

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 10-Q**

(Mark One)

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

For the quarterly period ended June 30, 2023

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-40116

**AdTheorent Holding Company, Inc.**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**330 Hudson Street, 13th Floor**

**New York, New York**

(Address of principal executive offices)

**85-3978415**

(I.R.S. Employer  
Identification No.)

**10013**

(Zip Code)

Registrant's telephone number, including area code: **(800) 804-1359**

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.0001 per share	ADTH	The Nasdaq Stock Market
Warrants to purchase common stock	ADTHW	The Nasdaq Stock 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, 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 checked="" type="checkbox"/>
Non-Accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" 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

As of July 31, 2023, the registrant had 88,204,934 shares of common stock outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited).

ADTHEORENT HOLDING COMPANY, INC AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 (in thousands, except share data)  
 (unaudited)

	June 30, 2023	December 31, 2022
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 73,061	\$ 72,579
Accounts receivable, net	42,362	56,027
Income tax recoverable	177	145
Prepaid expenses	10,026	1,466
Total current assets	125,626	130,217
Property and equipment, net	494	520
Operating lease right-of-use assets	5,234	5,732
Investment in SymetryML Holdings	631	789
Customer relationships, net	2,237	4,475
Other intangible assets, net	7,412	6,708
Goodwill	34,842	34,842
Deferred income taxes, net	10,037	6,962
Other assets	345	359
Total assets	\$ 186,858	\$ 190,604
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable	\$ 8,759	\$ 9,479
Accrued compensation	3,117	8,939
Accrued expenses	4,097	6,224
Operating lease liabilities, current	1,268	1,265
Total current liabilities	17,241	25,907
Warrants	2,152	2,298
Seller's Earn-Out	248	773
Operating lease liabilities, non-current	5,564	6,201
Total liabilities	25,205	35,179
Stockholders' equity		
Preferred stock, \$0.0001 per share, 20,000,000 shares authorized, no shares issued and outstanding as of June 30, 2023 and December 31, 2022	—	—
Common stock, \$0.0001 par value, 350,000,000 shares authorized; 87,970,897 and 86,968,309 shares issued and outstanding as of June 30, 2023 and December 31, 2022, respectively	9	9
Additional paid-in capital	86,935	83,566
Retained earnings	74,709	71,850
Total stockholders' equity	161,653	155,425
Total liabilities and stockholders' equity	\$ 186,858	\$ 190,604

See accompanying notes to condensed consolidated financial statements.

**ADTHEORENT HOLDING COMPANY, INC AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except share and per share amounts)  
(unaudited)

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Revenue	\$ 37,587	\$ 42,476	\$ 70,261	\$ 76,717
Operating expenses:				
Platform operations	20,735	20,854	39,122	38,626
Sales and marketing	10,624	11,083	20,931	21,413
Technology and development	3,368	4,153	6,659	8,438
General and administrative	3,589	5,103	7,525	10,704
Total operating expenses	<u>38,316</u>	<u>41,193</u>	<u>74,237</u>	<u>79,181</u>
(Loss) income from operations	(729)	1,283	(3,976)	(2,464)
Interest income (expense), net	424	(47)	1,043	(156)
Gain on change in fair value of Seller's Earn-Out	292	37,419	525	12,763
Gain on change in fair value of warrants	415	18,523	146	2,587
Gain on deconsolidation of SymetryML	—	—	—	1,939
Loss on change in fair value of SAFE Notes	—	—	—	(788)
Gain (loss) on fair value of investment in SymetryML Holdings	10	(10)	(158)	(10)
Other income (expense), net	4	(1)	(37)	(19)
Total other income, net	<u>1,145</u>	<u>55,884</u>	<u>1,519</u>	<u>16,316</u>
Net income (loss) before income taxes	416	57,167	(2,457)	13,852
Benefit for income taxes	7,666	610	5,316	1,635
Net income	<u>\$ 8,082</u>	<u>\$ 57,777</u>	<u>\$ 2,859</u>	<u>\$ 15,487</u>
Less: Net loss attributable to noncontrolling interest	—	—	—	550
Net income attributable to AdTheorent Holding Company, Inc.	<u>\$ 8,082</u>	<u>\$ 57,777</u>	<u>\$ 2,859</u>	<u>\$ 16,037</u>
Earnings per share:				
Basic	\$ 0.09	\$ 0.67	\$ 0.03	\$ 0.19
Diluted	\$ 0.09	\$ 0.62	\$ 0.03	\$ 0.17
Weighted-average common shares outstanding:				
Basic	87,874,081	85,766,302	87,713,571	85,775,210
Diluted	92,787,955	93,402,650	92,407,260	93,283,519

See accompanying notes to condensed consolidated financial statements.

**ADTHEORENT HOLDING COMPANY, INC AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF EQUITY**  
(in thousands, except for number of shares)  
(unaudited)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Noncontrolling Interests	Total Stockholders' Equity
	Shares	Amount				
<b>December 31, 2022</b>	86,968,309	\$ 9	\$ 83,566	\$ 71,850	\$ —	155,425
Equity-based compensation	—	—	1,552	—	—	1,552
Exercises of options	80,520	—	57	—	—	57
Vesting of restricted stock, net of shares withheld for taxes	605,854	—	(399)	—	—	(399)
Shares issued under employee stock purchase plan	111,433	—	172	—	—	172
Net loss	—	—	—	(5,223)	—	(5,223)
<b>March 31, 2023</b>	<u>87,766,116</u>	<u>\$ 9</u>	<u>\$ 84,948</u>	<u>\$ 66,627</u>	<u>\$ —</u>	<u>\$ 151,584</u>
Equity-based compensation	—	—	1,932	—	—	1,932
Exercises of options	152,947	—	93	—	—	93
Vesting of restricted stock, net of shares withheld for taxes	51,834	—	(38)	—	—	(38)
Net income	—	—	—	8,082	—	8,082
<b>June 30, 2023</b>	<u>87,970,897</u>	<u>\$ 9</u>	<u>\$ 86,935</u>	<u>\$ 74,709</u>	<u>\$ —</u>	<u>\$ 161,653</u>
	Common Stock					
	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Noncontrolling Interests	Total Stockholders' Equity
<b>December 31, 2021</b>	85,743,994	\$ 9	\$ 70,778	\$ 42,512	\$ (1,416)	111,883
Equity-based compensation	—	—	1,988	—	—	1,988
Seller's Earn-Out equity- based compensation	—	—	492	—	—	492
Conversion of SAFE Notes into SymetryML preferred stock	—	—	—	—	3,938	3,938
SymetryML preferred stock issuance	—	—	—	—	400	400
Deconsolidation of SymetryML Holdings	—	—	—	—	(2,372)	(2,372)
Net loss	—	—	—	(41,740)	(550)	(42,290)
<b>March 31, 2022</b>	<u>85,743,994</u>	<u>\$ 9</u>	<u>\$ 73,258</u>	<u>\$ 772</u>	<u>\$ —</u>	<u>\$ 74,039</u>
Equity-based compensation	—	—	3,856	—	—	3,856
Seller's Earn-Out equity- based compensation	—	—	499	—	—	499
Exercises of options	355,629	—	183	—	—	183
Exercises of warrants	10	—	—	—	—	—
Transaction cost adjustment	—	—	55	—	—	55
Net income	—	—	—	57,777	—	57,777
<b>June 30, 2022</b>	<u>86,099,633</u>	<u>\$ 9</u>	<u>\$ 77,851</u>	<u>\$ 58,549</u>	<u>\$ —</u>	<u>\$ 136,409</u>

See accompanying notes to condensed consolidated financial statements.

**ADTHEORENT HOLDING COMPANY, INC AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)  
(unaudited)

	<b>Six Months Ended June 30,</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities</b>		
Net income	\$ 2,859	\$ 15,487
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	—	172
Amortization expense	4,204	3,950
Depreciation expense	98	92
Amortization of debt issuance costs	28	28
Gain on change in fair value of Seller's Earn-Out	(525)	(12,763)
Gain on change in fair value of warrants	(146)	(2,587)
Gain on deconsolidation of SymetryML	—	(1,939)
Loss on change in fair value of SAFE Notes	—	788
Loss on fair value of investment in SymetryML Holdings	158	10
Deferred tax benefit	(3,075)	(3,236)
Equity-based compensation	3,340	5,844
Seller's Earn-Out equity-based compensation	—	991
Changes in operating assets and liabilities:		
Accounts receivable	13,665	11,675
Income taxes recoverable	(32)	(4)
Prepaid expenses and other assets	(8,076)	(3,626)
Accounts payable	(779)	(2,440)
Accrued compensation, accrued expenses, and other liabilities	(8,583)	(9,153)
Net cash provided by operating activities	3,136	3,289
<b>Cash flows from investing activities</b>		
Capitalized software development costs	(2,470)	(1,240)
Purchase of property and equipment	(69)	(211)
Decrease in cash from deconsolidation of SymetryML	—	(69)
Net cash used in investing activities	(2,539)	(1,520)
<b>Cash flows from financing activities</b>		
Cash received for exercised options	150	183
Payment of revolver borrowings	—	(39,017)
Proceeds from SAFE Notes	—	200
Proceeds from SymetryML preferred stock issuance	—	400
Taxes paid related to net settlement of restricted stock awards	(437)	—
Proceeds from employee stock purchase plan	172	—
Net cash used in financing activities	(115)	(38,234)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>482</b>	<b>(36,465)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>72,579</b>	<b>100,093</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 73,061</b>	<b>\$ 63,628</b>
<b>Supplemental disclosure of cash flow information</b>		
Increase in lease liabilities from obtaining right-of-use assets - ASC 842 adoption	\$ —	\$ 8,376
Increase in lease liabilities from obtaining right-of-use assets	\$ —	\$ 214
<b>Non-cash investing and financial activities</b>		
Capitalized software and property and equipment, net included in accounts payable	\$ 56	\$ 95
Equity-based compensation included in capitalized software development costs	\$ 144	\$ —

See accompanying notes to condensed consolidated financial statements.

**ADTHEORENT HOLDING COMPANY, INC AND SUBSIDIARIES**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(in thousands, except shares/units and per share/unit data)**  
**(unaudited)**

**1. DESCRIPTION OF BUSINESS**

AdTheorent Holding Company Inc. and its subsidiaries (the “Company”, “AdTheorent”), is a digital media platform which focuses on performance-first, privacy-forward methods to execute programmatic digital advertising campaigns, serving both advertising agency and brand customers. The Company uses machine learning and advanced data science to organize, analyze and operationalize non-sensitive data to deliver real-world value for customers. Central to its ad-targeting and campaign optimization methods, the Company builds custom machine learning models for each campaign using historic and real-time data to predict future consumer conversion actions for every digital ad impression. The Company’s machine learning models are customized for every campaign and the platform “learns” over the course of each campaign as it processes more data related to post media view conversion experience. AdTheorent is a Delaware corporation headquartered in New York, New York.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation and Principles of Consolidation***

The accompanying Condensed Consolidated Financial Statements are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and include the operations of the Company. All intercompany transactions have been eliminated in consolidation.

In the opinion of management, the accompanying unaudited Condensed Consolidated Financial Statements contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of the Company's financial position as of June 30, 2023 and for the three and six months ended June 30, 2023 and 2022. The Condensed Consolidated Balance Sheet as of December 31, 2022, has been derived from the Company's audited consolidated financial statements as of that date. The Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, which include a complete set of footnote disclosures, including the Company's significant accounting policies. The results for interim periods are not necessarily indicative of the results that may be expected for a full fiscal year or for any other future period.

***Summary of Significant Accounting Policies***

There have been no material changes in the Company's significant accounting policies during the six months ended June 30, 2023, as compared to the significant accounting policies described in Note 2 to the Consolidated Financial Statements for the year ended December 31, 2022, except as detailed below.

***Accounts Receivable and Allowance for Credit Losses (formerly Allowance for Doubtful Accounts)***

Accounts receivable are recorded at the invoiced amount, are unsecured, and do not bear interest. The allowance for credit losses is based on the best estimate of the amount of probable credit losses in existing accounts receivable. The Company reviews the allowance for credit losses on a quarterly basis. The allowance for credit losses is determined based on historical collection experience, the review in each period of the status of the then outstanding accounts receivable, while taking into consideration current customer information, and other macroeconomic and industry factors. Account balances are written off against the allowance when the Company believes it is probable the receivable will not be recovered.

***Emerging Growth Company***

From time to time, new accounting pronouncements, or Accounting Standard Updates (“ASU”) are issued by the Financial Accounting Standards Board (“FASB”), or other standard setting bodies and adopted by the Company as of the specified effective date. Unless otherwise discussed, the impact of recently issued standards that are not yet effective will not have a material impact on the Company’s financial position or results of operations upon adoption.

The Company is an emerging growth company (“EGC”) as defined in the Jumpstart Our Business Startups Act of 2012 (“JOBS Act”) and may take advantage of reduced reporting requirements that are otherwise applicable to public companies. Section 107 of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies are required to comply with those standards. This means that when a standard is issued or revised and it has different application dates for public and nonpublic companies, the Company has the option to adopt the new or revised standard at the time nonpublic companies adopt the new or revised standard and can do so until such time that the Company either (i) irrevocably elects to “opt out” of such extended transition period or (ii) no longer qualifies as an emerging growth company. The Company has elected to use the extended transition period for complying with new or revised accounting standards unless the Company otherwise early adopts select standards.

### **Recent Accounting Pronouncements**

#### *Recently Adopted Accounting Pronouncements*

#### **ASU No. 2019-12, *Income Taxes – Simplifying the Accounting for Income Taxes (Topic 740)***

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740)* (“ASU 2019-12”), which is part of the FASB’s overall simplification initiative to reduce the costs and complexity of applying accounting standards while maintaining or improving the usefulness of the information provided to users of financial statements. ASU 2019-12 simplifies accounting guidance for intra-period allocations, deferred tax liabilities, year-to-date losses in interim periods, franchise taxes, step-up in tax basis of goodwill, separate entity financial statements, and interim recognition of tax laws or rate changes. ASU 2019-12 is effective for emerging growth companies following private company adoption dates in fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022, with early adoption permitted. The Company has determined the adoption did not have a material impact on the Condensed Consolidated Financial Statements.

