each Party had an opportunity to make suggestions about the provisions of the Agreement, and each Party had sufficient opportunity to obtain the advice of legal counsel on matters of contract interpretation, if desired. The Parties agree that this Agreement shall not be construed or interpreted more harshly against one Party merely because one Party was the original drafter of the Agreement.

24. **COUNTERPARTS.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all of which together shall constitute

one and the same legally recognized instrument.

25. **THIRD-PARTY BENEFICIARIES.** Employee specifically acknowledges and agrees that the direct and indirect subsidiaries, parents, owners, and affiliated companies of the Company are intended to be beneficiaries of this Agreement and shall have every right to enforce the terms and provisions of this Agreement in accordance with the provisions of this Agreement.

26. **NOTICES.** Notices regarding this Agreement shall be sent via email or to the mailing addresses of the Parties as set forth in the signature block to this Agreement.

27. **GOVERNING LAW AND FORUM SELECTION.** This Agreement shall be governed by and construed in accordance with the Federal Arbitration Act. Any non-arbitration- related issues shall be resolved under the substantive laws and in the jurisdiction of the state where Employee most recently worked for the Company.

28. **ENDNOTES AND EXCEPTIONS.** Certain of the foregoing provisions of this Agreement are hereby modified in certain states as described in the following Sections and Subsections:

(a) **Section 6:** the “**Nondisclosure Agreement**” shall apply not for the entire time period following Employee’s Employment, but rather shall apply only during the Restricted Period in the following states: Arizona, Florida, Illinois, Indiana, New Jersey, Virginia and Wisconsin. Additionally, to the extent **Section 6.a** applies in Wisconsin to Confidential Information that does not constitute a trade secret under applicable law, it shall apply only in geographic areas where the unauthorized disclosure or use of Confidential Information would be competitively damaging to the Company.

(b) **Section 9:** the “**Nonsolicitation of Customers/Prospective Customers**” provision shall apply not to any Prospective Customer, but rather shall apply only to any Customer, in the following states: Wisconsin. Additionally, in Wisconsin, **Section 9** shall not apply to “attempts.”

(c) **Section 10: “Nonrecruitment of Employees”** shall not apply in Wisconsin. The Restricted Period for the nonrecruitment of Company employees in **Section 10** shall be eighteen (18) months in the following states: Alabama.

(d) **Section 12:** The final sentence of **Section 12** shall not apply in the following states: Arkansas, Louisiana, and Wisconsin.

(e) **Section 13(e): “Confidential Information”** The definition of Confidential Information shall include only information that has actual value to the Company in the following state: Wisconsin.

[Remainder of page intentionally left blank.
Signatures on following page.]

The Parties have executed this Employment and Restrictive Covenants Agreement, which is effective as of the Effective Date written above.

For Employee:

Signature: /s/ Tania Secor
Printed Name: Tania Secor
Address: _____
Email: ***@gmail.com
Date: 9/11/2022

For Company:

Signature: /s/ Lisa Nadler
Printed Name: Lisa Nadler
Address: _____
Title: Chief Human Resources Officer
Date: 9/11/2022

Schedule 1
(List of Employee's Prior Inventions)

By initialing here, I represent and warrant that I have no Prior Inventions, as that term is defined in the Agreement to which this Schedule 1 is attached.

OR

Below is a complete and accurate list of Prior Inventions, as that term is defined in the Agreement to which this Schedule 1 is attached.

For Employee:

Signature: /s/ Tania Secor

Printed Name: Tania Secor

Address: _____

Email: ***@gmail.com

Date: 9/11/2022

EXHIBIT B

(To the Letter dated September 11, 2022)

MANDATORY ARBITRATION AGREEMENT

This Mandatory Arbitration Agreement (the “**Arbitration Agreement**”) is made effective XXXX (the “**Effective Date**”), by and between Integral Ad Science, Inc. (together with its affiliates and related companies, hereafter referenced as “**Company**”) and Tania Secor (hereafter referenced as “**Employee**” and together with the Company, each a “**Party**” and collectively, the “**Parties**”).

A Party may bring an action in court to obtain a temporary restraining order, injunction, or other equitable relief available in response to any violation or threatened violation of the restrictive covenants set forth in this Agreement. Otherwise, Employee expressly agrees and acknowledges that the Company and Employee will utilize binding arbitration to resolve all disputes that may arise out of the Employment, which shall include the following:

1. Both the Company and Employee hereby agree that any claim, dispute, and/or controversy between Employee and the Company (or its owners, directors, officers, managers, employees, agents, insurers and parties affiliated with its employee benefit and health plans), arising from, related to, or having any relationship or connection whatsoever to the Employment, shall be submitted to and determined exclusively by binding arbitration before the American Arbitration Association (“**AAA**”) under the Federal Arbitration Act (9 U.S.C. §§ 1, *et seq.*), in conformity with the Federal Rules of Civil Procedure and pursuant to the AAA’s Employment Rules. Included within the scope of this Agreement are all disputes including, but not limited to, any claims alleging employment discrimination, harassment, hostile environment, retaliation, whistleblower protection, wrongful discharge, constructive discharge, failure to grant leave, failure to reinstate, failure to accommodate, tortious conduct, breach of contract, and/or any other claims Employee may have against the Company for any exemption misclassification, unpaid wages or overtime pay, benefits, payments, bonuses, commissions, vacation pay, leave pay, workforce reduction payments, costs or expenses, emotional distress, pain and suffering, or other alleged damages arising out of the Employment or termination. Also included are any claims based on or arising under Title VII of the Civil Rights Act of 1964, 42 USC Section 1981, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Family and Medical Leave Act, the Fair Labor Standards Act, Sarbanes-Oxley, all as amended, or any other state or federal law or regulation, equitable law, or otherwise relating in any way to the employment relationship.

2. The arbitration proceeding shall be conducted in the State of New York, County of New York.

3. Nothing herein, however, shall prevent Employee from filing and pursuing proceedings before the United States Equal Employment Opportunity Commission or similar state agency (although if Employee chooses to pursue any type of claim for relief following the exhaustion of such administrative remedies, such claim would be subject to resolution under these mandatory arbitration provisions). In addition, nothing herein shall prevent Employee from filing an administrative claim for unemployment benefits or workers’ compensation benefits.

4. Nothing in the confidentiality or nondisclosure or other provisions of this Agreement shall be construed to limit Employee’s right to respond accurately and fully to any question, inquiry or request for information when required by legal process or from initiating

communications directly with, or responding to any inquiry from, or providing testimony before, any self-regulatory organization or state or federal regulatory authority, regarding the Company, Employee's Employment, or this Agreement. Employee is not required to contact the Company regarding the subject matter of any such communications before engaging in such communications. Employee also understands that Employee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (i) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Employee also understands that disclosure of trade secrets to attorneys, in legal proceedings if disclosed under seal, or pursuant to court order is also protected under 18 U.S. Code §1833 when disclosure is made in connection with a retaliation lawsuit based on the reporting of a suspected violation of law.

5. In addition to any other requirements imposed by law, the arbitrator selected shall be a qualified individual mutually selected by the Parties, and shall be subject to disqualification on the same grounds as would apply to a judge. All rules of pleading, all rules of evidence, all statutes of limitations, all rights to resolution of the dispute by means of motions for summary judgment, and judgment on the pleadings shall apply and be observed. Resolution of the dispute shall be based solely upon the law governing the claims and defenses pleaded, and the arbitrator may not invoke any basis (including but not limited to, notions of "just cause") other than such controlling law. Likewise, all communications during or in connection with the arbitration proceedings are privileged. The arbitrator shall have the authority to award appropriate substantive relief under relevant laws, including the damages, costs and attorneys' fees that would be available under such laws.

6. Employee's initial share of the arbitration fee shall be in an amount equal to the filing fee as would be applicable in a court proceeding, or \$100, whichever is less. Beyond the arbitration filing fee, the non-prevailing party as determined by the arbitrator will bear all other fees, expenses and charges of the arbitrator.

7. Employee understands and agrees that all claims against the Company must be brought in Employee's individual capacity and not as a plaintiff or class member in any purported class or representative proceeding. Employee understands that there is no right or authority for any dispute to be heard or arbitrated on a collective action basis, class action basis, as a private attorney general, or on bases involving claims or disputes brought in a representative capacity on behalf of the general public, on behalf of other Company employees (or any of them) or on behalf of other persons alleged to be similarly situated. Employee understands that there are no bench or jury trials and no class actions or representative actions permitted under this Agreement. The arbitrator shall not consolidate claims of different employees into one proceeding, nor shall the arbitrator have the power to hear an arbitration as a class action, collective action, or representative action. The interpretation of this subsection shall be decided by a judge, not the arbitrator.

