

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D. C. 20549
FORM 10-K

(Mark One)

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

For the fiscal year ended **March 31, 2019**

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 **1-38669**

LIVERAMP HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or Other Jurisdiction of Incorporation
or Organization)

83-1269307

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

225 Bush Street, Seventeenth Floor

San Francisco, CA
(Address of Principal Executive Offices)

94104

(Zip Code)

(866) 352-3267

(Registrant's telephone number, including area code)

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

Title of each class

Trading Symbol

Name of each exchange on which registered

Common Stock, \$.10 Par Value

RAMP

New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act.

Yes No

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files).

Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Emerging growth company

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

Yes No

The aggregate market value of the voting stock held by non-affiliates of the registrant, based upon the closing sale price of the registrant's Common Stock, \$.10 par value per share, as of the last business day of the registrant's most recently completed second fiscal quarter as reported on the NASDAQ Global Select Market was approximately \$3,313,303,674. (For purposes of determination of the above stated amount only, all directors, executive officers and 10% or more shareholders of the registrant are presumed to be affiliates.)

The number of shares of Common Stock, \$.10 par value per share, outstanding as of May 23, 2019 was 68,972,247.

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DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the 2019 Annual Meeting of Stockholders ("2019 Proxy Statement") of LiveRamp Holdings, Inc. ("LiveRamp," the "Company," "we", "us", or "our") are incorporated by reference into Part III of this Form 10-K.

PART I

AVAILABILITY OF SEC FILINGS AND CORPORATE GOVERNANCE INFORMATION

Our website address is www.liveramp.com, where copies of documents that we have filed with the Securities and Exchange Commission ("SEC") may be obtained free of charge as soon as reasonably practicable after being filed electronically. Included among those documents are our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended ("Exchange Act"). Copies may also be obtained through the SEC's EDGAR site at the website address <http://www.sec.gov>, or by sending a written request for copies to LiveRamp Investor Relations, 225 Bush Street, Seventeenth Floor, San Francisco, California 94104. Copies of all our SEC filings were available on our website during the past fiscal year covered by this Form 10-K. In addition, at the "Corporate Governance" section of our website, we have posted copies of our Corporate Governance Principles, the charters for the Audit/Finance, Compensation, Executive, and Governance/Nominating Committees of the Board of Directors, the codes of ethics applicable to directors, financial personnel and all employees, and other information relating to the governance of the Company. Although referenced herein, information contained on or connected to our corporate website is not incorporated by reference into this annual report on Form 10-K and should not be considered part of this report or any other filing we make with the SEC.

CAUTIONARY STATEMENTS RELEVANT TO FORWARD-LOOKING INFORMATION

This Annual Report on Form 10-K, including, without limitation, the items set forth on pages F-3 – F-21 in Management's Discussion and Analysis of Financial Condition and Results of Operations, contains and may incorporate by reference certain statements that may be deemed to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended (the "PSLRA"), and that are intended to enjoy the protection of the safe harbor for forward-looking statements provided by the PSLRA. These statements, which are not statements of historical fact, may contain estimates, assumptions, projections and/or expectations regarding the Company's financial position, results of operations, market position, product development, growth opportunities, economic conditions, and other similar forecasts and statements of expectation. Forward-looking statements are often identified by words or phrases such as "anticipate," "estimate," "plan," "expect," "believe," "intend," "foresee," or the negative of these terms or other similar variations thereof. These forward-looking statements are not guarantees of future performance and are subject to a number of factors and uncertainties that could cause the Company's actual results and experiences to differ materially from the anticipated results and expectations expressed in the forward-looking statements.

Forward-looking statements may include but are not limited to the following:

- management's expectations about the macro economy;
- statements containing a projection of revenues, operating income (loss), income (loss), earnings (loss) per share, capital expenditures, dividends, capital structure, or other financial items;
- statements of the plans and objectives of management for future operations, including, but not limited to, those statements contained under the heading "Growth Strategy" in Part I, Item 1 of this Annual Report on Form 10-K;
- statements of future economic performance, including, but not limited to, those statements contained in Management's Discussion and Analysis of Financial Condition and Results of Operations contained in this Annual Report on Form 10-K;
- statements containing any assumptions underlying or relating to any of the above statements; and
- statements containing a projection or estimate.

Among the factors that may cause actual results and expectations to differ from anticipated results and expectations expressed in such forward-looking statements are the following:

- the risk factors described in Part I, "Item 1A. Risk Factors" and elsewhere in this report and those described from time to time in our future reports filed with the SEC;

- the possibility that, in the event a change of control of the Company is sought, certain clients may attempt to invoke provisions in their contracts allowing for termination upon a change in control, which may result in a decline in revenue and profit;
- the possibility that the integration of acquired businesses may not be as successful as planned;
- the possibility that the fair value of certain of our assets may not be equal to the carrying value of those assets now or in future time periods;
- the possibility that sales cycles may lengthen;
- the possibility that we will not be able to properly motivate our sales force or other associates;
- the possibility that we may not be able to attract and retain qualified technical and leadership associates, or that we may lose key associates to other organizations;
- the possibility that competent, competitive products, technologies or services will be introduced into the marketplace by other companies;
- the possibility that there will be changes in consumer or business information industries and markets that negatively impact the Company;
- the possibility that we will not be able to protect proprietary information and technology or to obtain necessary licenses on commercially reasonable terms;
- the possibility that there will be changes in the legislative, accounting, regulatory and consumer environments affecting our business, including but not limited to litigation, legislation, regulations and customs impairing our ability to collect, manage, aggregate and use data;
- the possibility that data suppliers might withdraw data from us, leading to our inability to provide certain products and services;
- the possibility that data purchasers will reduce their reliance on us by developing and using their own, or alternative, sources of data generally or with respect to certain data elements or categories;
- the possibility that we may enter into short-term contracts that would affect the predictability of our revenues;
- the possibility that the amount of volume-based and other transactional based work will not be as expected;
- the possibility that we may experience a loss of data center capacity or interruption of telecommunication links or power sources;
- the possibility that we may experience failures or breaches of our network and data security systems, leading to potential adverse publicity, negative customer reaction, or liability to third parties;
- the possibility that our clients may cancel or modify their agreements with us;
- the possibility that we will not successfully meet customer contract requirements or the service levels specified in the contracts, which may result in contract penalties or lost revenue;
- the possibility that we experience processing errors that result in credits to customers, re-performance of services or payment of damages to customers;
- the possibility that our performance may decline and we lose advertisers and revenue if the use of "third-party cookies" or other tracking technology is rejected by Internet users, restricted or otherwise subject to unfavorable regulation, blocked or limited by technical changes on end users' devices, or our or our clients' ability to use data on our platform is otherwise restricted;
- general and global negative economic conditions; and
- our tax rate and other effects of the changes to U.S. federal tax law.

With respect to the provision of products or services outside our primary base of operations in the United States, all of the above factors apply, along with the difficulty of doing business in numerous sovereign jurisdictions due to differences in scale, competition, culture, laws and regulations.

Other factors are detailed from time to time in periodic reports and registration statements filed with the SEC. The Company believes that it has the product and technology offerings, facilities, associates and competitive and financial resources for continued business success, but future revenues, costs, margins and profits are all influenced by a number of factors, including those discussed above, all of which are inherently difficult to forecast.

In light of these risks, uncertainties and assumptions, the Company cautions readers not to place undue reliance on any forward-looking statements. Forward-looking statements and such risks, uncertainties and assumptions speak only as of the date of this Annual Report on Form 10-K, and the Company expressly disclaims any obligation or undertaking to update or revise any forward-looking statements contained herein, to reflect any change in our expectations with regard thereto, or any other change based on the occurrence of future events, the receipt of new information or otherwise, except to the extent otherwise required by law.

Item 1. Business

On September 20, 2018, we implemented a holding company reorganization, as a result of which Acxiom Holdings, Inc. became the successor issuer to Acxiom Corporation. On October 1, 2018, we changed our name to LiveRamp Holdings, Inc. ("LiveRamp"). References to "we", "us", "our" or the "Company" for events that occurred prior to September 20, 2018 refer to Acxiom Corporation and its subsidiaries; for events that occurred from September 20, 2018 to October 1, 2018, to Acxiom Holdings, Inc. and its subsidiaries; and after October 1, 2018, to LiveRamp Holdings, Inc. and its subsidiaries.

LiveRamp is a global technology company with a vision of becoming the trusted platform that makes all customer data accessible and meaningful. We provide a best-in-class enterprise customer management platform that help organizations better leverage customer data to deliver innovative products and meaningful experiences. Powered by its core capabilities in data accessibility, identity, connectivity and data stewardship, LiveRamp makes it safe and easy to connect the world's data, people and applications.

LiveRamp is a Delaware corporation headquartered in San Francisco, California. Our common stock is listed on the New York Stock Exchange under the symbol "RAMP." We serve a global client base from locations in the United States, Europe, and the Asia-Pacific ("APAC") region. Our direct client list includes many of the world's largest and best-known brands across most major industry verticals, including but not limited to financial, insurance and investment services, retail, automotive, telecommunications, high tech, consumer packaged goods, healthcare, travel, entertainment, non-profit, and government. Through our extensive reseller and partnership network, we serve thousands of additional companies, establishing LiveRamp as a foundational and neutral enabler of the customer experience economy.

Industry

We are experiencing a convergence of several key industry trends that are shaping the future of how data is used to power the customer experience economy. Some of these key trends include:

Growing Data Usage

Advances in software and hardware and the growing use of the Internet have made it possible to collect and rapidly process massive amounts of personal data. Data vendors are able to collect user information across a wide range of offline and online properties and connected devices, and to aggregate and combine it with other data sources. This data can be integrated with its own proprietary data and can be made non-identifiable if the use case requires it. Through the use of these data sources, together with real-time feedback on consumer reactions to the ads, data-driven advertising increases the value of impressions for marketers, inventory owners and viewers who receive more personalized and relevant ads.

Tremendous Complexity

The customer experience economy has evolved significantly in recent years driven by rapid innovation and an explosion of data, channels, devices, and applications. Historically, brands interacted with consumers through a limited number of channels, with limited visibility into the activities taking place. Today, companies interact with consumers across a growing number of touchpoints, including online, social, mobile and point-of-sale. The billions of interactions that take place each day between brands and consumers create a trove of valuable data that can be harnessed to power better interactions and experiences. However, most enterprise marketers remain unable to cut through the complexity to effectively leverage this data.

Increasing Fragmentation

Today, customer journeys span multiple channels and devices over time, resulting in data silos and fragmented identities. As consumers engage with brands across various touchpoints – over the web, mobile devices and applications, by email and television, and in physical stores – they may not be represented as single unique individuals with complex behaviors, appearing instead as disparate data points with dozens of different identifiers. Becky Smith who lives at 123 Main Street may appear as beckys@acme.com when she uses Facebook, becky@yahoo.com when she signs into Yahoo Finance, cookie 123 when she browses msn.com, cookie ABC when she browses aol.com, and so on. As a result, enterprise marketers struggle to understand the cross-channel, cross-

device habits of consumers and the different steps they take on their path to conversion. More specifically, data silos and fragmented identities prevent companies from being able to resolve all relevant data to a specific individual; this poses a challenge to the formation of accurate, actionable insights about a brand's consumers or campaigns.

Marketing Waste

Every day, brands spend billions of dollars on advertising and marketing, yet many of the messages they deliver are irrelevant, repetitive, mistimed, or simply reach the wrong audience. In addition, as the marketing landscape continues to grow and splinter across a growing array of online and offline channels, it is increasingly difficult to attribute marketing spend to a measurable outcome, such as an in-store visit or sale. Wasted marketing spend is largely driven by the fragmented ecosystem of brands, data providers, marketing applications, media providers, and agencies that are involved in the marketing process, but operate without cohesion. Without a common understanding of consumer identity to unify otherwise siloed data, brands are unable to define accurate audience segments and derive insights that would enable better decision making.

Heightened Privacy and Security Concerns

In the era of regulation such as the European General Data Protection Regulation ("GDPR") and the California Consumer Privacy Act ("CCPA"), diligence in the areas of consumer privacy and security is and will continue to be paramount. Consumer understanding of the benefits of marketing technology often lags the pace of innovation, inspiring new demands from government agencies and consumer advocacy groups across the world. These factors challenge the liability every company faces when managing and activating consumer data.

Marketing and Customer Experience in the Data-Driven Era

As the world becomes more multichannel, consumer behavior is rapidly shifting, and organizations are increasingly realizing that true competitive advantage lies in providing meaningful customer experiences – experiences that are personalized, relevant and cohesive across all channels and interactions. Experience is the key to brand differentiation and retention. A recent Forrester Consulting study of global organizations found that experience-driven businesses grow revenues 1.4x the rate of other companies and enjoy significantly higher customer retention rates. Companies that fail to prioritize customer experience as a strategic growth initiative will simply get left behind.

In concert, consumer expectations are also at an all-time high – in fact, 67% of consumers say their standard for good experiences is higher than it has ever been. Consumers are demanding personalization – and, in this new area, every consumer interaction has the potential to be individually relevant, addressable, and measurable.

Data is at the center of exceptional customer experiences but is still vastly underutilized. Organizations must capture, analyze, understand – and, most importantly use – customer data to power the customer experience. By understanding which devices, email addresses, and postal addresses relate to the same individual, enterprise marketers can leverage that insight to deliver seamless experiences as consumers engage with a company across all touchpoints. At the same time, by reaching consumers at the individual level, organizations can reduce marketing waste and more easily attribute their marketing spend to actual results. Enterprise marketers recognize the huge opportunity big data brings, yet more than 60% admit they are not using their data to effectively drive their customer experience.

Growing Complexity

Innovation has fueled the growth of a highly-fragmented technology landscape, forcing companies to contend with thousands of marketing technologies and data silos. To make every customer experience relevant across channels and devices, organizations need a trusted platform that can break down those silos, make data portable, and accurately recognize individuals throughout the customer journey. Marketing is becoming more audience-centric, automated, and optimized. However, several important factors still prevent data from being used effectively to optimize the customer experience:

- **Identity.** For organizations to target audiences at the individual level, they must be able to recognize consumers across all channels and devices, and link multiple identifiers and data elements back to a persistent identifier to create a single view of the customer.

- **Scaled Data Assets.** Quality, depth, and recency of data matters when deriving linkages between identifiers. Organizations must have access to an extensive set of data and be able to match that data with a high degree of accuracy to perform true cross-device audience targeting.
- **Connectivity.** The fragmented marketing landscape creates a need for a common network of integrations that make it easy and safe to match and activate data anywhere in the ecosystem.
- **Walled Gardens.** Walled gardens, or marketing platforms that restrict the use of data outside of their walls, are becoming more pervasive and can result in loss of control, lack of transparency, and fragmented brand experiences. Organizations need a solution that enables an open ecosystem and ensures complete control over customer data, along with the flexibility to choose a diversified approach to meeting marketing goals.
- **Ethical Use of Data.** Preserving brand integrity and delivering positive customer experiences is a top priority for every enterprise. Organizations must be able to manage large sets of complex data ethically, securely, within legal boundaries, and in a way that protects consumers from harms.

