

# DoubleVerify Announces First Quarter 2021 Financial Results

Revenue Increased 32% Year-Over-Year to \$67.6 Million Driven by Strong CTV and Social Volume Growth

Advertiser Programmatic Revenue Increased 42% to \$33.9 Million

Net Income Increased to \$5.6 Million; Adjusted EBITDA Increased 41% to \$21.7 Million, or 32% of Revenue

NEW YORK--(BUSINESS WIRE)-- DoubleVerify ("DV") (NYSE: DV), a leading software platform for digital media measurement, data and analytics, today announced financial results for the first guarter ended March 31, 2021.

"Successfully completing our IPO was an important milestone for DoubleVerify, providing additional capital to further fuel our mission to create a stronger, safer and more secure digital ad ecosystem," said Mark Zagorski, CEO of DoubleVerify. "We delivered record first quarter revenue, which grew 32% year-over-year, with Adjusted EBITDA exhibiting 41% growth. Our solid topline momentum was driven by global expansion via recent enterprise client wins, product success in fast growing sectors such as CTV, Social and Programmatic and the introduction of new solutions that leverage our ability to measure and verify across both the walled gardens and open internet without cookies or third-party tracking technologies. We are optimistic about continued strong growth for the remainder of 2021 and beyond."

### First Quarter 2021 Financial Highlights:

(All comparisons are to the first quarter of 2020)

- Total revenue of \$67.6 million, an increase of 32%.
- Advertiser Direct revenue of \$27.5 million, an increase of 24%.
  - Media Transactions Measured ("MTM") for both CTV and Social increased by approximately 75%.
- Advertiser Programmatic revenue of \$33.9 million, an increase of 42%.
- Supply-Side revenue of \$6.1 million, an increase of 18%.
- Net income increased to \$5.6 million, compared to \$2.4 million.
- Adjusted EBITDA of \$21.7 million, an increase of 41%.
- Diluted earnings per share increased to \$0.04, compared to \$0.02.

### First Quarter 2021 Business Highlights:

- Grew revenue with recently won business at Unilever, UPS, UK Government (via Omnicom UK), Fujifilm Japan and Arnott's Australia among numerous others.
- Expanded Custom Contextual targeting for programmatic advertisers, including activation on The Trade Desk.

- Expanded international coverage for CTV on Roku, building upon our existing measurement partnership, with plans for further international expansion.
- Continued to grow supply side business, with new customer wins including News Corp, Time, Inc. and Ziff Davis, among others.
- Enhanced the leadership team with the appointment of Julie Eddleman as EVP, Global Chief Commercial Officer (CCO), who will lead the Company's sales and client service organizations worldwide, and Doug Campbell as Chief Strategy Officer, who will lead corporate strategy and M&A.
- Achieved additional Media Rating Council (MRC) accreditation in CTV for display and video rendered ad impression measurement and sophisticated invalid traffic (SIVT) filtration, including app fraud.
- Launched DV Authentic Attention<sup>™</sup>, the first privacy-friendly data solution to provide timely, impression-level insights to optimize campaign performance.
- Expanded Brand Safety/Suitability Services on Facebook video products, now offering the widest brand safety/suitability coverage of any provider on the platform.

"DoubleVerify continues to outpace the growth of the digital advertising market and is well positioned to deliver strong revenue growth and profitability in 2021," said Nicola Allais, CFO of DoubleVerify. "In the first quarter, revenue growth was driven by continued success in launching new products and expanding market share in the programmatic, CTV and Social sectors. Additionally, we maintained strong customer retention in the quarter, evidenced by a gross revenue retention rate of over 95%. After the quarter closed, we received aggregate net proceeds of \$282 million from the IPO and a concurrent private placement, further strengthening our balance sheet and bolstering our ability to expand our global footprint and accelerate our technology roadmap."

#### Second Quarter and Full-Year 2021 Guidance:

DoubleVerify anticipates Revenue and Adjusted EBITDA to be in the following ranges:

### Second quarter 2021:

- Revenue of \$72 to \$74 million, a year-over-year increase of 38% at the midpoint.
- Adjusted EBITDA in the range of \$20 to \$22 million, a year-over-year improvement of 34% at the midpoint.

### Full year 2021:

- Revenue of \$322 to \$326 million, a year-over-year increase of 33% at the midpoint.
- Adjusted EBITDA in the range of \$103 to \$105 million, a year-over-year increase of 42% at the midpoint.

With respect to the Company's expectations under "Second Quarter and Full Year 2021 Guidance" above, the Company has not reconciled the non-GAAP measure Adjusted EBITDA to the GAAP measure net income (loss) in this press release because the Company does not provide guidance for stock-based compensation expense, depreciation and amortization expense, acquisition-related costs, interest income, and income taxes on a consistent basis as the Company is unable to quantify these amounts without unreasonable efforts, which would be required to include a reconciliation of Adjusted EBITDA to GAAP net income (loss). In addition, the Company believes such a reconciliation would imply a degree

of precision that could be confusing or misleading to investors.

#### Conference Call and Webcast Information

DoubleVerify will host a conference call and live webcast to discuss its first quarter 2021 financial results at 4:30 p.m. Eastern Time today, May 25, 2021. To access the conference call, dial (877) 841-2987 for the U.S. or Canada, or (215) 268-9878 for international callers and provide conference ID 13719679. The webcast will be available live on the Investors section of the Company's website at <a href="https://ir.doubleverify.com/">https://ir.doubleverify.com/</a>. In addition, an archived webcast will be available approximately two hours after the conclusion of the live event.

### **Key Business Terms**

Advertiser Direct revenue is generated from the verification and measurement of advertising impressions that are directly purchased on digital media properties, including publishers and social media platforms.

Advertiser Programmatic revenue is generated from the evaluation, verification and measurement of advertising impressions purchased through programmatic demand-side platforms.

Supply-Side revenue is generated from platforms and publisher partners who use DoubleVerify's data analytics to evaluate, verify and measure their advertising inventory.