8. Employee and Company agree to the following procedures:

(a) Prior to the service of an Arbitration Demand, the parties shall negotiate in good faith for a period of thirty (30) days in an effort to resolve any arbitrable dispute privately, amicably and confidentially. All offers, promises, conduct and statements, whether oral or written, made in the course of the negotiation by either Party or their representatives will be confidential, privileged and inadmissible for any purpose, including impeachment, in any arbitration or other proceeding involving the Parties, provided that evidence that is otherwise admissible or

discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in negotiations pursuant to this Section 8.

(b) If negotiations fail, to commence an arbitration pursuant to this Agreement, a Party shall serve a written arbitration demand (the “**Demand**”) on the other Party by hand delivery, email or via overnight delivery service (in a manner that provides proof of receipt by the respondent). The Demand shall be served before expiration of the applicable statute of limitations. The Demand shall describe the arbitrable dispute in sufficient detail to advise the respondent of the nature and basis of the dispute, state the date on which the dispute first arose, list the names and addresses of every person whom the claimant believes does or may have information relating to the dispute, including a short description of the matter(s) about which each person is believed to have knowledge, and state with particularity the relief requested by the claimant, including a specific monetary amount, if the claimant seeks a monetary award of any kind.

(c) If respondent does not provide a written Response to the Demand, all allegations will be considered denied.

(d) The Parties shall confer in good faith to attempt to agree upon a suitable arbitrator, and if unable to do so, they will select an arbitrator from the AAA’s employment arbitration panel for the area.

(e) Any award or portion thereof, whether preliminary or final, will be based on and accompanied by a written opinion signed by the arbitrator and will contain findings of fact, conclusions of law and the reasons upon which the award or portion thereof is based.

9. Employee understands, agrees, and consents to this binding arbitration provision, and Employee and the Company hereby each expressly waive the right to trial by jury of any claims arising out of Employment with the Company.

10. *By initialing below, Employee acknowledges that Employee has read, understands, agrees and consents to this binding Arbitration Agreement, including the class action waiver. Employee's Initials: /s/ TS*

The Parties have executed this Arbitration Agreement, which is effective as of the Effective Date written above.

For Employee:

Signature: /s/ Tania Secor
Printed Name: Tania Secor
Email: ***@gmail.com
Date: 9/11/2022

For Company:

Signature: /s/ Lisa Nadler
Printed Name: Lisa Nadler

Title: Chief Human Resources Officer
Date: 9/11/2022

EXHIBIT C

(To the Letter dated September 11, 2022)

Certain Definitions

“**Cause**” means any of the following:

- (i) a material failure by you to perform your primary responsibilities or duties to the Company under this letter or those other lawful and material responsibilities or duties as reasonably requested from time to time by the Board, after written demand for performance has been given by the Board that identifies how you have not performed your responsibilities or duties and the expected correction, and such failure, if susceptible of cure, has not been cured for a period of forty-five (45) days after you receive notice from the Board;
- (ii) your willful engagement in conduct which you know at the time to be illegal and 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) your conviction of, or plea of guilty or *nolo contendere* to, a felony, a crime involving moral turpitude 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 your duty of loyalty to the Company or your material breach of the Company’s written code of conduct and business ethics or Sections 4 through 10 and 16 of the Employment and Restrictive Covenants Agreement (to the extent any such provisions are then lawful and enforceable), or any other material written agreement between you and the Company;
- (v) willful and material fraud or gross negligence after written demand for performance has been given by the Board that identifies how you have not performed your responsibilities or duties and the expected correction, and such failure, if susceptible of cure, has not been cured for a period of forty-five (45) days after you receive notice from the Board; or
- (vi) excessive and unreasonable absences from your duties for any reason (excluding any reasonable vacation periods, other than an authorized leave as permitted by law, or as a result of your Disability (as defined below)).

“**Change in Control**” shall have the meaning provided in the Plan.

“**Disability**” means your inability to perform the essential functions of your job, with or without accommodation, as a result of any mental or physical disability or incapacity for an extended period of not less than one hundred eighty (180) consecutive calendar days, as determined in the sole discretion of the Company.

“**Good Reason**” means that you voluntarily terminate your employment with the Company if there should occur without your written consent:

- (i) a material, adverse change in your duties, responsibilities or reporting structure with the Company;

- (ii) (A) any reduction in your then current Base Salary that is not implemented in conjunction with and in equal proportion to a general decrease affecting the executive management team or (B) a reduction in your then current Base Salary by more than ten percent (10%) in conjunction with a general decrease affecting the entire executive management team;
- (iii) A relocation of your primary place of work by more than fifty (50) miles; or
- (iv) the material breach by the Company of this letter or any other employment agreement between you and the Company;

provided, however, that in each case above, you must (a) first provide written notice to the Company of the existence of the Good Reason condition within thirty (30) days of the initial existence of such event, specifying the basis for your belief that you are entitled to terminate your employment for Good Reason, (b) give the Company an opportunity to cure any of the foregoing within thirty (30) days following your delivery to the Company of such written notice, and (c) actually resign your employment within thirty (30) days following the expiration of the Company's thirty (30) day cure period.

All references to the Company in these definitions shall include parent, subsidiary, affiliate and successor entities of the Company.

EXHIBIT D

(To the Letter dated September 11, 2022)

RSU and MSU Award Agreements

Confidential
April 2022 Form

**INTEGRAL AD SCIENCE HOLDING CORP.
RSU AWARD NOTICE**

Pursuant to the terms and conditions of the Integral Ad Science Holding Corp. 2021 Omnibus Incentive Plan, as amended from time to time (the "Plan"), Integral Ad Science Holding Corp., a Delaware corporation (the "Company"), hereby grants to the individual listed below ("you" or the "Participant") an award of RSUs set forth below. This award of RSUs (this "Award") is subject to the terms and conditions set forth herein and in the Restricted Stock Unit Agreement attached hereto as Exhibit A, including the additional terms and conditions for certain countries, as set forth in the appendix attached thereto (the "Appendix" and, together, the "Agreement") and the Plan, each of which is incorporated herein by reference. Capitalized terms used herein without definition have the meanings ascribed to such terms in the Plan.

Type of Award: Other Share-Based Award under Article X of the Plan.

Participant: [●]

Grant Date: [●]

Total Number of RSUs: [●]

Vesting Schedule [●]

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

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Grant Notice as of the date first written above.

INTEGRAL AD SCIENCE HOLDING CORP.

By:

Name: Lisa Nadler

Title: Chief Human Resources Officer

[Participant]

[Signature Page to Restricted Stock Unit Award Notice]

**INTEGRAL AD SCIENCE HOLDING CORP.
RSU AWARD AGREEMENT**

THIS RSU AWARD AGREEMENT (this “Agreement”) is entered into by and between the Company and the Participant as of the Grant Date set forth in the Grant Notice to which this Agreement is attached. Capitalized terms used herein without definition have the meanings ascribed to such terms in the Plan.

WHEREAS, the Plan provides for the grant of Other Share-Based Awards; and

WHEREAS, the Committee has determined that it would be in the best interests of the Company and its members to grant the Participant an Other Share-Based Award in the form of RSUs on the terms and subject to the conditions set forth in this Agreement and the Plan.

NOW THEREFORE, for and in consideration of the premises and the covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves and their successors and assigns, hereby agree as follows:

1. Grant of RSUs.

(a) Grant. The Company hereby grants to the Participant the number of RSUs set forth in the Grant Notice on the terms and conditions set forth in the Grant Notice, this Agreement, and the Plan.

(b) Incorporation by Reference. The provisions of the Plan are incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan.

2. Vesting. The RSUs shall become vested in accordance with the schedule set forth in the Grant Notice.

3. Settlement. The Company shall issue one Share to the Participant for each RSU that becomes vested hereunder within 30 days following the date on which such RSU becomes vested. Notwithstanding the foregoing, if the Participant is employed and/or resides outside of the United States, the Company, in its sole discretion, may provide for the settlement of the RSUs in the form of (a) a cash payment (in an amount equal to the Fair Market Value of the Shares that correspond to the vested RSUs) to the extent that settlement in Shares (i) is prohibited under local law, (ii) would require the Participant, or the Company or any of its Affiliates to obtain the approval of any governmental or regulatory body in the Participant’s country of employment and/or residency, (iii) would result in adverse tax consequences for the Participant or the Company or any of its Affiliates or (iv) is administratively burdensome; or (b) Shares, but require the Participant to sell such Shares immediately or within a specified period following the Participant’s Separation from Service (in which case, the Participant hereby agrees that the Company shall have the authority to issue sale instructions in relation to such Shares on the Participant’s behalf).

4. Forfeiture. If, prior to the settlement of the RSUs as set forth in Section 3, (a) the Participant incurs a Separation from Service for any reason, (b) the Participant materially breaches this Agreement, or (c) the Participant fails to meet the tax withholding obligations described in Section 6, the Participant shall immediately and automatically forfeit all of the Participant's rights in respect of the RSUs.

5. Change in Control. Except to the extent Substitute Awards are granted in assumption of, or in substitution for, any then unvested RSUs granted hereunder, in the event of a Change in Control, if a Participant incurs a Separation from Service within six (6) months following such Change in Control, 100% of any then unvested RSUs granted hereunder shall immediately become fully vested and non-forfeitable, provided that the Participant remains in continuous Service from the Grant Date through the occurrence of the Change in Control.