Our Approach

Companies want to enable better decisions, improve ROI and deliver better experiences to its customers – and it all begins with data. However, given the rapid adoption of new platforms and channels, enterprise marketers remain plagued by fragmented data – resulting in a shallow, incomplete or incorrect understanding of the people they do business with. Data today is still too hard to access, too hard to make sense of and too hard to activate across all the touchpoints where it could power better decision-making and better experiences. Data fragmentation is the reason companies struggle to deliver relevant, consistent and meaningful experiences to their customers. Our mission is to break down silos and make data safe and easy to use. Leveraging our core capabilities in data access, identity resolution, connectivity and data stewardship, we create the foundation off which the ecosystem can deliver innovative products and services.

We are middleware for the customer experience economy. LiveRamp provides the trusted platform that sits in between customer data and the thousands of applications that data could power. We make data consistent, consumable and portable. We ensure the seamless transition of data to and from the customer experience applications our customers use. We empower businesses to make data more accessible and create richer, more meaningful experiences for their customers.

The LiveRamp Platform

As depicted in the graphic below, we power the industry's leading enterprise customer management platform. We enable organizations to access and leverage data more effectively across the applications they use to interact with their customers. A core component of our platform is the omnichannel, deterministic identity graph that sits at its center. Leveraging this knowledgebase, the LiveRamp platform resolves a customer's data (first-, second-, or third-party) to consumer identifiers that represent real people in a way that protects consumer privacy. This omnichannel view of the consumer can then be activated across any of the 600 partners in our ecosystem in order to support a variety of people-based marketing solutions, including:

- **Onboarding.** We enable customers to leverage their first-party data in the digital and TV ecosystems through a safe and secure data matching process called data onboarding. Our technology ingests a customer's first-party data, removes all offline data (personally-identifiable or "PII"), and replaces them with anonymized IDs called IdentityLinks, a true people-based identifier. IdentityLinks can then be distributed through direct integrations to the top platforms in the digital ecosystem, including leading DMPs and DSPs, publishers and social networks, personalization tools, and connected TV services.

- **Identity Resolution.** We provide enterprise-level identity resolution with accuracy, reach, privacy, flexibility and scale. Our identity resolution capabilities are built from two complementary graphs, combining offline data and online data and providing the highest level of accuracy while still being privacy compliant. LiveRamp technology for PII gives brands and platforms the ability to connect and update what they know about consumers, resolving PII across enterprise databases and systems to deliver better customer experiences in a privacy-conscious manner. Our digital identity graph associates anonymous device IDs, cookie IDs and other online customer IDs from premium publishers, platforms or data providers, around an IdentityLink. This allows marketers to perform the personalized segmentation, targeting, and measurement use cases that require a consistent view of the user in anonymous spaces.
- **Data Networks.** We enable the search, discovery and distribution of data, with access to trusted industry leading third-party data globally. The LiveRamp platform allows users to organize, group and access customer data, connected via IdentityLink, to benefit from better campaign targeting and audience intelligence. Our platform also provides the tools for data providers to manage the organization, access, and operation of their data and services available across platforms, publishers, agencies, brands, and data companies. Providers and buyers can also choose to leverage our neutral data marketplace (see below for discussion on Data Store), featuring 180 providers across all verticals and data types.
- **Measurement & Analytics.** We power more accurate, more complete measurement with the measurement vendors and partners our customers use. Our platform allows customers to combine disparate data files (typically ad exposure and customer events, like transactions), replacing customer identifiers with IdentityLinks. Customers then can use that aggregated view of each customer for measurement of reach and frequency, sales lift, closed loop offline to online conversion and cross-channel attribution.
- **Analytics Environments.** We also help enable in-house data science analytics, providing an end-to-end customized measurement solution designed for marketers looking to create an omnichannel view of their customer journey. Leveraging our identity graph, we help organizations control and aggregate all their customer data to interrogate, explore, analyze and report within our data science environment, that powers the deep functionality of a data lake.
- **Consent Management.** Our Consent Management Platform ("CMP") empowers consumers to maintain their privacy while facilitating business for brands and publishers. Our CMP informs website visitors about the data being collected on them and how it will be used. We provide the tools to give consumers control and choice over their personal data, publishers the solutions to operate sustainable business models, and brands the ability to advertise more relevantly and effectively.



Consumer privacy and data protection, what we call Data Ethics, are at the center of how we design our products and services. Accordingly, the LiveRamp platform operates with technical, operational, and personnel controls designed to keep our customers' data private and secure.

Our solutions are sold to enterprise marketers and the companies they partner with to execute their marketing, including agencies, marketing technology providers, publishers and data providers. Today, we work with over 665 direct customers world-wide, including approximately 20% of the Fortune 500, and serve thousands of additional customers indirectly through our reseller partnership arrangements.

- **Brands and Agencies.** We work with over 300 of the largest brands and agencies in the world, helping them execute people-based marketing by creating an omni-channel understanding of the consumer and activating that understanding across their choice of best-of-breed digital marketing platforms.
- **Marketing Technology Providers.** We provide marketing technology providers with the identity foundation required to offer people-based targeting, measurement and personalization within their platforms. This adds value for brands by increasing reach, as well as the speed at which they can activate their marketing data.
- **Publishers.** We enable publishers of any size to offer people-based marketing on their properties. This adds value for brands by providing direct access to their customers and prospects in the publisher's premium inventory.

- **Data Owners.** Leveraging our vast network of integrations, we allow data owners to easily connect to the digital ecosystem and monetize their own data. Data can be distributed to clients or made available through the **LiveRamp Data Store** feature. This adds value for brands as it allows them to augment their understanding of consumers and increase both their reach against and understanding of customers and prospects.

We primarily charge for IdentityLink on an annual subscription basis. Our subscription pricing is based primarily on data volume supported by our platform.

Data Store

As we have scaled the LiveRamp network and technology, we have found additional ways to leverage our platform, deliver more value to clients and create incremental revenue streams. Leveraging our common identity system and broad integration network, the LiveRamp Data Store is a data marketplace that seamlessly connects data owners' audience data across the marketing ecosystem. The Data Store allows data owners to easily monetize their data across hundreds of marketing platforms and publishers with a single contract. At the same time, the Data Store provides a single gateway where data buyers, including platforms and publishers, in addition to brands and their agencies, can access high-quality third-party data from more than 180 data owners, supporting all industries and encompassing all types of data. Data providers include sources and brands exclusive to LiveRamp, emerging platforms with access to previously unavailable deterministic data, and data partnerships enabled by our platform.

We primarily generate revenue from the Data Store through revenue-sharing arrangements with data owners that are monetizing their data assets on our marketplace. This revenue is typically transactional in nature, tied to data volume purchased on the Data Store.

Competitive Strengths

Our competitive strengths can be mapped back to our core capabilities around data access, identity, connectivity and data stewardship – which together create strong network effects that form a larger strategic moat around the entire business.



- **Extensive Coverage.** We activate data across an ecosystem of more than 600 partners, representing the largest network of connections in the digital marketing space. We use 100% deterministic matching, resulting in the strongest combination of reach and accuracy. Through our Data Store, we offer multi-sourced insight into approximately 700 million consumers worldwide, and over 5,000 data elements from hundreds of sources with permission rights.
- **Most Advanced Consumer-Level Recognition.** Our proprietary, patented recognition technology draws upon an extensive historical reference base to identify and link together multiple consumer records and identifiers. We use the pioneering algorithms of AbiliTec® and deterministic digital matching to link individuals and households to the right digital identifiers including cookies, mobile device IDs, Advanced TV IDs, and user accounts at social networks. As a result, we are able to match online and offline data with a high degree of speed and accuracy.
- **Scale Leader in Data Connectivity.** We are the category creator and largest provider of identity and data connectivity at scale. We match records with the highest level of accuracy and offer the most flexibility for activating data through our extensive set of integrations. Our platform processes more than 4 trillion data records daily.

- **Unique Position in Marketing Ecosystem.** We are the only open and neutral enterprise customer management platform operating at large scale. We provide the data connectivity required to build best-of-breed integrated marketing stacks, allowing our customers to innovate through their preferred choice of data, technology, and services providers. We strive to make every customer experience application more valuable by providing access to more customer data. We enable the open marketing stack and power the open ecosystem.
- **Standard Bearer for Privacy and Security.** LiveRamp has been a leader in data stewardship and a strong and vocal proponent of providing consumers with more visibility and control over their data. A few examples of our commitment in this area:
 - In all of our major geographies we have Privacy teams focused on the protection and responsible use of consumer data
 - The use of our privacy-enabled environment that allows marketers and partners to connect different types of data while protecting and governing its use
 - Industry-leading expertise in safely connecting data across the online and offline worlds
 - In fiscal 2020, the acquisition and integration of Faktor to streamline consent management across the open ecosystem. Faktor is a global consent management platform that allows consumers to better manage how and where their data is used.
- **Strong Customer Relationships.** We work with over 665 direct customers world-wide and serve thousands of additional customers indirectly through our partner and reseller network. We have deep relationships with companies and marketing leaders in key industries, including financial services, retail, telecommunications, media, insurance, health care, automotive, technology, and travel and entertainment. Our customers are loyal and typically grow their use of the platform over time, as evidenced by our strong net dollar retention rate, which has been at least 115% during the last eight quarters.

Growth Strategy

LiveRamp is a category creator, thought leader and innovator in how data is used to power the customer experience. Key elements of our growth strategy include:

- **Grow our Customer Base.** We have strong relationships with many of the world's largest brands, agencies, marketing technology providers, publishers and data providers. Today, we work with over 665 direct customers globally; however, we believe our target market includes the world's top 3,000 enterprises, signaling there is still significant opportunity to add new customers to our roster. We expect to continue making investments in growing our sales and customer success team to support this strategy.
- **Expand Existing Customer Relationships.** A key growth lever for our business is the ability to land and expand – or grow existing customer relationships. Our subscription pricing is tiered based on data volume, so over time, as customers expand their usage and leverage their data across more use cases, we are able to grow our relationships. Today, we work with over 45 clients paying us \$1 million or more, and as we continue to expand our coverage beyond programmatic, we expect to see this number grow.
- **Continue to Innovate and Extend Leadership Position in Identity.** We intend to establish LiveRamp as the standard for consumer-level recognition across the marketing ecosystem, providing a single source of user identity for audience targeting, measurement and personalization.
- **Establish LiveRamp as the Trusted, Best and Essential Industry Standard for Connected Data.** We intend to continue to make substantial investments in our platform and solutions and extend our market leadership through innovation. Our investments will focus on automation, speed, higher match rates, expanded partner integrations and use cases, and new product development.

- **Expand Global Footprint.** Many of our customers and partners serve their customers on a global basis, and we intend to expand our presence outside of the United States to serve the needs of our customers in additional geographies. As we expand relationships with our existing customers, we are investing in select regions in Europe and Asia.
- **Expand Addressable Market.** Historically, our focus has been to enable data-driven advertising in the programmatic space. As customers look to deploy data across additional use cases, we intend to power all advertising use cases and expand our role inside the enterprise. Advanced TV, B2B and second-party data are great examples of this strategy. In addition, over time, we intend to pursue adjacent markets beyond marketing, like risk and fraud, healthcare and government, where similar identity and data connectivity challenges exist.
- **Build an Exceptional Business.** We do not aspire to be mediocre, good, or even great – we intend to be the absolute best in everything we do. We employ exceptional people, challenge them to accomplish exceptional things, and achieve exceptional results for our clients and shareholders. We will do this through five guiding principles: 1) Above all, we do what is right; 2) We always say what we mean and do what we say; 3) We empower people; 4) We respect people and time; and 5) We get stuff done.

Privacy Considerations

The growing online advertising and e-commerce industries are converging, with consumers expecting a seamless experience across all channels, in real time. This challenges marketing organizations to balance the deluge of data and demands of the consumer with responsible, privacy-compliant methods of managing data internally and with advertising technology intermediaries.

We have policies and operational practices governing our use of data that we believe reflect leading best practices and actively promote a set of effective privacy guidelines for digital advertising and direct marketing via all channels of addressable media, e-commerce, risk management and information industries as a whole. We are certified under the European Union ("EU")-U.S. and Swiss-U.S. Privacy Shield programs in an effort to ensure our continued ability to process information across borders. We have a dedicated team in place to oversee our compliance with the data protection regulations that govern our business activities in the various countries in which we operate.

The U.S. Congress continues to debate data privacy legislation, and there are many different types of data privacy legislation pending at the state level. In all of the non-U.S. locations in which we do business, laws and regulations governing the collection and use of personal data either exist or are being developed.

We expect the trend of enacting and revising data protection laws to continue and that new and expanded data privacy legislation in various forms will be implemented in the U.S. and in other countries around the globe. We are supportive of legislation that codifies current industry guidelines of accountability-based data governance that includes meaningful transparency for the individual, and appropriate controls over personal information and choice whether that information is shared with independent third parties for marketing purposes. We also support legislation requiring all custodians of sensitive information to deploy reasonable information security safeguards to protect that information.

Customers

Our customer base consists primarily of Fortune 1000 companies and organizations in the financial services, insurance, information services, direct marketing, retail, consumer packaged goods, technology, automotive, healthcare, travel and communications industries as well as in non-profit and government sectors. Given the strong network effects associated with our platform, we work with both enterprise marketers and the companies they partner with to execute their marketing, including agencies, marketing technology providers, publishers and data providers.

We seek to maintain long-term relationships with our clients. Our average subscription contract is one year in duration, although some of our customers are entering into multi-year subscriptions. Our customers are loyal and typically grow their use of the platform over time, as evidenced by our strong net dollar retention rate, which has been consistently north of 115% over the last eight quarters.

Our ten largest clients represented approximately 32% of our revenues in fiscal year 2019 but no single client accounted for more than 10% of our consolidated revenues.

Sales and Marketing

Our sales teams focus on new business development across all markets – sales to new clients and sales of new lines of business to existing clients, as well as revenue growth within existing accounts. We organize our customer relationships around customer type and industry vertical, as we believe that understanding and speaking to the nuances of each industry is the most effective way to positively impact our customers' businesses.

Our partner organization focuses on enabling key media partners, agencies and software providers who can help drive value for our customers.

Our marketing efforts are focused on increasing awareness for our brand, executing thought-leadership initiatives, supporting our sales team and generating new leads. We seek to accomplish these objectives by hosting and presenting at industry conferences, hosting client advisory boards, publishing white papers and research, public relations activities, social media presence and advertising campaigns.

Research and Development

Research and development expense was \$85.7 million in fiscal 2019, compared to \$60.7 million in fiscal 2018, and \$49.4 million in fiscal 2017. Management expects to maintain investment spending at similar levels in fiscal 2020.