#### **ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326)***

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (“ASU 2016-13”), which requires entities to estimate all expected credit losses for certain types of financial instruments, including trade receivables, held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The updated guidance also expands the disclosure requirements to enable users of financial statements to understand the entity’s assumptions, models and methods for estimating expected credit losses over the entire contractual term of the instrument from the date of initial recognition of that instrument. ASU 2016-13, as subsequently amended for various technical issues, is effective for emerging growth companies following private company adoption dates for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2022, with early adoption permitted. The Company adopted this ASU effective January 1, 2023. The adoption of this ASU did not have a material impact on the Company’s Condensed Consolidated Financial Statements.

### **3. REVENUE RECOGNITION**

#### ***ASC 606, Revenue from Contracts with Customers***

Under ASC 606, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. The Company measures revenue based on the consideration specified in the customer arrangement, and revenue is recognized when the performance obligations in the customer arrangement are satisfied. The transaction price of a contract is allocated to each distinct performance obligation and recognized as revenue when or as the customer receives the benefit of the performance obligation.

The Company’s revenue streams include Managed Programmatic revenue and Direct Access revenue. The Direct Access offerings are new to the market and not yet material to the Company from a financial reporting perspective.

For its Managed Programmatic revenue, the Company negotiates insertion orders (“IOs”) with the advertising agency or brand, which specifies the material terms of the campaign. IOs are subject to cancellation by the client, usually with no penalty, for the unfilled portion of the IO. The Company’s performance obligation is to deliver digital advertisements in accordance with the terms of the IO. The Company has concluded that this constitutes a single performance obligation for financial reporting purposes and that such obligation is recognized over the time, using the output method, for which the Company is transferring value to the customer through delivered advertising units. Managed Programmatic revenue is recorded on a gross basis. The Company is responsible for fulfilling advertising delivery, including optimization and reporting, establishes the



selling price for the delivery, and the Company performs billing and collections, including ultimately retaining credit risk. The Company has therefore determined that it serves as a principal and that gross presentation of revenue is appropriate.

Direct Access customers access the Company's platform directly and manage all aspects of their advertising campaigns. The Company provides advertiser and marketer customers direct access to the platform so that they can execute and manage advertising campaigns and is not primarily responsible for the purchase of advertising inventory, third party data, and other related expenses. Revenue for customers working with the Company on this basis are recorded net of the amount incurred and payable to suppliers for the cost of advertising inventory, third party data and other add-on features, as the Company does not control the purchase nor have pricing discretion with regard to these items. The Company bills clients for their purchases through its platform and the associated platform fees. For the Company's Direct Access Plus offering, which is used as a higher-touch on-boarding level of service for Direct Access customers who desire greater implementation support, the Company is primarily responsible for the purchase of advertising inventory, third party data, and other related expenses. The Company has therefore determined that the customer serves as a principal and that gross presentation of revenue is appropriate.

The Company has elected to expense the costs to obtain or fulfill a contract as incurred because the amortization period of the asset that the Company otherwise would have recognized is one year or less. Therefore, there were no contract cost assets recognized as of June 30, 2023 or December 31, 2022.

The Company has elected not to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period for performance obligations with a remaining performance obligation that is part of a contract that has an original expected duration of one year or less.

Contract assets and contract liabilities related to the Company's revenue streams were not significant to the accompanying Condensed Consolidated Financial Statements.

#### 4. ACCOUNTS RECEIVABLE, Net

Accounts receivable, net consisted of the following:

	June 30, 2023	December 31, 2022
Accounts receivable	\$ 43,025	\$ 56,243
Other receivables	—	483
	<u>\$ 43,025</u>	<u>\$ 56,726</u>
Less: allowance for credit losses	(663)	(699)
Accounts receivable, net	<u>\$ 42,362</u>	<u>\$ 56,027</u>

The provision for credit losses on accounts receivable was \$0 and \$78 for the three months ended June 30, 2023 and 2022, respectively, and \$0 and \$172 for the six months ended June 30, 2023 and 2022, respectively.

The following table presents changes in the allowance for credit losses:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Beginning balance	\$ 678	\$ 459	\$ 699	\$ 365
Reserve for credit losses	—	78	—	178
Write-offs, net of recoveries	(15)	—	(36)	(6)
Ending balance	<u>\$ 663</u>	<u>\$ 537</u>	<u>\$ 663</u>	<u>\$ 537</u>

## 5. PREPAID EXPENSES

Prepaid expenses consisted of the following:

	June 30, 2023	December 31, 2022
Income taxes	\$ 6,429	\$ —
Platform operations	1,539	876
Insurance	1,060	—
Software	445	501
Sales and marketing	248	69
Other	305	20
<b>Total</b>	<b>\$ 10,026</b>	<b>\$ 1,466</b>

## 6. PROPERTY AND EQUIPMENT, Net

Property and equipment, net consisted of the following:

	June 30, 2023	December 31, 2022
Computers and equipment	\$ 924	\$ 949
Less: accumulated depreciation	(430)	(429)
<b>Total</b>	<b>\$ 494</b>	<b>\$ 520</b>

Depreciation expense on Property and equipment was \$49 and \$48 for the three months ended June 30, 2023 and 2022, respectively, and \$98 and \$92 for the six months ended June 30, 2023 and 2022, respectively.

## 7. INTANGIBLE ASSETS, Net

Intangible assets, net consisted of the following:

	Remaining Weighted Average Useful Life (in years)	June 30, 2023		
		Gross amount	Accumulated amortization	Net carrying amount
Software	—	\$ 6,038	\$ (6,038)	\$ —
Capitalized software costs	1.3	12,843	(8,994)	3,849
Customer relationships	0.6	31,492	(29,255)	2,237
Trademarks/tradename	3.6	10,195	(6,632)	3,563
<b>Total</b>		<b>\$ 60,568</b>	<b>\$ (50,919)</b>	<b>\$ 9,649</b>

  

	Remaining Weighted Average Useful Life (in years)	December 31, 2022		
		Gross amount	Accumulated amortization	Net carrying amount
Software	—	\$ 6,038	\$ (6,038)	\$ —
Capitalized software costs	1.1	10,173	(7,535)	2,638
Customer relationships	1.0	31,492	(27,017)	4,475
Trademarks/tradename	4.0	10,195	(6,125)	4,070
<b>Total</b>		<b>\$ 57,898</b>	<b>\$ (46,715)</b>	<b>\$ 11,183</b>

Amortization expense was included in the Company's Condensed Consolidated Statements of Operations as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Platform operations	\$ 712	\$ 534	\$ 1,375	\$ 1,066
Sales and marketing	1,370	1,370	2,740	2,740
Technology and development	60	—	83	140
General and administrative	3	2	6	4
Total	<u>\$ 2,145</u>	<u>\$ 1,906</u>	<u>\$ 4,204</u>	<u>\$ 3,950</u>

Total amortization expense for the three months ended June 30, 2023 and 2022 was \$2,145 and \$1,906, respectively, and \$4,204 and \$3,950 for the six months ended June 30, 2023 and 2022, respectively. Amortization expense for capitalized software costs for the three months ended June 30, 2023 and 2022 was \$772 and \$533, respectively, and \$1,458 and \$1,065 for the six months ended June 30, 2023 and 2022, respectively.

Estimated future amortization of intangible assets as of June 30, 2023 is as follows:

Remainder of 2023	\$ 4,233
2024	3,085
2025	1,306
2026	1,016
2027	7
Thereafter	2
Total	<u>\$ 9,649</u>

## 8. GOODWILL

The Company is a single reporting unit. The goodwill balance as of June 30, 2023 and December 31, 2022 was \$34,842.

The Company did not identify a goodwill impairment indicator during the six months ended June 30, 2023 to necessitate the performance of an interim impairment test. The Company will continue to monitor impairment indicators in future periods, inclusive of its stock price.

## 9. ACCRUED EXPENSES

Accrued expenses consisted of the following:

	June 30, 2023	December 31, 2022
Campaign costs	2,669	4,081
Deferred revenues	677	1,149
Platform operations	426	401
Other	325	593
Total	<u>\$ 4,097</u>	<u>\$ 6,224</u>

## 10. DEBT

On December 22, 2021, the Company entered into a senior secured credit facilities credit agreement (the “Senior Secured Agreement”) with Silicon Valley Bank (“SVB”). The Senior Secured Agreement allows for the Company to borrow up to \$40,000 in a revolving credit facility (“Revolving Credit Facility”), including a \$10,000 sub-limit for letters of credit and a swing line sub-limit of \$10,000. The Revolving Credit Facility commitment termination date is December 22, 2026.

On March 10, 2023, SVB was seized by regulators and placed under the receivership of the Federal Deposit Insurance Corporation (“FDIC”). Two days after the failure, the FDIC announced jointly with other agencies that all depositors would have full access to their funds the next morning. The FDIC reopened SVB on March 13, 2023 as a newly organized bridge bank, Silicon Valley Bridge Bank, N.A (“SVBB”) and on March 27, 2023, First Citizens Bank acquired SVBB. The Company’s Senior Secured Agreement remains available to the Company with no amendments to the original agreement with SVB, which is now a division of First Citizens Bank.

The Company is subject to customary representations, warranties, and covenants. The Senior Secured Agreement requires that the Company meet certain financial and non-financial covenants which include, but are not limited to, (i) delivering audited consolidated financial statements to the lender within 90 days after year-end commencing with the fiscal year ending December 31, 2022 financial statements, (ii) delivering unaudited quarterly consolidated financial statements within 45 days after each fiscal quarter, commencing with the quarterly period ending on March 31, 2022 and (iii) maintaining certain leverage ratios and liquidity coverage ratios. As of June 30, 2023 and December 31, 2022, we were in full compliance with the terms of the Senior Secured Agreement.

As of June 30, 2023 and December 31, 2022, the Company had one letter of credit for \$983. As of June 30, 2023 and December 31, 2022, there were no amounts drawn on the Revolving Credit Facility.

## 11. INCOME TAXES

For the three months ended June 30, 2023 and 2022, the Company recorded an income tax benefit of \$7,666 and \$610, respectively, and for the six months ended June 30, 2023 and 2022, the Company recorded an income tax benefit of \$5,316 and \$1,635, respectively. The annual effective income tax rates before discrete items (“AETR”) for the six months ended June 30, 2023 and 2022 was 179.1% and 41.1%, respectively.

The AETR for the six months ended June 30, 2023 was more than the statutory rate of 21% primarily due to lower forecasted pre-tax book income relative to expected full-year expense, state and local income taxes, meals and entertainment, and executive equity-based compensation not deductible for tax purposes. The Company believes that the current tax benefit recognized in the current quarter will be realized in future quarters. The Company did not include any fair value adjustments not reasonably estimable for the full-year in the calculation of its AETR as the full-year impact of these specific items cannot be reasonably projected. Refer to Note 14 – Seller’s Earn-out and Note 15 – Warrants for further detail on fair value adjustments for the Seller’s Earn-Out and warrant liabilities, respectively.

## 12. EQUITY-BASED COMPENSATION

### *Stock Option Award Activity*

For the three months ended June 30, 2023 and 2022, \$3 and \$63, respectively, of equity-based compensation expense was recognized related to equity options granted, and for the six months ended June 30, 2023 and 2022, \$3 and \$125, respectively, of the equity-based compensation expense was recognized related to equity options granted.

The following table summarizes stock option activity for the six months ended June 30, 2023:

	<b>Stock Options</b>	<b>Weighted-Average Exercise Price</b>
Outstanding as of December 31, 2022	6,915,715	\$ 0.61
Exercised	(233,467)	0.64
Forfeited	(18,563)	0.74
Outstanding as of June 30, 2023	<u>6,663,685</u>	<u>\$ 0.60</u>
Exercisable as of June 30, 2023	<u>6,637,305</u>	<u>\$ 0.60</u>

### Restricted Stock Units

On May 24, 2023, the Company granted 5,564,806 Restricted Stock Units (“RSUs”) at a fair value of \$1.51 per share to employees and Board members, which consisted of a mix of both time-based and performance-based vesting conditions (“PSUs”). The vesting conditions for the PSUs are based on achievement of revenue targets.

Equity-based compensation expense was not recognized on the PSUs for the three and six months ended June 30, 2023 and 2022 or the three and six months ended June 30, 2022, on the basis that achievement of the specified performance targets was not considered probable to be met in the periods. All PSUs granted in the year ended December 31, 2022 were cancelled as of December 31, 2022 due to not obtaining the defined targets of the related grants.

For the three months ended June 30, 2023 and 2022, \$1,822, and \$3,793 of equity-based compensation expense was recognized, and for the six months ended June 30, 2023 and 2022, \$3,265 and \$5,719 of equity-based compensation expense was recognized, related to RSUs with time-based vesting conditions.

The following summarizes RSU activity for the six months ended June 30, 2023:

	<b>Restricted Stock Units</b>	<b>Weighted-Average Grant Date Fair Value</b>
Outstanding as of December 31, 2022	2,764,681	\$ 9.23
Granted	5,564,806	1.51
Vested	(954,798)	9.12
Forfeited	(134,216)	8.85
Outstanding as of June 30, 2023	<u>7,240,473</u>	<u>\$ 3.32</u>

### Employee Stock Purchase Plan

On December 21, 2021, the Company’s stockholders approved the AdTheorent Holding Company, Inc. Employee Stock Purchase Plan (the “ESPP”) and the ESPP became effective on such date with an authorized 2,026,328 shares of common stock (subject to certain adjustments to reflect changes in the Company’s capitalization) are reserved and may be purchased by eligible employees who become participants in the ESPP. The purchase price per share of the common stock is the lesser of 85% of the fair market value of a share of common stock on the offering date or 85% of the fair market value of a share of common stock on the purchase date. The first offering period under the ESPP began August 15, 2022 and ended January 14, 2023. Beginning with the second offering period beginning January 14, 2023, each offering period will be six months. Pursuant to the ESPP, on January 1, 2023, the Company added 869,863 shares available for issuance. As of June 30, 2023, there were 2,784,758 shares of common stock available for issuance pursuant to the ESPP.

Total compensation expense related to the ESPP was \$35 and \$0 for the three months ended June 30, 2023 and 2022, respectively, and \$72 and \$0 for the six months ended June 30, 2023 and 2022, respectively, classified within each applicable operating expense category on the accompanying Consolidated Statements of Operations and in the equity-based compensation table below.