6. Rights as Stockholder; Dividend Equivalents. Until such time as the RSUs have been settled pursuant to Section 3, the Participant shall have no rights as a stockholder, including, without limitation, any right to dividends or other distributions or any right to vote. Notwithstanding the foregoing, if the Company declares any cash dividend the record date of which occurs while the RSUs are outstanding, the Participant shall be credited a dividend equivalent in an amount equal to the dividend that would have been paid on the Shares underlying the RSUs had such shares been outstanding on such record date. Any such dividend equivalents shall be subject to the same vesting conditions applicable to the underlying RSU with respect to which they accrue, and shall, if the underlying RSU vests, be paid on the date on which such RSU is settled in accordance with Section 3. For purposes of clarity, if the RSUs (or any portion thereof) are forfeited by the Participant pursuant to the terms of this Agreement, then the Participant shall also forfeit the dividend equivalents, if any, accrued with respect to such forfeited RSUs. No interest will accrue on the dividend equivalents between the declaration and payment of the applicable dividends and the settlement of the dividend equivalents.

7. Taxes.

(a) The Participant acknowledges and agrees that, regardless of any action taken by the Company or, if different, the Affiliate that employs the Participant (the "Employer"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Participant's participation in the Plan and legally applicable or deemed applicable to the Participant even if technically due by the Company or an Affiliate ("Tax-Related Items") is and remains the Participant's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs or the underlying Shares, including, but not limited to, the grant, vesting or settlement of the RSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividend equivalents and/or dividends and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant is subject to Tax-Related Items in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) To the extent that Tax-Related Items are payable, the Participant shall make arrangements satisfactory to the Company regarding the payment of any Tax-Related Items in respect of this Award or the Company may mandate the method for satisfying Tax-Related Items, which arrangements include the delivery of cash or cash equivalents, Shares (including previously owned Shares (which is not subject to any pledge or other security interest), net settlement, a broker-assisted sale, or other cashless withholding or reduction of the amount of shares otherwise issuable or delivered pursuant to this Award), other property, or any other legal consideration the Committee deems appropriate. If the Participant fails to satisfy such Tax-Related Items, the Company may refuse to issue or transfer any Shares otherwise required to be issued pursuant to this Agreement. If such Tax-Related Items are satisfied through net settlement or the surrender of previously owned Shares, the maximum number of Shares that may be so withheld (or surrendered) shall be the number of Shares that have an aggregate Fair Market Value on the date of withholding or surrender approximately equal to the aggregate amount of such tax liabilities determined based on the greatest withholding rates for Tax-Related Items that may be utilized without creating adverse accounting treatment for the Company with respect to this Award, as determined by the Committee. If the obligation for Tax-Related Items is satisfied through net settlement, for tax purposes, the Participant is deemed to have been issued the full number of Shares subject to the RSUs, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items. The Participant will have no further rights with respect to any Shares that are retained by the Company pursuant to this provision. In the event of over- withholding, the Participant may receive a refund of any over-withheld amount in cash (with no entitlement to the equivalent in Shares), or if not refunded, the Participant may be able to seek a refund from the local tax authorities. In the event of under-withholding, the Participant may be required to pay any additional Tax-Related Items directly to the applicable tax authority or to the Company and/or the Employer.

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

8. Non-Transferability. The RSUs may not, at any time prior to being settled, be assigned, alienated, pledged, attached, sold, or otherwise transferred or encumbered by the Participant, other than by will or by the laws of descent and distribution. Any such purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance shall be void and unenforceable against the Company.

9. Miscellaneous.

(a) Clawback. All awards, amounts, and benefits received or outstanding under the Plan will be subject to clawback, cancellation, recoupment, rescission, payback, reduction, or other similar action in accordance with the terms of any Company clawback or

similar policy or any Applicable Law related to such actions, as may be in effect from time to time. The Participant acknowledges and expressly agrees to the Company's application, implementation, and enforcement of any applicable Company clawback or similar policy that may apply to the Participant, whether adopted before or after the Grant Date (including the forfeiture, clawback, and detrimental conduct terms contained in Section 13.22 of the Plan as of the Grant Date (and any successor terms)), and any term of Applicable Law relating to clawback, cancellation, recoupment, rescission, payback, or reduction of compensation, and the Company may take such actions as may be necessary to effectuate any such policy or Applicable Law, without further consideration or action.

(b) Compliance with Laws. The grant of RSUs and the issuance of Shares hereunder shall be subject to, and shall comply with, any applicable requirements of any foreign and U.S. federal and state securities laws, rules, and regulations (including, without limitation, the provisions of the Securities Act, the Exchange Act, and in each case any respective rules and regulations promulgated thereunder) and any other law, rule, regulation, or exchange requirement applicable thereto. No shares of Common Stock will be issued hereunder if such issuance would constitute a violation of any applicable law or regulation or the requirements of any stock exchange or market system upon which the Common Stock may then be listed. In addition, shares of Common Stock will not be issued hereunder unless (a) a registration statement under the Securities Act is in effect at the time of such issuance with respect to the shares to be issued or (b) in the opinion of legal counsel to the Company, the shares to be issued are permitted to be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary for the lawful issuance and sale of any shares of Common Stock hereunder will relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority has not been obtained. As a condition to any issuance of Common Stock hereunder, the Company may require the Participant to satisfy any requirements that may be necessary or appropriate to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect to such compliance as may be requested by the Company.

(c) Not a Public Offering. If the Participant is employed or resident outside the United States, the grant of the RSUs is not intended to be a public offering of securities in the Participant's country of employment (or country of residence, if different). The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and the grant of the RSUs is not subject to the supervision of the local securities authorities.

(d) Insider Trading; Market Abuse Laws. By participating in the Plan, the Participant agrees to comply with the Company's policy on insider trading (to the extent that it is applicable to the Participant). The Participant further acknowledges that, depending on the Participant's or his or her broker's country of residence or where the Shares are listed, the Participant may be subject to insider trading restrictions and/or market abuse laws which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares (e.g., RSUs) or rights linked to the value of Shares, during such times the Participant is considered to have "inside information" regarding the Company as defined by the laws or regulations in the Participant's country. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant places before he or she possessed inside information. Furthermore, the

Participant could be prohibited from (i) disclosing the inside information to any third party (other than on a “need to know” basis) and (ii) “tipping” third parties or causing them otherwise to buy or sell securities. The Participant understands that third parties include fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Participant acknowledges that it is the Participant’s responsibility to comply with any applicable restrictions, and that the Participant should therefore consult his or her personal advisor on this matter.

(e) Repatriation; Compliance with Law. The Participant agrees to repatriate all payments attributable to the Shares and/or cash acquired under the Plan in accordance with applicable foreign exchange rules and regulations in the Participant’s country of employment (and country of residence, if different). In addition, the Participant agrees to take any and all actions, and consents to any and all actions taken by the Company and any of its Affiliates, as may be required to allow the Company and any of its Affiliates to comply with local laws, rules and/or regulations in the Participant’s country of employment (and country of residence, if different). Finally, the Participant agrees to take any and all actions as may be required to comply with the Participant’s personal obligations under local laws, rules and/or regulations in his or her country of employment (and country of residence, if different).

(f) Successors. The terms of this Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and of the Participant and the beneficiaries, executors, administrators, and heirs of the Participant.

(g) No Waiver; Amendment. No waiver of any right hereunder by any party shall operate as a waiver of any other right, or as a waiver of the same right with respect to any subsequent occasion for its exercise, or as a waiver of any right to damages. No waiver by any party of any breach of this Agreement shall be held to constitute a waiver of any other breach or a waiver of the continuation of the same breach. This Agreement may be amended at any time by the Committee, except that no amendment may, without the Participant’s consent, materially impair the Participant’s rights under the Award.