Competition

Competitors to LiveRamp are typically also members of our partner and reseller ecosystem, creating a paradigm where competition is the norm. Our primary competitors are companies that sell data onboarding as part of a suite of marketing applications or services. Walled gardens that offer a direct interface for matching CRM data compete for a portion of our services, particularly amongst marketers that have not yet adopted in-house platforms for programmatic marketing or attribution. Some providers of tag management, data management, and cross-device marketing solutions have adopted positioning similar to our business and compete for mindshare. In markets outside the United States, we primarily face small local market players.

We continue to focus on levers to increase our competitiveness and believe that investing in the product and technology platform of our business is a key to our continued success. Further, we believe that enabling a broad partner ecosystem will help us to continue to provide competitive differentiation.

Seasonality and Inflation

Although we cannot accurately determine the amounts attributable to inflation, we are affected by inflation through increased costs of compensation and other operating expenses. If inflation were to increase over the low levels of recent years, the impact in the short run would be to cause increases in costs, which we would attempt to pass on to our clients, although there is no assurance that we would be able to do so. Generally, the effects of inflation in recent years have been offset by technological advances, economies of scale and other operational efficiencies.

While the majority of our business is not subject to seasonal fluctuations, our Marketplace and other business experiences modest seasonality, as the revenue generated from this area of the business is more transactional in nature and tied to advertising spend. For example, many advertisers allocate the largest portion of their budgets to the fourth quarter of the calendar year in order to coincide with increased holiday purchasing. We expect our Marketplace and other revenue to continue to fluctuate based on seasonal factors that affect the advertising industry as a whole.

Pricing

More than 80% of our revenue is derived from monthly recurring subscription fees sold on an annual basis. Our subscription pricing is tiered based on data volume supported by our platform. We also generate revenue from data providers, digital publishers and advanced TV platforms in the form of revenue-sharing agreements.

Employees

LiveRamp employs approximately 950 employees (LiveRampers) worldwide. No U.S. LiveRampers are represented by a labor union or subject to a collective bargaining agreement. To the best of management's knowledge, 2 LiveRampers are elected members of work councils or trade unions representing LiveRamp employees in the European Union. LiveRamp has never experienced a work stoppage, and we believe that our employee relations are good.

Executive Officers of the Registrant

LiveRamp's executive officers, their current positions, ages and business experience are listed below. They are elected by the board of directors annually or as necessary to fill vacancies or to fill new positions. There are no family relationships among any of the officers or directors of the Company.

Scott E. Howe, age 51, is the Chief Executive Officer of the Company. Prior to joining the Company in 2011, he served as corporate vice president of Microsoft Advertising Business Group from 2007–2010. In this role, he managed a multi-billion dollar business encompassing all emerging businesses related to online advertising, including search, display, ad networks, in-game, mobile, digital cable and a variety of enterprise software applications. Mr. Howe was employed from 1999–2007 as an executive and later as a corporate officer at aQuantive, Inc. where he managed three lines of business, including Avenue A|Razorfish (a leading Seattle-based global consultancy in digital marketing and technology), DRIVE Performance Media (now Microsoft Media Network), and Atlas International (an ad serving technology now owned by Facebook). Earlier in his career, he was with The Boston Consulting Group and Kidder, Peabody & Company, Inc. He previously served on the boards of Blue Nile, Inc., a leading online retailer of diamonds and fine jewelry, the Internet Advertising Bureau (IAB) and the Center for Medical Weight Loss. He is a *magna cum laude* graduate of Princeton University, where he earned a degree in economics, and he holds an MBA from Harvard University.

Warren C. Jenson, age 62, is the Company's President, Chief Financial Officer and Executive Managing Director of International. He joined the Company in 2012 and is responsible for all aspects of LiveRamp's financial management and the Company's business operations outside the United States. Prior to joining the Company, Mr. Jenson served as COO at Silver Spring Networks, a successful start-up specializing in smart grid networking technology, where he had responsibility for the company's service delivery, operations and manufacturing organizations. From 2002 - 2008 he was CFO at Electronic Arts Inc., a leading global interactive entertainment software company. He has more than 30 years of experience in strategy and operational finance and has been a part of some of the most important success stories of the last two decades, including Amazon.com, NBC and Electronic Arts. In addition, he was twice designated one of the "Best CFOs in America" by *Institutional Investor* magazine, and he was also honored as Bay Area Venture CFO of the Year in 2010. He also has significant experience in mergers and acquisitions, as well as in the development and formulation of strategic partnerships. Mr. Jenson's board experience includes Digital Globe (NYSE: DGI), Tapjoy, and the Marshall School of Business at the University of Southern California. He holds a bachelor's degree in accounting and a master of accountancy degree, both from Brigham Young University.

Jerry C. Jones, age 63, is the Company's Executive Vice President, Chief Ethics and Legal Officer, and Assistant Secretary. He joined the Company in 1999 and currently oversees the Company's legal, data ethics and human resources matters. He also assists in the strategy and execution of mergers and acquisitions and the Company's strategic initiatives. Prior to joining the Company, Mr. Jones was employed for 19 years as an attorney with the Rose Law Firm in Little Rock, Arkansas, representing a broad range of business interests. Mr. Jones is a member of the board of directors of Agilysys, Inc. (NASDAQ: AGYS), a leading developer and marketer of proprietary enterprise software, services and solutions to the hospitality and retail industries, where he serves on the Compensation Committee and the Nominating & Governance Committee. During part of the 2018 fiscal year, he also served on the Agilysys, Inc. Audit Committee. He also serves on the board of directors of Heifer International and on the UA Little Rock Board of Visitors, and is a co-founder of uhire U.S. He is a Special Advisor to the Club de Madrid, an organization composed of over 100 former Presidents and Prime Ministers from more than 60 democratic countries. He was a member of the board of directors of Entrust, Inc. until it was purchased by private investors in 2009 and is former chairman of the board of the Arkansas Virtual Academy. Mr. Jones holds a bachelor's degree in public administration and a juris doctorate degree, both from the University of Arkansas.

James F. Arra, age 53, is President and Chief Commercial Officer of the Company. In this role he is responsible for leading the go-to-market strategy for LiveRamp's client verticals: brands, agencies, data providers, platforms and publishers. Since joining LiveRamp in 2013, Mr. Arra has held several key leadership roles. From 2009 to 2012, Mr. Arra was Vice President of worldwide sales at TRUSTe, where he helped grow the company from less than 1,000 customers to more than 6,000 customers in just over three years. Prior to TRUSTe, he was in a sales leadership role at Vontu, a data security company that was acquired by Symantec, and before that was a vice president and general manager at FreeMarkets, a publicly traded SaaS company that subsequently merged with Ariba. Mr. Arra holds a bachelor's degree in electrical engineering with a minor in quantitative economics and decision theory from the University of California, San Diego.

Anneka R. Gupta, age 31, is President and Head of Products and Platforms of the Company. She is responsible for leading LiveRamp's product, engineering, marketing, and general and administrative functions. Previously Ms. Gupta was LiveRamp's chief product officer, overseeing product strategy and execution. During her eight-year tenure at the Company, Ms. Gupta has led successful efforts in a variety of disciplines, including marketing, recruiting, product management and software development. In 2016, Ms. Gupta was recognized as a "Top 10 Digital Marketing Innovator" by AdAge magazine. She holds a bachelor's degree in math and computational sciences from Stanford University and has completed the Executive Program at the Stanford University Graduate School of Business.

Item 1A. Risk Factors

An investment in our common stock involves a high degree of risk. You should carefully consider the risks described below and the other information in this Annual Report on Form 10-K and in other public filings before making an investment decision. Our business, prospects, financial condition, or operating results could be harmed by any of these risks, as well as other risks not currently known to us or that we currently consider immaterial. If any of such risks and uncertainties actually occurs, our business, financial condition or operating results could differ materially from the plans, projections and other forward-looking statements included in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this report and in our other public filings. The trading price of our common stock could decline due to any of these risks, and, as a result, you may lose all or part of your investment.

Risks Related to Our Business and Strategy

We are dependent upon customer renewals, the addition of new customers and increased revenue from existing customers for our subscription revenue through our IdentityLink platform and our marketplace and other business.

To sustain or increase our revenue, we must regularly add new clients and encourage existing clients to maintain or increase their business with us. As the market matures and as existing and new market participants produce new and different approaches to enable businesses to address their respective needs that compete with our offerings, we may be forced to reduce the prices we charge, may be unable to renew existing customer agreements, or enter into new customer agreements at the same prices and upon the same terms that we have historically obtained. If our new business and cross-selling efforts are unsuccessful or if our customers do not expand their use of our platform or adopt additional offerings and features, our operating results may suffer.

Our existing customers have no obligation to renew their contracts or may not choose to renew their contracts for a variety of reasons. Our renewal rates may decline or fluctuate as a result of a number of factors, including customer satisfaction, pricing changes, the prices of services offered by our competitors, mergers and acquisitions affecting our customer base, and reductions in our customers' spending levels or other declines in customer activity. If our customers do not renew their contracts or decrease the amount they spend with us, our revenue will decline and our business will suffer.

A decline in new or renewed subscriptions in any period may not be immediately reflected in our reported financial results for that period, but may result in a decline in our revenue in future quarters. If we were to experience significant downturns in subscription sales and renewal rates, our reported financial results might not reflect such downturns until future periods.

The loss of a contract upon which we rely for a significant portion of our revenues could adversely affect our operating results.

Our ten largest clients represented approximately 32% of our revenues in fiscal year 2019, but no single client accounted for more than 10% of the consolidated revenues of the Company. The loss of, or decrease in revenue from, any of our significant clients for any reason could have a material adverse effect on our revenue and operating results.

Data suppliers may withdraw data that we have previously collected or withhold data from us in the future, leading to our inability to provide products and services to our clients, which could lead to a decrease in revenue and loss of client confidence.

Much of the data that we use is either purchased or licensed from third-party data suppliers, and we are dependent upon our ability to obtain necessary data licenses on commercially reasonable terms. We could suffer material adverse consequences if our data suppliers were to withhold their data from us, which could occur either because we fail to maintain sufficient relationships with the suppliers or if they decline to provide, or are prohibited from providing, such data to us due to legal, contractual, privacy, competition or other economic concerns. For example, data suppliers could withhold their data from us if there is a competitive reason to do so, if we breach our contract with a supplier, if we breach their expectations of our use of their data, if they are acquired by one of our competitors, if legislation is passed restricting the use or dissemination of the data they provide, if market optics become negative regarding the sharing of their data with third parties or allowing the setting of third-party cookies

from their sites, if publishers change their privacy policies or user settings in a material manner that turns off or diminishes the volume of data we receive, or if judicial interpretations are issued restricting use of such data, or for other reasons. Further, definitions in enacted or proposed state-level data broker legislation could be interpreted to apply to LiveRamp, potentially exposing the Company to negative perceptions and diminishing data available to it. Additionally, we could terminate relationships with our data suppliers if they fail to adhere to our data quality standards. If a substantial number of data suppliers were to withdraw or withhold their data from us, or if we were to sever ties with our data suppliers based on their inability to meet appropriate data standards, our ability to provide products and services to our clients could be materially adversely impacted, which could result in decreased revenues and operating results.

Our business is subject to substantial competition from a diverse group of competitors. New products and pricing strategies introduced by these competitors could decrease our market share or cause us to lower our prices in a manner that reduces our operating margin.

We operate in a highly competitive and rapidly changing industry. With the introduction of new technologies and the influx of new entrants to the market, we expect competition to persist and intensify in the future, which could harm our ability to increase revenue and operating results. In addition to existing competitors and intermediaries, we may also face competition from new companies entering the market, which may include large established companies, all of which currently offer, or may in the future offer, products and services that result in additional competition. These competitors may be in a better position to develop new products and pricing strategies that more quickly and effectively respond to changes in customer requirements in these markets. Some of our competitors may choose to sell products or services competitive to ours at lower prices by accepting lower margins and profitability, or may be able to sell products or services competitive to ours at lower prices given proprietary ownership of data, technical superiority or economies of scale. Such introduction of competent, competitive products, pricing strategies or other technologies by our competitors that are superior to or that achieve greater market acceptance than our products and services could adversely affect our business. In such event, we could experience a decline in market share and be forced to reduce our prices, resulting in lower profit margins for the Company.

The failure to recruit and retain qualified personnel could hinder our ability to successfully execute our business strategy, which could have a material adverse effect on our financial position and operating results.

Our growth strategy and future success depends in large part on our ability to attract and retain technical, client services, sales, consulting, research and development, marketing, administrative and management personnel. The complexity of our products, processing functionality, software systems and services requires highly trained professionals. While we presently have a sophisticated, dedicated and experienced team of associates who have a deep understanding of our business, the labor market for these individuals has historically been very competitive due to the limited number of people available with the necessary technical skills and understanding. As our industry continues to become more technologically advanced, we anticipate increased competition for qualified personnel. The loss or prolonged absence of the services of highly trained personnel like the Company's current team of associates, or the inability to recruit and retain additional, qualified associates, could have a material adverse effect on our business, financial position or operating results.

If we cannot maintain our Company's culture as we grow, we could lose the innovation, teamwork, passion and focus on execution that we believe contribute to our success and our business may be harmed.

We believe that a critical component to our success has been our company culture, which is based on transparency and personal autonomy. We have invested substantial time and resources in building our team within this company culture. Any failure to preserve our culture could negatively affect our ability to retain and recruit personnel and to proactively focus on and pursue our corporate objectives. If we fail to maintain our company culture, our business may be adversely impacted.

Failure to keep up with rapidly changing technologies and marketing practices could cause our products and services to become less competitive or obsolete, which could result in loss of market share and decreased revenues and results of operations.

Advances in information technology are changing the way our clients use and purchase information products and services. Maintaining the technological competitiveness of our products, processing functionality, software systems and services is key to our continued success. However, the complexity and uncertainty regarding the development

of new technologies and the extent and timing of market acceptance of innovative products and services create difficulties in maintaining this competitiveness. Without the timely introduction of new products, services and enhancements, our offerings will become technologically or commercially obsolete over time, in which case our revenue and operating results would suffer.

Consumer needs and expectations and the business information industry as a whole are in a constant state of change. Our ability to continually improve our current processes and products in response to changes in technology and to develop new products and services are essential in maintaining our competitive position, preserving our market share and meeting the increasingly sophisticated requirements of our clients. If we fail to enhance our current products and services or fail to develop new products in light of emerging technologies and industry standards, we could lose clients to current or future competitors, which could result in impairment of our growth prospects, loss of market share and decreased revenues.

Acquisition and divestiture activities may disrupt our ongoing business and may involve increased expenses, and we may not realize the financial and strategic goals contemplated at the time of a transaction, all of which could adversely affect our business and growth prospects.

Historically, we have engaged in acquisitions to grow our business. To the extent we find suitable and attractive acquisition candidates and business opportunities in the future, we may continue to acquire other complementary businesses, products and technologies and enter into joint ventures or similar strategic relationships. While we believe we will be able to successfully integrate newly acquired businesses into our existing operations, there is no certainty that future acquisitions or alliances will be consummated on acceptable terms or that we will be able to integrate successfully the services, content, products and personnel of any such transaction into our operations. In addition, any future acquisitions, joint ventures or similar relationships may cause a disruption in our ongoing business and distract our management. An acquisition may later be found to have a material legal or ethical issue, not disclosed or discovered prior to acquisition. Further, we may be unable to realize the revenue improvements, cost savings and other intended benefits of any such transaction. The occurrence of any of these events could result in decreased revenues, net income and earnings per share.