The fair value of the purchase rights granted under the ESPP for the offering period beginning January 14, 2023 was \$0.68. It was estimated by applying the Black-Scholes Option-Pricing model (“BSM”) to the purchase period in the offering period using the following assumptions:

	<b>January 14, 2023</b>
Grant price	\$ 1.85
Expected term	6 months
Expected volatility	76.91 %
Risk-free interest rate	4.77 %
Expected dividend yield	0.00 %

*Grant price* - Closing stock price on the first day of the offering period

*Expected Term* - The expected term is based on the end date of the purchase period of each offering period, which is three months from the commencement of each new offering period.

*Expected volatility* - The expected volatility is based on historical volatility of the Company's stock as well as the implied volatility from publicly traded options on the Company's stock.

*Risk-free interest rate* - The risk-free interest rate is based on a United States ("U.S.") Treasury rate in effect on the date of grant with a term equal to the expected term.

### Equity-Based Compensation Expense

The following table summarizes the total equity-based compensation expense included in the Condensed Consolidated Statements of Operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Platform operations	\$ 300	\$ 618	\$ 507	\$ 880
Sales and marketing	727	1,275	1,342	1,853
Technology and development	206	642	389	1,024
General and administrative	627	1,321	1,102	2,087
Total equity-based compensation expense	\$ 1,860	\$ 3,856	\$ 3,340	\$ 5,844

Equity-based compensation included in capitalized software development costs was \$72 and \$0 for the three months ended June 30, 2023 and 2022, respectively and \$144 and \$0 for the six months ended June 30, 2023 and 2022, respectively.

As of June 30, 2023, all stock options were vested and the related compensation cost was fully recognized.

As of June 30, 2023, there was \$18,603 of total unrecognized compensation expense related to the RSUs, which is expected to be recognized over a weighted average period of 1.8 years.

### 13. EQUITY

The Company has authorized a total of 370,000,000 shares for issuance with 350,000,000 shares designated as common stock and 20,000,000 shares designated as preferred stock.

The Company's common stockholders are entitled to one vote per share for the election of the Company directors and all other matters submitted to a vote of stockholders of the company. Additionally, the Company's common stockholders will be entitled to receive dividends when, as and if declared by the Company Board, payable either in cash, in property or in shares of capital stock, after payment to any Company preferred stockholders having preference, if any. Out of the total authorized common stock, 87,970,897, and 86,968,309 were issued and outstanding as of June 30, 2023 and December 31, 2022, respectively.

The Company's Board is authorized to issue shares of preferred stock, without stockholder approval, with such designations, voting and other rights and preferences as they may determine. As of June 30, 2023 and December 31, 2022, there were no shares of preferred stock issued and outstanding.

### 14. SELLER'S EARN-OUT

The estimated fair value of the Seller's Earn-Out, as defined in Note 15 – Seller's Earn-Out included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, was determined using a Monte Carlo simulation valuation model using the most reliable information available. Assumptions used in the valuation were as follows:

	June 30, 2023	December 31, 2022
Stock price	\$ 1.40	\$ 1.66
Dividend yield	0.00 %	0.00 %
Volatility	80.00 %	75.00 %
Risk-free rate	4.49 %	4.37 %
Forecast period (in years)	1.48	1.98

*Dividend yield* - The expected dividend assumption is based on the Company's history and expectation of dividend payouts. The Company has not paid and does not intend to pay dividends.

*Expected Volatility* - The expected volatility assumption was determined by examining the Company's historical volatility, the historical volatilities of a group of industry peers, and the implied volatility from the market price of the Public Warrants.

*Risk-free rate* - The risk-free rate assumption is based on the U.S. Treasury instruments, the terms of which were consistent with the expected term of the Seller's Earn-Out.

*Forecast period* - The forecast period represents the time until expiration of the Seller's Earn-Out.

***Seller's Earn-Out to equity holders and vested Exchanged Options as of Close:***

The Seller's Earn-Out is recorded on the Condensed Consolidated Balance Sheet as a non-current liability since the expected date of achievement based on the valuation model is over twelve months as of June 30, 2023. The following table presents activity for the Seller's Earn-Out measured using the Monte Carlo model, described above, as of June 30, 2023 and December 31, 2022:

	<b>Seller's Earn-Out</b>	
Balance at December 31, 2022	\$	773
Change in fair value		(525)
Balance at June 30, 2023	\$	248

***Seller's Earn-Out to Exchanged Option and Exchanged Unit holders as of Close:***

Equity-based compensation related to the Seller's Earn-Out to Exchanged Option and Exchanged Unit holders was \$0 and \$499 for the three months ended June 30, 2023 and 2022, respectively, and \$0 and \$991 for the six months ended June 30, 2023 and 2022, respectively. The compensation expense was fully recognized in the third quarter of 2022.

Equity-based compensation expense related to the Seller's Earn-Out to Exchanged Option and Exchanged Unit holders was included in the Company's Condensed Consolidated Statements of Operations for the three and six months ended June 30, 2022 as follows:

	<b>Three Months Ended June 30, 2022</b>		<b>Six Months Ended June 30, 2022</b>	
Platform operations	\$	59	\$	117
Sales and marketing		147		295
Technology and development		49		94
General and administrative		244		485
Total	\$	499	\$	991

**15. WARRANTS**

The following table summarizes the number of outstanding Public Warrants and Private Placement Warrants and the corresponding exercise price:

	<b>June 30, 2023</b>	<b>December 31, 2022</b>	<b>Exercise Price</b>	<b>Expiration Date</b>
Public Warrants	10,541,657	10,541,657	\$ 11.50	December 21, 2026
Private Placement Warrants	5,432,237	5,432,237	\$ 11.50	December 21, 2026

Of the 5,432,237 Private Placement Warrants, 551,096 warrants are held in escrow subject to earn-out targets ("Escrow Warrants"). The Escrow Warrants will be released if the volume-weighted average price of the Company's common stock equals or exceeds \$14.00 per share for any 20 trading days within any consecutive 30 trading day period on or before December 21, 2024.

### Measurement of Public Warrants

The Public Warrants are measured at fair value on a recurring basis. The measurement of the Public Warrants as of June 30, 2023 is classified as Level 1 due to the use of an observable market quote in an active market under the ticker ADTHW. There were 10 warrants exercised in the three and six months ended June 30, 2022.

### Measurement of Private Placement Warrants

The Private Placement Warrants are measured at fair value on a recurring basis. As of June 30, 2023, a BSM was used to determine fair value and as of December 31, 2022, a Monte Carlo simulation model is used to determine fair value. The measurement of the Private Placement Warrants is classified as Level 2.

The key inputs into the BSM and Monte Carlo simulation model as of June 30, 2023 and December 31, 2022, respectively, for the Private Placement Warrants were as follows:

	June 30, 2023		December 31, 2022
Risk-free interest rate		4.40 %	4.07 %
Dividend yield		0.00 %	0.00 %
Expected term (years)		3.48	3.98
Expected Volatility		80.00 %	69.50 %
Exercise Price	\$	11.50	\$ 11.50
Stock Price	\$	1.40	\$ 1.66

The volatility utilized in estimating the fair value of the Company's Private Placement Warrant liability as of June 30, 2023, was based on a weighted average of the implied volatility, the guideline public company volatility, and the Company's historical volatility. The implied volatility was calculated from the public warrants and using the Monte Carlo simulation approach. The guideline public company volatility was estimated based on historical lookback volatility of guideline public companies over a term commensurate with the expected term of the warrant, as well as consideration to implied volatilities sourced from Bloomberg, L.P. The Company's historical volatility was estimated based on the historical lookback of AdTheorent's volatility over the time since the Company was publicly traded.

The volatility utilized in estimating the fair value of the Company's Private Placement Warrant liability as of December 31, 2022, was based on a weighted average of the implied volatility and guideline public company volatility. The implied volatility was estimated by calibrating to the market price of the public warrants as of December 31, 2022, using a binomial lattice model. The guideline public company volatility was estimated based on historical lookback volatility of guideline public companies over a term commensurate with the expected term of the warrant, as well as consideration to implied volatilities sourced from Bloomberg, L.P.

Key assumptions are as follows:

*Risk-free interest rate* - The risk-free rate assumption is based on the U.S. Treasury instruments, the terms of which were consistent with the expected term of the Private Placement Warrants.

*Dividend yield* - The expected dividend assumption is based on the Company's history and expectation of dividend payouts. The Company has not paid and does not intend to pay dividends.

*Expected term* - The forecast period represents the time until expiration of the Private Placement Warrants.

*Expected Volatility* - The expected volatility assumption was determined by examining the Company's historical volatility, the historical volatilities of a group of industry peers, and the implied volatility from the market price of the Public Warrants.



### **Warrant liability**

On June 30, 2023, the fair values of the Public Warrants and Private Placement Warrants outstanding were determined to be \$0.11 and \$0.18 per warrant, respectively. On December 31, 2022, the Public Warrants and Private Placement Warrants outstanding were determined to be \$0.10 and \$0.23 per warrant, respectively.

The following table presents the changes in the fair value of the Public and Private Placement Warrants:

	<b>Public Warrants</b>	<b>Private Placement Warrants</b>	<b>Total Warrant Liabilities</b>
Fair value as of December 31, 2022	\$ 1,054	\$ 1,244	\$ 2,298
Change in valuation inputs or other assumptions	105	(251)	(146)
Fair value as of June 30, 2023	<u>\$ 1,159</u>	<u>\$ 993</u>	<u>\$ 2,152</u>

## **16. SYMETRYML AND SYMETRYML HOLDINGS**

SymetryML Holdings, LLC (“SymetryML Holdings”) was a subsidiary of Legacy AdTheorent after a contribution of Legacy AdTheorent’s SymetryML department in exchange for membership interest. Class B interests in SymetryML Holdings that vest over time, comprising 50% of the total equity interests of SymetryML Holdings, were offered to certain employees (a non-controlling interest) of SymetryML. Legacy AdTheorent retained the remaining 50% total equity interests, through the holding of all Class A equity interests in SymetryML Holdings.

SymetryML Holdings and SymetryML was ultimately deconsolidated as of March 31, 2022 through a series seed preferred financing transaction (“Deconsolidation”), resulting in a gain of \$1,939, of which \$541 related to the remeasurement of the retained noncontrolling investment to fair value. The gain of \$1,939 was recorded within Other Income on the Company’s Condensed Consolidated Statements of Operations for the six months ended June 30, 2022.

The following table shows the amounts related to the accounting for the Deconsolidation:

	<b>For the Six Months Ended June 30, 2022</b>
Fair value of consideration received	\$ —
Fair value of retained noncontrolling interest	861
Carrying amount of deconsolidated noncontrolling interest	2,372
Less: Carrying amount of deconsolidated net assets	(1,294)
Gain on Deconsolidation	<u>\$ 1,939</u>

The Deconsolidation resulted in the removal of the noncontrolling interest presentation and therefore there is no noncontrolling interest as of June 30, 2023 or December 31, 2022.

### **VIE Determination**

Based on the Company’s assessment, after the Deconsolidation, SymetryML is considered a variable interest entity (“VIE”) because it does not have sufficient equity at risk to finance its activities without additional subordinated financial support. SymetryML Holdings is not the primary beneficiary as it no longer has the power to direct the activities that most significantly impact SymetryML’s economic performance.

Based on the Company’s assessment, SymetryML Holdings, after the Deconsolidation, is considered a VIE because the holders of the equity investment at risk, as a group, lack the power to direct the activities of SymetryML Holdings that most significantly impact its economic performance. This is due to the conclusion that Class B equity interests do not meet the definition of equity at risk because the Class B interests were issued by Legacy AdTheorent to SymetryML management as founders’ equity to compensate for past and future services to SymetryML. The Company further concluded that the Company is not the primary beneficiary as it no longer has the power to direct the activities that most significantly impact SymetryML economic performance.

As a result of the Deconsolidation of SymetryML and SymetryML Holdings, the Company has retained a noncontrolling investment in SymetryML Holdings that provides the Company the ability to exercise significant influence over both VIEs. The entities continue to be considered related parties of the Company following the Deconsolidation.

### **Retained Fair Value Option Investments in SymetryML and SymetryML Holdings**

For its retained noncontrolling investment in SymetryML Holdings, the Company has made an irrevocable election to account for its investment at fair value with changes in fair value reported in earnings. The Company elected to apply fair value accounting to the retained investment in SymetryML Holdings because the Company believes that fair value is the most relevant measurement attribute for these investments, as well as to reduce operational and accounting complexity. The Company's election to apply fair value accounting to these investments may cause fluctuations in the Company's earnings from period to period. The fair value of the Company's retained investment was \$631 and \$789 as of June 30, 2023 and December 31, 2022, respectively.

The fair value measurements involve significant unobservable inputs, which include total equity value of SymetryML, volatility, risk-free rate, equity holder required rate of return, and discount for lack of marketability ("DLOM"). The total equity value of SymetryML was calculated using the Backsolve Method under the Market Approach. The volatility was based on guideline public companies and adjusted for differences in size and leverage. The risk-free rate was based on U.S. Treasury securities with a term commensurate with the time to exit. The equity holder required rate of return was based on private equity and venture capital rate of return studies. The DLOM was estimated based on put option models and series volatility.

The Company's maximum exposure to loss as a result of its involvement with these VIEs is limited to the carrying amount of its investment which is recorded at fair value each reporting period as described above. There are not any explicit or implicit contracts, guarantees, or commitments that would require the Company to provide financial support to the investees or any other arrangements that could expose the Company to losses beyond the fair value of its current investment.