Gross Revenue Retention Rate is the total prior period revenue earned from advertiser customers, less the portion of prior period revenue attributable to lost advertiser customers, divided by the total prior period revenue from advertiser customers.

Media Transactions Measured (MTM) is the volume of media transactions that DoubleVerify's software platform measures.

Measured Transaction Fee (MTF) is the fixed fee DoubleVerify charges per Media Transaction Measured.

### DoubleVerify Holdings, Inc. CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(in thousands, except per chara data)	As of March 31, 2021	As of December 31, 2020
(in thousands, except per share data) Assets:		31, 2020
Current assets		
Cash and cash equivalents	\$ 49,815	\$ 33,354
Trade receivables, net of allowances for doubtful accounts of \$6,412 and \$7,049 as of March 31, 2021 and December 31, 2020 respectively	86,798	94,677
Prepaid expenses and other current assets	12,068	13,904
Total current assets	148,681	141,935
Property, plant and equipment, net	18,948	18,107
Goodwill	227,349	227,349
Intangible assets, net	117,245	121,710
Deferred tax assets	82	82
Other non-current assets	2,089	2,151
Total assets	\$ 514,394	\$ 511,334
Liabilities and Stockholders' Equity:		· · · · ·
Current liabilities		
Trade payables	\$ 3,567	\$ 3,495
Accrued expense	20,213	25,419
Income tax liabilities	1,107	1,277
Current portion of capital lease obligations	2,140	1,515
Contingent considerations current	1,660	1,198
Other current liabilities	1,993	1,116
Total current liabilities	30,680	34,020
Long-term debt	22,000	22,000
Capital lease obligations	4,112	3,447
Deferred tax liabilities	30,090	31,418
Other non-current liabilities	2,896	3,292
Contingent considerations non-current	_	462
Total liabilities	\$ 89,778	\$ 94,639
Commitments and Contingencies		
Stockholders' equity		
Common stock, \$0.001 par value, 700,000 shares authorized, 140,402 shares issued and 125,256 shares outstanding as of March 31, 2021; 140,222 shares issued and 125,074 shares outstanding as of December 31, 2020	140	140
Preferred stock, \$0.01 par value, 61,006 shares authorized, issued, and outstanding as of March 31, 2021 and December 31, 2020. Liquidation preference: \$350,000 as of March 31, 2021 and December 31, 2020	610	610
Additional paid-in capital	623,755	620,679
Treasury stock, at cost, 15,146 shares as of March 31, 2021 and December 31, 2020	(260,686)	,
Retained earnings	60,585	54,941
Accumulated other comprehensive income, net of income taxes	212	1,011
Total stockholders' equity	424,616	416,695
Total liabilities and stockholders' equity	\$ 514,394	\$ 511,334

## DoubleVerify Holdings, Inc. CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (UNAUDITED)

	Three Months Ended March 31			
(in thousands, except per share data)		2021		2020
Revenue	\$	67,586	\$	51,219
Cost of revenue (exclusive of depreciation and amortization shown separately below)		10,203		7,310
Product development		14,179		10,331
Sales, marketing and customer support		15,534		12,319
General and administrative		11,835		10,696
Depreciation and amortization		7,057		5,934
Income from operations		8,778		4,629
Interest expense		390		1,164
Other (income), net		(49)		(320)
Income before income taxes		8,437		3,785
Income tax expense		2,793		1,345
Net income	\$	5,644	\$	2,440
Earnings per share:				
Basic	\$	0.05	\$	0.02
Diluted	\$	0.04	\$	0.02
Weighted-average common stock outstanding:				
Basic		125,112		139,741
Diluted		133,578		147,233
Comprehensive income:				
Net income	\$	5,644	\$	2,440
Other comprehensive (loss):				
Foreign currency cumulative translation adjustment		(799)		(153)
Total comprehensive income	\$	4,845	\$	2,287

### DoubleVerify Holdings, Inc. CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)

Accumulated

							Addit	tional			Other prehensive ome (Loss)		Total
	Commo	n Stock	Preferre	ed Stock	Treas	ury Stock	Paid	d-in	Retained		Net of	Sto	ockholders'
(in thousands)	Shares	Amount	Shares	Amount	Shares	Amount	Cap	oital	Earnings	Inc	ome Taxes		Equity
Balance as of January 1, 2021	140,222	\$ 140	61,006	\$ 610	15,146	\$(260,686)	\$ 62	20,679	\$ 54,941	\$	1,011	\$	416,695
Foreign currency translation adjustment	_			_	_	_		_	_		(799)		(799)
Stock-based compensation expense	_	_	_	_	_	_		2,538	_		_		2,538
Common stock issued upon exercise of stock options	180	_		_	_	_		538	_		_		538
Net income	_		_	_	_	_		_	5,644		_		5,644
Balance as of March 31, 2021	140,402	\$ 140	61,006	\$ 610	15,146	\$(260,686)	\$ 62	23,755	\$ 60,585	\$	212	\$	424,616
Balance as of January 1, 2020	139,721	\$ 140	_	\$ —	_	\$ —	\$ 28	3,457	\$ 34,488	\$	(67)	\$	318,018
Foreign currency translation adjustment	_	_	_	_	_	_			_		(153)		(153)
Stock-based compensation											(100)		
expense		_	_			_		802	_		_		802
Common stock issued upon exercise of stock options	32		_		_	_		70	_		_		70
Net income			_	<u> </u>	<u> </u>	_			2,440		_		2,440
Balance as of March 31, 2020	139,753	\$ 140		\$ —		\$ <u> </u>	\$ 28	34,329	\$ 36,928	\$	(220)	\$	321,177