(h) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

(i) Nature of Grant. In accepting the RSUs, the Participant acknowledges and agrees that:

(i) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company, in its sole discretion, at any time (subject to any limitations set forth in the Plan);

(ii) the grant of the RSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs or other awards have been granted in the past;

(iii) all decisions with respect to future awards, if any, will be at the sole discretion of the Company;

(iv) the Participant's participation in the Plan is voluntary;

(v) the RSUs and the Participant's participation in the Plan shall not create a right to employment or be interpreted as forming an employment contract with the Company or any of its Affiliates and shall not interfere with the ability of the Company or the Employer, as applicable, to terminate the Participant's employment relationship (as otherwise may be permitted under local law);

(vi) unless otherwise agreed with the Company, the RSUs and any Shares acquired upon settlement of the RSUs, and the income from and value of the same, are not granted as consideration for, or in connection with, any service the Participant may provide as a director of any Subsidiary or Affiliate;

(vii) the RSUs and any Shares acquired under the Plan and the income and value of the same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, holiday pay, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the Employer or any of their Affiliates;

(viii) the future value of the Shares underlying the RSUs is unknown, indeterminable, and cannot be predicted with certainty;

(ix) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from the Participant's Separation from Service (for any reason whatsoever and whether or not in breach of local labor laws or later found invalid) and, in consideration of the RSUs, the Participant agrees not to institute any claim against the Company or the Employer;

(x) for purposes of the RSUs, the Participant's employment will be considered terminated as of the date the Participant is no longer actively providing service (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is providing service or the terms of the Participant's employment or service agreement, if any), and unless otherwise determined by the Company, the Participant's right to vest in the RSUs will terminate as of such date and will not be extended by any notice period (e.g., the Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is providing service or the terms of Participant's employment or service agreement, if any); the Committee or its delegate shall have the exclusive discretion to determine when the Participant is no longer actively providing service for purposes of his or her Award (including whether the Participant may still be considered to be providing service while on a leave of absence);

(xi) the RSUs and the benefits evidenced by this Agreement do not create any entitlement not otherwise specifically provided for in the Plan or provided by

the Company in its discretion, to have the RSUs or any such benefits transferred to, or assumed by, another company, nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(xii) if the Participant's local currency is different than the U.S. dollar, neither the Company nor any of its Affiliates shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the U.S. dollar that may affect the value of the RSUs or any amounts due to the Participant pursuant to the settlement of the RSUs or the subsequent sale of any Shares acquired upon settlement of the RSUs.

(j) Unfunded Plan. The award of RSUs is unfunded and the Participant shall be considered an unsecured creditor of the Company with respect to the Company's obligations, if any, to issue Shares pursuant to this Agreement. Nothing contained in this Agreement, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind or a fiduciary relationship between the Participant and the Company or any other person.

(k) Appendix. Notwithstanding any provisions in this Agreement, the RSUs shall be subject to any additional or different terms and conditions set forth in the Appendix to this Agreement for certain country or countries (the "Appendix"). Moreover, if the Participant relocates to any country included in the Appendix, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons or the Company may establish additional terms to facilitate the Participant's relocation. The Appendix constitutes part of this Agreement.

(l) Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the RSUs, and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

(m) Entire Agreement. This Agreement (including the Appendix), the Grant Notice, and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations, and negotiations with respect thereto.

(n) Bound by the Plan. By signing this Agreement, the Participant acknowledges that the Participant has received a copy of the Plan and has had an opportunity to review the Plan and agrees to be bound by all the terms and provisions of the Plan. In the event of any conflict between the Plan and this Agreement, this Agreement shall control.

(o) Governing Law. The Participant acknowledges and expressly agrees to the governing law terms of Section 13.9 of the Plan (and any successor terms) and the jurisdiction and waiver of jury trial terms of Section 13.10 of the Plan (and any successor terms).

(p) Business Days. If any time period for giving notice or taking action hereunder expires on a day that is a Saturday, Sunday, or holiday in the state in which the

Company's principal executive office is located, the time period shall be automatically extended to the business day immediately following such Saturday, Sunday, or holiday.

(q) Headings. The headings of the Sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.

(r) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same instrument.

(s) Section 409A of the Code. It is intended that the RSUs granted pursuant to this Agreement and the provisions of this Agreement be exempt from or comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and all provisions of this Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A of the Code.

(t) Language. If the Participant is resident in a country where English is not an official language, the Participant acknowledges and agrees that it is his or her express intent that this Agreement and the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the RSUs be drawn up in English. Further, the Participant acknowledges that he or she is sufficiently proficient in English to understand the terms and conditions of this Agreement and any documents related to the Plan or has had the ability to consult with an advisor who is sufficiently proficient in the English language. If the Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

(u) Data Privacy. *The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement, the Grant Notice and any other grant materials by and among, as necessary and applicable, the Company and its Affiliates, for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan.*

The Participant understands that the Company, its Affiliates and/or the Employer may hold certain personal information about the Participant, specifically, the Participant's name, home address, email address and telephone number, date of birth, social security or insurance number, passport number or other identification number, salary, nationality, and any Shares or directorships held in the Company, and details of the RSUs or any other entitlement to Shares, canceled, exercised, vested, unvested or outstanding in the Participant's favor ("Data"), for the purpose of implementing, administering and managing the Plan.

The Participant understands that Data will be transferred to Fidelity Stock Plan Services, LLC and its affiliates or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients of Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. If the Participant is employed outside the United States, the Participant understands that the Participant may request a list with the names and addresses of any potential recipients of Data by contacting his or her local human

resources representative. The Participant authorizes the Company, the applicable stock plan service provider and any other possible recipients that may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. If the Participant is employed outside the United States, the Participant understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke the Participant's consent, his or her service status and career will not be affected; the only consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant the RSUs or other equity awards to the Participant or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing the Participant's consent may affect his or her ability to participate in the Plan. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that the Participant may contact his or her local human resources representative.

(v) Consent to Electronic Delivery; Electronic Signature. In lieu of receiving documents in paper format, the Participant agrees, to the fullest extent permitted by law, to accept electronic delivery of any documents that the Company may be required to deliver (including, without limitation, prospectuses, prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports and all other forms of communications) in connection with this and any other Award made or offered by the Company. Electronic delivery may be via a Company electronic mail system or by reference to a location on a Company intranet or third party website to which the Participant has access. The Participant hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may be required to deliver, and agrees that the Participant's electronic signature is the same as, and shall have the same force and effect as, the Participant's manual signature.

* * * *

APPENDIX TO THE AGREEMENT**COUNTRY-SPECIFIC TERMS, CONDITIONS AND NOTIFICATIONS*****Terms and Conditions***

This Appendix includes additional terms and conditions that govern the RSUs granted to the Participant under the Plan if the Participant resides and/or works outside of the United States. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Grant Notice, the Plan and/or the Agreement to which this Appendix is attached.

If the Participant is a citizen or resident of a country other than the one in which the Participant is currently working and/or residing, transfers to another country after the Grant Date, is a consultant, changes employment status to a consultant, or is considered a resident of another country for local law purposes, the Company shall, in its discretion, determine the extent to which the terms and conditions contained herein shall be applicable to the Participant. References to the Employer shall include any entity that engages the Participant's services.

Notifications

This Appendix also includes information regarding securities, tax, and certain other issues of which the Participant should be aware with respect to participation in the Plan. The information is provided solely for the Participant's convenience and is based on the securities, tax, and other laws in effect in the respective countries as of **June 2021**. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant not rely on the information noted herein as the only source of information relating to the consequences of participation in the Plan because the information may be out of date by the time the Participant vests in or receives Shares underlying the RSUs or sells any Shares.

In addition, the information contained in this Appendix is general in nature and may not apply to the Participant's particular situation, and the Company is not in a position to assure the Participant of any particular result. Accordingly, the Participant should seek appropriate professional advice as to how the applicable laws in the Participant's country may apply to his or her situation.

Finally, the Participant understands that if the Participant is a citizen or resident of a country other than the one in which he or she is currently residing and/or working, transfer to another country after the Grant Date, or is considered a resident of another country for local law purposes, the notifications contained herein may not be applicable to the Participant in the same manner.

EUROPEAN UNION (“EU”) / EUROPEAN ECONOMIC AREA (“EEA”) AND THE UNITED KINGDOM

Data Privacy Notice. If the Participant resides and/or works in the EU/EEA or the United Kingdom, the following provision replaces Section 8(u) of the Agreement:

The Company, with its principal office at 95 Morton St., 8th Floor, New York, New York 10014, United States of America, is the controller responsible for the processing of the Participant’s personal data by the Company and the third parties noted below.

(a) **Data Collection, Processing and Usage.** Pursuant to applicable data protection laws, the Participant is hereby notified that the Company collects, processes and uses certain personal information about the Participant for the legitimate purpose of implementing, administering and managing the Plan and generally administering RSUs, specifically the Participant’s name, home address, email address and telephone number, date of birth, social security or insurance number, passport number or other identification number, salary, nationality, and any Shares or directorships held in the Company, and details of the RSUs or any other entitlement to Shares, canceled, exercised, vested, unvested or outstanding in the Participant’s favor (“**Personal Data**”). In granting RSUs under the Plan, the Company will collect, process, use, disclose and transfer (collectively, “**Processing**”) Personal Data for purposes of implementing, administering and managing the Plan. The Company’s legal basis for the Processing of Personal Data is the Company’s legitimate business interests of managing the Plan, administering RSUs and complying with its contractual and statutory obligations, as well as the necessity of the Processing for the Company to perform its contractual obligations under this Agreement and the Plan. The Participant’s refusal to provide Personal Data would make it impossible for the Company to perform its contractual obligations and may affect the Participant’s ability to participate in the Plan. As such, by accepting the RSUs, the Participant voluntarily acknowledges the Processing of his or her Personal Data as described herein.