We have also divested assets in the past and may do so again in the future. As with acquisitions, divestitures involve significant risks and uncertainties, such as disruption of our ongoing business, reductions of our revenues or earnings per share, unanticipated liabilities, legal risks and costs, the potential loss of key personnel, distraction of management from our ongoing business, impairment of relationships with employees and clients because of migrating a business to new owners.

Because acquisitions and divestitures are inherently risky, transactions we undertake may not be successful and may have a material adverse effect on our business, results of operations, financial condition or cash flows.

Our operations outside the U.S. are subject to risks that may harm the Company's business, financial condition or results of operations.

During the last fiscal year, we received approximately 8% of our revenues from business outside the United States. In those non-U.S. locations where legislation restricting the collection and use of personal data currently exists, less data is available and at a much higher cost. In some foreign markets, the types of products and services we offer have not been generally available and thus are not fully understood by prospective clients. Upon entering these markets, we must educate and condition the markets, increasing the cost and difficulty of successfully executing our business plan in these markets. Additionally, each of our foreign locations is generally expected to fund its own operations and cash flows, although periodically funds may be loaned or invested from the U.S. to the foreign subsidiaries. Because of such loan or investment, exchange rate movements of foreign currencies may have an impact on our future costs of, or future cash flows from, foreign investments. We have not entered into any foreign currency forward exchange contracts or other derivative instruments to hedge the effects of adverse fluctuations in foreign currency exchange rates.

Additional risks inherent in our non-U.S. business activities generally include, among others, the costs and difficulties of managing international operations, potentially adverse tax consequences, and greater difficulty enforcing intellectual property rights. The various risks that are inherent in doing business in the U.S. are also generally applicable to doing business outside of the U.S., but such risks may be exaggerated by factors normally associated with international operations, such as differences in culture, laws and regulations, especially restrictions

on collection, management, aggregation and use of information. Failure to effectively manage the risks facing our non-U.S. business activities could materially adversely affect our operating results.

In addition, when operating in foreign jurisdictions, we must comply with complex foreign and U.S. laws and regulations, such as the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and other local laws prohibiting corrupt payments to government officials, as well as anti-competition regulations and data protection laws and regulations. Violations of these laws and regulations could result in fines and penalties, criminal sanctions, restrictions on our business conduct and on our ability to offer our products and services in one or more countries. Such violations could also adversely affect our reputation with existing and prospective clients, which could negatively impact our operating results and growth prospects.

A significant breach of the confidentiality of the information we hold or of the security of our or our customers', suppliers', or other partners' computer systems could be detrimental to our business, reputation and results of operations.

Our business requires the storage, transmission and utilization of data, including personally identifiable information, much of which must be maintained on a confidential basis. These activities may make us a target of cyber-attacks by third parties seeking unauthorized access to the data we maintain, including our data and client data, or to disrupt our ability to provide service. Any failure to prevent or mitigate security breaches and improper access to or disclosure of the data we maintain, including personal information, could result in the loss or misuse of such data, which could harm our business and reputation and diminish our competitive position. In addition, computer malware, viruses, social engineering, and general hacking have become more prevalent. As a result of the types and volume of personal data on our systems, we believe that we are a particularly attractive target for such breaches and attacks.

In recent years, the frequency, severity, sophistication of cyber-attacks, computer malware, viruses, social engineering, and other intentional misconduct by computer hackers has significantly increased, and government agencies and security experts have warned about the growing risks of hackers, cyber criminals and other potential attackers targeting information technology systems. Such third parties could attempt to gain entry to our systems for the purpose of stealing data or disrupting the systems. In addition, our security measures may also be breached due to employee error, malfeasance, system errors or vulnerabilities, including vulnerabilities of our vendors, suppliers, their products, or otherwise. Third parties may also attempt to fraudulently induce employees or clients into disclosing sensitive information such as user names, passwords or other information to gain access to our clients' data or our data, including intellectual property and other confidential business information. We believe we have taken appropriate measures to protect our systems from intrusion, but we cannot be certain that advances in criminal capabilities, discovery of new vulnerabilities in our systems and attempts to exploit those vulnerabilities, physical system or facility break-ins and data thefts or other developments will not compromise or breach the technology protecting our systems and the information we possess.

Although we have developed systems and processes that are designed to protect our data and client data, to prevent data loss, and to prevent or detect security breaches, our databases have in the past been and in the future may be subject to unauthorized access by third parties, and we may incur significant costs in protecting against or remediating cyber-attacks. Any security breach could result in operational disruptions that impair our ability to meet our clients' requirements, which could result in decreased revenues. Also, whether there is an actual or a perceived breach of our security, our reputation could suffer irreparable harm, causing our current and prospective clients to reject our products and services in the future and deterring data suppliers from supplying us data. Further, we could be forced to expend significant resources in response to a security breach, including those expended in repairing system damage, increasing cyber security protection costs by deploying additional personnel and protection technologies, and litigating and resolving legal claims or governmental inquiries and investigations, all of which could divert the attention of our management and key personnel away from our business operations. In any event, a significant security breach could materially harm our business, financial condition and operating results.

Our clients, suppliers and other partners are primarily responsible for the security of their information technology environments, and we rely heavily on them and other third parties to supply clean data content and/or to utilize our products and services in a secure manner. Each of these third parties may face risks relating to cyber security, which could disrupt their businesses and therefore materially impact ours. While we provide guidance and specific requirements in some cases, we do not directly control any of such parties' cyber security operations, or the amount of investment they place in guarding against cyber security threats. Accordingly, we are subject to any flaw in or breaches of their systems, which could materially impact our business, operations and financial results.

Unfavorable publicity and negative public perception about our industry could adversely affect our business and operating results.

With the growth of online advertising and e-commerce, there is increasing awareness and concern among the general public, privacy advocates, mainstream media, governmental bodies and others regarding marketing, advertising, and data privacy matters, particularly as they relate to individual privacy interests and the global reach of the online marketplace. Any unfavorable publicity or negative public perception about us, our industry, including our competitors, or even other data focused industries can affect our business and results of operations, and may lead to digital publishers changing their business practices or additional regulatory scrutiny or lawmaking that affects us or our industry.

For example, in recent years, consumer advocates, mainstream media and elected officials have increasingly and publicly criticized the data and marketing industry for its collection, storage and use of personal data. The negative public attention Facebook faced following revelations about Cambridge Analytica's use of data led Facebook to change how it delivers targeted advertising, as well as its relationship with us and some of our competitors. This public scrutiny may lead to general distrust of our industry, consumer reluctance to share and permit use of personal data and increased consumer opt-out rates, any of which could negatively influence, change or reduce our current and prospective clients' demand for our products and services and adversely affect our business and operating results.

Interruptions or delays in service from our third-party data center providers could impair our ability to deliver our products and services to our customers, resulting in customer dissatisfaction, damage to our reputation, loss of customers, limited growth and reduction in revenue.

We currently serve the majority of our platform functions from third-party data center hosting facilities operated by Google Cloud Platform and Amazon Web Services. Our operations depend, in part, on our third-party facility providers' abilities to protect these facilities against any damage or interruption from natural disasters, such as earthquakes and hurricanes, power or telecommunication failures, criminal acts and similar events. In the event that any of our third-party facilities arrangements is terminated, or if there is a lapse of service or damage to a facility, we could experience interruptions in our platform as well as delays and additional expenses in arranging new facilities and services.

Any damage to, or failure of, the systems of our third-party providers could result in interruptions to our platform. Despite precautions taken at our data centers, the occurrence of spikes in usage volume, a natural disaster, such as earthquakes or hurricane, an act of terrorism, vandalism or sabotage, a decision to close a facility without adequate notice, or other unanticipated problems at a facility could result in lengthy interruptions in the availability of our platform. Even with current and planned disaster recovery arrangements, our business could be harmed. Also, in the event of damage or interruption, our insurance policies may not adequately compensate us for any losses that we may incur. These factors in turn could further reduce our revenue, subject us to liability and cause us to issue credits or cause customers to fail to renew their subscriptions, any of which could materially adversely affect our business.

We are dependent on the continued availability of third-party data hosting and transmission services.

We incur significant costs with our third-party data hosting services. If the costs for such services increase due to vendor consolidation, regulation, contract renegotiation, or otherwise, we may not be able to increase the fees for our products and services to cover the changes. As a result, our operating results may be significantly worse than forecasted.

If the use of "third-party cookies" or other tracking technology is rejected by Internet users, restricted or otherwise subject to unfavorable regulation, blocked or limited by technical changes on end users' devices, or our and our clients' ability to use data on our platform is otherwise restricted, all of which could materially impact our business.

Digital advertising mostly relies on the use of cookies, pixels and other similar technology, including mobile device identifiers that are provided by mobile operating systems for advertising purposes, which we refer to collectively as cookies, to collect data about interactions with users and devices. To provide our platform, we utilize third-party cookies, which are cookies owned and used by parties other than the owners of the website visited by the Internet user. Our cookies are used to record information tied to a random unique identifier, including such information as when an Internet user views an ad, clicks on an ad or visits one of our advertiser's websites through a browser while

the cookie is active. We use cookies to help us achieve our advertisers' campaign goals on the web, to limit the instances that an Internet user sees the same advertisement, to report information to our advertisers regarding the performance of their advertising campaigns and to detect and prevent malicious behavior and invalid traffic throughout our network of inventory. We also use data from cookies to help our clients decide whether to bid on, and how to price, an opportunity to place an advertisement in a specific location, at a given time, in front of a particular Internet user. Additionally, our clients use cookies and other technologies to add information they have collected or acquired about users into our platform. Without such data, our clients may not have sufficient insight into an Internet user's activity, which may compromise their and our ability to determine which inventory to purchase for a specific campaign and undermine the effectiveness of our platform.

Cookies may be deleted or blocked by Internet users who do not want information to be collected about them. The most commonly used Internet browsers—Chrome, Firefox, Internet Explorer and Safari—allow Internet users to modify their browser settings to prevent cookies from being accepted by their browsers. Mobile devices allow users to opt out of the use of mobile device IDs for targeted advertising. Additionally, the Safari browser currently blocks some third-party cookies by default and has recently added controls that algorithmically block or limit some cookies. Other browsers have added similar controls. In addition, Internet users can delete cookies from their computers at any time. Some Internet users also download free or paid ad blocking software that not only prevents third-party cookies from being stored on a user's computer, but also blocks all interaction with a third-party ad server. Google has introduced ad blocking software in its Chrome web browser that will block certain ads based on quality standards established under a multi-stakeholder coalition. Additionally, the DAA, NAI, their international counterparts, and our company have certain opt-out mechanisms for users to opt out of the collection of their information via cookies. If more Internet users adopt these settings or delete their cookies more frequently than they currently do, or restrictions are imposed by advertisers and publishers, there are changes in technology or new developments in laws, regulations or industry standards around cookies, our business could be harmed.

For in-app advertising, data regarding interactions between users and devices are tracked mostly through stable, pseudonymous mobile device identifiers that are built into the device operating system with privacy controls that allow users to express a preference with respect to data collection for advertising, including to disable the identifier. These identifiers and privacy controls are defined by the developers of the mobile platforms and could be changed by the mobile platforms in a way that may negatively impact our business. Privacy aspects of other channels for programmatic advertising, such as CTVs or over-the-top video, are still developing. Technical or policy changes, including regulation or industry self-regulation, could harm our growth in those channels.

As the collection and use of data for digital advertising has received ongoing media attention over the past several years, some government regulators, such as the FTC, and privacy advocates have raised significant concerns around observed data. There has been an array of 'do-not-track' efforts, suggestions and technologies introduced to address these concerns. However, the potential regulatory and self-regulatory landscape is inherently uncertain, and there is no consensus definition of tracking, nor agreement on what would be covered by 'do-not-track' functionality. There is activity by the major Internet browsers to default set on 'do-not-track' functionality, including by Apple Safari and Firefox. It is not clear if other Internet browsers will follow.

In addition, in the EU, Directive 2002/58/EC (as amended by Directive 2009/136/EC), commonly referred to as the ePrivacy or Cookie Directive, directs EU member states to ensure that accessing information on an Internet user's computer, such as through a cookie and other similar technologies, is allowed only if the Internet user has been informed about such access and given his or her consent. A replacement for the Cookie Directive is currently under discussion by EU member states to complement and bring electronic communication services in line with the GDPR and force a harmonized approach across EU member states. Like the GDPR, the proposed ePrivacy Regulation has extra-territorial application as it applies to businesses established outside the EU who provide publicly-available electronic communications services to, or gather data from the devices of, users in the EU. Though still subject to debate, the proposed ePrivacy Regulation may limit the lawful bases available to process digital data and require "opt-in" consent. The fines and penalties for breach of the proposed ePrivacy Regulation may be significant. Limitations on the use or effectiveness of cookies, or other limitations on our, or our clients', ability to collect and use data for advertising, whether imposed by EU member state implementations of the Cookie Directive, by the new ePrivacy Regulation, or otherwise, may impact the performance of our platform. We may be required to, or otherwise may determine that it is advisable to, make significant changes in our business operations and product and services to obtain user opt-in for cookies and use of cookie data, or develop or obtain additional tools and technologies to compensate for a lack of cookie data. We may not be able to make the necessary changes in our business operations and products and services to obtain user opt-in for cookies and use of cookie data, or develop, implement or acquire additional tools that compensate for a lack of cookie data. Moreover, even if we are able to do

so, such additional products and tools may be subject to further regulation, time consuming to develop or costly to obtain, and less effective than our current use of cookies.

Risks Related to Government Regulation and Taxation

Changes in legislative, judicial, regulatory, or cultural environments relating to information collection and use may limit our ability to collect and use data. Such developments could cause revenues to decline, increase the cost and availability of data and adversely affect the demand for our products and services.

We receive, store and process personal information and other data from and about consumers in addition to our clients, employees, and services providers. Our handling of this data is subject to a variety of federal, state, and foreign laws and regulations and is subject to regulation by various government authorities. Our data handling also is subject to contractual obligations and may be deemed to be subject to industry standards.

The U.S. federal and various state and foreign governments have adopted or proposed limitations on the collection, distribution, use and storage of data relating to individuals, including the use of contact information and other data for marketing, advertising and other communications with individuals and businesses. In the U.S., various laws and regulations apply to the collection, processing, disclosure, and security of certain types of data. Additionally, the FTC and many state attorneys general are interpreting federal and state consumer protection laws as imposing standards for the online collection, use, dissemination and security of data.

The regulatory framework for data privacy issues worldwide is currently evolving and is likely to remain uncertain for the foreseeable future. The occurrence of unanticipated events often rapidly drives the adoption of legislation or regulation affecting the use of data and the manner in which we conduct our business. Restrictions could be placed upon the collection, management, aggregation and use of information, which could result in a material increase in the cost of collecting or otherwise obtaining certain kinds of data and could limit the ways in which we may use or disclose information.