## DoubleVerify Holdings, Inc. CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

Net   Income		Three Mo	
Operating activities:         S. 5.644         \$ 2.44           Net income         \$ 5.644         \$ 2.44           Adjustments to reconcile net income to net cash provided by operating activities         390         70           Bad debt (recovery) expense         (390)         70           Depreciation and amortization expense         7.057         5.33           Amortization of debt issuance costs         7.4         7.           Accretion of acquisition liabilities         (1,328)         11.624           Stock-based compensation expense         (1,328)         80           Interest expense (income)         66         62           Change in fair value of contingent consideration         — (979           Offering costs         3,073         37           Offering         (88)         62           Changes in operating assets and liabilities net of effect of business combinations         7.80         4.09           Trade receivables         7,80         4.09           Prepaid expenses and other current assets         (6,48)         (3,58)           Other current assets         (6,48)         (3,85)           Other current assets         (6,48)         (3,85)           Other current liabilities         (8,68)         4,7		March	31,
Net   Income	(in thousands)	2021	2020
Adjustments to reconcile net income to net cash provided by operating activities:         (390)         7.0           Bad debt (recovery) expenses         (390)         7.0           Depreciation and amortization expense         7.057         5.93           Amortization of debt issuance costs         (1,280)         (1,624)           Accretion of acquisition lishilitides         (2,624)         (1,624)           Deferred taxes         (1,328)         (1,624)           Stock-based compensation expense         (1,624)         (2,92)           Change in fair value of contingent consideration         66         (2,92)           Offering costs         3,073         87           Other         (6,80)         3,073         87           Changes in operating assets and liabilities net of effect of business combinations         7,803         4,09           Trade receivables         7,803         4,09           Prepaid expenses and other current assets         (1,2)         (4           Trade receivables         (1,2)         (4 <td>Operating activities:</td> <td></td> <td></td>	Operating activities:		
Bad debt (recovery) expense         (390)         7.0         5.93         5.90         5.93         5.90         5.93         5.93         Amortization of debt issuance costs         7.4         7.         7.         Accretion of acquisition liabilities         (1,328)         (1,528)         (1,528)         (1,528)         1.50	Net income	\$ 5,644 \$	2,440
Depreciation and amortization expense         7,057         5,93           Amortization of debt issuance costs         7,4         7,7           Accretion of acquisition liabilities         —         2           Deferred taxes         (1,32)         (1,62)           Stock-based compensation expense         2,538         68           Interest expense (income)         66         (29           Change in fair value of contingent consideration         —         979           Offering costs         3,073         87           Changes in operating assets and liabilities net of effect of business combinations         7,803         4,09           Trade receivables         7,803         4,09           Prepaid expenses and other current assets         (12)         (4           Trade receivables         1,12         (4           Trade payables and other liabilities         (12)         (4           Trade payables and other liabilities         (6,69)         (3,54)           Accrued expenses         (6,649)         (3,54)           Accrued expenses         (6,649)         (3,54)           Other current liabilities         (7,00)         (6,649)         (3,54)           Net cash provided by operating activities         (7,90)         (3,049 </td <td>Adjustments to reconcile net income to net cash provided by operating activities</td> <td></td> <td></td>	Adjustments to reconcile net income to net cash provided by operating activities		
Amortization of debt issuance costs         74         7.           Accretion of acquisition liabilities         7         2           Deferred taxes         (1,328)         (1,528)           \$1,500 befored taxes         (1,328)         (1,528)           \$1,500 chespes (income)         66         (29           Change in fair value of contingent consideration         ————————————————————————————————————	Bad debt (recovery) expense	(390)	709
Accretion of acquisition liabilities	Depreciation and amortization expense	7,057	5,934
Deferred taxes	Amortization of debt issuance costs	74	72
Stock-based compensation expense   2,538   8.00 Interest expense (income)	Accretion of acquisition liabilities	_	21
Interest expense (income)         66         (29           Change in fair value of contingent consideration         979         979           Offering costs         3,073         875           Changes in operating assets and liabilities net of effect of business combinations         7,803         4,09           Trade receivables         7,803         4,09           Prepaid expenses and other current assets         1,754         81           Other non-current assets         (6,489)         1,824           Accrued expenses         (6,469)         (3,854           Other current liabilities         1,102         1,90           Other non-current liabilities         1,102         1,90           Other non-current liabilities         (1,01         1,90           Other current liabilities         1,102         1,90           Net cash provided by operating activities         19,46         12,70           Investing activities         1,90         1,90         1,90         1,90         1,90           Purchase of property, plant and equipment         1,90         1,90         1,90         1,90         1,90         1,90         1,90         1,90         1,90         1,90         1,90         1,90         1,90         1,90         1,90	Deferred taxes	(1,328)	(1,624)
Change in fair value of contingent consideration         (979           Offering costs         3,073         87           Other         (68)         62           Changes in operating assets and liabilities net of effect of business combinations         7,803         4,09           Trade receivables         1,754         81           Other non-current assets         (12)         (44           Trade payables and other liabilities         (524)         1,29           Accrued expenses         (6,46)         (3,585           Other current liabilities         (526)         47           Net cash provided by operating activities         1,00         1,00           Other non-current liabilities         (586)         47           Net cash provided by operating activities         1,00         1,00           Investing activities         (1,915)         (3,049           Purchase of property, plant and equipment         (1,915)         (3,049           Net cash (used in) investing activities         (1,915)         (3,049           Payments related to offering costs         (1,181)         (676           Payments related to offering costs         (1,181)         (676           Payments related to offering costs         (1,181)         (676      <	Stock-based compensation expense	2,538	802