## **17. FAIR VALUE MEASUREMENTS**

The following tables summarize the Company's assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy:

	<b>June 30, 2023</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets:</b>				
Investment in SymetryML Holdings(2)	\$ —	\$ —	\$ 631	\$ 631
<b>Total assets</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 631</b>	<b>\$ 631</b>
<b>Liabilities:</b>				
Public warrants(1)	\$ 1,159	\$ —	\$ —	\$ 1,159
Private placement warrants(1)	—	993	—	993
Seller's Earn-Out(1)	—	—	248	248
<b>Total liabilities</b>	<b>\$ 1,159</b>	<b>\$ 993</b>	<b>\$ 248</b>	<b>\$ 2,400</b>
	<b>December 31, 2022</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets:</b>				
Investment in SymetryML Holdings(2)	\$ —	\$ —	\$ 789	\$ 789
<b>Total assets</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 789</b>	<b>\$ 789</b>
<b>Liabilities:</b>				
Public warrants(1)	\$ 1,054	\$ —	\$ —	\$ 1,054
Private placement warrants(1)	—	1,244	—	1,244
Seller's Earn-Out(1)	—	—	773	773
<b>Total liabilities</b>	<b>\$ 1,054</b>	<b>\$ 1,244</b>	<b>\$ 773</b>	<b>\$ 3,071</b>

- (1) Refer to Note 15 — Seller's Earn-Out and Note 16 — Warrants included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, for further information about the initial and subsequent measurement, including significant assumptions and valuation methodologies of these instruments.

- (2) Refer to Note 16 — SymetryML and SymetryML Holdings below for further information about the initial measurement, including significant assumptions and valuation methodologies of this investment.

The following tables present a rollforward of the Company's assets and liabilities classified as Level 3 for six months ended June 30, 2023 and 2022.

	<b>Six Months Ended June 30, 2023</b>	
	<b>Investment in SymetryML Holdings</b>	<b>Seller's Earn-Out Liability</b>
Balance as December 31, 2022	\$ 789	\$ 773
Measurement adjustments	(158)	(525)
Balance as of June 30, 2023	<u>\$ 631</u>	<u>\$ 248</u>

	<b>Six Months Ended June 30, 2022</b>	
	<b>Investment in SymetryML Holdings</b>	<b>Seller's Earn-Out Liability</b>
Balance as December 31, 2021	\$ —	\$ 18,081
Additions	861	—
Measurement adjustments	(10)	(12,763)
Balance as of June 30, 2022	<u>\$ 851</u>	<u>\$ 5,318</u>

## 18. EARNINGS PER SHARE

The computation of net income per share was as follows:

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Net income attributable to AdTheorent Holding Company, Inc.</b>	\$ 8,082	\$ 57,777	\$ 2,859	\$ 16,037
Weighted-average common shares outstanding - basic	87,874,081	85,766,302	87,713,571	85,775,210
Effect of dilutive equity-based awards	4,913,874	7,636,348	4,693,689	7,508,309
Weighted-average common shares outstanding - diluted	<u>92,787,955</u>	<u>93,402,650</u>	<u>92,407,260</u>	<u>93,283,519</u>
<b>Earnings per share:</b>				
Basic	\$ 0.09	\$ 0.67	\$ 0.03	\$ 0.19
Diluted	\$ 0.09	\$ 0.62	\$ 0.03	\$ 0.17

The following outstanding potentially dilutive securities were excluded from the calculation of diluted net income per common stockholder because their impact would have been anti-dilutive for the period presented, or their contingency conditions were not met:

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Stock options	2,029,697	310,866	2,146,708	326,231
Restricted stock units	5,922,608	3,603,659	6,025,782	3,716,334
Public warrants	10,541,657	10,541,657	10,541,657	10,541,657
Private placement warrants (1)	5,432,237	5,432,237	5,432,237	5,432,237
Seller's Earn-Out	6,785,714	6,785,714	6,785,714	6,785,714
Sponsor Earn-Out	598,875	598,875	598,875	598,875
Total	<u>31,310,788</u>	<u>27,273,008</u>	<u>31,530,973</u>	<u>27,401,048</u>

(1) Of the 5,432,237 Private Placement Warrants, 551,096 warrants are held in escrow subject to earn-out targets.

## 19. LEASES

The Company has operating lease agreements for office space in the U.S. With the exception of the New York headquarters office lease, the Company's leases expire at various times through July 2025 and certain leases may be extended at the Company's option. The New York headquarters office lease expires in 2028. The Company recognizes operating lease expense on a straight-line basis over the term of the lease.

Additionally, the Company has short-term leases with an initial term of twelve months or less that are not recorded on the Condensed Consolidated Balance Sheets.

Lease expense is allocated to operating expense categories (Platform operations, Sales and marketing, Technology and development, General and administrative) in the Condensed Consolidated Statements of Operations in proportion to headcount in each of these categories. The components of lease expense for the three and six months ended June 30, 2023 and 2022 were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Operating lease cost	\$ 244	\$ 241	\$ 499	\$ 472
Short term lease cost	\$ 138	\$ 27	\$ 264	\$ 49
Variable lease cost	\$ —	\$ —	\$ —	\$ —

Supplemental cash flow information related to the Company's operating leases for the six months ended June 30, 2023 and 2022 were as follows:

	Six Months Ended June 30,	
	2023	2022
Operating cash flows used for operating leases	\$ 749	\$ 613
Right-of-use assets obtained in exchange for new operating lease obligations	\$ —	\$ 214

Supplemental balance sheet information related to the Company's operating leases as of June 30, 2023 and December 31, 2022 were as follows:

	June 30, 2023	December 31, 2022
Weighted average remaining lease term (years)	5.12	5.59
Weighted average discount rate (%)	3.25%	3.25%

Approximate future minimum lease payments for the Company's operating leases are as follows as of June 30, 2023:

	June 30, 2023
Remainder of 2023	\$ 735
2024	1,441
2025	1,433
2026	1,415
2027	1,364
Thereafter	1,023
Total operating lease payments	7,411
Less: Imputed interest	(579)
Total operating lease liabilities	\$ 6,832

In connection with one lease agreement, the Company maintains a letter of credit in the total amount of \$983 as of both June 30, 2023 and December 31, 2022.

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

*This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements generally relate to future events or our future financial or operating performance and may include statements concerning, among other things, our business strategy (including anticipated trends and developments in, and management plans for, our business and the markets in which we operate), financial results, operations, and the markets and communities in which we, our clients, and partners operate, results of operations, revenues, operating expenses, and capital expenditures, sales and marketing initiatives and competition. In some cases, you can identify forward-looking statements because they contain words such as “may,” “might,” “will,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “target,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “suggests,” “potential” or “continue” or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. These statements are not guarantees of future performance; they reflect our current views with respect to future events and are based on assumptions and are subject to known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from expectations or results projected or implied by forward-looking statements.*

*We discuss many of these risks in our Annual Report on Form 10-K for the year ended December 31, 2022 in greater detail under the heading “Item 1A. Risk Factors” and in other filings we make from time to time with the Securities and Exchange Commission (“SEC”). Also, these forward-looking statements represent our estimates and assumptions only as of the date of this Quarterly Report on Form 10-Q, which are inherently subject to change and involve risks and uncertainties. Unless required by federal securities laws, we assume no obligation to update any of these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated, to reflect circumstances or events that occur after the statements are made. Given these uncertainties, investors should not place undue reliance on these forward-looking statements.*

*Investors should read this Quarterly Report on Form 10-Q and the documents that we reference in this report and have filed with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2022, completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.*

*References to “Notes” are notes included in our unaudited Condensed Consolidated Financial Statements appearing elsewhere in this Quarterly Report on Form 10-Q.*

*Unless otherwise indicated, the terms “AdTheorent,” “Company,” “we,” “us,” or “our” refer to AdTheorent Holding Company, Inc., together with its consolidated subsidiaries.*

### **Business Overview**

Founded in 2012, we are a digital media platform which focuses on performance-first, privacy-forward methods to execute programmatic digital advertising campaigns, serving both advertising agency and brand customers. Without relying on individualized profiles or sensitive personal data for targeting, we utilize machine learning and advanced data analytics to make programmatic digital advertising more effective and efficient at scale, delivering measurable real-world value for advertisers. Our differentiated advertising capabilities and superior campaign performance, measured by customer-defined business metrics or key performance indicators, have helped fuel our customer adoption and year-after-year growth.

We use machine learning and advanced data science to organize, analyze and operationalize non-sensitive data to deliver real-world value for customers. Central to our ad-targeting and campaign optimization methods, we build custom machine learning models for each campaign using historic and real-time data to predict future consumer conversion actions for every digital ad impression. We have integrations with Digital Ad Exchanges, or Supply Side Platforms (“SSPs”), from which we are sent ad impression opportunities for evaluation and purchase. We predictively score all ad impression opportunities for the purpose of deciding which ad impressions will likely drive valuable conversions or engagement activity for our customers. Our predictive platform scores up to one million digital ad impressions per second and 70 billion to 80 billion digital ad impressions per day, assigning a “predictive score” to each. Each predictive score is determined by correlating non-individualized data attributes associated with the particular impression with data corresponding to previously purchased impressions that yielded consumer conversion or engagement activity. Such non-individualized attributes include variables such as publisher, content and URL keywords, device make, device operating system and other device attributes, ad position, geographic data, weather, demographic signals, creative type and size, etc. The “predictive scores” generated by our platform allow us and our advertising clients to determine which ad impressions are more likely or less likely to result in client-desired key performance

indicators. Our machine learning models are customized for every campaign and our platform “learns” over the course of each campaign as it processes more data related to post media view conversion experience. Based on these statistical probabilities or “predictive scores,” our platform automatically determines bidding optimizations to drive conversions and advertiser return on investment (“ROI”) or return on advertising spend (“ROAS”), delivering on less than 0.001 of the evaluated advertising requests. Our use of machine learning and data science helps us to maximize efficiency and performance, enabling our customers to avoid wasted ad spend related to suboptimal impressions such as impressions that are predicted to be at a greater risk for fraud/invalid traffic or impressions with a higher likelihood of being unviewable, unmeasurable, or not brand safe, among other factors.

Our capabilities extend across the digital ecosystem to identify and engage digital impressions with the highest likelihood of completing customer-desired actions, including online sales, other online actions, and real-world actions such as physical location visitation, in-store sales or vertical specific KPI's such as prescription fills/lift or submitted credit card applications. Our custom and highly impactful campaign executions encompass popular digital screens — mobile, desktop, tablet, connected TV (“CTV”), Digital Out of Home (“DOOH”) — and all digital ad formats, including display, rich media, video, native and streaming audio. We actively manage our digital supply to provide advertisers with scale and reach, while minimizing redundant inventory, waste and other inefficiencies. Our CTV capability delivers scale and reach supplemented by innovative and industry recognized machine-learning optimizations towards real-world actions and value-added measurement services.

Our platform and machine learning-based targeting provide privacy advantages that are lacking from alternatives which rely on individual user profiles or cookies employing a “one-to-one” approach to digital ad targeting. Our core targeting approach is statistical, not individualized, and as a result we do not need to compile or maintain user profiles, and we do not rely on cookies or user profiles for targeting. Our solution-set is especially valuable to regulated customers, such as financial institutions and pharmaceutical or health companies, and other privacy-forward advertisers who desire efficient and effective digital ad-targeting without individualized or personal targeting data. We adhere to data usage protocols and model governance processes which help to ensure that each customer’s data is safeguarded and used only for that customer’s benefit, and we take a consultative and collaborative approach to data use best practices with all of our customers.

Supplementing our core machine learning-powered platform capabilities, we offer customized vertical solutions to address the needs of advertisers in specialized industries. These specialized solutions feature vertical-specific capabilities related to targeting, measurement and audience validation. Our broader health offering, which encompasses engagements with customers in the verticals and sub-verticals of healthcare, pharmaceutical, pharmacy, over-the-counter brands, and health-related government (collectively, “AdTheorent Health”), harnesses the power of machine learning to drive superior performance on campaigns targeting both healthcare providers and patients, leveraging Health Insurance Portability and Accountability Act (“HIPAA”) compliant methods and targeting practices that comply with Network Advertising Initiative Code and other self-regulatory standards. In the third quarter of 2022, we launched our AdTheorent Health Predictive Audience Builder, a new-to-market solution which allows programmatic advertisers to use aggregated health data to research and target “audiences” in a more precise, data-driven and less opaque manner than what is currently available across the industry. This solution leverages primary-sourced health data and machine learning to create statistical representations of audiences, but notably is not ID-based and does not include Personal Health Information. These features allow AdTheorent Health Predictive Audiences to be built for performance, with the goal of achieving health advertisers' key performance indicators, while being privacy forward and HIPAA-compliant by design. Subsequently, in the fourth quarter and part of our strategy to establish a scalable foundation for the deployment of innovative verticalized solutions, we launched AdTheorent Predictive Audience Builder, a platform tool that allows advertisers to build customizable, machine learning-based audiences for other key verticals such as banking, financial services and insurance (“BFSI”) and retail. We have also created additional offerings tailored to address the unique challenges and opportunities in a growing range of other verticals.

## **Factors Affecting Our Performance**

### ***Growth of the Programmatic Advertising Market***

Our operating results and prospects will be impacted by the overall continued adoption of programmatic advertising by inventory owners and content providers, as well as advertisers and the agencies that represent them. Programmatic advertising has grown rapidly in recent years; however, recent negative macro-economic sentiment has impacted advertiser spending. Any acceleration, or slowing, of programmatic advertising growth, due to macro-economic factors or otherwise, would affect our operating and financial performance. In addition, even if the programmatic advertising market continues to grow at its current rate, our ability to successfully position ourselves within the market will impact the future growth of the business.

### ***Investment in Platform and Solutions to Provide Continued Differentiation in Evolving Market***

We believe that the capabilities and differentiation of our platform and solutions has been critical to our historical growth. Continued innovation in an evolving programmatic marketplace will be an important driver of our future growth. We anticipate that operating expenses will increase in the foreseeable future as the Company invests in platform operations and technology, data science and machine learning capabilities, and data infrastructure and tools to enhance our custom solutions and value-added offerings. We believe that these investments will contribute to our long-term growth, although they may have a negative impact on profitability in the near-term.

### ***Growth in and Retention of Customer Spend***

We plan to make incremental investments in sales and marketing to acquire new customers and increase existing customers' usage of our platform and solutions. We believe that there is significant room for growth within our existing customers, which include many large global brands and advertising agencies. Future revenue and profitability growth depends upon our ability to cost effectively on-board new customers and our on-going ability to retain and scale existing customers.

Our growth has and may continue to be impacted by macroeconomic factors beyond our control such as inflation, rising interest rates, pandemic related factors, global geopolitical uncertainties, among other things, as well as possible year-over-year declines in our acquisition of new customers.