In particular, interest-based advertising, or the use of data to draw inferences about a user's interests and deliver relevant advertising to that user, and similar or related practices, such as cross-device data collection and aggregation, steps taken to de-identify personal data and to use and distribute the resulting data, including for purposes of personalization and the targeting of advertisements, have come under increasing scrutiny by legislative, regulatory, and self-regulatory bodies in the U.S. and abroad that focus on consumer protection or data privacy. In particular, this scrutiny has focused on the use of cookies and other technology to collect information about Internet users' online browsing activity on web browsers, mobile devices, and other devices, to associate such data with user or device identifiers or de-identified identities across devices and channels. In addition, providers of Internet browsers have engaged in, or announced plans to continue or expand, efforts to provide increased visibility into, and certain controls over, cookies and similar technologies and the data collected using such technologies. For example, on May 7, 2019, Google announced plans to implement certain changes to how cookies are handled by its Chrome Internet browser. Because we, and our clients, rely upon large volumes of such data collected primarily through cookies and similar technologies, it is possible that these efforts may have a substantial impact on our ability to collect and use data from Internet users, and it is essential that we monitor developments in this area domestically and globally, and engage in responsible privacy practices, including providing consumers with notice of the types of data we collect and how we use that data to provide our services.

In the U.S., the U.S. Congress and state legislatures, along with federal regulatory authorities have recently increased their attention on matters concerning the collection and use of consumer data. In the U.S., non-sensitive consumer data generally may be used under current rules and regulations, subject to certain restrictions, so long as the person does not affirmatively "opt-out" of the collection or use of such data. If an "opt-in" model were to be adopted in the U.S., less data would be available and the cost of data would be higher. For example, California recently enacted legislation, the California Consumer Privacy Act ("CCPA"), that will, among other things, require covered companies to provide new disclosures to California consumers, and afford such consumers new abilities to opt-out of certain sales of personal information, a concept that is defined broadly, when it goes into effect on January 1, 2020 and comes under California Attorney General ("AG") enforcement sometime between April 2020 and July 2020. The CCPA was amended in September 2018. It remains unclear what the AG implementing regulations will be or how aspects of the law will be interpreted. We cannot yet predict the impact of the CCPA on our business or operations, but it may require us to modify our data processing practices and policies and to incur

substantial costs and expenses in an effort to comply. Decreased availability and increased costs of information could adversely affect our ability to meet our clients' requirements and could result in decreased revenues.

In Europe, the European General Data Protection Regulation ("GDPR") took effect on May 25, 2018 and applies to products and services that we provide in Europe, as well as the processing of personal data of EU citizens, wherever that processing occurs. The GDPR includes operational requirements for companies that receive or process personal data of residents of the European Union that are different than those that were in place in the European Union. For example, we have been required to offer new controls to data subjects in Europe before processing data for certain aspects of our service. In addition, the GDPR includes significant penalties for non-compliance of up to the greater of €20 million or 4% of an enterprise's global annual revenue. Further, the European Union is expected to replace the EU Cookie Directive governing the use of technologies to collect consumer information with the ePrivacy Regulation. The ePrivacy Regulation may impose burdensome requirements around obtaining consent, and impose fines for violations that are materially higher than those imposed under the European Union's current ePrivacy Directive and related EU member state legislation. In addition, some countries are considering or have passed legislation implementing data protection requirements or requiring local storage and processing of data or similar requirements that could increase the cost and complexity of delivering our services. Any failure to achieve required data protection standards may result in lawsuits, regulatory fines, or other actions or liability, all of which may harm our operating results.

In June 2016, a referendum was passed in the United Kingdom to leave the European Union, commonly referred to as "Brexit." This decision has created an uncertain political and economic environment in the United Kingdom and other European Union countries, even though the formal process for leaving the European Union has yet to complete and remains uncertain. For example, a Data Protection Bill designed to be consistent with GDPR was enacted in the United Kingdom in May 2018, but it remains uncertain how data transfers to and from the United Kingdom will be regulated. The full effect of Brexit is uncertain and depends on any agreements the United Kingdom may make to retain access to European Union markets. Consequently, no assurance can be given about the impact of the outcome and our business may be seriously harmed.

We are also subject to laws and regulations that dictate whether, how, and under what circumstances we can transfer, process and/or receive certain data that is critical to our operations, including data shared between countries or regions in which we operate and data shared among our products and services. For example, in 2016, the European Union and the U.S. agreed to an alternative transfer framework for data transferred from the European Union to the U.S., called the Privacy Shield, but this framework is subject to an annual review that could result in changes to our obligations and also has been subject to legal challenge. In addition, the other bases upon which we rely to legitimize the transfer of such data, such as Standard Contractual Clauses, have been subjected to regulatory and judicial scrutiny. If one or more of the legal bases for transferring data from Europe to the U.S. is invalidated, if we are unable to transfer data between and among countries and regions in which we operate, or if we are prohibited from sharing data among our products and services, it could affect the manner in which we provide our services or adversely affect our financial results.

In addition to government regulation, privacy advocacy and industry groups may propose new and different self-regulatory standards that either legally or contractually apply to us or our clients. We are members of self-regulatory bodies that impose additional requirements related to the collection, use, and disclosure of consumer data. Under the requirements of these self-regulatory bodies, in addition to other compliance obligations, we are obligated to provide consumers with notice about our use of cookies and other technologies to collect consumer data and of our collection and use of consumer data for certain purposes, and to provide consumers with certain choices relating to the use of consumer data. Some of these self-regulatory bodies have the ability to discipline members or participants, which could result in fines, penalties, and/or public censure (which could in turn cause reputational harm). Additionally, some of these self-regulatory bodies might refer violations of their requirements to the Federal Trade Commission or other regulatory bodies.

Because the interpretation and application of privacy and data protection laws, regulations and standards are uncertain, it is possible that these laws, regulations and standards may be interpreted and applied in a manner that is inconsistent with our data management practices or the technological features of our solutions. If so, in addition to the possibility of fines, investigations, lawsuits and other claims and proceedings, it may be necessary or desirable for us to fundamentally change our business activities and practices or modify our products and services, which could have an adverse effect on our business. We may be unable to make such changes or modifications in a commercially reasonable manner or at all. Any inability to adequately address privacy concerns, even if unfounded, or any actual or perceived failure to comply with applicable privacy or data protection laws, regulations, standards or

policies, could result in additional cost and liability to us, damage our reputation, inhibit sales and harm our business. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations, standards and policies that are applicable to the businesses of our clients may limit the use and adoption of, and reduce the overall demand for, our platform. Privacy concerns, whether valid or not valid, may inhibit market adoption of our platform particularly in certain industries and foreign countries.

Changes in tax laws or regulations that are applied adversely to us or our customers may have a material adverse effect on our business, cash flow, financial condition or results of operations.

New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time, which could affect the tax treatment of our domestic and foreign earnings. Any new taxes could adversely affect our domestic and international business operations, and our business and financial performance. Further, existing tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to us. For example, U.S. tax reform legislation in 2018 ("Tax Act") contained many significant changes to the U.S. tax laws, the precise consequences to us of which have not yet been finalized. Changes in corporate tax rates, the availability of the net deferred tax assets relating to our U.S. operations, the taxation of foreign earnings, and the deductibility of expenses contained in the Tax Act or other tax reform legislation could have a material impact on the value of our deferred tax assets, could result in significant one-time charges in the current or future taxable years, and could increase our future U.S. tax expense. Furthermore, changes to the taxation of undistributed foreign earnings could change our future intentions regarding reinvestment of such earnings. The foregoing items could have a material adverse effect on our business, cash flow, financial condition or results of operations.

Risks Related to Intellectual Property

Third parties may claim that we are infringing their intellectual property and we could suffer significant litigation or licensing expenses or be prevented from selling products or services. Additionally, third parties may infringe our intellectual property and we may suffer competitive injury or expend significant resources enforcing our rights.

As our business is focused on data-driven results and analytics, we rely heavily on proprietary information technology, processes and other protectable intellectual property rights. From time to time, third parties may claim that one or more of our products or services infringe their intellectual property rights. We analyze and take action in response to such claims on a case-by-case basis. Any dispute or litigation regarding patents or other intellectual property could be costly and time-consuming due to the complexity of our technology and the uncertainty of intellectual property litigation, which could divert the attention of our management and key personnel away from our business operations. A claim of intellectual property infringement could force us to enter into a costly or restrictive license agreement, which might not be available under acceptable terms or at all, or could subject us to significant damages or to an injunction against development and sale of certain of our products or services.

Our proprietary portfolio consists of various intellectual property rights, including patents, copyrights, database rights, source code, trademarks, trade secrets, know-how, confidentiality provisions and licensing arrangements. The extent to which such rights can be protected varies from jurisdiction to jurisdiction. If we do not enforce our intellectual property rights vigorously and successfully, our competitive position may suffer, which could harm our operating results.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

LiveRamp is headquartered in San Francisco, California with additional locations in the United States. We also have a physical presence in Europe and Asia-Pacific. As we have only one business segment, all of the properties listed below are used exclusively by it. In general, our facilities are in good condition, and we believe that they are adequate to meet our current needs. The table below sets forth the location, form of ownership and general use of our principal properties currently being used.

Location	Held	Use
United States:		
San Francisco, California	Lease	Data center; office space
New York, New York	Lease	Office space
Seattle, Washington	Lease	Office space
Little Rock, Arkansas	Lease	Office space
Philadelphia, Pennsylvania	Lease	Office space
Burlington, Massachusetts	Lease	Office space

Location	Held	Use
Europe:		
London, England	Lease	Office space
Paris, France	Lease	Office space
Asia-Pacific:		
Shanghai, China	Lease	Office space
Nantong, China	Lease	Office space
Singapore, Singapore	Lease	Office space
Tokyo, Japan	Lease	Office space
Sydney, Australia	Lease	Office space

Item 3. Legal Proceedings

The material set forth in Note 12 of Notes to Consolidated Financial Statements in Item 15 of this Annual Report on Form 10-K is incorporated herein by reference.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

The outstanding shares of LiveRamp's common stock are listed and traded on the New York Stock Exchange since October 1, 2018 under the symbol "RAMP". Prior to that date our stock was listed on the NASDAQ Global Select Market under the symbol "ACXM".

Stockholders

As of May 23, 2019, the approximate number of record holders of the Company's common stock was 1,457.

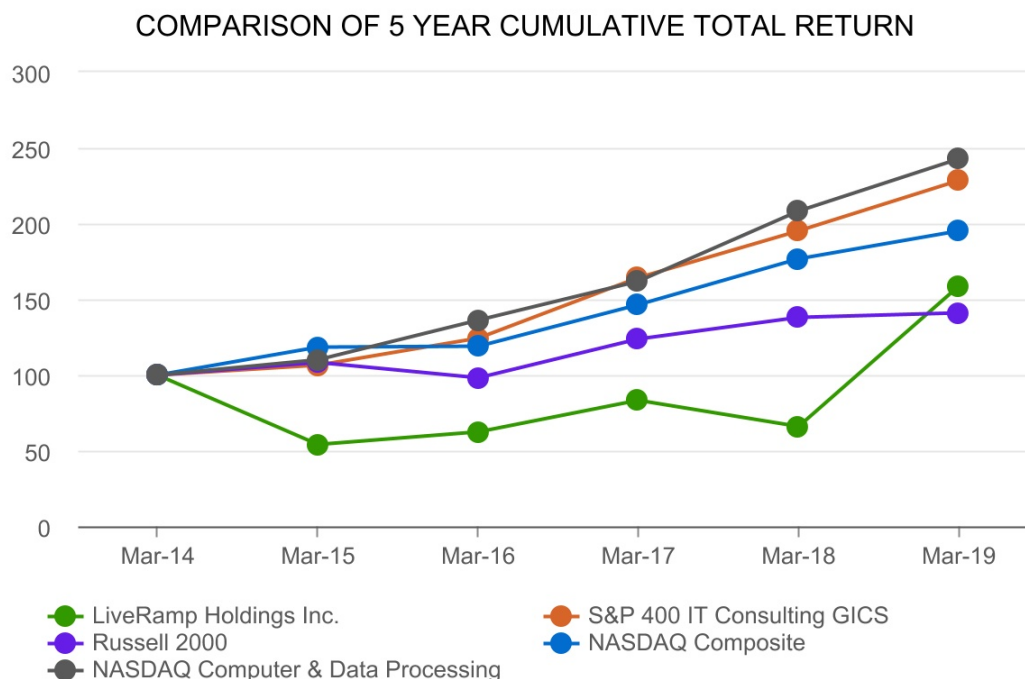
Dividends

The Company has not paid dividends on its common stock in the past two fiscal years. The Board of Directors may consider paying dividends in the future but has no plans to pay dividends in the short term.

Performance Graph

Our fiscal 2018 Annual Report on Form 10-K included a comparison of the 5-year cumulative total return of our common stock with the NASDAQ Composite index and the NASDAQ Computer & Data Processing index. As a result of the sale of AMS and the transfer of our listing from NASDAQ to the New York Stock Exchange, we believe that S&P 400 IT Consulting and Other Services index and Russell 2000 index are more appropriate indices for comparison of our stock performance. If a company selects a different index from that used in the immediately preceding fiscal year, the company's stock performance must be compared with both the newly-selected index and the index used in the immediately preceding year. Accordingly, the graph below compares LiveRamp's cumulative 5-Year total shareholder return on common stock with the cumulative total returns of the S&P 400 IT Consulting and Other Services index, the Russell 2000 index, the NASDAQ Composite index, and the NASDAQ Computer and

Data Processing index. The graph tracks the performance of a \$100 investment in our common stock and in each index (with the reinvestment of all dividends) from 3/31/2014 to 3/31/2019.



	March 14	March 15	March 16	March 17	March 18	March 19
LiveRamp Holdings Inc.	100.00	53.76	62.33	82.77	66.03	158.66
S&P 400 IT Consulting GICS	100.00	106.02	124.06	164.24	194.84	228.44
Russell 2000	100.00	108.21	97.65	123.25	137.78	140.61
NASDAQ Composite	100.00	118.12	118.77	145.94	176.24	194.97
NASDAQ Computer & Data Processing	100.00	110.01	136.06	161.47	208.17	242.84

The performance graph and the related chart and text, are being furnished solely to accompany this Annual Report on Form 10-K pursuant to Item 201(e) of Regulation S-K, and are not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any filing of ours, whether made before or after the date hereof, regardless of any general incorporation language in such filing. The stock price performance included in this graph is not necessarily indicative of future stock price performance.

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Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The table below provides information regarding purchases by LiveRamp of its common stock during the periods indicated.