Offering costs         3,073         870           Other         (68)         62           Changes in operating assets and liabilities net of effect of business combinations         Trade receivables         7,803         4,09           Prepaid expenses and other current assets         (17,54)         81           Other non-current assets         (6,48)         (3,854)           Accrued expenses         (6,489)         (3,854)           Other non-current liabilities         (8,56)         47           Net cash provided by operating activities         (8,96)         47           Net cash fused in) investing activities         (1,915)         (3,049           Purchase of property, plant and equipment         (1,915)         (3,049           Net cash (used in) investing activities         (1,915)         (3,049           Payments of long-term debt         (1,818)         (3,049           Payments of long-term debt         (1,889         7           Payments of long-term debt         (1,889         7           Payments of contingent consideration related to Zentrick acquisition         (1,889         7           Payment of contingent consideration related to Zentrick acquisition         (2,896)         (1,818)           Payments related to offering costs         7	Interest expense (income)	66	(29)
Other         (68)         62           Changes in operating assets and liabilities net of effect of business combinations         7,803         4,99           Trade receivables         7,803         4,99           Prepaid expenses and other current assets         (12)         44           Other non-current assets         (6,24)         1,29           Accrued expenses         (6,469)         (3,854)           Other current liabilities         (6,669)         4,97           Other current liabilities         (8,56)         4,79           Other current liabilities         (8,56)         4,97           Net cash provided by operating activities         19,46         12,70           Investing activities         (1,915)         (3,049           Net cash (used in) investing activities         (1,915)         (3,049           Purchase of property, plant and equipment         (1,915)         (3,049           Net cash (used in) investing activities         (1,915)         (3,049           Payments related to Offering costs         (1,915)         (3,049           Payments of long-term debt         (2,920)         (1,915)         (3,049           Payments related to offering costs         (1,915)         (6,601)           Payments of contingent consideration	Change in fair value of contingent consideration	_	(979)
Changes in operating assets and liabilities net of effect of business combinations         7,803         4,00           Trade receivables         7,803         4,00           Prepaled expenses and other current assets         (12)         (44           Other non-current assets         (524)         1,29           Accrued expenses         (6,669)         (3,854           Other current liabilities         1,102         1,09           Other non-current liabilities         (856)         47           Net cash provided by operating activities         (856)         47           Investing activities:         19,94         (2,70)           Purchase of property, plant and equipment         (1,915)         (3,049           Net cash (used in) investing activities         (1,915)         (3,049           Pisaments of long-term debt         9         (18           Payments of long-term debt         9         (818           Payments of contingent consideration related to Zentrick acquisition         676         (618           Proceeds from common stock issued upon exercise of stock options         538         7           Capital lease payments         (235)         (418           Net cash (used in) financing activities         (876)         (878)           Effect of exc	Offering costs	3,073	870
Trade receivables         7,803         4,99           Prepaid expenses and other current assets         1,754         81           Other non-current assets         (12)         (44           Trade payables and other liabilities         (524)         1,29           Accrued expenses         (6,469)         (3,836           Other current liabilities         1,102         1,90           Other non-current liabilities         (856)         47           Net cash provided by operating activities         19,464         12,70           Investing activities:         (1,915)         (3,049           Purchase of property, plant and equipment         (1,915)         (3,049           Net cash (used in) investing activities         (1,915)         (3,049           Payments of long-term debt         –         (18           Payment of long-term debt         –         (118)         (676           Payment of contingent consideration related to Zentrick acquisition         –         (601           Proceeds from common stock issued upon exercise of stock options         538         7           Capital lease payments         (203)         (418           Net cash (used in) financing activities         (203)         (418           Refect of exchange rate changes on cash	Other	(68)	621
Prepaid expenses and other current assets         1,754         81           Other non-current assets         (12)         (44           Trade payables and other liabilities         (524)         1,29           Accrued expenses         (6,469)         (3,854)           Other current liabilities         1,102         1,09           Other non-current liabilities         19,464         12,702           Investing activities:         19,464         12,702           Investing activities:         (19,15)         (3,049           Net cash provided by operating activities         (1,915)         (3,049           Net cash (used in) investing activities         (1,915)         (3,049           Net cash (used in) investing activities         (1,915)         (3,049           Payments of long-term debt         (1,181)         (676           Payment of contingent consideration related to Zentrick acquisition         (676         (676           Payment of contingent consideration related to Zentrick acquisition         (600         (700         (700           Capital lease payments         (200)         (418         (700         (700         (700         (700         (700         (700         (700         (700         (700         (700         (700         (700	Changes in operating assets and liabilities net of effect of business combinations		
Other non-current assets         (12)         (44)           Trade payables and other liabilities         (524)         1,29           Accrued expenses         (6,469)         (3,854)           Other current liabilities         1,102         1,09           Other non-current liabilities         (856)         47           Net cash provided by operating activities         (856)         47           Investing activities:         (1,915)         (3,049)           Purchase of property, plant and equipment         (1,915)         (3,049)           Financing activities:         8         4           Payments of long-term debt         9         1,88           Payments of condingent consideration related to Zentrick acquisition         9         601           Payments of contingent consideration related to Zentrick acquisition         9         601           Proceeds from common stock issued upon exercise of stock options         538         7           Capital lease payments         (235)         418           Net cash (used in) financing activities         (878)         (1,813)           Effect of exchange rate changes on cash and cash equivalents and restricted cash         (209)         (143)           Net increase in cash, cash equivalents, and restricted cash - Beginning of period         3,93	Trade receivables	•	4,098