### ***Ability to Continue to Access High Performing Media Inventory in Existing and Emerging Channels***

Our ability to deliver upon clients' targeted key performance indicators is reliant upon our ability to access high quality media inventory across multiple advertising channels at scale. Our future growth will depend on our ability to maintain and grow spend on existing and emerging channels, including advertising on display, rich media, native, video and audio ad formats across mobile, desktop, and CTV formats.

### ***Development of International Markets***

Although almost all of our historic revenue is attributable to campaigns and operations in the United States and Canada, we plan to continue to explore opportunities to serve new international markets, including serving the global needs of existing customers. We believe that the global opportunity for programmatic advertising is significant and should continue to expand as publishers and advertisers outside the United States and Canada increasingly seek to adopt the benefits that programmatic advertising provides. We believe that our privacy-forward approach to ad targeting and data usage will provide desired differentiation and value in highly and increasingly regulated markets such as the European Union, which is subject to the General Data Protection Regulation. Our ability to efficiently expand into new markets will affect our operating results.

### ***Managing Seasonality***

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. In addition to the impact on revenue, increased fourth quarter demand for advertising inventory applies additional upward pressure on fourth quarter media costs, which adversely impacts profitability. We expect seasonality trends to continue, and our ability to manage resources in anticipation of these trends could affect operating results.

### ***Key Business Metric***

To analyze our business performance, determine financial forecasts and help develop long-term strategic plans, we review the following key business metric:

#### ***Active Customers***

We track active customers, which are defined as our customers who spent over \$5,000 during the previous twelve months. We monitor active customers to help understand our revenue performance. Additionally, monitoring active customers helps us understand the nature and extent to which the active customer base is growing, which assists management in establishing operational goals.

The number of active customers as of June 30, 2023 was 340 and as of June 30, 2022 was 331, increasing by 9 customers, or 3%, respectively, year over year. The number of active customers as of December 31, 2022 was 347.

## Results of Operations

The period-to-period comparisons of our results of operations have been prepared using the historical periods included in our Condensed Consolidated Financial Statements. The following discussion should be read in conjunction with the Condensed Consolidated Financial Statements and related notes included elsewhere in this document as well as the Consolidated Financial Statements within our Annual Report on Form 10-K for the year ended December 31, 2022, as filed with the SEC, for additional information regarding the components of our results of operations and our accounting policies.

### Three and Six Months Ended June 30, 2023 Compared to Three and Six Months Ended June 30, 2022

The following table summarizes our historical results of operation for the periods presented:

	Three Months Ended				Six Months Ended			
	June 30, 2023		June 30, 2022		June 30, 2023		June 30, 2022	
	(in thousands)	(% of Revenue)	(in thousands)	(% of Revenue)	(in thousands)	(% of Revenue)	(in thousands)	(% of Revenue)
Revenue	\$ 37,587	100.0%	\$ 42,476	100.0%	\$ 70,261	100.0%	\$ 76,717	100.0%
Operating expenses:								
Platform operations	20,735	55.2%	20,854	49.1%	39,122	55.7%	38,626	50.3%
Sales and marketing	10,624	28.3%	11,083	26.1%	20,931	29.8%	21,413	27.9%
Technology and development	3,368	9.0%	4,153	9.8%	6,659	9.5%	8,438	11.0%
General and administrative	3,589	9.5%	5,103	12.0%	7,525	10.7%	10,704	14.0%
Total operating expenses	38,316	101.9%	41,193	97.0%	74,237	105.7%	79,181	103.2%
(Loss) income from operations	(729)	-1.9%	1,283	3.0%	(3,976)	-5.7%	(2,464)	-3.2%
Interest income (expense), net	424	1.1%	(47)	-0.1%	1,043	1.5%	(156)	-0.2%
Gain on change in fair value of Seller's Earn-Out	292	0.8%	37,419	88.1%	525	0.7%	12,763	16.6%
Gain on change in fair value of warrants	415	1.1%	18,523	43.6%	146	0.2%	2,587	3.4%
Gain on deconsolidation of SymetryML	—	0.0%	—	0.0%	—	0.0%	1,939	2.5%
Loss on change in fair value of SAFE Notes	—	0.0%	—	0.0%	—	0.0%	(788)	-1.0%
Gain (loss) on fair value of investment in SymetryML Holdings	10	0.0%	(10)	0.0%	(158)	-0.2%	(10)	0.0%
Other income (expense), net	4	0.0%	(1)	0.0%	(37)	-0.1%	(19)	0.0%
Total other income, net	1,145	3.0%	55,884	131.6%	1,519	2.2%	16,316	21.3%
Net income (loss) before income taxes	416	1.1%	57,167	134.6%	(2,457)	-3.5%	13,852	18.1%
Benefit for income taxes	7,666	20.4%	610	1.4%	5,316	7.6%	1,635	2.1%
Net income	\$ 8,082	21.5%	\$ 57,777	136.0%	\$ 2,859	4.1%	\$ 15,487	20.2%



## Revenue

(\$ in thousands)	2023	2022	Change	
			\$	%
Three Months Ended June 30,	\$ 37,587	\$ 42,476	\$ (4,889)	(11.5)%
Six Months Ended June 30,	\$ 70,261	\$ 76,717	\$ (6,456)	(8.4)%

Total revenue decreased \$4.9 million, or 11.5%, for the three months ended June 30, 2023 as compared to the three months ended June 30, 2022. The largest drivers of the decrease were in the BFSI, retail, healthcare/pharmaceutical, and software/websites verticals, which collectively decreased by \$8.1 million, or 29.4%. The BFSI vertical was impacted by negative macroeconomic conditions affecting automotive finance and insurance. In the healthcare and retail verticals, we saw budget cuts in the quarter from a small number of customers. Despite the slower pace of spend in the quarter, the number of health advertisers increased. Offsetting these decreases were increases in the alcohol/tobacco, government/education/nonprofit, Consumer Packaged Goods (“CPG”), and travel verticals totaling approximately \$3.9 million, or 38.0%.

Total revenue decreased \$6.5 million or 8.4%, for the six months ended June 30, 2023 as compared to the six months ended June 30, 2022. The largest drivers of the decrease were in the BFSI, retail, government/education/nonprofit, and software/websites verticals, which collectively decreased by \$10.4 million, or 28.1%. The BFSI vertical was impacted by negative macroeconomic conditions affecting automotive finance and insurance and the decrease in the government/education/nonprofit vertical was driven by declines in public health campaigns related to the COVID-19 pandemic. Offsetting these decreases were increases in the travel, CPG, and alcohol/tobacco verticals totaling approximately \$4.6 million, or 43.5%.

## Operating expenses

(\$ in thousands)	2023	2022	Change	
			\$	%
Three Months Ended June 30,	\$ 38,316	\$ 41,193	\$ (2,877)	(7.0)%
Six Months Ended June 30,	\$ 74,237	\$ 79,181	\$ (4,944)	(6.2)%

Operating expenses decreased \$2.9 million, or 7.0%, for the three months ended June 30, 2023 as compared to the three months ended June 30, 2022 and decreased \$4.9 million, or 6.2%, for the six months ended June 30, 2023 as compared to the six months ended June 30, 2022. Refer to the discussion below for further details of these variances.

## Platform operations

(\$ in thousands)	2023	2022	Change	
			\$	%
Three Months Ended June 30,	\$ 20,735	\$ 20,854	\$ (119)	(0.6)%
Six Months Ended June 30,	\$ 39,122	\$ 38,626	\$ 496	1.3%

Platform operations expenses decreased by \$0.1 million, or 0.6%, for the three months ended June 30, 2023 as compared to the three months ended June 30, 2022 mainly attributable to a decrease in revenue driven traffic acquisition costs of \$0.6 million, or 4.1%, and a decrease of \$0.3 million in equity-based compensation. The decreases were offset by an increase of \$0.6 million in our data infrastructure expense attributable to data used in our platform not related to any specific campaign, and a \$0.3 million increase in hosting expense. The increase in hosting expense is primarily due to increased infrastructure to support the development of our increased investment in healthcare and a new multi-year hosting deal that will yield future incentives in this area.

Platform operations expenses increased by \$0.5 million, or 1.3%, for the six months ended June 30, 2023 as compared to the six months ended June 30, 2022 mainly due to an increase of \$0.9 million in our data infrastructure expense attributable to data used in our platform which is not related to any specific campaign and an increase in hosting expense of \$0.2 million. The increase in hosting expense is primarily due to increased infrastructure to support the development of our increased investment in healthcare and a new multi-year hosting deal that will yield future incentives in this area. The increases were offset by a decrease of \$0.4 million in equity-based compensation and a decrease of \$0.3 million in lower headcount primarily related to our personnel who set up and monitor campaign performance.

## Sales and marketing

(\$ in thousands)	2023	2022	Change	
			\$	%
Three Months Ended June 30,	\$ 10,624	\$ 11,083	\$ (459)	(4.1)%
Six Months Ended June 30,	\$ 20,931	\$ 21,413	\$ (482)	(2.3)%

Sales and marketing expenses decreased by \$0.5 million or 4.1% for the three months ended June 30, 2023 as compared to the three months ended June 30, 2022 mainly due to a \$0.5 million decrease in equity-based compensation, a decrease of \$0.2 million in employee costs primarily related to lower headcount in our sales and customer support teams, a \$0.1 million decrease in Seller's Earnout equity-based compensation as the expense was fully recognized as of September 2022, and an offsetting increase of \$0.4 million in travel-related expenses.

Sales and marketing expenses decreased by \$0.5 million, or 2.3%, for the six months ended June 30, 2023 as compared to the six months ended June 30, 2022 mainly due to a \$0.5 million decrease in equity-based compensation, a decrease of \$0.4 million in employee costs primarily related to lower headcount in our sales and customer support teams, and a \$0.3 million decrease in Seller's Earnout equity-based compensation as the expense was fully recognized as of September 2022. Offsetting the decrease is an increase of \$0.6 million for travel-related expenses.

## Technology and development

(\$ in thousands)	2023	2022	Change	
			\$	%
Three Months Ended June 30,	\$ 3,368	\$ 4,153	\$ (785)	(18.9)%
Six Months Ended June 30,	\$ 6,659	\$ 8,438	\$ (1,779)	(21.1)%

Technology and development expenses decreased \$0.8 million, or 18.9%, for the three months ended June 30, 2023 as compared to the three months ended June 30, 2022 mainly due to a \$0.5 million decrease in employee related costs related to the increase in hours worked on capitalizable projects, and a decrease in equity-based compensation of \$0.4 million.

Technology and development expenses decreased by \$1.8 million, or 21.1%, for the six months ended June 30, 2023 as compared to the six months ended June 30, 2022 mainly due to a \$0.9 million decrease in employee related costs related to the increase in hours worked on capitalizable projects, a \$0.4 million decrease in technology and development expenses related to the deconsolidation of SymetryML Holdings on March 31, 2022, and a decrease of \$0.6 million in equity-based compensation.

For further information on the deconsolidation of SymetryML Holdings, refer to Note 16 — SymetryML and SymetryML Holdings of our Condensed Consolidated Financial Statements, included elsewhere in this Form 10-Q.

## General and administrative

(\$ in thousands)	2023	2022	Change	
			\$	%
Three Months Ended June 30,	\$ 3,589	\$ 5,103	\$ (1,514)	(29.7)%
Six Months Ended June 30,	\$ 7,525	\$ 10,704	\$ (3,179)	(29.7)%

General and administrative expenses decreased \$1.5 million, or 29.7%, for the three months ended June 30, 2023 as compared to the three months ended June 30, 2022 primarily due to decreases of \$0.7 million in equity-based compensation, \$0.3 million of insurance expense, mainly driven by decrease in directors and officers insurance, \$0.2 million in Seller's Earnout equity-based compensation, and \$0.1 million related to professional service fees such as audit, legal, and professional consulting fees.

General and administrative expenses decreased by \$3.2 million, or 29.7%, for the six months ended June 30, 2023 as compared to the six months ended June 30, 2022 primarily due to a \$1.3 million decrease in professional fees such as audit, legal, and professional consulting fees related to initial costs as a publicly traded company and decreases of \$1.0 million in equity-based compensation, \$0.6 million of insurance expense, mainly driven by decrease in directors and officers insurance, and \$0.5 million decrease in Seller's Earnout equity-based compensation.

### Interest income (expense)

(\$ in thousands)	2023	2022	Change	
			\$	%
Three Months Ended June 30,	\$ 424	\$ (47)	\$ 471	1,002.1%
Six Months Ended June 30,	\$ 1,043	\$ (156)	\$ 1,199	768.6%

Interest income, net was \$0.4 million for the three months ended June 30, 2023 resulting in a change of \$0.5 million when compared to the three months ended June 30, 2022. The change in net interest was primarily due to an increase in interest income earned of \$0.4 million related to more favorable interest rates on money market investments.

Interest income, net was \$1.0 million for the six months ended June 30, 2023 compared to interest expense, net of \$0.2 million for the six months ended June 30, 2022. The net change of \$1.2 million was primarily due to an increase in interest income earned of \$1.1 million related to more favorable interest rates on money market investments.

### Gain on change in fair value of Seller's Earn-Out

(\$ in thousands)	2023	2022	Change	
			\$	%
Three Months Ended June 30,	\$ 292	\$ 37,419	\$ (37,127)	(99.2)%
Six Months Ended June 30,	\$ 525	\$ 12,763	\$ (12,238)	(95.9)%

For the three months ended June 30, 2023, the Seller's Earn-Out liability decreased \$0.3 million in fair value, resulting in a gain for that amount for the period, while in the three months ended June 30, 2022, the Seller's Earn-out liability decreased in fair value by \$37.4 million, resulting in a gain for that amount. These changes in fair value were primarily driven by updates to certain variables such as stock price, stock volatility, risk-free rate, and remaining life.

For the six months ended June 30, 2023, the Seller's Earn-Out liability decreased \$0.5 million in fair value, resulting in a gain for that amount for the period, while in the six months ended June 30, 2022, the Seller's Earn-out liability decreased in fair value by \$12.8 million, resulting in a gain for that amount. These changes in fair value were primarily driven by updates to certain variables such as stock price, stock volatility, risk-free rate, and remaining life.