(b) **Outside Service Providers.** The Company and the Employer may transfer Personal Data to Fidelity Stock Plan Services, LLC and its affiliates, an independent service provider based in the United States of America (the “**Plan Broker**”), which assists the Company with the implementation, administration and management of the Plan. In the future, the Company may select a different service provider and share the Participant’s Personal Data with another company that serves in a similar manner. The Processing of Personal Data will take place through both electronic and non-electronic means. Personal Data will only be accessible by those individuals requiring access to it for purposes of implementing, administering and operating the Plan. When receiving the Participant’s Personal Data, if applicable, the Plan Broker provides appropriate safeguards in accordance with the Standard Contractual Clauses or other appropriate cross-border transfer solutions. By accepting the RSUs, the Participant understands that the Plan Broker will Process the Participant’s Personal Data for the purposes of implementing, administering and managing the Participant’s participation in the Plan.

(c) **International Personal Data Transfers.** The Plan and RSUs are administered in the United States of America, which means it will be necessary for Personal Data to be transferred to, and Processed in the United States of America. When transferring Personal Data to the United States of America, the Company provides appropriate safeguards in accordance with the Standard Contractual Clauses or other appropriate cross-border transfer

solutions. The Participant may request a copy of the appropriate safeguards with the Plan Broker or the Company by contacting the Participant's human resources representative.

(d) Data Retention. The Company will use the Participant's personal data only as long as is necessary to implement, administer and manage his or her participation in the Plan or as required to comply with legal or regulatory obligations, including under tax, exchange control, securities, and labor laws. When the Company no longer needs Personal Data related to the Plan, the Company will remove it from its systems. If the Company keeps Personal Data longer, it would be to satisfy legal or regulatory obligations and the Company's legal basis would be for compliance with Applicable Law.

(e) Data Subject Rights. To the extent provided by law, the Participant has the right to (i) subject to certain exceptions, request access or copies of Personal Data the Company Processes, (ii) request rectification of incorrect Personal Data, (iii) request deletion of Personal Data, (iv) place restrictions on Processing of Personal Data, (v) lodge complaints with competent authorities in the Participant's country, and/or (vi) request a list with the names and addresses of any potential recipients of Personal Data. To receive clarification regarding the Participant's rights or to exercise the Participant's rights, the Participant may contact the Participant's human resources representative. The Participant also has the right to object, on grounds related to a particular situation, to the Processing of Personal Data, as well as opt-out of the Plan, in any case without cost, by contacting the Participant's human resources representative in writing. The Participant's provision of Personal Data is a contractual requirement. The Participant understands, however, that the only consequence of refusing to provide Personal Data is that the Company may not be able to administer the RSUs, or grant other awards or administer or maintain such awards. For more information on the consequences of the refusal to provide Personal Data, the Participant may contact the Participant's human resources representative in writing.

AUSTRALIA

Tax Notification. The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) (the "Act") applies (subject to conditions in the Act).

CANADA

1. Form of Settlement. Notwithstanding any provision in the Plan or Agreement to the contrary, the RSUs will be settled in Shares only, not cash.
2. Securities Law Information. The Participant is permitted to sell Shares acquired under the Plan through the designated broker, if any, provided the resale of such Shares takes place outside of Canada through the facilities of a stock exchange on which the Shares are listed.
3. Separation from Service. The following provision replaces Section 8(i)(x) of the Agreement:

For purposes of the RSUs, the Participant's service is considered terminated as of the date the Participant is no longer actually employed or otherwise rendering service to the Company or any Affiliate (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment or other laws or the terms of the

Participant's employment or service contract, if any). Unless otherwise extended by the Company or expressly provided in the Agreement, the Participant's right to vest in the RSUs, if any, will terminate effective as of such date (the "Termination Date"). The Termination Date will not be extended by any common law notice period. Notwithstanding the foregoing, however, if applicable employment standards legislation explicitly requires continued entitlement to vesting during a statutory notice period, the Participant's right to vest in the RSUs under the Agreement, if any, will be allowed to continue for that minimum notice period but then immediately terminate effective as of the last day of the Participant's minimum statutory notice period.

In the event the date the Participant is no longer providing actual service cannot be reasonably determined under the terms of this Agreement and/or the Plan, the Company shall have the exclusive discretion to determine when the Participant is no longer actively providing service for purposes of the RSUs (including whether the Participant may still be considered to be providing service while on a leave of absence). Any portion of the RSUs that is not vested on the Termination Date shall terminate immediately and be null and void. Subject to the foregoing, unless the applicable employment standards legislation specifically requires, in the Participant's case, the Participant will not earn or be entitled to any pro-rated vesting for that portion of time before the date on which the Participant's service is terminated (as determined under this provision), nor will the Participant be entitled to any compensation for lost vesting.

The following provision applies to residents of Quebec:

4. Language Consent. The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir expressément souhaité la rédaction en anglais du Contrat d'Attribution, ainsi que tous les documents exécutés, avis donnés et procédures judiciaires intentées, en vertu du, ou liés directement ou indirectement, au présent Contrat d'Attribution.

FRANCE

1. Award Not French-Qualified. The RSUs are not granted under the French specific regime provided by Articles L. 225-197-1 and seq. or L. 22-10-59 and L. 22-10-60 of the French Commercial Code, as amended.

2. English Language Consent. The parties acknowledge and agree that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir expressément souhaité que la convention ("Agreement"), ainsi que tous les documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou lié, directement ou indirectement à la présente convention, soient rédigés en langue anglaise.

GERMANY

No country-specific provisions.

INDIA

Repatriation Requirements. The Participant expressly agrees to repatriate all dividends and sale proceeds attributable to Shares acquired under the Plan in accordance with local foreign exchange rules and regulations. Neither the Company nor any of its Affiliates shall be liable for any fines or penalties resulting from the Participant's failure to comply with applicable laws, rules or regulations.

ITALY

Plan Document Acknowledgment. In accepting the RSUs, the Participant acknowledges that he or she has received a copy of the Plan and the Agreement and has reviewed the Plan and the Agreement, including this Appendix, in their entirety and fully understands and accepts all provisions of the Plan and the Agreement, including this Appendix.

More specifically, the Participant acknowledges that he or she has read and specifically and expressly approves the following sections of the Agreement: Section 2 (Vesting); Section 3 (Settlement); Section 4 (Forfeiture); the data privacy provisions in the Appendix for Participants that reside and/or work in the EU/EEA and the United Kingdom; and the terms and conditions in this Appendix.

JAPAN

No country-specific provisions.

SINGAPORE

Securities Law Information. The grant of the RSUs under the Plan is being made pursuant to the "Qualifying Person" exemption under section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA"). The Plan has not been and will not be lodged or registered as a prospectus with the Monetary Authority of Singapore and is not regulated by any financial supervisory authority pursuant to any legislation in Singapore. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. The Participant should note that the RSUs are subject to section 257 of the SFA and the Participant will not be able to make any subsequent sale of the underlying Shares in Singapore, or any offer of such subsequent sale of the Shares subject to the RSUs in Singapore, unless such sale or offer is made (i) after six (6) months from the date of grant or (ii) pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA.

SPAIN

1. Acknowledgement of Discretionary Nature of the Plan; No Vested Rights. This provision supplements the terms of the Agreement:

In accepting the RSUs, the Participant acknowledges that he or she consents to participation in the Plan and has received a copy of the Plan.

The Participant understands that the Company has unilaterally, gratuitously and in its sole discretion granted the RSUs under the Plan to individuals who may be employees of the Company and its Affiliates throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or any of its Affiliates on an ongoing basis. Consequently, the Participant understands that the RSUs are granted on the assumption and condition that the RSUs and the Shares acquired upon settlement of the RSUs shall not become a part of any employment contract (either with the Company or any of its Affiliates) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, the Participant understands that this grant would not be made to the Participant but for the assumptions and conditions referenced above; thus, the Participant acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, the grant of the RSUs shall be null and void.

The Participant understands and agrees that, as a condition of the grant of the RSUs, the Participant's Separation from Service for any reason (including the reasons listed below) will automatically result in the loss of the RSUs to the extent the RSUs has not vested as of date that the Participant ceases active employment. In particular, the Participant understands and agrees that unless otherwise provided in the Agreement, any portion of the RSUs that is unvested as of the date the Participant ceases active employment will be forfeited without entitlement to the underlying Shares or to any amount of indemnification in the event of the termination of employment by reason of, but not limited to, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause, individual or collective dismissal on objective grounds, whether adjudged or recognized to be with or without cause, material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, unilateral withdrawal by the Employer and under Article 10.3 of the Royal Decree 1382/1985. The Participant acknowledges that he or she has read and specifically accepts the conditions referred to in the Agreement regarding the impact of a Separation from Service on the Participant's RSUs.

2. Securities Law Information. The RSUs and the Shares described in this Agreement do not qualify under Spanish regulations as securities. With respect to the grant of RSUs under the Plan, no "offer of securities to the public," as defined under Spanish law, has taken place or will take place in the Spanish territory. The Agreement has not been nor will it be registered with the Comisión Nacional del Mercado de Valores, and does not constitute a public offering prospectus.