Trade payables and other liabilities         (524)         1,29           Accrued expenses         (6,469)         (3,854)           Other current liabilities         1,102         1,09           Other non-current liabilities         (856)         47           Net cash provided by operating activities         19,464         12,70           Investing activities:         19,464         12,70           Purchase of property, plant and equipment         (1,915)         3,049           Net cash (used in) investing activities         (1,915)         3,049           Payments of long-term debt         2         (1,88)           Payments follorg-term debt         2         (806)           Payments of contingent consideration related to Zentrick acquisition         4         (601)           Payment of contingent consideration related to Zentrick acquisition         538         7           Capital lease payments         (235)         (418           Net cash (used in) financing activities         (878)         (1,811)         (676           Proceeds from common stock issued upon exercise of stock options         538         7           Capital lease payments         (235)         (418           Net cash (used in) financing activities         (806)         (1,818)         (818	Prepaid expenses and other current assets	1,754	811
Accrued expenses         (6,469)         (3,854)           Other current liabilities         1,102         1,99           Other non-current liabilities         19,466         12,707           Net cash provided by operating activities         19,464         12,707           Investing activities:         (1,915)         (3,049)           Purchase of property, plant and equipment         (1,915)         (3,049)           Pisancing activities:         7         (1,815)         (3,049)           Payments of long-term debt         9         (1,811)         (676)           Payments related to offering costs         (1,811)         (676)         (676)           Payment of contingent consideration related to Zentrick acquisition         9         (601)         (676)<		(12)	(44)
Other current liabilities         1,102         1,093           Other non-current liabilities         (856)         47           Net cash provided by operating activities         19,46         12,703           Investing activities:         1         1,015         3,049           Purchase of property, plant and equipment         (1,915)         3,049         3,049           Net cash (used in) investing activities         7         1,889         3,049           Payments of long-term debt         -         (1,815)         6,601           Payments of long-term debt Payments of contingent consideration related to Zentrick acquisition         -         601           Payment of contingent consideration related to Zentrick acquisition         -         601           Proceeds from common stock issued upon exercise of stock options         538         7           Capital lease payments         (235)         (418           Net cash (used in) financing activities         (378)         (1,813)           Effect of exchange rate changes on cash and cash equivalents and restricted cash         (209)         (143)           Cash, cash equivalents, and restricted cash - Beginning of period         33,395         11,342           Cash and cash equivalents and restricted cash - End of period         49,815         8,733	Trade payables and other liabilities	(524)	1,291
Other non-current liabilities         (856)         477           Net cash provided by operating activities         19,464         12,702           Investing activities         10,915         30,049           Purchase of property, plant and equipment         (1,915)         30,049           Purchase of property, plant and equipment         (1,915)         30,049           Purchase of property, plant and equipment         (1,915)         30,049           Financing activities         10,009         10,009           Payments of long-term debt         6,760         (1,815)         6,676           Payments related to offering costs         (1,816)         6,676         6,601           Payment of contingent consideration related to Zentrick acquisition         6,601 </td <td>Accrued expenses</td> <td>(6,469)</td> <td>(3,854)</td>	Accrued expenses	(6,469)	(3,854)
Net cash provided by operating activities         19.464         12.703           Investing activities:         19.464         12.703           Purchase of property, plant and equipment         (1,915)         (3,049)           Net cash (used in) investing activities         (1,915)         (3,049)           Financing activities:         2         (188)           Payments of long-term debt         —         (188)           Payment of contingent consideration related to Zentrick acquisition         —         (601)           Payment of contingent consideration related to Zentrick acquisition         —         (601)           Proceeds from common stock issued upon exercise of stock options         538         70           Capital lease payments         (235)         (418           Net cash (used in) financing activities         (878)         (1,813)           Effect of exchange rate changes on cash and cash equivalents and restricted cash         (209)         (143)           Net increase in cash, cash equivalents, and restricted cash - Beginning of period         33,395         11,342           Cash, cash equivalents, and restricted cash - End of period         49,815         18,730           Cash and cash equivalents and restricted cash - End of period         49,815         18,730           Sheets)         49,815         18	Other current liabilities	1,102	1,093
Purchase of property, plant and equipment (1,915) (3,049	Other non-current liabilities	(856)	470
Purchase of property, plant and equipment         (1,915)         (3,049)           Net cash (used in) investing activities         (1,915)         (3,049)           Financing activities:         Financing activities:         8           Payments of long-term debt         —         (1,818)         (676)           Payments related to offering costs         (1,811)         (676)         (670)           Payment of contingent consideration related to Zentrick acquisition         —         (601)           Proceeds from common stock issued upon exercise of stock options         538         77           Capital lease payments         (235)         (418           Net cash (used in) financing activities         (878)         (1,813)           Effect of exchange rate changes on cash and cash equivalents and restricted cash         (209)         (143)           Net increase in cash, cash equivalents, and restricted cash - Beginning of period         33,395         11,342           Cash, cash equivalents, and restricted cash - End of period         49,815         18,731           Restricted cash (included in prepaid expenses and other current assets on the Condensed Consolidated Balance Services Serv	Net cash provided by operating activities	19,464	12,702
Net cash (used in) investing activities         (1,915)         (3,049)           Financing activities:         Payments of long-term debt         —         (188           Payments related to offering costs         (1,181)         (676           Payment of contingent consideration related to Zentrick acquisition         —         (601)           Proceeds from common stock issued upon exercise of stock options         538         7           Capital lease payments         (235)         (418           Net cash (used in) financing activities         (878)         (1,813)           Effect of exchange rate changes on cash and cash equivalents and restricted cash         (209)         (143)           Net increase in cash, cash equivalents, and restricted cash - Beginning of period         33,395         11,342           Cash, cash equivalents, and restricted cash - End of period         39,857         19,033           Cash and cash equivalents and restricted cash - End of period         49,815         18,730           Restricted cash (included in prepaid expenses and other current assets on the Condensed Consolidated Balance Sheets)         49,815         18,730           Total cash and cash equivalents and restricted cash         49,815         18,730           Restricted cash flow information:         242         300           Total cash and cash equivalents and restricted cash </td <td>Investing activities:</td> <td></td> <td></td>	Investing activities:		