The Seller's Earn-Out was a result of the Business Combination on December 22, 2021, as detailed in Note 3 – Business Combination included in our Annual Report on Form 10-K for the year ended December 31, 2022, (“Business Combination”).

### Gain on change in fair value of warrants

(\$ in thousands)	2023	2022	Change	
			\$	%
Three Months Ended June 30,	\$ 415	\$ 18,523	\$ (18,108)	(97.8)%
Six Months Ended June 30,	\$ 146	\$ 2,587	\$ (2,441)	(94.4)%

For the three months ended June 30, 2023, the fair value of the warrants liability decreased by \$0.4 million resulting in a gain for the period, while in the three months ended June 30, 2022, the fair value of the warrants liability decreased \$18.5 million, resulting in a gain for that amount. These changes in fair value were primarily driven by updates to certain variables such as stock price, stock volatility, risk-free rate, and remaining life.

For the six months ended June 30, 2023, the fair value of the warrants liability increased by \$0.1 million resulting in a gain for the period, while in the six months ended June 30, 2022, the fair value of the warrants liability increased \$2.6 million, resulting in a gain for that amount. These changes in fair value were primarily driven by updates to certain variables such as stock price, stock volatility, risk-free rate, and remaining life.

The warrants were assumed by the Company in connection with the Business Combination.

## Benefit for income taxes

(\$ in thousands)	2023	2022	Change	
			\$	%
Three Months Ended June 30,	\$ 7,666	\$ 610	\$ 7,056	1,156.7%
Six Months Ended June 30,	\$ 5,316	\$ 1,635	\$ 3,681	225.1%

Benefit for income taxes increased \$7.1 million for the three months ended June 30, 2023 as compared to the three months ended June 30, 2022.

Benefit for income taxes increased \$3.7 million for the six months ended June 30, 2023, compared to the six months ended June 30, 2022.

The AETR for the six months ended June 30, 2023 was more than the statutory rate of 21% primarily due to lower forecasted pre-tax book income relative to expected full-year expense, state and local income taxes, meals and entertainment, and executive equity-based compensation not deductible for tax purposes. The Company believes that the current tax benefit recognized in the current quarter will be realized in future quarters. Additionally, we did not include any fair value adjustments not reasonably estimable for the full-year in the calculation of our AETR, such as the Seller's Earn-out and warrant liabilities as we cannot project the full-year impact of these specific items.

## Non-GAAP Financial Information

We calculate and monitor certain non-GAAP financial measures to help set budgets, establish operational goals, analyze financial results and performance, and make strategic decisions. We also believe that the presentation of these non-GAAP financial measures provides an additional tool for investors to use in comparing our results of operations over multiple periods. However, the non-GAAP financial measures may not be comparable to similarly titled measures reported by other companies due to differences in the way that these measures are calculated. The non-GAAP financial measures presented should not be considered as the sole measure of our performance, and should not be considered in isolation from, or a substitute for, comparable financial measures calculated in accordance with GAAP.

The information in the table below sets forth the non-GAAP financial measures that we monitor. Because of the limitations associated with these non-GAAP financial measures, "Adjusted Gross Profit," "EBITDA," "Adjusted EBITDA," "Adjusted Gross Profit as a percentage of Revenue" and "Adjusted EBITDA as a percentage of Adjusted Gross Profit" should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using non-GAAP measures on a supplemental basis. You should review the reconciliation of the non-GAAP financial measures below and not rely on any single financial measure to evaluate our business.

## Adjusted Gross Profit

Adjusted Gross Profit is a non-GAAP profitability measure. Adjusted Gross Profit is a non-GAAP financial measure of campaign profitability, monitored by management and the Board, used to evaluate our operating performance and trends, develop short- and long-term operational plans, and make strategic decisions regarding the allocation of capital. We believe this measure provides a useful period to period comparison of campaign profitability and is useful information to investors and the market in understanding and evaluating our operating results in the same manner as our management and Board. Gross profit is the most comparable GAAP measurement, which is calculated as revenue less platform operations costs. In calculating Adjusted Gross Profit, we add back other platform operations costs, which consist of amortization expense related to capitalized software, depreciation expense, allocated costs of personnel which set up and monitor campaign performance, and platform hosting, license, and maintenance costs, to gross profit.

The following table presents the calculation of gross profit and reconciliation of gross profit to Adjusted Gross Profit for the three and six months ended June 30, 2023 and 2022.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(in thousands)			
Revenue	\$ 37,587	\$ 42,476	\$ 70,261	\$ 76,717
Less: Platform operations	20,735	20,854	39,122	38,626
Gross Profit	16,852	21,622	31,139	38,091
Add back: Other platform operations	7,190	6,724	13,800	13,240
Adjusted Gross Profit (1)	\$ 24,042	\$ 28,346	\$ 44,939	\$ 51,331

#### EBITDA and Adjusted EBITDA

EBITDA is a non-GAAP financial measure defined by us as net income, before interest (income) expense, net; depreciation, amortization; and income tax benefit. Adjusted EBITDA is defined as EBITDA before equity-based compensation expense, transaction costs related to the Business Combination, non-core operations, and other non-recurring items.

Collectively these non-GAAP financial measures are key profitability measures used by our management and Board to understand and evaluate our operating performance and trends, develop short-and long-term operational plans, measure performance goals in employee equity incentive awards, and make strategic decisions regarding the allocation of capital. We believe that these measures can provide useful period-to-period comparisons of campaign profitability. Accordingly, we believe that these measures provide useful information to investors and the market in understanding and evaluating our operating results in the same manner as our management and the Board.

The following table sets forth a reconciliation of net income to Adjusted EBITDA for the three and six months ended June 30, 2023 and 2022.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(in thousands)			
Net income	\$ 8,082	\$ 57,777	\$ 2,859	\$ 15,487
Interest (income) expense, net	(424)	47	(1,043)	156
Tax benefit	(7,666)	(610)	(5,316)	(1,635)
Depreciation and amortization	2,194	1,954	4,302	4,042
EBITDA (1)	\$ 2,186	\$ 59,168	\$ 802	\$ 18,050
Equity-based compensation	1,860	3,856	3,340	5,844
Seller's Earn-Out equity-based compensation	—	499	—	991
Transaction costs (2)	—	(271)	166	(131)
Gain on change in fair value of Seller's Earn-Out (3)	(292)	(37,419)	(525)	(12,763)
Gain on change in fair value of warrants (4)	(415)	(18,523)	(146)	(2,587)
Gain on deconsolidation of SymetryML (5)	—	—	—	(1,939)
Loss on change in fair value of SAFE Notes (6)	—	—	—	788
(Gain) loss on fair value of investment in SymetryML Holdings	(10)	10	158	10
Non-core operations (7)	—	—	—	351
Adjusted EBITDA (1)	\$ 3,329	\$ 7,320	\$ 3,795	\$ 8,614

## Adjusted EBITDA as a Percentage of Adjusted Gross Profit and Adjusted Gross Profit as a Percentage of Revenue

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(in thousands, except percentages)			
Gross Profit	\$ 16,852	\$ 21,622	\$ 31,139	\$ 38,091
Net income	\$ 8,082	\$ 57,777	\$ 2,859	\$ 15,487
Net income as a percentage of Gross Profit	48.0%	267.2%	9.2%	40.7%
Adjusted Gross Profit (1)	\$ 24,042	\$ 28,346	\$ 44,939	\$ 51,331
Adjusted EBITDA (1)	\$ 3,329	\$ 7,320	\$ 3,795	\$ 8,614
Adjusted EBITDA as a percentage of Adjusted Gross Profit (1)	13.8%	25.8%	8.4%	16.8%
Gross Profit	\$ 16,852	\$ 21,622	\$ 31,139	\$ 38,091
Revenue	\$ 37,587	\$ 42,476	\$ 70,261	\$ 76,717
Gross Profit as a percentage of Revenue	44.8%	50.9%	44.3%	49.7%
Revenue	\$ 37,587	\$ 42,476	\$ 70,261	\$ 76,717
Adjusted Gross Profit (1)	\$ 24,042	\$ 28,346	\$ 44,939	\$ 51,331
Adjusted Gross Profit as a percentage of Revenue (1)	64.0%	66.7%	64.0%	66.9%

- (1) We use non-GAAP financial measures to help set budgets, establish operational goals, analyze financial results and performance, and make strategic decisions.
- (2) Includes professional fees directly related to the December 22, 2021 Business Combination.
- (3) In connection with the Business Combination, a Seller's Earn-Out liability was recorded. The gain represents the decrease in fair value of the Seller's Earn-Out in the three and six months ended June 30, 2023 and 2022.
- (4) In connection with the Business Combination, a liability for warrants was recorded. The gain represents the decrease in fair value of the warrants in the three and six months ended June 30, 2023 and 2022.
- (5) On March 31, 2022, we deconsolidated SymetryML which resulted in a gain. Refer to Note 16 — SymetryML and SymetryML Holdings of our Condensed Consolidated Financial Statements, included elsewhere in this Form 10-Q, for more information.
- (6) On March 31, 2022, in connection with the deconsolidation of SymetryML, we performed a valuation of the SAFE notes (defined below) on that date which resulted in a loss. Refer to Note 16 — SymetryML and SymetryML Holdings of our Condensed Consolidated Financial Statements, included elsewhere in this Form 10-Q, for more information.
- (7) Prior to March 31, 2022, we had effectuated a contribution of our SymetryML department into a new subsidiary, SymetryML, Inc. We periodically raised capital to fund SymetryML operations by entering into Simple Agreement for Future Equity Notes ("SAFE Notes") with several parties. We viewed SymetryML operations as non-core, and did not fund future operational expenses incurred in excess of SAFE Notes funding secured. Beginning March 31, 2022, we no longer consolidate SymetryML. Refer to Note 16 — SymetryML and SymetryML Holdings of our Condensed Consolidated Financial Statements, included elsewhere in this Form 10-Q, for more information.

### Liquidity and Capital Resources

Our business requires substantial amounts of cash for operating activities, including salaries and wages paid to our employees, development expenses, general and administrative expenses, and others. As of June 30, 2023, we had \$73.1 million in cash and cash equivalents.

As of June 30, 2023, our working capital was \$108.4 million. All amounts previously drawn on our Revolving Credit Facility, as defined below were re-paid in January 2022 and we do not anticipate a need to borrow on this facility in the immediate future. We believe we have sufficient sources of liquidity, including cash generated from operations as well as the capacity on the Revolving Credit Facility, to support our operating needs, capital requirements, and debt service requirements for the next twelve months.

The accompanying Condensed Consolidated Financial Statements have been prepared assuming we will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

Our purchase commitments per our standard terms and conditions with our suppliers and vendors are cancellable in whole or in part with or without cause prior to delivery. If we terminate an order, we will have no liability beyond payment of any balances owing for goods or services delivered previously.

### **Silicon Valley Bank Revolver**

On December 22, 2021, we entered into a Senior Secured Agreement with SVB which allows us to borrow up to \$40.0 million in a Revolving Credit Facility, including a \$10.0 million sub-limit for letters of credit and a swing line sub-limit of \$10.0 million. The Revolving Credit Facility commitment termination date is December 22, 2026. We accounted for the Senior Secured Agreement as a debt modification.

In accordance with the Senior Secured Agreement there are two types of revolving loan, either a Secured Overnight Financing Rate Loan (“SOFR Loan”) loan or an ABR Alternate Base Rate Loan (“ABR Loan”). The revolving loans may from time to time be SOFR Loans or ABR Loans, as determined by the Company. Interest shall be payable quarterly based on the type of loan.

- a) Each SOFR Loan bears interest for each day at a rate per annum equal to Adjusted Term SOFR, as defined in the Senior Secured Agreement, plus the Applicable Margin, as defined in the Senior Secured Agreement. The Applicable Margin can vary between 2.00% and 2.50% based on the leverage ratio of the Company.
- b) Each ABR Loan (including any swingline loan) bears interest at a rate per annum equal to the highest of the Prime Rate in effect on such day, the Federal Funds Effective Rate in effect on such day plus 0.50%, and the Adjusted Term SOFR, as defined in the Senior Secured Agreement, for a one-month tenor in effect on such day plus 1.00% (“ABR”); plus the Applicable Margin, as defined in the Senior Secured Agreement. The Applicable Margin can vary between 1.00% and 1.50% based on the leverage ratio of the Company.

In addition, the Senior Secured Agreement has a commitment fee in relation to the non-use of available funds ranging from 0.25% to 0.35% per annum based on the leverage ratio of the Company.

All obligations under the Senior Secured Agreement are secured by a first priority lien on substantially all assets of the Company.

We are subject to customary representations, warranties, and covenants. The Senior Secured Agreement requires that the Company meet certain financial and non-financial covenants which include, but are not limited to, (i) delivering audited consolidated financial statements to the lender within 90 days after year-end commencing with the fiscal year ending December 31, 2022 financial statements, (ii) delivering unaudited quarterly consolidated financial statements within 45 days after each fiscal quarter, commencing with the quarterly period ending on March 31, 2022 and (iii) maintaining certain leverage ratios and liquidity coverage ratios. As of June 30, 2023, we were in full compliance with the terms of the Senior Secured Agreement.

As of June 30, 2023, we had one letter of credit for approximately \$1.0 million and no amounts were drawn on the Revolving Credit Facility.

### **Cash Flows**

The timing of cash receipts from customers and payments to suppliers can significantly impact our cash flows from operating activities. Our collection and payment cycles can vary from period to period.

We are generally contractually required to pay suppliers of advertising inventory and data within a negotiated period of time, regardless of whether our customers pay on time, or at all. While we attempt to negotiate long payment periods with our suppliers and shorter periods from our customers, it is not always successful. As a result, our accounts payable are often due on shorter cycles than our accounts receivables, requiring us to remit payments from our own funds, and accept the risk of bad debt. Our standard payment terms range from 30 to 60 days.

Accounts receivable are recorded at the invoiced amount, are unsecured, and do not bear interest and we record an allowance for credit losses is based on the best estimate of the amount of probable credit losses in existing accounts receivable. Our standard payment terms for our customers range from 30 to 60 days. For the periods presented, the timing of our collections have exceeded the standard payment terms of customers, because like many companies in our industry, we often experience slow payment by advertising agencies, such that advertising agencies typically collect payment from their customers before remitting payment to us. We evaluate the creditworthiness of customers on a regular basis.