SWEDEN

Tax Withholding. The following provision shall supplement Section 6 of the Agreement:

Without limiting the Company's and the Employer's authority to satisfy their withholding obligations for Tax-Related Items as set forth in the Section 6 of the Agreement, in accepting the grant of the RSUs, the Participant authorizes the Company to withhold Shares otherwise deliverable to the Participant upon settlement of the RSUs or sell Shares issued upon settlement of the RSUs to satisfy Tax-Related Items, regardless of whether the Company and/or the Employer has an obligation to withhold such Tax-Related Items.

UNITED KINGDOM

1. Taxes. This provision shall supplement Section 6 of the Agreement:

Without limitation to Section 6 of the Agreement, the Participant agrees that he or she is liable for all Tax-Related Items and hereby covenants to pay all such Tax-Related Items, as and when requested by the Company, the Employer or by Her Majesty's Revenue and Customs ("HMRC") (or any other tax authority or any other relevant authority). The Participant also agrees to indemnify and keep indemnified the Company and the Employer against any Tax-Related Items that they are required to pay or withhold or have paid or will pay on the Participant's behalf to HMRC (or any other tax authority or any other relevant authority).

Notwithstanding the foregoing, if the Participant is a director or executive officer (as within the meaning of Section 13(k) of the Exchange Act), the terms of the immediately foregoing provision will not apply. In the event that the Participant is a director or executive officer and income tax due is not collected from or paid by the Participant by within 90 days after the U.K. tax year in which an event giving rise to the indemnification described above occurs, the amount of any uncollected tax may constitute a benefit to the Participant on which additional income tax and national insurance contributions may be payable. The Participant acknowledges that the Participant ultimately will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company or the Employer (as applicable) for the value of any employee national insurance contributions due on this additional benefit, which the Company and/or the Employer may recover from the Participant at any time thereafter by any of the means referred to in Section 6 of the Agreement.

2. Exclusion of Claim. The Participant acknowledges and agrees that the Participant will have no entitlement to compensation or damages insofar as such entitlement arises or may arise from the Participant ceasing to have rights under or to be entitled to the RSUs, whether or not as a result of a Separation from Service (whether the termination is in breach of contract or otherwise), or from the loss or diminution in value of the RSUs. Upon the grant of the RSUs, the Participant will be deemed to have waived irrevocably any such entitlement.

* * * *

INTEGRAL AD SCIENCE HOLDING CORP.
MSU AWARD NOTICE

Pursuant to the terms and conditions of the Integral Ad Science Holding Corp. 2021 Omnibus Incentive Plan, as amended from time to time (the "Plan"), Integral Ad Science Holding Corp., a Delaware corporation (the "Company"), hereby grants to the individual listed below ("you" or the "Participant") an award of Market Stock Units ("MSUs") set forth below. This award of MSUs (this "Award") is subject to the terms and conditions set forth herein and in the Market Stock Unit Agreement attached hereto as Exhibit A (the "Agreement") and the Plan, each of which is incorporated herein by reference. Capitalized terms used herein without definition have the meanings ascribed to such terms in the Plan.

Type of Award: Other Share-Based Award under Article X of the Plan.

Participant: [•]

Grant Date: [•]

Vesting Commencement Date [•]

Target Number of MSUs: [•]

Base Price the closing Share price on April 29, 2022

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

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Grant Notice as of the date first written above.

INTEGRAL AD SCIENCE HOLDING CORP.

By:

Name: Lisa Nadler
Title: Chief Human Resources Officer

[Participant]

[Signature Page to Market Stock Unit Award Notice]

**INTEGRAL AD SCIENCE HOLDING CORP.
MSU AWARD AGREEMENT**

THIS MSU AWARD AGREEMENT (this "Agreement") is entered into by and between the Company and the Participant as of the Grant Date set forth in the Grant Notice to which this Agreement is attached. Capitalized terms used herein without definition have the meanings ascribed to such terms in the Plan or in the Grant Notice.

WHEREAS, the Plan provides for the grant of Other Share-Based Awards; and

WHEREAS, the Committee has determined that it would be in the best interests of the Company and its members to grant the Participant an Other Share-Based Award in the form of MSUs on the terms and subject to the conditions set forth in this Agreement and the Plan.

NOW THEREFORE, for and in consideration of the premises and the covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves and their successors and assigns, hereby agree as follows:

1. Grant of MSUs.

(a) Grant. The Company hereby grants to the Participant the number of Target MSUs set forth in the Grant Notice on the terms and conditions set forth in the Grant Notice, this Agreement, and the Plan.

(b) Incorporation by Reference. The provisions of the Plan are incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan.

2. Vesting. The MSUs shall be subject to both time and performance vesting based on the Payout Factor (as defined below). The MSUs will time-vest as follows: (i) twenty five percent (25%) of the Award on the first anniversary of the Vesting Commencement Date, and (ii) the remaining seventy-five percent (75%) of the Award in equal installments every three months thereafter for a period of three years, in each case, subject to the Participant not incurring a Separation from Service prior to the applicable vesting date. The actual number of MSUs earned will be determined on each vesting date by multiplying the number of MSUs that time-vested on such vesting date by the applicable "Payout Factor." The "Payout Factor" is the average Share price for the 10 trading days immediately preceding the applicable vesting date divided by the Base Price. The Payout Factor shall be rounded to the nearest hundredth (two places after the decimal), except that if the Payout Factor is more than 2.25, then the Payout Factor shall equal 2.25, and if the Payout Factor is less than 0.60, the Payout Factor shall equal 0.00.

3. Settlement. The Company shall issue one Share to the Participant for each MSU that becomes vested hereunder within 30 days following the date on which such MSU becomes vested. Notwithstanding the foregoing, if the Participant is employed and/or resides outside of the United States, the Company, in its sole discretion, may provide for the settlement of the MSUs in the form of (a) a cash payment (in an amount equal to the Fair Market Value of the Shares that correspond to the vested MSUs) to the extent that settlement in Shares (i) is prohibited under local law, (ii) would require the Participant, or the Company or any of its Affiliates to obtain the approval of any governmental or regulatory body in the Participant's country of employment and/or residency, (iii) would result in adverse tax consequences for the Participant or the Company or any of its Affiliates or (iv) is administratively burdensome; or (b) Shares, but require the Participant to sell such Shares immediately or within a specified period following the Participant's Separation from Service (in which case, the Participant hereby agrees that the Company shall have the authority to issue sale instructions in relation to such Shares on the Participant's behalf).

4. Forfeiture. If, prior to the settlement of the MSUs as set forth in Section 3, (a) the Participant incurs a Separation from Service for any reason, (b) the Participant materially breaches this Agreement, or (c) the Participant fails to meet the tax withholding obligations described in Section 7, the Participant shall immediately and automatically forfeit all of the Participant's rights in respect of the MSUs; provided that, in the event the Participant experiences a Separation from Service due to (x) a termination of the Participant's employment by the Company without Cause (and not due to the Participant's death or

Disability) or (y) the Participant's resignation for Good Reason (as defined below), any MSUs that would have been eligible to vest during the six month period following such Separation from Service shall remain outstanding and continue to be eligible to vest and settle in accordance with the terms of this Agreement (for the avoidance of doubt, any MSUs that have not vested at the conclusion of such six-month period shall be forfeited). As used herein, "Good Reason" has the meaning attributed to such term in an employment agreement or similar agreement between the Participant and the Company; provided that, if such agreement does not include such term, "Good Reason" means the Participant's voluntary termination of employment with the Company if there should occur without the Participant's written consent: (i) a material, adverse change in the Participant's duties or responsibilities with the Company; (ii) any reduction in the Participant's then current base salary that is not implemented in conjunction with a general decrease affecting the executive management team; (iii) the material breach by the Company of this Agreement or any employment agreement between the Participant and the Company; or (iv) relocation of the Participant's primary place of work by more than 50 miles; provided, however, that in each case above, the Participant must (a) first provide written notice to the Company of the existence of the Good Reason condition within 30 days of the initial existence of such event, specifying the basis for the Participant's belief that the Participant is entitled to terminate the Participant's employment for Good Reason, (b) give the Company an opportunity to cure any of the foregoing within 30 days following the Participant's delivery to the Company of such written notice, and (c) actually resign the Participant's employment within 30 days following the expiration of the Company's 30 day cure period.

5. Change in Control. If the Award is not assumed or replaced in the event of a Change in Control, 100% of any then-unvested MSUs shall immediately become fully time-vested and non-forfeitable on the date of such Change in Control and the actual number of MSUs earned will be determined on the date of the Change in Control by multiplying (x) the number of then-unvested MSUs by (y) the average Share price for the 10 trading days immediately preceding the date of the Change in Control divided by the Base Price (such result will be capped at 2.25 and will have a minimum of 1.0) (the "Change in Control Payout Factor"). If the Award is assumed or replaced in the event of a Change in Control, then (i) any then-unvested MSUs shall be converted based on the Change in Control Payout Factor and shall continue to time-vest in accordance with the schedule set forth in Section 2 (the "Converted Award") and (ii) in the event the Participant incurs a Separation from Service due to a termination of the Participant's employment by the Company without Cause (and not due to the Participant's death or Disability) or due to the Participant's resignation for Good Reason, in each case, within six months following such Change in Control, 100% of any then-unvested portion of the Converted Award shall immediately vest on the date of such Separation from Service.