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
January 2019	—	\$ —	—	\$ 561,259,714
February 2019	—	\$ —	—	\$ 561,259,714
March 2019	175,000	\$ 58.94	175,000	\$ 550,945,824
Total	175,000	\$ 58.94	175,000	N/A

The repurchases listed above were made pursuant to a repurchase program adopted by the Board of Directors on August 29, 2011. That program was subsequently modified and expanded, most recently on October 25, 2018. Under the modified common stock repurchase program, the Company may purchase up to \$1.0 billion of its common stock through the period ending December 31, 2020. Through March 31, 2019, the Company had repurchased 22.6 million shares of its stock for \$449.1 million, leaving remaining capacity of \$550.9 million under the stock repurchase program.

Item 6. Selected Financial Data

For information pertaining to selected financial data of LiveRamp, refer to page F-2 of the Financial Supplement, which is attached hereto and incorporated herein by reference.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The information required by this item appears in the Financial Supplement at pages F-3 – F-18, which is attached hereto and incorporated herein by reference.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk**Market Risk**

Market risk is the risk of loss from adverse changes in market prices and rates. Our primary market risk is foreign currency exchange rate risk.

Foreign Currency Exchange Rate Risk. LiveRamp has a presence in the United Kingdom, France, Australia, China, Singapore and Japan. Most of the Company's exposure to exchange rate fluctuation is due to translation gains and losses as there are no material transactions that cause exchange rate impact. In general, each of the foreign locations is expected to fund its own operations and cash flows, although funds may be loaned or invested from the U.S. to the foreign subsidiaries. These advances are considered long-term investments, and any gain or loss resulting from exchange rates as well as gains or losses resulting from translating the foreign financial statements into U.S. dollars are included in accumulated other comprehensive income. Therefore, exchange rate movements of foreign currencies may have an impact on LiveRamp's future costs or on future cash flows from foreign investments. LiveRamp has not entered into any foreign currency forward exchange contracts or other derivative instruments to hedge the effects of adverse fluctuations in foreign currency exchange rates. There have been no changes since the end of the last fiscal year in our primary market risk exposures or the management of those exposures, and we do not expect any changes going forward.

Item 8. Financial Statements and Supplementary Data

The financial statements required by this item appear in the Financial Supplement at pages F-20 – F-60, which is attached hereto and incorporated herein by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

Our management has evaluated, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of March 31, 2019. Based on their evaluation as of March 31, 2019, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) were effective at the reasonable assurance level to ensure that the information required to be disclosed by us in the Annual Report on Form 10-K was (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and regulations and (ii) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, with LiveRamp have been detected.

Management's Report on Internal Control Over Financial Reporting

The management of LiveRamp Holdings, Inc. (the Company) is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) under the Securities Exchange Act of 1934, as amended).

The Company's internal control over financial reporting is a process designed 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, and includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

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

The Company's management, with participation of the Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting as of March 31, 2019. In making this

assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework (2013)*.

Based on management's assessment and those criteria, the Company's management determined that the Company's internal control over financial reporting was effective as of March 31, 2019.

KPMG LLP, the Company's independent registered public accounting firm, has audited the Company's internal control over financial reporting, as stated in their report, which is included herein.

Changes in Internal Control Over Financial Reporting

During the three months ended March 31, 2019, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

Not applicable.

PART III**Item 10. Directors, Executive Officers and Corporate Governance**

The information concerning our executive officers is contained in Part I of this Annual Report on Form 10-K under the caption “Executive Officers of the Registrant,” which is included there pursuant to Instruction 3 to Item 401(b) of the SEC’s Regulation S-K.

The LiveRamp Board of Directors has adopted codes of ethics applicable to our principal executive, financial and accounting officers and all other persons performing similar functions. Copies of these codes of ethics are posted on LiveRamp’s website at www.liveramp.com under the “About – Codes of Ethics” section of the site. The remaining information required by this item appears under the captions “Election of Directors,” “Corporate Governance” and “Delinquent Section 16(a) Reports” in LiveRamp’s 2019 Proxy Statement, which information is incorporated herein by reference.

Item 11. Executive Compensation

The information required by this item appears under the heading “Executive Compensation” in LiveRamp’s 2019 Proxy Statement, which information is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*Securities Authorized for Issuance Under Equity Compensation Plans*

The following table contains information about our common stock that may be issued upon the exercise of options under our existing equity compensation plans as of the end of fiscal 2019 (March 31, 2019):

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants, and rights (3)	Weighted-average exercise price of outstanding options, warrants, and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a) and in note (3))
	(a)	(b)	(c)
Equity compensation plans approved by shareholders	1,153,324 ¹	\$ 15.01	12,117,095
Equity compensation plans not approved by shareholders	221,106 ²	13.74	32,718
Total	1,374,430	\$ 14.81	12,149,813

1. This figure represents stock options issued under shareholder-approved stock option plans, of which 102,596 were assumed in connection with our fiscal 2015 acquisition of LiveRamp, 96,508 were assumed in connection with our fiscal 2017 acquisition of Arbor, and 15,243 were assumed in connection with our fiscal 2017 acquisition of Circulate.
2. These shares were issued prior to October 1, 2018 (i.e., before our stock listing was transferred from NASDAQ to the New York Stock Exchange) pursuant to the Company’s 2011 Non-qualified Equity Compensation Plan described below, which does not require shareholder approval under the exception provided for in NASDAQ Marketplace Rule 5635(c)(4).
3. Does not include 3,579,092 shares subject to outstanding restricted stock as of March 31, 2019. Under the plans, as of March 31, 2019, a maximum of 3,973,275 shares remained available for delivery under the full value of awards (performance units and restricted stock units).

Equity Compensation Plan Not Approved by Security Holders

The Company adopted the 2011 Non-qualified Equity Compensation Plan of LiveRamp Holdings, Inc. (the “2011 Plan”) for the purpose of making equity grants to induce new key executives to join the Company. The awards that

may be made under the 2011 Plan include stock options, stock appreciation rights, restricted stock awards, RSU awards, performance awards, or other stock unit awards. To receive such an award, a person must be newly employed with the Company with the award being provided as an inducement material to their employment, provided the award is first properly approved by the board of directors or an independent committee of the board. The board of directors and its compensation committee are the administrators of the 2011 Plan, and as such, determine all matters relating to awards granted under the 2011 Plan, including the eligible recipients, whether and to what extent awards are to be granted, the number of shares to be covered by each grant and the terms and conditions of the awards. The 2011 Plan has not been approved by the Company's shareholders.

The remaining information required by this item appears under the heading "Stock Ownership" in LiveRamp's 2019 Proxy Statement, which information is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item appears under the headings "Related-Party Transactions" and "Corporate Governance - Board and Committee Matters" in LiveRamp's 2019 Proxy Statement, which information is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information required by this item appears under the heading "Ratification of Independent Registered Public Accountant - Fees Billed for Services Rendered by Independent Auditor" in LiveRamp's 2019 Proxy Statement, which information is incorporated herein by reference.

PART IV**Item 15. Exhibits, Financial Statement Schedules**

(a) The following documents are filed as a part of this report:

1. Financial Statements.

The following consolidated financial statements of the registrant and its subsidiaries included in the Financial Supplement and the Independent Auditors' Reports thereof are attached hereto. Page references are to page numbers in the Financial Supplement.

	Page
Report of Independent Registered Public Accounting Firm	<u>19</u>
Consolidated Balance Sheets as of March 31, 2019 and 2018	<u>21</u>
Consolidated Statements of Operations for the years ended March 31, 2019, 2018 and 2017	<u>22</u>
Consolidated Statements of Comprehensive Income for the years ended March 31, 2019, 2018, and 2017	<u>23</u>
Consolidated Statements of Stockholders' Equity for the years ended March 31, 2019, 2018 and 2017	<u>24</u>
Consolidated Statements of Cash Flows for the years ended March 31, 2019, 2018 and 2017	<u>26</u>
Notes to the Consolidated Financial Statements	<u>28</u>

2. Financial Statement Schedules.

All schedules are omitted because they are not applicable or not required or because the required information is included in the consolidated financial statements or notes thereto.

3. Exhibits.

The following exhibits are filed with this report or are incorporated by reference to previously filed material:

<u>Exhibit No.</u>	
3.1	Amended and Restated Certificate of Incorporation (previously filed on October 1, 2018 as Exhibit 3.1 to LiveRamp Holdings, Inc.'s Current Report on Form 8-K, Commission File No. 38669, and incorporated herein by reference)
3.2	Amended and Restated Bylaws (previously filed on October 1, 2018, as Exhibit 3.2 to LiveRamp Holdings, Inc. Current Report on Form 8-K, Commission File No. 1-38, and incorporated herein by reference)
4.1	Description of Share Capital
10.1	Amended and Restated Key Associate Stock Option Plan of LiveRamp Holdings, Inc. (previously filed on October 2, 2018, Registration No. 333-91395, as Exhibit 99.7, and incorporated herein by reference)
10.2	2005 Stock Purchase Plan of LiveRamp Holdings, Inc. (previously filed on October 2, 2018, Registration No. 333-127743, and incorporated herein by reference)
10.3	Amended and Restated 2005 Equity Compensation Plan of LiveRamp Holdings, Inc. (previously filed on October 2, 2018, Registration No. 333-219839, and incorporated by herein reference)
10.4	Acxiom Corporation Non-Qualified Deferral Plan, amended and restated effective January 1, 2009 (previously filed as Exhibit 10.27 to Acxiom Corporation's Annual Report on Form 10-K for the fiscal year ended March 31, 2013, and incorporated herein by reference)

- 10.5 [First Amendment to the Acxiom Corporation Non-Qualified Deferral Plan, effective July 1, 2009 \(previously filed as Exhibit 10.28 to Acxiom Corporation's Annual Report on Form 10-K for the fiscal year ended March 31, 2013, and incorporated herein by reference\)](#)
- 10.6 [Acxiom Corporation Non-Qualified Matching Contribution Plan, amended and restated effective January 1, 2009 \(previously filed as Exhibit 10.29 to Acxiom Corporation's Annual Report on Form 10-K for the fiscal year ended March 31, 2013, and incorporated herein by reference\)](#)
- 10.7 [First Amendment to the Acxiom Corporation Non-Qualified Matching Contribution Plan, effective July 1, 2009 \(previously filed as Exhibit 10.30 to Acxiom Corporation's Annual Report on Form 10-K for the fiscal year ended March 31, 2013, and incorporation herein by reference\)](#)
- 10.8 [Amended and Restated 2010 Executive Cash Incentive Plan of Acxiom Corporation \(previously filed as Exhibit 10.6 to Acxiom Corporation's Annual Report on Form 10-K for the fiscal year ended March 31, 2015, Commission File No. 0-13163, and incorporated herein by reference\)](#)
- 10.9 [Amended and Restated 2010 Executive Officer Severance Policy](#)
- 10.10 [2011 Nonqualified Equity Compensation Plan of LiveRamp Holdings, Inc. \(previously filed on October 2, 2018, as Exhibit 10.1 to Registration No. 333-214927, and incorporated herein by reference\)](#)
- 10.11 [LiveRamp, Inc. 2006 Equity Incentive Plan \(previously filed on October 2, 2018, as Exhibit 99.1 to Registration No. 333-197463, and incorporated herein by reference\)](#)
- 10.12 [Arbor Equity Compensation Plan \(previously filed on October 2, 2018, as Exhibit 10.2 to Registration No. 333-214926, and incorporated herein by reference\)](#)
- 10.13 [Circulate Equity Compensation Plan \(previously filed on October 2, 2018, as Exhibit 10.4 to Registration No. 333-214926, and incorporated herein by reference\)](#)
- 10.14 [2018 Equity Compensation Plan of Pacific Data Partners LLC \(previously filed on October 2, 2018, as Exhibit 99.10 to Registration No. 333-227540, and incorporated herein by reference\)](#)
- 10.15 [Form of Performance Unit Award Agreement under the Amended and Restated 2005 Equity Compensation Plan of the Company \(previously filed as Exhibit 10.8 to Acxiom Corporation's Quarterly Report on Form 10-Q for the quarter ended December 31, 2017, Commission File No. 0-13163, and incorporated herein by reference\)](#)
- 10.16 [Form of Stock Option Grant Agreement under the Amended and Restated 2005 Equity Compensation Plan of the Company \(previously filed as Exhibit 10.16 to Acxiom Corporation's Annual Report on Form 10-K for the fiscal year March 31, 2017, Commission File No. 0-13163, and incorporated herein by reference\)](#)
- 10.17 [Form of Restricted Stock Unit Award Agreement under the Amended and Restated 2005 Equity Compensation Plan of the Company \(previously filed as Exhibit 10.17 to Acxiom Corporation's Annual Report on Form 10-K for the fiscal year March 31, 2017, Commission File No. 0-13163, and incorporated herein by reference\)](#)
- 10.18 [Form of Restricted Stock Unit Award under the 2011 Nonqualified Equity Compensation Plan of the Company \(previously filed as Exhibit 10.18 to Acxiom Corporation's Annual Report on Form 10-K for the fiscal year March 31, 2017, Commission File No. 0-13163, and incorporated herein by reference\)](#)
- 10.19 [Form of Restricted Stock Unit Award under the Arbor Equity Compensation Plan \(previously filed as Exhibit 10.19 to the Company's Annual Report on Form 10-K for the fiscal year March 31, 2017, Commission File No. 0-13163, and incorporated herein by reference\)](#)
- 10.20 [Employment Agreement by and between the Company and Scott E. Howe dated as of February 14, 2018 \(previously filed as Exhibit 10.22 to Acxiom Corporation's Annual Report on Form 10-K for the fiscal year ended March 31, 2018, Commission File No. 0-13163, and incorporated herein by reference\)](#)

- 10.21 [Employment Agreement by and between the Company and Warren C. Jenson dated as of February 14, 2018 \(previously filed as Exhibit 10.23 to Acxiom Corporation's Annual Report on Form 10-K for the fiscal year ended March 31, 2018, Commission File No. 0-13163, and incorporated by reference\).](#)
- 10.22 [Memorandum to Rick Erwin re: Terms for AMS Deal Incentive, dated April 2, 2018 \(previously filed as Exhibit 10.24 to Acxiom Corporation's Annual Report on Form 10-K for the fiscal year ended March 31, 2018, Commission File No. 0-13163, and incorporated by reference\).](#)
- 10.23 [Memorandum to Dennis Self re: Terms for AMS Deal Incentive, dated April 2, 2018 \(previously filed as Exhibit 10.25 to Acxiom Corporation's Annual Report on Form 10-K for the fiscal year ended March 31, 2018, Commission File No. 0-13163, and incorporated by reference\).](#)
- 10.24 [Form of Director Indemnity Agreement \(previously filed as Exhibit 10.26 to Acxiom Corporation's Annual Report on Form 10-K for the fiscal year ended March 31, 2018, Commission File No. 0-13163, and incorporated by reference\).](#)
- 10.25 [Form of Officer and Key Employee Indemnity Agreement](#)
- 21 [Subsidiaries of LiveRamp Holdings, Inc.](#)
- 23 [Consent of KPMG LLP](#)
- 24 [Powers of Attorney](#)
- 31.1 [Certification of Chief Executive Officer pursuant to SEC Rule 13a-14\(a\)/15d-14\(a\), as adopted pursuant to Sections 302 and 404 of the Sarbanes-Oxley Act of 2002](#)
- 31.2 [Certification of Chief Financial Officer pursuant to SEC Rule 13a-14\(a\)/15d-14\(a\), as adopted pursuant to Sections 302 and 404 of the Sarbanes-Oxley Act of 2002](#)
- 32.1 [Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- 32.2 [Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- 101 The following financial information from our Annual Report on Form 10-K for the fiscal year ended March 31, 2019, formatted in XBRL: (i) Consolidated Balance Sheets as of March 31, 2019 and 2018; (ii) Consolidated Statements of Operations for the fiscal years ended March 31, 2019, 2018 and 2017; (iii) Consolidated Statements of Comprehensive Income for the fiscal years ended March 31, 2019, 2018 and 2017; (iv) Consolidated Statements of Stockholders' Equity for the fiscal years ended March 31, 2019, 2018 and 2017; (v) Consolidated Statements of Cash Flows for the fiscal years ended March 31, 2019, 2018 and 2017; and (vi) Notes to the Consolidated Financial Statements

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

LIVERAMP HOLDINGS, INC.