Financing activities:         Case of long-term debt         Case of long-term debt </td <td>Purchase of property, plant and equipment</td> <td>(1,915)</td> <td>(3,049)</td>	Purchase of property, plant and equipment	(1,915)	(3,049)
Payments of long-term debt         — (188           Payments related to offering costs         (1,181)         (676           Payment of contingent consideration related to Zentrick acquisition         — (601           Proceeds from common stock issued upon exercise of stock options         538         70           Capital lease payments         (235)         (418           Net cash (used in) financing activities         (288)         (1,813           Effect of exchange rate changes on cash and cash equivalents and restricted cash         (209)         (143           Net increase in cash, cash equivalents, and restricted cash - Beginning of period         33,395         11,342           Cash, cash equivalents, and restricted cash - End of period         349,857         19,033           Cash and cash equivalents         49,815         18,730           Restricted cash (included in prepaid expenses and other current assets on the Condensed Consolidated Balance Sheets)         49,815         18,730           Total cash and cash equivalents and restricted cash         49,815         19,033           Supplemental cash flow information:         49,815         19,033           Supplemental cash flow information:         49,815         19,033           Cash paid for taxes         1,045         54           Cash paid for interest         1,045 <td< td=""><td>Net cash (used in) investing activities</td><td>(1,915)</td><td>(3,049)</td></td<>	Net cash (used in) investing activities	(1,915)	(3,049)
Payments related to offering costs         (1,181)         (676           Payment of contingent consideration related to Zentrick acquisition         — (601           Proceeds from common stock issued upon exercise of stock options         538         7           Capital lease payments         (235)         (418           Net cash (used in) financing activities         (878)         (1,813)           Effect of exchange rate changes on cash and cash equivalents and restricted cash         (209)         (143           Net increase in cash, cash equivalents, and restricted cash - Beginning of period         16,462         7,69           Cash, cash equivalents, and restricted cash - End of period         33,395         11,342           Cash and cash equivalents and restricted cash - End of period         49,857         18,730           Restricted cash (included in prepaid expenses and other current assets on the Condensed Consolidated Balance Sheets)         49,857         19,035           Total cash and cash equivalents and restricted cash         \$49,857         19,035           Supplemental cash flow information:         24         30           Total cash and cash equivalents and restricted cash         1,045         54           Cash paid for taxes         1,045         54           Cash paid for interest         1,045         54           Non-cash i	Financing activities:		
Payment of contingent consideration related to Zentrick acquisition  Proceeds from common stock issued upon exercise of stock options  Capital lease payments  (235) (418  Net cash (used in) financing activities  Effect of exchange rate changes on cash and cash equivalents and restricted cash  Net increase in cash, cash equivalents, and restricted cash  (209) (143  Net increase in cash, cash equivalents, and restricted cash  (209) (143  Net increase in cash, cash equivalents, and restricted cash  (209) (143  Net increase in cash, cash equivalents, and restricted cash  (209) (143  Net increase in cash, cash equivalents, and restricted cash  (209) (143  Net increase in cash, cash equivalents, and restricted cash  (209) (143  Net increase in cash, cash equivalents, and restricted cash  (209) (143  Net increase in cash, cash equivalents, and restricted cash  (209) (143  Net increase in cash, cash equivalents, and restricted cash  (209) (143  Net increase in cash, cash equivalents, and restricted cash  (209) (143  Net increase in cash, cash equivalents, and restricted cash - Beginning of period  (209) (143  (20	Payments of long-term debt	_	(188)
Proceeds from common stock issued upon exercise of stock options         538         76           Capital lease payments         (235)         (418           Net cash (used in) financing activities         (878)         (1,813)           Effect of exchange rate changes on cash and cash equivalents and restricted cash         (209)         (143)           Net increase in cash, cash equivalents, and restricted cash         16,462         7,69           Cash, cash equivalents, and restricted cash - Beginning of period         33,395         11,342           Cash, cash equivalents, and restricted cash - End of period         49,857         19,033           Cash and cash equivalents         49,857         19,033           Restricted cash (included in prepaid expenses and other current assets on the Condensed Consolidated Balance Sheets)         42         30           Total cash and cash equivalents and restricted cash         49,857         19,033           Supplemental cash flow information:         49,857         19,033           Supplemental cash flow information:         1,045         54           Cash paid for taxes         1,045         54           Cash paid for interest         1,045         54           Cash paid for interest         1,045         54           Non-cash investing and financing activities:         1,518	Payments related to offering costs	(1,181)	(676)
Capital lease payments         (235)         (418           Net cash (used in) financing activities         (878)         (1,813)           Effect of exchange rate changes on cash and cash equivalents and restricted cash         (209)         (143)           Net increase in cash, cash equivalents, and restricted cash         16,462         7,69           Cash, cash equivalents, and restricted cash - Beginning of period         33,395         11,342           Cash, cash equivalents, and restricted cash - End of period         \$49,857         \$19,033           Cash and cash equivalents         49,857         \$19,033           Restricted cash (included in prepaid expenses and other current assets on the Condensed Consolidated Balance Sheets)         42         303           Total cash and cash equivalents and restricted cash         \$49,857         \$19,033           Supplemental cash flow information:         42         303           Supplemental cash flow information:         1,045         54           Cash paid for taxes         1,045         54           Cash paid for interest         147         1,060           Non-cash investing and financing activities:         1,518         97           Capital assets financed by accounts payable         -         10	Payment of contingent consideration related to Zentrick acquisition		(601)
Net cash (used in) financing activities (878) (1,813)  Effect of exchange rate changes on cash and cash equivalents and restricted cash  Net increase in cash, cash equivalents, and restricted cash  Cash, cash equivalents, and restricted cash - Beginning of period 33,395 11,342  Cash, cash equivalents, and restricted cash - End of period \$49,857 \$19,035  Cash and cash equivalents 49,815 18,736  Restricted cash (included in prepaid expenses and other current assets on the Condensed Consolidated Balance Sheets)  Total cash and cash equivalents and restricted cash \$49,857 \$19,035  Supplemental cash flow information:  Cash paid for taxes 1,045 54  Cash paid for interest 1,066  Non-cash investing and financing activities:  Acquisition of equipment under capital lease 1,518 975  Capital assets financed by accounts payable - 16	Proceeds from common stock issued upon exercise of stock options	538	70