6. Rights as Stockholder; Dividend Equivalents. Until such time as the MSUs have been settled pursuant to Section 3, the Participant shall have no rights as a stockholder, including, without limitation, any right to dividends or other distributions or any right to vote. Notwithstanding the foregoing, if the Company declares any cash dividend the record date of which occurs while the MSUs are outstanding, the Participant shall be credited a dividend equivalent in an amount equal to the dividend that would have been paid on the target number of Shares underlying the MSUs had such shares been outstanding on such record date. Any such dividend equivalents shall be subject to the same vesting conditions applicable to the underlying MSU with respect to which they accrue, and shall, if the underlying MSU vests, be paid in cash on the date on which such MSU is settled in accordance with Section 3. For purposes of clarity, if the MSUs (or any portion thereof) are forfeited by the Participant pursuant to the terms of this Agreement, then the Participant shall also forfeit the dividend equivalents, if any, accrued with respect to such forfeited MSUs. No interest will accrue on the dividend equivalents between the declaration and payment of the applicable dividends and the settlement of the dividend equivalents.

7. Taxes.

(a) The Participant acknowledges and agrees that, regardless of any action taken by the Company or, if different, the Affiliate that employs the Participant (the "Employer"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Participant's participation in the Plan and legally applicable or deemed applicable to the Participant even if technically due by the Company or an Affiliate ("Tax-Related Items") is and remains the Participant's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the MSUs or the underlying Shares, including, but not limited to, the grant, vesting or settlement of

the MSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividend equivalents and/or dividends and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the MSUs to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant is subject to Tax-Related Items in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) To the extent that Tax-Related Items are payable, the Participant shall make arrangements satisfactory to the Company regarding the payment of any Tax-Related Items in respect of this Award or the Company may mandate the method for satisfying Tax-Related Items, which arrangements include the delivery of cash or cash equivalents, Shares (including previously owned Shares (which is not subject to any pledge or other security interest), net settlement, a broker-assisted sale, or other cashless withholding or reduction of the amount of shares otherwise issuable or delivered pursuant to this Award), other property, or any other legal consideration the Committee deems appropriate. If the Participant fails to satisfy such Tax-Related Items, the Company may refuse to issue or transfer any Shares otherwise required to be issued pursuant to this Agreement. If such Tax-Related Items are satisfied through net settlement or the surrender of previously owned Shares, the maximum number of Shares that may be so withheld (or surrendered) shall be the number of Shares that have an aggregate Fair Market Value on the date of withholding or surrender approximately equal to the aggregate amount of such tax liabilities determined based on the greatest withholding rates for Tax-Related Items that may be utilized without creating adverse accounting treatment for the Company with respect to this Award, as determined by the Committee. If the obligation for Tax-Related Items is satisfied through net settlement, for tax purposes, the Participant is deemed to have been issued the full number of Shares subject to the MSUs, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items. The Participant will have no further rights with respect to any Shares that are retained by the Company pursuant to this provision. In the event of over-withholding, the Participant may receive a refund of any over-withheld amount in cash (with no entitlement to the equivalent in Shares), or if not refunded, the Participant may be able to seek a refund from the local tax authorities. In the event of under-withholding, the Participant may be required to pay any additional Tax-Related Items directly to the applicable tax authority or to the Company and/or the Employer.

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

8. Non-Transferability. The MSUs may not, at any time prior to being settled, be assigned, alienated, pledged, attached, sold, or otherwise transferred or encumbered by the Participant, other than by will or by the laws of descent and distribution. Any such purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance shall be void and unenforceable against the Company.

9. Miscellaneous.

(a) Clawback. All awards, amounts, and benefits received or outstanding under the Plan will be subject to clawback, cancellation, recoupment, rescission, payback, reduction, or other similar action in accordance with the terms of any Company clawback or similar policy or any Applicable Law related to such actions, as may be in effect from time to time. The Participant acknowledges and expressly agrees to the Company's application, implementation, and enforcement of any applicable Company clawback or similar policy that may apply to the Participant, whether adopted before or after the Grant Date (including the forfeiture, clawback, and detrimental conduct terms contained in Section 13.22 of the Plan as of the Grant Date (and any successor terms)), and any term of Applicable Law relating to clawback, cancellation, recoupment, rescission, payback, or reduction of compensation, and the Company may take such actions as may be necessary to effectuate any such policy or Applicable Law, without further consideration or action.

(b) Compliance with Laws. The grant of MSUs and the issuance of Shares hereunder shall be subject to, and shall comply with, any applicable requirements of any foreign and U.S. federal and state securities laws, rules, and regulations (including, without limitation, the provisions of the Securities Act, the Exchange Act, and in each case any respective rules and regulations promulgated thereunder) and any other law, rule, regulation, or exchange requirement applicable thereto. No shares of Common Stock will be issued hereunder if such issuance would constitute a violation of any applicable law or regulation or the requirements of any stock exchange or market system upon which the Common Stock may then be listed. In addition, shares of Common Stock will not be issued hereunder unless (a) a registration statement under the Securities Act is in effect at the time of such issuance with respect to the shares to be issued or (b) in the opinion of legal counsel to the Company, the shares to be issued are permitted to be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary for the lawful issuance and sale of any shares of Common Stock hereunder will relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority has not been obtained. As a condition to any issuance of Common Stock hereunder, the Company may require the Participant to satisfy any requirements that may be necessary or appropriate to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect to such compliance as may be requested by the Company.

(c) Not a Public Offering. If the Participant is employed or resident outside the United States, the grant of the MSUs is not intended to be a public offering of securities in the Participant's country of employment (or country of residence, if different). The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and the grant of the MSUs is not subject to the supervision of the local securities authorities.

(d) Insider Trading; Market Abuse Laws. By participating in the Plan, the Participant agrees to comply with the Company's policy on insider trading (to the extent that it is applicable to the Participant). The Participant further acknowledges that, depending on the Participant's or his or her broker's country of residence or where the Shares are listed, the Participant may be subject to insider trading restrictions and/or market abuse laws which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares (e.g., MSUs) or rights linked to the value of Shares, during such times the Participant is considered to have "inside information" regarding the Company as defined by the laws or regulations in the Participant's country. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant places before he or she possessed inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. The Participant understands that third parties include fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Participant acknowledges that it is the Participant's responsibility to comply with any applicable restrictions, and that the Participant should therefore consult his or her personal advisor on this matter.

(e) Repatriation; Compliance with Law. The Participant agrees to repatriate all payments attributable to the Shares and/or cash acquired under the Plan in accordance with applicable foreign exchange rules and regulations in the Participant's country of employment (and country of residence, if different). In addition, the Participant agrees to take any and all actions, and consents to any and all actions taken by the Company and any of its Affiliates, as may be required to allow the Company and any of its Affiliates to comply with local laws, rules and/or regulations in the Participant's country of employment (and country of residence, if different). Finally, the Participant agrees to take any and all actions as may be required to comply with the Participant's personal obligations under local laws, rules and/or regulations in his or her country of employment (and country of residence, if different).

(f) Successors. The terms of this Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and of the Participant and the beneficiaries, executors, administrators, and heirs of the Participant.

(g) Waiver; Amendment. No waiver of any right hereunder by any party shall operate as a waiver of any other right, or as a waiver of the same right with respect to any subsequent occasion for its exercise, or as a waiver of any right to damages. No waiver by any party of any breach of this Agreement shall be held to constitute a waiver of any other breach or a waiver of the continuation of the same breach. This Agreement may be amended at any time by the Committee, except that no amendment may, without the Participant's consent, materially impair the Participant's rights under the Award.