Date: May 28, 2019

By: /s/ Warren C. Jenson
Warren C. Jenson
President, Chief Financial Officer & Executive Managing Director of
International
(principal financial and accounting officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>		
<u>/s/ John L. Battelle*</u> John L. Battelle	Director	May 28, 2019
<u>/s/ Timothy R. Cadogan*</u> Timothy R. Cadogan	Director	May 28, 2019
<u>William T. Dillard II</u>	Director	May 28, 2019
<u>/s/ Richard P. Fox*</u> Richard P. Fox	Director	May 28, 2019
<u>/s/ Jerry D. Gramaglia*</u> Jerry D. Gramaglia	Director (Non-Executive Chairman of the Board)	May 28, 2019
<u>/s/ William J. Henderson*</u> William J. Henderson	Director	May 28, 2019
<u>/s/ Scott E. Howe*</u> Scott E. Howe	Director, CEO (principal executive officer)	May 28, 2019
<u>/s/ Clark M. Kokich*</u> Clark M. Kokich	Director	May 28, 2019
<u>/s/ Debora B. Tomlin*</u> Debora B. Tomlin	Director	May 28, 2019
<u>/s/ Warren C. Jenson</u> Warren C. Jenson	President, CFO & Executive MD of International (principal financial and accounting officer)	May 28, 2019

*By: /s/ Catherine L. Hughes
Catherine L. Hughes
Attorney-in-Fact

LIVERAMP HOLDINGS, INC.
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TO ANNUAL REPORT ON FORM 10-K
FOR THE YEAR ENDED MARCH 31, 2019

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LIVERAMP HOLDINGS, INC.
SELECTED FINANCIAL DATA
(In thousands, except per share data)

Year ended March 31,	2019	2018	2017	2016	2015
Statement of operations data:					
Revenues	\$ 285,620	\$ 220,101	\$ 174,760	\$ 166,551	\$ 122,368
Net loss from continuing operations	\$ (133,947)	\$ (67,299)	\$ (85,576)	\$ (109,211)	\$ (135,274)
Earnings from discontinued operations, net of tax	\$ 1,162,494	90,779	89,684	115,914	124,243
Net earnings (loss)	\$ 1,028,547	\$ 23,480	\$ 4,108	\$ 6,703	\$ (11,031)
Basic earnings (loss) per share:					
Net loss from continuing operations	\$ (1.79)	\$ (0.85)	\$ (1.10)	\$ (1.41)	\$ (1.75)
Net earnings from discontinued operations	15.50	1.15	1.16	1.49	1.61
Net earnings (loss)	\$ 13.71	\$ 0.30	\$ 0.05	\$ 0.09	\$ (0.14)
Diluted earnings (loss) per share:					
Net loss from continuing operations	\$ (1.79)	\$ (0.85)	\$ (1.10)	\$ (1.41)	\$ (1.75)
Net earnings from discontinued operations	15.50	1.15	1.16	1.49	1.61
Net earnings (loss)	\$ 13.71	\$ 0.30	\$ 0.05	\$ 0.09	\$ (0.14)

LiveRamp has not paid cash dividends for any of the periods reported.

As of March 31,	2019	2018	2017	2016	2015
Balance sheet data (1):					
Current assets	\$ 1,192,076	\$ 360,589	\$ 368,946	\$ 376,010	\$ 511,404
Current liabilities	\$ 95,118	\$ 178,599	\$ 230,640	\$ 224,000	\$ 283,792
Total assets	\$ 1,472,911	\$ 1,209,497	\$ 1,234,965	\$ 1,149,849	\$ 1,294,087
Long-term debt, excluding current installments	\$ —	\$ 227,837	\$ 189,241	\$ 157,897	\$ 244,753
Total equity	\$ 1,330,832	\$ 749,095	\$ 738,980	\$ 698,968	\$ 703,257

The selected financial data for the periods reported above has been derived from the consolidated financial statements and, unless otherwise indicated, reflect the Company's continuing operations. Refer to Note 5 – Discontinued Operations and Dispositions for additional information regarding discontinued operations.

This information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical financial statements and related notes contained in this report. The historical results are not necessarily indicative of results to be expected in any future period.

(1) 2015 amounts also include certain components of discontinued operations.

Management's Discussion and Analysis of Financial Condition and Results of Operations

We begin Management's Discussion and Analysis of Financial Condition and Results of Operations with an introduction and overview, including our operating segments and sources of revenue, summary results and notable events. This overview is followed by a summary of our critical accounting policies and estimates that we believe are important to understanding the assumptions and judgments incorporated in our reported financial results. We then provide a more detailed analysis of our results of operations and financial condition.

Introduction and Overview

On September 20, 2018, we implemented a holding company reorganization, as a result of which Acxiom Holdings, Inc. became the successor issuer to Acxiom Corporation. On October 1, 2018, we changed our name to LiveRamp Holdings, Inc. ("LiveRamp"). References to "we", "us", "our" or the "Company" for events that occurred prior to September 20, 2018 refer to Acxiom Corporation and its subsidiaries; for events that occurred from September 20, 2018 to October 1, 2018, to Acxiom Holdings, Inc. and its subsidiaries; and after October 1, 2018, to LiveRamp Holdings, Inc. and its subsidiaries.

LiveRamp is a global technology company with a vision of becoming the trusted platform that makes all customer data accessible and meaningful. We provide a best-in-class enterprise customer management platform that help organizations better leverage customer data to deliver innovative products and meaningful experiences. Powered by its core capabilities in data accessibility, identity, connectivity and data stewardship, LiveRamp makes it safe and easy to connect the world's data, people and applications.

LiveRamp is a Delaware corporation headquartered in San Francisco, California. Our common stock is listed on the New York Stock Exchange under the symbol "RAMP." We serve a global client base from locations in the United States, Europe, and the Asia-Pacific ("APAC") region. Our direct client list includes many of the world's largest and best-known brands across most major industry verticals, including but not limited to financial, insurance and investment services, retail, automotive, telecommunications, high tech, consumer packaged goods, healthcare, travel, entertainment, non-profit, and government. Through our extensive reseller and partnership network, we serve thousands of additional companies, establishing LiveRamp as a foundational and neutral enabler of the customer experience economy.

Operating Segments

During the first quarter of fiscal 2019, the Company realigned its segment portfolio (Connectivity, Audience Solutions, and Marketing Services) into two distinct business segments: LiveRamp, the identity infrastructure for powering exceptional customer experiences, and Acxiom Marketing Solutions ("AMS"), the leading provider of services for creating a unified approach to data-driven marketing. This realignment allowed the Company to best meet client needs in a rapidly evolving marketplace, and to create a strong foundation for continued growth and enhanced value for shareholders.

This structure configured the Company's three previous segments into two, aligning key Audience Solutions' assets to each. All identity assets including IdentityLink, AbiliTec® intellectual property and the Company's TV integrations were consolidated with Connectivity as LiveRamp. The remaining Audience Solutions' lines of business for data and data services were combined with Marketing Services to create AMS.

On July 2, 2018, the Company entered into a definitive agreement to sell its AMS business to The Interpublic Group of Companies, Inc. ("IPG") for \$2.3 billion in cash. As required regulatory approvals were being sought and received, the Company solicited and received shareholder approval for the transaction. Shareholder approval was received on September 20, 2018, and the Company began reporting the results of operations, cash flows, and the balance sheet amounts pertaining to AMS as a component of discontinued operations in the consolidated financial statements as of the second quarter of fiscal 2019. Prior to the discontinued operations classification, the AMS business was included in the AMS segment in the Company's segment results.

The sale was completed on October 1, 2018. At the closing of the transaction, the Company received total consideration of \$2.3 billion (\$2.3 billion stated sales price less closing adjustments, transaction costs and other items of \$49.0 million). Additionally, the Company applied \$230.5 million of proceeds from the sale to repay outstanding Company debt and related interest. The Company reported a gain of \$1.7 billion on the sale, which is included in earnings from discontinued operations, net of tax, in the consolidated statements of operations.

As a result of the organizational realignment and subsequent sale of AMS, we now operate as one operating segment. Operating segments are defined as components of an enterprise for which separate financial information is evaluated regularly by the chief operating decision maker. Our chief operating decision maker evaluates our financial information and resources and assesses the performance of these resources on a consolidated basis. Since we operate as one operating segment, all required financial segment information can be found in the consolidated financial statements.

Sources of Revenues

LiveRamp recognizes revenue from the following sources: (i) **subscription revenue**, which consists primarily of subscription fees from clients accessing our platform; and (ii) **marketplace and other revenue**, which primarily consists of revenue-sharing fees generated from data transactions through our Data Store platform, and transactional usage-based revenue from arrangements with certain publishers and addressable TV providers. Our platform subscription pricing is tiered based on data volume supported by our platform.

The majority of our subscription revenue is derived from subscriptions that are one year in duration and invoiced on a monthly basis, although some of our clients are entering into multi-year subscriptions.

The LiveRamp Platform

As depicted in the graphic below, we power the industry's leading enterprise customer management platform. We enable organizations to access and leverage data more effectively across the applications they use to interact with their customers. A core component of our platform is the omnichannel, deterministic identity graph that sits at its center. Leveraging this knowledgebase, the LiveRamp platform resolves a customer's data (first-, second-, or third-party) to consumer identifiers that represent real people in a way that protects consumer privacy. This omnichannel view of the consumer can then be activated across any of the 600 partners in our ecosystem in order to support a variety of people-based marketing solutions, including:

- **Onboarding.** We enable customers to leverage their first-party data in the digital and TV ecosystems through a safe and secure data matching process called data onboarding. Our technology ingests a customer's first-party data, removes all offline data (personally-identifiable or "PII"), and replaces them with anonymized IDs called IdentityLinks, a true people-based identifier. IdentityLinks can then be distributed through direct integrations to the top platforms in the digital ecosystem, including leading DMPs and DSPs, publishers and social networks, personalization tools, and connected TV services.
- **Identity Resolution.** We provide enterprise-level identity resolution with accuracy, reach, privacy, flexibility and scale. Our identity resolution capabilities are built from two complementary graphs, combining offline data and online data and providing the highest level of accuracy while still being privacy compliant. LiveRamp technology for PII gives brands and platforms the ability to connect and update what they know about consumers, resolving PII across enterprise databases and systems to deliver better customer experiences in a privacy-conscious manner. Our digital identity graph associates anonymous device IDs, cookie IDs and other online customer IDs from premium publishers, platforms or data providers, around an IdentityLink. This allows marketers to perform the personalized segmentation, targeting, and measurement use cases that require a consistent view of the user in anonymous spaces.
- **Data Networks.** We enable the search, discovery and distribution of data, with access to trusted industry leading third-party data globally. The LiveRamp platform allows users to organize, group and access customer data, connected via IdentityLink, to benefit from better campaign targeting and audience intelligence. Our platform also provides the tools for data providers to manage the organization, access, and operation of their data and services available across platforms, publishers, agencies, brands, and data companies. Providers and buyers can also choose to leverage our neutral data marketplace (see below for discussion on Data Store), featuring 180 providers across all verticals and data types.

- **Measurement & Analytics.** We power more accurate, more complete measurement with the measurement vendors and partners our customers use. Our platform allows customers to combine disparate data files (typically ad exposure and customer events, like transactions), replacing customer identifiers with IdentityLinks. Customers then can use that aggregated view of each customer for measurement of reach and frequency, sales lift, closed loop offline to online conversion and cross-channel attribution.
- **Analytics Environments.** We also help enable in-house data science analytics, providing an end-to-end customized measurement solution designed for marketers looking to create an omnichannel view of their customer journey. Leveraging our identity graph, we help organizations control and aggregate all their customer data to interrogate, explore, analyze and report within our data science environment, that powers the deep functionality of a data lake.
- **Consent Management.** Our Consent Management Platform ("CMP") empowers consumers to maintain their privacy while facilitating business for brands and publishers. Our CMP informs website visitors about the data being collected on them and how it will be used. We provide the tools to give consumers control and choice over their personal data, publishers the solutions to operate sustainable business models, and brands the ability to advertise more relevantly and effectively.



Consumer privacy and data protection, what we call Data Ethics, are at the center of how we design our products and services. Accordingly, the LiveRamp platform operates with technical, operational, and personnel controls designed to keep our customers' data private and secure.

Our solutions are sold to enterprise marketers and the companies they partner with to execute their marketing, including agencies, marketing technology providers, publishers and data providers. Today, we work with over 665 direct customers world-wide, including approximately 20% of the Fortune 500, and serve thousands of additional customers indirectly through our reseller partnership arrangements.

- **Brands and Agencies.** We work with over 300 of the largest brands and agencies in the world, helping them execute people-based marketing by creating an omni-channel understanding of the consumer and activating that understanding across their choice of best-of-breed digital marketing platforms.
- **Marketing Technology Providers.** We provide marketing technology providers with the identity foundation required to offer people-based targeting, measurement and personalization within their platforms. This adds value for brands by increasing reach, as well as the speed at which they can activate their marketing data.
- **Publishers.** We enable publishers of any size to offer people-based marketing on their properties. This adds value for brands by providing direct access to their customers and prospects in the publisher's premium inventory.
- **Data Owners.** Leveraging our vast network of integrations, we allow data owners to easily connect to the digital ecosystem and monetize their own data. Data can be distributed to clients or made available through the **LiveRamp Data Store** feature. This adds value for brands as it allows them to augment their understanding of consumers and increase both their reach against and understanding of customers and prospects.

We charge for IdentityLink on an annual subscription basis. Our subscription pricing is based primarily on data volume supported by our platform.

Data Store

As we have scaled the LiveRamp network and technology, we have found additional ways to leverage our platform, deliver more value to clients and create incremental revenue streams. Leveraging our common identity system and broad integration network, the LiveRamp Data Store is a data marketplace that seamlessly connects data owners' audience data across the marketing ecosystem. The Data Store allows data owners to easily monetize their data across hundreds of marketing platforms and publishers with a single contract. At the same time, the Data Store provides a single gateway where data buyers, including platforms and publishers, in addition to brands and their agencies, can access high-quality third-party data from more than 180 data owners, supporting all industries and encompassing all types of data. Data providers include sources and brands exclusive to LiveRamp, emerging platforms with access to previously unavailable deterministic data, and data partnerships enabled by our platform.