We expect to continue generating strong positive cash flows as we scale our operations.

The following table summarizes our cash flows for the periods indicated:

	<b>Six Months Ended June 30,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(in thousands)</b>	
Net cash provided by operating activities	\$ 3,136	\$ 3,289
Net cash used in investing activities	\$ (2,539)	\$ (1,520)
Net cash used in financing activities	\$ (115)	\$ (38,234)

### ***Operating Activities***

Net cash provided by operating activities decreased \$0.2 million for the six months ended June 30, 2023 as compared to the six months ended June 30, 2022. The decrease was primarily due to the following:

- Cash collected for revenue decreased \$2.2 million.
- Increase in cash paid for client refunds of \$1.3 million.
- Increase in cash paid for data infrastructure costs attributable to data used in our platform not related to any specific campaign of \$1.0 million.
- Increase in cash paid for taxes of \$0.6 million.
- Increase in cash paid for rent of \$0.4 million.
- Timing differences of certain payments and collections.

Offsetting increases in operating cash included the following:

- Decrease in cash paid for professional service fees of \$2.0 million, including audit, legal, and consulting, related to being a newly public company in the prior year period.
- Decrease in cash paid for insurance of \$1.1 million.
- Increase in net cash received for interest of \$1.1 million.
- Decrease in cash paid for campaign costs of \$0.6 million.
- Decrease in cash paid for employee expenses of \$0.4 million primarily due to the decrease in headcount.

### ***Investing Activities***

Net cash used in investing activities during the six months ended June 30, 2023 was \$2.5 million, primarily consisting of capitalized software development costs.

Net cash used in investing activities during the six months ended June 30, 2022 was \$1.5 million, primarily consisting of capitalized software development costs.

### ***Financing Activities***

Net cash used in financing activities during the six months ended June 30, 2023 was \$0.1 million, consisting primarily of cash paid for restricted stock withheld for taxes of \$0.4 million. Offsetting these payments were proceeds related to cash received from issuance of shares under the ESPP of \$0.2 million, and cash received from stock option exercises of \$0.2 million.

Net cash used in financing activities during the six months ended June 30, 2022 was \$38.2 million, consisting primarily of the re-payment of revolver borrowings of \$39.0 million. We also received proceeds from the SAFE Notes of \$0.2 million and proceeds related to a SymetryML issuance of preferred stock of \$0.4 million.



## Critical Accounting Estimates

Our Condensed Consolidated Financial Statements have been prepared in accordance with GAAP. Preparation of the financial statements requires our management to make judgments, estimates and assumptions that impact the reported amount of revenue and expenses, assets and liabilities and the disclosure of contingent assets and liabilities. We consider an accounting judgment, estimate or assumption to be critical when (1) the estimate or assumption is complex in nature or requires a high degree of judgment and (2) the use of different judgments, estimates and assumptions could have a material impact on our Condensed Consolidated Financial Statements.

We have not identified any critical accounting estimates other than estimates and assumptions related to the input values in the valuation models used in the valuation of the Company's Private Placement Warrants, classified as a Level 2 liability and the Seller's Earn-out liability, classified as a Level 3 liability. Critical accounting estimates are specifically related to expected stock-price volatility, expected term, dividend yield, and risk-free interest rate.

For the Private Placement Warrants, a BSM was used to determine the fair value, respectively. The expected volatility assumption was determined using a weighted average of the Company's historical volatility, the historical volatilities of a group of industry peers, and the implied volatility from the market price of the Public Warrants. The risk-free rate assumption is based on the U.S. Treasury instruments, the terms of which were consistent with the expected term of the Private Placement Warrants. The expected term represents the time until expiration of the Private Placement Warrants. The dividend yield is based on the Company's history, which we anticipate to remain at zero.

For the Seller's Earn-out, a Monte Carlo simulation valuation model is used to determine the fair value. The expected volatility assumption was determined using a weighted average of the Company's historical volatility, the historical volatilities of a group of industry peers, and the implied volatility from the market price of the Public Warrants. The risk-free rate is based on the U.S. Treasury instruments, the terms of which were consistent with the expected term of the Seller's Earn-Out. The forecasted period represents the time until expiration of the Seller's Earn-Out. The dividend yield is based on the Company's history, which we anticipate to remain at zero.

We evaluate such estimates and assumptions each reporting period and reflect changes in the valuation methodologies that we use.

For further discussion on these items and their impact included in our financial statements refer to Note 14 — Seller's Earn-Out and Note 15 — Warrants, included elsewhere in this Form 10-Q.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

Not applicable.

**Item 4. Controls and Procedures.**

**Evaluation of Disclosure Controls and Procedures:** We maintain disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) that are designed to ensure that the information required to be disclosed by us in the reports filed or submitted by us under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and such information is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable assurances of achieving the desired controls.

As of June 30, 2023, we carried out an evaluation, under the supervision and with the participation of our management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures defined above. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of June 30, 2023, our disclosure controls and procedures were effective at the reasonable assurance level.

**Changes in Internal Control over Financial Reporting:** There have been no changes in our internal control over financial reporting during the quarter ended June 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**PART II. OTHER INFORMATION****Item 1. Legal Proceedings.**

From time to time, we are made aware of legal allegations arising in the ordinary course of our business. We are not currently a party to any actions, claims, suits or other legal proceedings the outcome of which, if determined adversely to AdTheorent, would individually or taken together have a material adverse effect on our business, operating results, cash flows or financial condition.

**Item 1A. Risk Factors**

There have not been any material changes to the information related to the ITEM 1A. “Risk Factors” disclosure in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2022. Our business involves significant risks. You should carefully consider the risks and uncertainties described in our Annual Report, together with all of the other information in this Quarterly Report on Form 10-Q, as well as our audited consolidated financial statements and related notes as disclosed in our Annual Report. The risks and uncertainties described in our Annual Report are not the only ones we face.

Additional risk and uncertainties that we are unaware of or that we deem immaterial may also become important factors that adversely affect our business. The realization of any of these risks and uncertainties could have a material adverse effect on our reputation, business, financial condition, results of operations, growth and future prospects as well as our ability to accomplish our strategic objectives. In that event, the market price of our common stock could decline and you could lose part or all of your investment.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

None.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures**

Not applicable.

**Item 5. Other Information**

None.

<b>Exhibit</b>	<b>Description</b>
3.1*	<a href="#">Amended and Restated Certificate of Incorporation</a>
31.1*	<a href="#">Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2*	<a href="#">Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1*	<a href="#">Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
32.2*	<a href="#">Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

\* Filed herewith.

**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.

**ADTHEORENT HOLDING COMPANY, INC.**

By: /s/ James Lawson  
James Lawson  
Chief Executive Officer and Director  
(principal executive officer)

Date: August 3, 2023

By: /s/ Patrick Elliott  
Patrick Elliott  
Chief Financial Officer  
(principal financial and accounting officer)

Date: August 3, 2023



SECOND AMENDED AND RESTATED  
CERTIFICATE OF INCORPORATION OF  
ADTHEORENT HOLDING COMPANY, INC.

ARTICLE I  
NAME

The name of the corporation is AdTheorent Holding Company, Inc. (the "*Corporation*").

ARTICLE II  
REGISTERED OFFICE AND AGENT

The address of the Corporation's registered office in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle, 19801. The name of its registered agent at such address is The Corporation Trust Company.

ARTICLE III  
PURPOSE AND DURATION

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware (the "*DGCL*"). The Corporation is to have a perpetual existence.

ARTICLE IV  
CAPITAL STOCK

**Section 4.1** The total number of shares of all classes of capital stock, each with a par value of \$0.0001 per share, which the Corporation is authorized to issue is 370,000,000 shares, consisting of (a) 350,000,000 shares of common stock (the "*Common Stock*") and (b) 20,000,000 shares of preferred stock (the "*Preferred Stock*"). Subject to the rights of the holders of any series of Preferred Stock, the number of authorized shares of any of the Common Stock or Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the stock of the Corporation with the power to vote thereon irrespective of the provisions of Section 242(b)(2) of the DGCL or any successor provision thereof, and no vote of the holders of any of the Common Stock or Preferred Stock voting separately as a class shall be required therefor.

**Section 4.2** Shares of Preferred Stock may be issued from time to time in one or more classes or series. The Board of Directors of the Corporation (the "*Board of Directors*") is hereby authorized to provide from time to time by resolution or resolutions for the creation and issuance, out of the authorized and unissued shares of Preferred Stock, of one or more classes or series of Preferred Stock by filing a certificate (a "*Certificate of Designation*") pursuant to the DGCL, setting forth such resolution and, with respect to each such series, establishing the designation of such class or series and the number of shares to be included in such class or series and fixing the voting powers (full or limited, or no voting power), preferences and relative, participating, optional or other special rights, and the qualifications, limitations and restrictions thereof, of the shares of each such class or series. Without limiting the generality of the foregoing, the resolution or resolutions providing for the establishment of any class or series of Preferred Stock may, to the extent permitted by law, provide that such class or series shall be superior to, rank equally with or be junior to the Preferred Stock of any other class or series. The powers, preferences and relative, participating, optional and other special rights of each class or series of Preferred Stock, and the qualifications, limitations or restrictions thereof, if any, may be different from those of any and all other classes or series at any time outstanding. Except as otherwise expressly provided in the resolution or resolutions providing for the establishment of any class or series of Preferred Stock, no vote of the holders of shares of Preferred Stock or Common Stock shall be a prerequisite to the issuance of any shares of any class or series of the Preferred Stock so authorized in accordance with this Second Amended and Restated Certificate of Incorporation. Unless otherwise provided in the Certificate of Designation establishing a class or series of Preferred Stock, the Board of Directors may, by resolution or resolutions, increase or decrease (but not below the number of shares of such class or series then outstanding) the number of shares of such class or series and, if the number of shares of such class or series shall be so decreased, the shares constituting such decrease shall resume the status that they had prior to the adoption of the resolution originally fixing the number of shares of such class or series.

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**Section 4.3** The Corporation has the authority to create and issue rights, warrants and options entitling the holders thereof to purchase shares of any class or series of the Corporation's capital stock or other securities of the Corporation, and such rights, warrants and options shall be evidenced by or in instrument(s) approved by the Board of Directors. The Board of Directors is empowered to set the exercise price, duration, times for exercise and other terms and conditions of such rights, warrants or options; provided, however, that the consideration to be received for any shares of capital stock subject thereto may not be less than the par value thereof.

#### **Section 4.4**

(a) Except as otherwise required by law or this Second Amended and Restated Certificate (or any Certificate of Designation made hereunder), the holders of Common Stock shall exclusively possess all voting power with respect to the Corporation. The holders of shares of Common Stock shall be entitled to one vote for each such share on each matter properly submitted to the stockholders on which the holders of the Common Stock are entitled to vote. The holders of shares of the Common Stock shall at all times vote together as one class on all matters submitted to a vote of the stockholders of the Corporation.

(b) Except as otherwise required by law or this Second Amended and Restated Certificate (or any Certificate of Designation made hereunder), at any annual or special meeting of the stockholders of the Corporation, the holders of the Common Stock shall have the exclusive right to vote for the election of directors and on all other matters properly submitted to a vote of the stockholders. Notwithstanding the foregoing, except as otherwise required by law or this Second Amended and Restated Certificate (or any Certificate of Designation made hereunder), the holders of the Common Stock shall not be entitled to vote on any amendment to this Second Amended and Restated Certificate (or any Certificate of Designation made hereunder) that relates solely to the terms of one or more outstanding class or series of the Preferred Stock if the holders of such affected class or series of Preferred Stock are entitled, either separately or together with the holders of one or more other such class or series, to vote thereon pursuant to this Second Amended and Restated Certificate (or any Certificate of Designation made hereunder) or the DGCL.

(c) Subject to applicable law and the rights, if any, of the holders of any outstanding class or series of the Preferred Stock, the holders of the shares of the Common Stock shall be entitled to receive such dividends and other distributions (payable in cash, property or capital stock of the Corporation) when, as and if declared thereon by the Board from time to time out of any assets or funds of the Corporation legally available therefor, and shall share equally on a per share basis in such dividends and distributions.

(d) Subject to applicable law and the rights, if any, of the holders of any outstanding class or series of the Preferred Stock, in the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, after payment or provision for payment of the debts and other liabilities of the Corporation, the holders of the shares of the Common Stock shall be entitled to receive all the remaining assets of the Corporation available for distribution to its stockholders, ratably in proportion to the number of shares of the Common Stock held by them.

### **ARTICLE V** **BOARD OF DIRECTORS**

For the management of the business and for the conduct of the affairs of the Corporation it is further provided that:

#### **Section 5.1**

(a) The management of the business and the conduct of the affairs of the Corporation shall be vested in the Board of Directors. Subject to Section 5.1(d), the number of directors which shall constitute the whole Board of Directors shall be fixed exclusively by one or more resolutions adopted from time to time by the Board of Directors. Except as otherwise expressly delegated by resolution of the Board of Directors, the Board of Directors shall have the exclusive power and authority to appoint and remove officers of the Corporation.