Effect of exchange rate changes on cash and cash equivalents and restricted cash(209)(143)Net increase in cash, cash equivalents, and restricted cash16,4627,69Cash, cash equivalents, and restricted cash - Beginning of period33,39511,34Cash, cash equivalents, and restricted cash - End of period\$ 49,857\$ 19,035Cash and cash equivalents49,81518,736Restricted cash (included in prepaid expenses and other current assets on the Condensed Consolidated Balance Sheets)4230Total cash and cash equivalents and restricted cash\$ 49,857\$ 19,035Supplemental cash flow information:1,04554Cash paid for taxes1,04554Cash paid for interest1471,066Non-cash investing and financing activities:1,51897Capital assets financed by accounts payable1,51897	Capital lease payments	(235)	(418)
Effect of exchange rate changes on cash and cash equivalents and restricted cash(209)(143)Net increase in cash, cash equivalents, and restricted cash16,4627,69Cash, cash equivalents, and restricted cash - Beginning of period33,39511,34Cash, cash equivalents, and restricted cash - End of period\$ 49,857\$ 19,035Cash and cash equivalents49,81518,736Restricted cash (included in prepaid expenses and other current assets on the Condensed Consolidated Balance Sheets)4230Total cash and cash equivalents and restricted cash\$ 49,857\$ 19,035Supplemental cash flow information:1,04554Cash paid for taxes1,04554Cash paid for interest1471,066Non-cash investing and financing activities:1,51897Capital assets financed by accounts payable1,51897	Net cash (used in) financing activities	(878)	(1,813)
Net increase in cash, cash equivalents, and restricted cash Cash, cash equivalents, and restricted cash - Beginning of period Cash, cash equivalents, and restricted cash - End of period Cash and cash equivalents Restricted cash (included in prepaid expenses and other current assets on the Condensed Consolidated Balance Sheets) Total cash and cash equivalents and restricted cash Total cash and cash equivalents and restricted cash Supplemental cash flow information: Cash paid for taxes Cash paid for interest Non-cash investing and financing activities: Acquisition of equipment under capital lease Capital assets financed by accounts payable  Total cash and cash equivalents and restricted cash Total cash and cash equivalents Total ca		(209)	(143)
Cash, cash equivalents, and restricted cash - Beginning of period  Cash, cash equivalents, and restricted cash - End of period  Cash and cash equivalents  Restricted cash (included in prepaid expenses and other current assets on the Condensed Consolidated Balance Sheets)  Total cash and cash equivalents and restricted cash  Supplemental cash flow information:  Cash paid for taxes  Cash paid for interest  Non-cash investing and financing activities:  Acquisition of equipment under capital lease  Capital assets financed by accounts payable  11,347  49,857 \$ 19,039  42 309  43 309  44 309  45 40,857 \$ 19,039  46 40,857 \$ 19,039  47 1,069  48 49,857 \$ 19,039  49,857 \$ 19,039  40 49,857 \$ 19,039  41 40,857 \$ 19,039  42 309  43 49,857 \$ 19,039  44 49,857 \$ 19,039  45 40,857 \$ 19,039  46 40,857 \$ 19,039  47 1,069  48 49,857 \$ 19,039  49 49,857 \$ 19,039  40 49,857 \$ 19,039  40 40,857 \$ 19,039  41 40,857 \$ 19,039  42 309  43 49,857 \$ 19,039  44 49,857 \$ 19,039  45 40,857 \$ 19,039  46 49,857 \$ 19,039  47 40,857 \$ 19,039  48 49,857 \$ 19,039  49 49,857 \$ 19,039  40 49,857 \$ 19,039  40 40,857 \$ 19,039			7,697
Cash, cash equivalents, and restricted cash - End of period  Cash and cash equivalents  Restricted cash (included in prepaid expenses and other current assets on the Condensed Consolidated Balance Sheets)  Total cash and cash equivalents and restricted cash  Supplemental cash flow information:  Cash paid for taxes  Cash paid for interest  Non-cash investing and financing activities:  Acquisition of equipment under capital lease  Capital assets financed by accounts payable  49,815  18,730  49,815  19,030  42  300  43  49,857  519,030  42  300  42  300  43  49,857  519,030  49,857  519,030  40  40  40  40  40  40  40  40  40			-
Cash and cash equivalents  Restricted cash (included in prepaid expenses and other current assets on the Condensed Consolidated Balance Sheets)  Total cash and cash equivalents and restricted cash  Supplemental cash flow information:  Cash paid for taxes  Cash paid for interest  Non-cash investing and financing activities:  Acquisition of equipment under capital lease  Capital assets financed by accounts payable  A 49,815  18,730  42  309  42  309  42  309  42  309  42  309  43  44  45  47  47  48  48  49,857  40,905  40			
Restricted cash (included in prepaid expenses and other current assets on the Condensed Consolidated Balance Sheets)  Total cash and cash equivalents and restricted cash  Supplemental cash flow information:  Cash paid for taxes  Cash paid for interest  Non-cash investing and financing activities:  Acquisition of equipment under capital lease  Capital assets financed by accounts payable  Acquisition of lease of the Condensed Consolidated Balance  42 309  \$ 19,039  \$ 19,039  \$ 10,045  \$ 54  \$ 10,069  \$ 1,069  \$ 1,069  \$ 1,518  \$ 1	Cash, Cash equivalents, and restricted Cash - End of period	<del>+ 10,001</del> <del>+</del>	,
Restricted cash (included in prepaid expenses and other current assets on the Condensed Consolidated Balance Sheets)  Total cash and cash equivalents and restricted cash  Supplemental cash flow information:  Cash paid for taxes  Cash paid for interest  Non-cash investing and financing activities:  Acquisition of equipment under capital lease  Capital assets financed by accounts payable  Acquisition of lease of the Condensed Consolidated Balance  42 309  \$ 19,039  \$ 19,039  \$ 10,045  \$ 54  \$ 10,069  \$ 1,069  \$ 1,069  \$ 1,518  \$ 1	Cook and each equivalente	40.915	10 720
Sheets)         42         300           Total cash and cash equivalents and restricted cash         \$ 49,857         \$ 19,038           Supplemental cash flow information:           Cash paid for taxes         1,045         54           Cash paid for interest         147         1,068           Non-cash investing and financing activities:         2         1,518         97           Acquisition of equipment under capital lease         1,518         97         2         2         2         1         2         1         2         2         2         1         2         2         1         2		•	10,730
Supplemental cash flow information:  Cash paid for taxes  Cash paid for interest  Non-cash investing and financing activities:  Acquisition of equipment under capital lease  Capital assets financed by accounts payable  Total Capital assets financed by accounts payable  Total Capital assets financed by accounts payable	Sheets)	42	309
Cash paid for taxes 1,045 54 Cash paid for interest 147 1,069 Non-cash investing and financing activities: Acquisition of equipment under capital lease 1,518 97: Capital assets financed by accounts payable - 16	Total cash and cash equivalents and restricted cash	\$ 49,857 \$	19,039
Cash paid for interest  Non-cash investing and financing activities:  Acquisition of equipment under capital lease  Capital assets financed by accounts payable  1,518  973  1,518  973	Supplemental cash flow information:		
Non-cash investing and financing activities:  Acquisition of equipment under capital lease 1,518 973  Capital assets financed by accounts payable — 10	Cash paid for taxes	1,045	541
Acquisition of equipment under capital lease 1,518 973 Capital assets financed by accounts payable — 16	Cash paid for interest	147	1,069
Capital assets financed by accounts payable — 10	Non-cash investing and financing activities:		
	Acquisition of equipment under capital lease	1,518	973
Offering costs included in accounts payable and accrued expense 1,889 30	Capital assets financed by accounts payable		16
	Offering costs included in accounts payable and accrued expense	1,889	306