(h) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

(i) Nature of Grant. In accepting the MSUs, the Participant acknowledges and agrees that:

(i) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company, in its sole discretion, at any time (subject to any limitations set forth in the Plan);

(ii) the grant of the MSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of MSUs, or benefits in lieu of MSUs, even if MSUs or other awards have been granted in the past;

(iii) all decisions with respect to future awards, if any, will be at the sole discretion of the Company;

(iv) the Participant's participation in the Plan is voluntary;

(v) the MSUs and the Participant's participation in the Plan shall not create a right to employment or be interpreted as forming an employment contract with the Company or any of its Affiliates and shall not interfere with the ability of the Company or the Employer, as applicable, to terminate the Participant's employment relationship (as otherwise may be permitted under local law);

(vi) unless otherwise agreed with the Company, the MSUs and any Shares acquired upon settlement of the MSUs, and the income from and value of the same, are not granted as consideration for, or in connection with, any service the Participant may provide as a director of any Subsidiary or Affiliate;

(vii) the MSUs and any Shares acquired under the Plan and the income and value of the same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, holiday pay, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the Employer or any of their Affiliates;

(viii) the future value of the Shares underlying the MSUs is unknown, indeterminable, and cannot be predicted with certainty;

(ix) no claim or entitlement to compensation or damages shall arise from forfeiture of the MSUs resulting from the Participant's Separation from Service (for any reason whatsoever and whether or not in breach of local labor laws or later found invalid) and, in consideration of the MSUs, the Participant agrees not to institute any claim against the Company or the Employer;

(x) for purposes of the MSUs, the Participant's employment will be considered terminated as of the date the Participant is no longer actively providing service (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is providing service or the terms of the Participant's employment or service agreement, if any), and unless otherwise determined by the Company, the Participant's right to vest in the MSUs will terminate as of such date and will not be extended by any notice period (e.g., the Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar

period mandated under employment laws in the jurisdiction where Participant is providing service or the terms of Participant's employment or service agreement, if any); the Committee or its delegate shall have the exclusive discretion to determine when the Participant is no longer actively providing service for purposes of his or her Award (including whether the Participant may still be considered to be providing service while on a leave of absence);

(xi) the MSUs and the benefits evidenced by this Agreement do not create any entitlement not otherwise specifically provided for in the Plan or provided by the Company in its discretion, to have the MSUs or any such benefits transferred to, or assumed by, another company, nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(xii) if the Participant's local currency is different than the U.S. dollar, neither the Company nor any of its Affiliates shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the U.S. dollar that may affect the value of the MSUs or any amounts due to the Participant pursuant to the settlement of the MSUs or the subsequent sale of any Shares acquired upon settlement of the MSUs.

(j) Unfunded Plan. The award of MSUs is unfunded and the Participant shall be considered an unsecured creditor of the Company with respect to the Company's obligations, if any, to issue Shares pursuant to this Agreement. Nothing contained in this Agreement, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind or a fiduciary relationship between the Participant and the Company or any other person.

(k) Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the MSUs, and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

(l) Entire Agreement. This Agreement, the Grant Notice, and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations, and negotiations with respect thereto.

(m) Bound by the Plan. By signing this Agreement, the Participant acknowledges that the Participant has received a copy of the Plan and has had an opportunity to review the Plan and agrees to be bound by all the terms and provisions of the Plan. In the event of any conflict between the Plan and this Agreement, this Agreement shall control.

(n) Governing Law. The Participant acknowledges and expressly agrees to the governing law terms of Section 13.9 of the Plan (and any successor terms) and the jurisdiction and waiver of jury trial terms of Section 13.10 of the Plan (and any successor terms).

(o) Business Days. If any time period for giving notice or taking action hereunder expires on a day that is a Saturday, Sunday, or holiday in the state in which the Company's principal executive office is located, the time period shall be automatically extended to the business day immediately following such Saturday, Sunday, or holiday.

(p) Headings. The headings of the Sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.

(q) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same instrument.

(r) Section 409A of the Code. It is intended that the MSUs granted pursuant to this Agreement and the provisions of this Agreement be exempt from or comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and all provisions of this Agreement shall be construed and

interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A of the Code.

(s) Language. If the Participant is resident in a country where English is not an official language, the Participant acknowledges and agrees that it is his or her express intent that this Agreement and the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the MSUs be drawn up in English. Further, the Participant acknowledges that he or she is sufficiently proficient in English to understand the terms and conditions of this Agreement and any documents related to the Plan or has had the ability to consult with an advisor who is sufficiently proficient in the English language. If the Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

(t) Data Privacy. *The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement, the Grant Notice and any other grant materials by and among, as necessary and applicable, the Company and its Affiliates, for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan.*

The Participant understands that the Company, its Affiliates and/or the Employer may hold certain personal information about the Participant, specifically, the Participant's name, home address, email address and telephone number, date of birth, social security or insurance number, passport number or other identification number, salary, nationality, and any Shares or directorships held in the Company, and details of the MSUs or any other entitlement to Shares, canceled, exercised, vested, unvested or outstanding in the Participant's favor ("Data"), for the purpose of implementing, administering and managing the Plan.

The Participant understands that Data will be transferred to Fidelity Stock Plan Services, LLC and its affiliates or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients of Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. If the Participant is employed outside the United States, the Participant understands that the Participant may request a list with the names and addresses of any potential recipients of Data by contacting his or her local human resources representative. The Participant authorizes the Company, the applicable stock plan service provider and any other possible recipients that may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. If the Participant is employed outside the United States, the Participant understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke the Participant's consent, his or her service status and career will not be affected; the only consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant the MSUs or other equity awards to the Participant or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing the Participant's consent may affect his or her ability to participate in the Plan. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that the Participant may contact his or her local human resources representative.

(u) Consent to Electronic Delivery; Electronic Signature. In lieu of receiving documents in paper format, the Participant agrees, to the fullest extent permitted by law, to accept electronic delivery of any documents that the Company may be required to deliver (including, without limitation, prospectuses, prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports and all other forms of communications) in connection with this and any other Award made or offered by the Company. Electronic delivery may be via a Company electronic mail system or by reference to a location on a Company intranet or third party website to which the Participant has access. The Participant hereby consents to any and all procedures the Company has established or may establish for

an electronic signature system for delivery and acceptance of any such documents that the Company may be required to deliver, and agrees that the Participant's electronic signature is the same as, and shall have the same force and effect as, the Participant's manual signature.

* * *

A-10

**AMENDMENT NO. 1 TO EMPLOYMENT
AGREEMENT**

This Amendment No. 1 (this "**Amendment**") to the Employment Agreement (the "**Original Employment Agreement**") dated September 11, 2022 by and between Integral Ad Science, Inc. (the "**Company**") and Tania Secor ("**Employee**"), is made and entered into as of October 21, 2022, by and between the Company and the Employee. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Original Employment Agreement.

WHEREAS, the undersigned wish to amend the Original Employment Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. Amendments to the Original Employee Agreement.

(a) Section 5 of the Original Employment Agreement is hereby amended by replacing the second paragraph of that section with the following paragraph:

In order to make you whole for the equity you are leaving behind to take the role as CFO of IAS; and, notwithstanding any term in the Plan or Award Agreement, in the event of a Change in Control (as defined in Exhibit C) within 12 months of your start date, the first 25% of the one-time equity award of \$4,000,000 (both the MSUs and RSUs) scheduled to vest on the first anniversary of the grant date shall become vested immediately upon such Change in Control and shall be treated the same as all other Company public holders of shares (meaning shall be purchased in the same manner as other shares by any person or entity acquiring such public Shares). More information about your award (including the award acceptance process, valuation details, and other terms and conditions) will be available in our employee stock plan portal, managed by Fidelity. On or around the 15th of the month of your grant date of your award, you will receive an email notification from Fidelity providing you with the steps on how to access our employee stock plan portal and accept the grant. For the avoidance of doubt, to the extent this Agreement contains any provisions that are more favorable regarding the acceleration for your award that conflict with the terms of the Plan or Award Agreement, the terms of this Agreement shall apply.

Very truly yours,

/s/ Lisa Nadler

Lisa Nadler

Chief Human Resources Officer

I have read and understood this letter and hereby acknowledge, accept, and agree to the terms set forth therein.

/s/ Tania Sector

Signature

Date signed: 10/25/2022

Name: Tania Sector

Certification Pursuant to Section 302 of Sarbanes-Oxley Act of 2002

I, Lisa Utzschneider, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Integral Ad Science Holding Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 10, 2022

/s/ Lisa Utzschneider

Lisa Utzschneider

Director and Chief Executive Officer

Certification Pursuant to Section 302 of Sarbanes-Oxley Act of 2002

I, Anil Sukumaran, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Integral Ad Science Holding Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 10, 2022

/s/ Anil Sukumaran

Anil Sukumaran

Chief Accounting Officer (interim principal financial officer)

Certification of the Chief Executive Officer

Pursuant to Rule 18 U.S.C. Section 1350

In connection with the Quarterly Report on Form 10-Q of Integral Ad Science Holding Corp. (the "Company") for the period ended September 30, 2022, as filed with the U.S. Securities and Exchange Commission (the "Report"), I, Lisa Utzschneider, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 10, 2022

/s/ Lisa Utzschneider

Lisa Utzschneider

Director and Chief Executive Officer

Certification of the Chief Financial Officer

Pursuant to Rule 18 U.S.C. Section 1350

In connection with the Quarterly Report on Form 10-Q of Integral Ad Science Holding Corp. (the "Company") for the period ended September 30, 2022, as filed with the U.S. Securities and Exchange Commission (the "Report"), I, Anil Sukumaran, Chief Accounting Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 10, 2022

/s/ Anil Sukumaran

Anil Sukumaran

Chief Accounting Officer (interim principal financial officer)