(b) Subject to the special rights of the holders of any class or series of Preferred Stock to elect directors, for a period of five years following the filing of this Certificate of Incorporation (the "***Specified Period***"), the Board of Directors (other than those directors elected by the holders of any class or series of Preferred Stock) shall be classified with respect to the time for which directors severally hold office into three classes: Class I; Class II; and Class III. Each class shall consist, as nearly equal in number as possible, of one-third of the total number of directors constituting the entire Board of Directors and the allocation of directors among the three classes shall be determined by the Board of Directors. The initial Class I Directors shall serve for a term expiring at the first annual meeting of stockholders of the Corporation following the filing of this Certificate of Incorporation; the initial Class II Directors shall serve for a term expiring at the second annual meeting of stockholders following the filing of this Certificate of Incorporation; and the initial Class III Directors shall serve for a term expiring at the third annual meeting of stockholders following the filing of this Certificate of Incorporation. Each director in each class shall hold office until his or her successor is duly elected and qualified or until his or her earlier death, resignation or removal. At each annual meeting of stockholders beginning with the first annual meeting of stockholders, the successors of the class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of stockholders to be held in the third year following the year of their election, with each director in each such class to hold office until his or her successor is duly elected and qualified or until his or her earlier death, resignation or removal; provided, that, notwithstanding the foregoing, at the fourth and fifth annual meetings of stockholders following the filing of

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this Certificate of Incorporation, the successors of the class of directors whose term expires at each such meeting shall be elected to hold office for a term expiring at the end of the Specified Period. Subject to the rights of the holders of one or more series of Preferred Stock to elect directors, at the first annual meeting of stockholders following the end of the Specified Period, a director shall be elected and shall hold office until the next annual meeting of stockholders and until his or her successor has been elected and qualified, subject, however, to such director's earlier death, resignation, retirement, disqualification or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

(c) Subject to (i) that certain Stockholders' Agreement, dated as of December 22, 2021 (such agreement, as amended, supplemented, restated or otherwise modified from time to time, the "**Stockholders' Agreement**"), by and among the Corporation, H.I.G. Growth – AdTheorent, LLC, a Delaware limited liability company ("**H.I.G.**"), MCAP Acquisition, LLC, a Delaware limited liability company ("**Sponsor**"), and the Stockholders (as defined in the Stockholders' Agreement) party thereto, and (ii) the special rights of the holders of one or more classes or series of Preferred Stock to elect directors, the Board of Directors or any individual director may be removed from office at any time but only by the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the voting power of all the then outstanding shares of voting stock of the Corporation with the power to vote at an election of directors (the "**Voting Stock**") and, in addition to and without limitation of the foregoing, during the Specified Period, only for cause.

(d) Subject to (i) the Stockholders' Agreement and (ii) the special rights of the holders of one or more classes or series of Preferred Stock to elect directors, any vacancies on the Board of Directors resulting from death, resignation, disqualification, retirement, removal or other causes and any newly created directorships resulting from any increase in the number of directors shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by the stockholders, and except as otherwise provided by law, be filled only by the affirmative vote of a majority of the directors then in office, even though less than a quorum, or by a sole remaining director, and shall not be filled by the stockholders. Subject to the Stockholders' Agreement, any director appointed in accordance with the preceding sentence shall hold office for a term that shall coincide with the remaining term of the vacancy to which the director shall have been appointed and until such director's successor shall have been elected and qualified or until his or her earlier death, resignation, disqualification, retirement or removal.

## **Section 5.2**

(a) In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to adopt, amend, alter or repeal the Bylaws of the Corporation. In addition to any vote of the holders of any class or series of stock of the Corporation required by applicable law or by this Second Amended and Restated Certificate of Incorporation (including any Certificate of Designation in respect of one or more classes or series of Preferred Stock), the adoption, amendment or repeal of the Bylaws of the Corporation by the stockholders of the Corporation shall require the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the voting power of all the then-outstanding shares of the Voting Stock, voting together as a single class; provided that no Bylaws hereafter adopted by the stockholders of the Corporation shall invalidate any prior act of the Board of Directors that would have been valid if such Bylaws had not been adopted.

(b) The directors of the Corporation need not be elected by written ballot unless the Bylaws so provide.

## **ARTICLE VI** **STOCKHOLDERS**

**Section 6.1** Subject to the special rights of the holders of one or more classes or series of Preferred Stock, any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of the stockholders of the Corporation, and the taking of any action by written consent of the stockholders in lieu of a meeting of the stockholders is specifically denied.

**Section 6.2** Subject to the special rights of the holders of one or more classes or series of Preferred Stock, special meetings of the stockholders of the Corporation may be called, for any purpose or purposes as is a proper matter for stockholder action under the DGCL, by (i) the Chairperson of the Board of Directors, (ii) the Chief Executive Officer, or (iii) the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board of Directors for adoption). Such special meetings may not be called by stockholders or any other person or persons.

**Section 6.3** Advance notice of stockholder nominations for the election of directors and of other business proposed to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner provided in the Bylaws of the Corporation.

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**ARTICLE VII**  
**LIABILITY AND INDEMNIFICATION; CORPORATE OPPORTUNITY**

**Section 7.1** To the fullest extent permitted by the DGCL, as the same exists or as may hereafter be amended, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the DGCL is amended after approval by the stockholders of this Article VII to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL as so amended, automatically and without further action, upon the date of such amendment.

**Section 7.2** The Corporation, to the fullest extent permitted by law, shall indemnify and advance expenses to any person made or threatened to be made a party to an action, suit or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that he or she, or his or her testator or intestate, is or was a director or officer of the Corporation or any predecessor of the Corporation, or serves or served at any other enterprise as a director or officer at the request of the Corporation or any predecessor to the Corporation.

**Section 7.3** The Corporation, to the fullest extent permitted by law, may indemnify and advance expenses to any person made or threatened to be made a party to an action, suit or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that he or she, or his or her testator or intestate, is or was an employee or agent of the Corporation or any predecessor of the Corporation, or serves or served at any other enterprise as an employee or agent at the request of the Corporation or any predecessor to the Corporation.

**Section 7.4** Neither any amendment nor repeal of this Article VII, nor the adoption by amendment of this Second Amended and Restated Certificate of Incorporation of any provision inconsistent with this Article VII, shall eliminate or reduce the effect of this Article VII in respect of any matter occurring, or any action or proceeding accruing or arising (or that, but for this Article VII, would accrue or arise) prior to such amendment or repeal or adoption of an inconsistent provision.

**Section 7.5** The following provisions are inserted for the management of the business and for the conduct of the affairs of the Corporation, and the same are in furtherance of and not in limitation of the powers conferred by law:

(a) In recognition and anticipation that (i) certain directors, principals, officers, employees and/or other representatives of H.I.G. and its respective Affiliates (as defined in Section 7.5(e)) may serve as directors or officers of the Corporation, (ii) H.I.G. and its respective Affiliates may now engage and may continue to engage in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may engage and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may engage, and (iii) members of the Board of Directors who are not employees of the Corporation (“**Non-Employee Directors**”) and their respective Affiliates may now engage and may continue to engage in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may engage, the provisions of this Section 7.5 are set forth to regulate and define the conduct of certain affairs of the Corporation with respect to certain classes or categories of business opportunities as they may involve H.I.G., the Non-Employee Directors or their respective Affiliates and the powers, rights, duties and liabilities of the Corporation and its directors, officers and stockholders in connection therewith.

(b) None of (i) H.I.G. or any of its Affiliates or (ii) any Non-Employee Director or his or her Affiliates (the persons or entities identified in (i) and (ii) above being referred to, collectively, as “**Identified Persons**” and, individually, as an “**Identified Person**”; provided, however, that no employee, consultant or officer of the Corporation shall be an Identified Person) shall, to the fullest extent permitted by law, have any duty to refrain from directly or indirectly (x) engaging in a corporate opportunity in the same or similar business activities or lines of business in which the Corporation or any of its Affiliates now engages or proposes to engage, (y) making investments in any kind of property in which the Corporation may make investments or (z) otherwise competing with the Corporation or any of its Affiliates, and, to the fullest extent permitted by the DGCL, no Identified Person shall (A) be deemed to have acted in bad faith or in a manner inconsistent with the best interests of the Corporation or its stockholders or to have acted in a manner inconsistent with or opposed to any fiduciary duty to the Corporation or its stockholders or (B) be liable to the Corporation or its stockholders for breach of any fiduciary duty, in each case, by reason of the fact that such Identified Person engages in any such activities. The Corporation hereby renounces any interest or expectancy in, or in being offered an opportunity to participate in, any business opportunity which may be a corporate opportunity for an Identified Person and the Corporation or any of its Affiliates, except as provided in paragraph (c) of this Section 7.5. Subject to Section 7.5(c), in the event that any Identified Person acquires knowledge of a potential transaction or other business opportunity which may be a corporate opportunity for itself, herself or himself and the Corporation or any of its Affiliates, such Identified Person shall have no duty to communicate or offer such transaction or other business opportunity to the Corporation or any of its Affiliates and, to the fullest extent permitted by the DGCL, shall not (A) be deemed to have acted in bad faith or in a manner inconsistent with the best interests of the Corporation or its stockholders or to have acted in a manner inconsistent with or opposed to any fiduciary duty to the Corporation or its stockholders or (B) be liable to the Corporation or its stockholders for breach of any fiduciary duty as a stockholder, director or officer of the Corporation, in each case,

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by reason of the fact that such Identified Person pursues or acquires such corporate opportunity for itself, herself or himself, or offers or directs such corporate opportunity to another Person.

(c) The Corporation does not renounce its interest in any corporate opportunity offered to any Non-Employee Director (including any Non-Employee Director who serves as an officer of this Corporation) if such opportunity is expressly offered to such person solely in his or her capacity as a director or officer of the Corporation and the provisions of Section 7.5(b) shall not apply to any such corporate opportunity.

(d) In addition to and notwithstanding the foregoing provisions of this Section 7.5, a corporate opportunity shall not be deemed to be a potential corporate opportunity for the Corporation if it is a business opportunity that the Corporation is not financially able or contractually permitted or legally able to undertake, or that is, from its nature, not in the line of the Corporation's business or is of no practical advantage to it or that is one in which the Corporation has no interest or reasonable expectancy.

(e) For purposes of this Section 7.5, "**Affiliate**" shall mean (x) in respect of H.I.G., any Person that, directly or indirectly, is controlled by, controls or is under common control with H.I.G. and shall include any principal, member, director, partner, shareholder, officer, employee or other representative of any of the foregoing (other than the Corporation and any entity that is controlled by the Corporation), (y) in respect of a Non-Employee Director, any Person that, directly or indirectly, is controlled by such Non-Employee Director (other than the Corporation and any entity that is controlled by the Corporation) and (z) in respect of the Corporation, any Person that, directly or indirectly, is controlled by the Corporation.

(f) To the fullest extent permitted by law, no amendment or repeal of this Section 7.5 in accordance with the provisions hereof shall apply to or have any effect on the liability or alleged liability of any Identified Person for or with respect to any activities or opportunities of which such Identified Person becomes aware prior to such amendment or repeal. This Section 7.5 shall not limit or eliminate any protections or defenses otherwise available to, or any rights to indemnification or advancement of expenses of, any director or officer of the Corporation under this Second Amended and Restated Certificate of Incorporation, the Bylaws of the Corporation, any agreement between the Corporation and such officer or director, or any applicable law.

(g) To the fullest extent permitted by law, any Person purchasing or otherwise acquiring any interest in any shares of capital stock of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Section 7.5.

## **ARTICLE VIII** **EXCLUSIVE FORUM**

**Section 8.1** Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Corporation, (b) any action asserting a claim of breach of fiduciary duty owed by any director, officer, employee, agent or stockholder of the Corporation to the Corporation or the Corporation's stockholders, creditors or other constituents, (c) any action asserting a claim arising pursuant to any provision of the DGCL or this Second Amended and Restated Certificate of Incorporation or the Bylaws of the Corporation, or (d) any action asserting a claim governed by the internal affairs doctrine, in each case subject to said Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein; provided that, the provisions of this Article VIII will not apply to suits brought to enforce any liability or duty created by the Securities Act of 1933, as amended, the Securities and Exchange Act of 1934, as amended, or any other claim for which the federal courts have exclusive jurisdiction; and provided further that, if and only if the Court of Chancery of the State of Delaware dismisses any such action for lack of subject matter jurisdiction, such action may be brought in another state or federal court sitting in the State of Delaware. To the fullest extent permitted by applicable law, any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article VIII. Notwithstanding any other provisions of law, this Second Amended and Restated Certificate of Incorporation or the Bylaws of the Corporation, and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of at least two-thirds in voting power of the outstanding shares of capital stock of the Corporation entitled to vote thereon shall be required to amend or repeal, or to adopt any provision inconsistent with, this Article VIII. If any provision or provisions of this Article VIII shall be held to be invalid, illegal or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Article VIII (including, without limitation, each portion of any sentence of this Article VIII containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby.

**Section 8.2** If any action the subject matter of which is within the scope of Section 8.1 is filed in a court other than within the State of Delaware (a "**Foreign Action**") in the name of any stockholder, such stockholder shall be deemed to have consented to (i) the personal jurisdiction of the state and federal courts of the State of Delaware in connection with any action brought in any such court to enforce Section 8.1 (an "**FSC Enforcement Action**") and (ii) having service of process made upon such stockholder in any such FSC Enforcement Action by service upon such stockholder's counsel in the Foreign Action as agent for such stockholder.

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**Section 8.3** If any provision or provisions of this Article VIII shall be held to be invalid, illegal or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Article VIII (including, without limitation, each portion of any sentence of this Article VIII containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article VIII.

**ARTICLE IX**  
**AMENDMENTS**

Notwithstanding any other provisions of this Second Amended and Restated Certificate of Incorporation or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any particular class or series of the Voting Stock required by law or by this Second Amended and Restated Certificate of Incorporation (including any Certificate of Designation in respect of one or more series of Preferred Stock), the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the voting power of all of the then-outstanding shares of the Voting Stock, voting together as a single class, shall be required to alter, amend or repeal Articles V, VI, VII and VIII and this Article IX.

**ARTICLE X**  
**LIABILITY OF OFFICERS**

To the fullest extent permitted by the DGCL, as the same exists or as may hereafter be amended, an officer of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as an officer. If the DGCL is amended after approval by the stockholders of this Article X to authorize corporate action further eliminating or limiting the personal liability of officers, then the liability of an officer of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL as so amended, automatically and without further action, upon the date of such amendment.

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**CERTIFICATION PURSUANT TO  
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, James Lawson, certify that:

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

Date: August 3, 2023

By: \_\_\_\_\_ /s/ James Lawson

**James Lawson**  
**Chief Executive Officer and Director**



**CERTIFICATION PURSUANT TO  
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Patrick Elliott, certify that:

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

Date: August 3, 2023

By: \_\_\_\_\_ /s/ Patrick Elliott

**Patrick Elliott**  
**Chief Financial Officer**

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**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of AdTheorent Holding Company, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: August 3, 2023

By: \_\_\_\_\_ /s/ James Lawson  
**James Lawson**  
**Chief Executive Officer and Director**

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**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of AdTheorent Holding Company, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: August 3, 2023

By: \_\_\_\_\_ /s/ Patrick Elliott  
**Patrick Elliott**  
**Chief Financial Officer**

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