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

### Revenue

	Thr	ee Months E	Change	Change		
		2021	2020		\$	%
		(In Tho				
Revenue by customer type:						
Advertisers - direct	\$	27,541	\$	22,187	\$ 5,354	24%
Advertisers - programmatic		33,912		23,851	10,061	42
Supply - side customer		6,133		5,181	952	18
Total revenue	\$	67,586	\$	51,219	\$16,367	32%

### Adjusted EBITDA

In addition to our results determined in accordance with GAAP, we believe that certain non-GAAP financial measures, including Adjusted EBITDA and Adjusted EBITDA Margin, are useful in evaluating our business. A metric similar to Adjusted EBITDA is used in certain calculations under our New Revolving Credit Facility. We calculate Adjusted EBITDA Margin as Adjusted EBITDA divided by total revenue. Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as substitutes for an analysis of our results as reported under GAAP. In addition, other companies in our industry may calculate non-GAAP financial measures differently than we do, limiting their usefulness as a comparative measure. The following table presents a reconciliation of Adjusted EBITDA, a non-GAAP financial measure, to the most directly comparable financial measure prepared in accordance with GAAP.

	Thre	e Months End	ed March 31,			
		2021 2020				
		(In Thousa	nds)			
Net income	\$	5,644 \$	2,440			
Net income margin		8%	5%			
Depreciation and amortization		7,057	5,934			
Stock-based compensation		2,538	802			
Interest expense		390	1,164			
Income tax expense		2,793	1,346			
M&A (recoveries) costs (a)		(18)	215			
Offering costs and IPO readiness costs (	(b)	3,261	1,641			
Other costs (c)		109	2,163			
Other (income) (d)		(49)	(320)			
Adjusted EBITDA	\$	21,725 \$	15,385			
Adjusted EBITDA margin		32%	30%			

- a. M&A (recoveries) costs for the three months ended March 31, 2021 and 2020 consist of third-party costs and deferred compensation costs related to acquisitions.
- b. Offering costs and IPO readiness costs for the three months ended March 31, 2021 and 2020 consist of third-party costs incurred in preparation for our IPO.
- c. Other costs for the three months ended March 31, 2021 and 2020 consist of reimbursements paid to Providence. For the three months ended March 31, 2020, other costs also include costs related to the departure of our former Chief Executive Officer, and third-party costs incurred in response to investigating and remediating certain IT/cybersecurity matters that occurred in March 2020.
- d. Other (income) consists of interest income, change in fair value associated with contingent considerations, and the impact of foreign currency transaction gains and losses associated with monetary assets and liabilities.

We use Adjusted EBITDA and Adjusted EBITDA Margin as measures of operational efficiency to understand and evaluate our core business operations. We believe that these non-GAAP financial measures are useful to investors for period to period comparisons of our core business and for understanding and evaluating trends in our operating results on a consistent basis by excluding items that we do not believe are indicative of our core operating performance.

These non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as substitutes for an analysis of our results as reported under GAAP. Some of the limitations of these measures are:

- they do not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect our capital expenditures or future requirements for capital expenditures or contractual commitments;
- they do not reflect income tax expense or the cash requirements to pay income taxes;
- they do not reflect our interest expense or the cash requirements necessary to service interest or principal payments on our debt; and
- although depreciation and amortization are non-cash charges related mainly to intangible assets, certain assets being depreciated and amortized will have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements.

In addition, other companies in our industry may calculate these non-GAAP financial measures differently than we do, limiting their usefulness as a comparative measure. You should compensate for these limitations by relying primarily on our GAAP results and using the non-GAAP financial measures only supplementally. We calculate Adjusted EBITDA Margin as Adjusted EBITDA divided by total revenue.

Total stock-based compensation expense recorded in the Condensed Consolidated Statements of Operations and Comprehensive Income as follows:

	Three Months Ende					
(in thousands)		2021		2020		
Product development	\$	278	\$	101		
Sales, marketing and customer support		624		172		
General and administrative		1,636		529		
Total stock-based compensation	\$	2,538	\$	802		

### **Forward-Looking Statements**

This press release includes "forward-looking statements," including with respect to the initial public offering. Forward-looking statements are subject to known and unknown risks and uncertainties, many of which may be beyond our control. We caution you that the forward-looking information presented in this press release is not a guarantee of future events, and that actual events may differ materially from those made in or suggested by the forward-looking information contained in this press release. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "plan," "seek," "will," "expect," "intend," "estimate," "anticipate," "believe" or "continue" or the negative thereof or variations thereon or similar terminology. Any forward-looking information presented herein is made only as of the date of this press release, and we do not undertake any obligation to update or revise any forward-looking information to reflect changes in assumptions, the occurrence of unanticipated events, or otherwise.

### **About DoubleVerify**

DoubleVerify is a leading software platform for digital media measurement and analytics. Our mission is to make the digital advertising ecosystem stronger, safer and more secure, thereby preserving the fair value exchange between buyers and sellers of digital media. Hundreds of Fortune 500 advertisers employ our unbiased data and analytics to drive campaign quality and effectiveness, and to maximize return on their digital advertising investments – globally.

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