We generate revenue from the Data Store through revenue-sharing arrangements with data owners that are monetizing their data assets on our marketplace. This revenue is typically transactional in nature, tied to data volume purchased on the Data Store.

Summary Results and Notable Events

During fiscal 2019, the Company entered into a definitive agreement to sell its Acxiom Marketing Solutions business ("AMS") to The Interpublic Group of Companies, Inc. ("IPG") for \$2.3 billion in cash. Shareholder approval was received on September 20, 2018, and the Company began reporting the results of operations, cash flows, and the balance sheet amounts pertaining to AMS as a component of discontinued operations in the consolidated financial statements as of the second quarter of fiscal 2019. Prior to the discontinued operations classification, the AMS business was included in the AMS segment in the Company's segment results. The sale was completed on October 1, 2018. At the closing of the transaction, the Company received total consideration of \$2.3 billion (\$2.3 billion stated sales price less closing adjustments, transaction costs and other items of \$49.0 million). Additionally, the Company applied \$230.5 million of proceeds from the sale to repay outstanding Company debt and related interest. The Company reported a gain of \$1.7 billion on the sale, which is included in earnings from discontinued operations, net of tax.

During fiscal 2019, the Company commenced a Dutch auction tender offer to purchase up to \$500 million in value of shares of its common stock. On December 13, 2018, the Company accepted for purchase 11.2 million shares of its common stock at a price of \$44.50 per share, for an aggregate cost of \$503.4 million, including fees and expenses. These shares represented approximately 14.2% of the shares outstanding.

During fiscal 2017, the Company acquired all of the outstanding shares of Arbor Technologies, Inc. ("Arbor") and Circulate.com, Inc. ("Circulate"). Arbor and Circulate help publishers connect people-based data to the marketing ecosystem and increase the scale of the Company's omni-channel identity graph and network. The Company has included the financial results of Arbor and Circulate in the consolidated financial statements from the dates of acquisition. The consideration paid for the outstanding shares and vested stock options was approximately \$137.4 million, net of cash acquired of approximately \$9.5 million. The consideration paid for unvested stock options has an estimated fair value of \$9.2 million. These options are not part of the purchase price and are expensed as non-cash compensation over the applicable vesting periods.

During fiscal 2017, the Company completed the sale of its Impact email business ("Impact") to Zeta Interactive for total consideration of \$22.0 million, including a \$4.0 million subordinated promissory note with interest accruing at a rate of 6.0% per annum. The note was paid in full during fiscal 2018.

A summary of the most recently completed fiscal year is presented below.

- Revenues of \$285.6 million, a 29.8% increase from \$220.1 million in fiscal 2018.
- Cost of revenue of \$120.7 million, a 25.2% increase from \$96.4 million in fiscal 2018.
- Gross margin increased to 57.7 % from 56.2% in fiscal 2018.
- Total operating expenses of \$363.0 million, a 41.1% increase from \$257.2 million in fiscal 2018.
- Cost of revenue and operating expenses for fiscal 2019 and 2018 include the following items:
 - Non-cash stock compensation of \$102.7 million and \$52.9 million, respectively (cost of revenue and operating expenses)
 - Purchased intangible asset amortization of \$15.9 million and \$23.9 million, respectively (cost of revenue)
 - Separation and transformation costs of \$2.1 million and \$17.8 million, respectively (operating expenses)
 - Restructuring charges and other adjustments of \$19.9 million and \$2.7 million, respectively (operating expenses)
 - Accelerated depreciation of \$3.8 million in fiscal 2019 (cost of revenue and operating expenses)
- Net loss from continuing operations of \$133.9 million, a \$66.6 million increase from \$67.3 million in fiscal 2018.

- Net earnings increased to \$1.0 billion or \$13.71 per diluted share compared to \$23.5 million or \$0.30 per diluted share in fiscal 2018. Net earnings in the current year includes the gain on sale of AMS.
- The Company repurchased 2.4 million shares of its common stock for \$74.4 million under the Company's common stock repurchase program in addition to the 11.2 million shares acquired for \$503.4 million as part of the tender offer.

This summary highlights significant events and transactions of the Company during the fiscal years ended March 31, 2019, 2018 and 2017. However, this summary is not intended to be a full discussion of the Company's results. This summary should be read in conjunction with the following discussion of Results of Operations and Capital Resources and Liquidity and with the Company's consolidated financial statements and footnotes accompanying this report.

Critical Accounting Policies

We prepare our consolidated financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") as set forth in the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC"), and we consider the various staff accounting bulletins and other applicable guidance issued by the United States Securities and Exchange Commission ("SEC"). GAAP, as set forth within the ASC, requires management to make certain estimates, judgments and assumptions. We believe that the estimates, judgments and assumptions upon which we rely are reasonable based upon information available to us at the time that these estimates, judgments and assumptions are made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Note 1 to the accompanying consolidated financial statements includes a summary of significant accounting policies used in the preparation of LiveRamp's consolidated financial statements. Of those policies, we have identified the following as the most critical because they are both important to the portrayal of the Company's financial condition and operating results, and they may require management to make judgments and estimates about inherently uncertain matters:

- Revenue Recognition
- Goodwill and Intangible Assets
- Accounting for Income Taxes

Revenue Recognition

The Company's policy follows the guidance from ASC 606, *Revenue from Contracts with Customers*.

LiveRamp recognizes revenue from the following sources: (i) **subscription revenue**, which consists primarily of subscription fees from clients accessing our IdentityLink platform; and (ii) **marketplace and other revenue**, which primarily consists of revenue-sharing fees generated from data transactions through our IdentityLink Data Store platform, and transactional usage-based revenue from arrangements with certain publishers and addressable TV providers. Our IdentityLink platform subscription pricing is tiered based on data volume supported by our platform.

We determine revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, the performance obligations are satisfied.

Identification of the contract

A customer contract is primarily identified when the Company and a customer have executed an arrangement or arrangements that set out the terms of the relationship.

Identification of the performance obligations

As part of accounting for arrangements with multiple performance obligations, we must assess whether each performance obligation is distinct. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer, and a company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract. We have determined that our subscriptions and revenue-sharing and usage-based arrangements are distinct because, once a customer has access to the platform, the product is fully functional and does not require any additional development, modification, or customization.

Determination of the transaction price

The transaction price is the amount of consideration we expect to be entitled to in exchange for transferring goods or services to a customer, excluding sales taxes that are collected on behalf of government agencies. The Company estimates any variable consideration to which it will be entitled at contract inception, and reassesses at each reporting date, when determining the transaction price. The Company does not include variable consideration to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will occur when any uncertainty associated with the variable consideration is resolved.

Allocation of the transaction price to the performance obligations in the contract

We allocate the transaction price to each distinct performance obligation based on the standalone selling price ("SSP") of each good or service. We generally determine the SSP based on contractual selling prices when the obligation is sold on a standalone basis, as well as market conditions, competition, and pricing practices. As pricing and marketing strategies evolve, we may modify our pricing practices in the future, which could result in changes to SSP.

Recognition of revenue when, or as, the performance obligations are satisfied

Revenues are recognized when or as control of the promised goods or services is transferred to customers. Subscription revenue is generally recognized ratably over the subscription period beginning on the date the goods or services are made available to customers. The majority of our subscription revenue is derived from subscriptions that are one year in duration and invoiced on a monthly basis, although some of our clients are entering into multiple-year subscriptions. Marketplace and other revenue is typically transactional in nature, tied to a revenue share or volumes purchased. We report revenue from Data Store and other similar transactions on a net basis because our performance obligation is to facilitate a transaction between data providers and end users, for which we earn a portion of the gross fee. Consequently, the portion of the gross amount billed to end users that is remitted to data providers is not reflected as revenues.

Goodwill and Intangible Assets

Goodwill is measured and tested for impairment on an annual basis in the first quarter of the Company's fiscal year in accordance with ASC 350, *Intangibles-Goodwill and Other*, or more frequently if indicators of impairment exist. In performing our goodwill impairment test, we first evaluate goodwill to determine if it is more likely than not that the occurrence of an event or change in circumstances has reduced the fair value of a reporting segment below its carrying value. The qualitative assessment requires that we consider events or circumstances that may include macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, changes in management or key personnel, changes in strategy, changes in customers, and changes in our stock price. If, after assessing the totality of events or circumstances, we determine that it is more likely than not that the fair value of our reporting segments is greater than the carrying amounts, then the two-step goodwill impairment test is not performed.

If the qualitative assessment indicates that the two-step quantitative analysis should be performed, we evaluate goodwill for impairment by comparing the fair value of each of our reporting segments to its carrying value, including the associated goodwill. To determine the fair values, we use the equal weighting of the market approach based on comparable publicly traded companies in similar lines of businesses and the income approach based on estimated discounted future cash flows. Our cash flow assumptions consider forecasted revenue, operating costs and other relevant factors.

We completed our annual impairment test during the first quarter of fiscal 2019. We determined, after performing a qualitative review of each reporting unit, that it is more likely than not that the fair value of each of our reporting segments exceeds the respective carrying amounts. Accordingly, there was no indication of impairment, and the two-step quantitative goodwill impairment test was not performed. We did not recognize any goodwill impairment charges in fiscal 2019, 2018 or 2017.

As a result of the organizational realignment and subsequent sale of AMS, we now operate as one operating segment and, as a result, evaluate goodwill impairment based on our fair value as a whole. Operating segments are defined as components of an enterprise for which separate financial information is evaluated regularly by the chief operating decision maker. While we have offerings in multiple market segments, our chief operating decision maker evaluates our financial information and resources and assesses the performance of these resources on a consolidated basis.

We amortize intangible assets with finite lives over their estimated useful lives and review them for impairment whenever an impairment indicator exists. We continually monitor events and changes in circumstances that could indicate carrying amounts of our long-lived assets, including our intangible assets, may not be recoverable. When such events or changes in circumstances occur, we assess recoverability by determining whether the carrying value of such assets will be recovered through the undiscounted expected future cash flows. If the future undiscounted cash flows are less than the carrying amount of these assets, we recognize an impairment loss based on any excess of the carrying amount over the fair value of the assets. We did not recognize any intangible asset impairment charges in fiscal 2019, 2018, or 2017.

During fiscal 2019, our intangible assets were amortized over their estimated useful lives ranging from four years to six years. Amortization is based on the pattern in which the economic benefits of the intangible asset will be consumed or on a straight-line basis when the consumption pattern is not apparent. The weighted average useful lives of our intangible assets were as follows:

	Weighted Average Useful Life (years)
Developed technology	4
Customer relationships	6
Publisher relationships	6

Income Taxes

The Company makes estimates and judgments in determining the provision for income taxes for financial statement purposes. These estimates and judgments occur in the calculation of tax credits, benefits, and deductions, and in the calculation of certain deferred tax assets and liabilities that arise from differences in the timing of recognition of revenue and expense for tax and financial statement purposes, as well as the interest and penalties related to uncertain tax positions. Significant changes in these estimates may result in an increase or decrease to the tax provision in a subsequent period. The Company assesses the likelihood that it will be able to recover its deferred tax assets. If recovery is not likely, the Company increases the provision for taxes by recording a valuation allowance against the deferred tax assets that it estimates will not ultimately be recoverable.

The calculation of tax liabilities involves dealing with uncertainties in the application of complex tax laws and regulations. The Company recognizes liabilities for uncertain tax positions based on a two-step process pursuant to ASC 740, *Income Taxes*. The first step is to evaluate the tax position for recognition by determining whether the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. If the Company determines that a tax position will more likely than not be sustained on audit, the second step requires the Company to estimate and measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. It is inherently difficult and subjective to estimate such amounts, as the Company must determine the probability of various possible outcomes.

The Company re-evaluates these uncertain tax positions on a quarterly basis. This evaluation is based on factors such as changes in facts or circumstances, changes in tax law, new audit activity, and effectively settled issues. Determining whether an uncertain tax position is effectively settled requires judgment. Such a change in recognition or measurement would result in the recognition of a tax benefit or an additional charge to the tax provision.

Results of Operations

A summary of selected financial information for each of the years reported is presented below (dollars in thousands, except per share amounts):

	2019	2018	2017	% Change 2019-2018	% Change 2018-2017
Revenues	\$ 285,620	\$ 220,101	\$ 174,760	30 %	26 %
Cost of revenue	\$ 120,718	96,396	99,976	25	(4)
Gross profit	\$ 164,902	123,705	74,784	33	65
Total operating expenses	\$ 363,048	257,229	206,196	41	25
Loss from operations	\$ (198,146)	(133,524)	(131,412)	48	220
Net loss from continuing operations	\$ (133,947)	(67,299)	(85,576)	99	148
Diluted loss per share from continuing operations	\$ (1.79)	\$ (0.85)	\$ (1.10)	111	146

Revenues

The Company's revenues for each of the years reported is presented below (dollars in thousands):

	2019	2018	2017	% Change 2019-2018	% Change 2018-2017
Revenues:					
Subscription	\$ 236,718	\$ 172,079	\$ 114,531	38 %	50 %
Marketplace and Other	\$ 48,902	\$ 48,022	\$ 39,854	2	20
Impact	\$ —	\$ —	\$ 20,375	—	(100)
Total revenues	\$ 285,620	\$ 220,101	\$ 174,760	30 %	26 %

Total revenues were \$285.6 million in fiscal 2019, a \$65.5 million, or 29.8%, increase from fiscal 2018. The increase was due to Subscription growth of \$64.6 million, or 37.6%, primarily due to new logo deals and upsell to existing customers. Marketplace and Other growth was \$0.9 million, or 1.8% and was negatively impacted by lower revenue of \$15.7 million from a revenue sharing arrangement related to a lost customer. On a geographic basis, U.S. revenue increased \$64.5 million, or 32.7%. International revenue increased \$1.0 million, or 4.4%. The U.S. and International results were both negatively impacted by lower revenue from the lost customer, \$9.1 million for U.S. and \$6.6 million for International.

Total revenues were \$220.1 million in fiscal 2018, a \$45.3 million, or 25.9%, increase from fiscal 2017. The increase was due to Subscription growth of \$57.5 million, or 50.2%, primarily due to new logo deals and upsell to existing customers, and Marketplace and Other growth of \$8.2 million, or 20.5%. Marketplace and Other growth was negatively impacted from lower revenue of \$2.9 million from a revenue sharing arrangement related to a lost customer. Fiscal 2017 also included \$20.4 million related to the Impact email business, which was sold during fiscal 2017. On a geographic basis excluding Impact, U.S. revenue increased \$55.8 million, or 39.3%. International revenue increased \$10.0 million, or 79.5%, primarily in Europe.

Cost of revenue and Gross profit

The Company's cost of revenue and gross profit for each of the years reported is presented below (dollars in thousands):

	2019	2018	2017	% Change 2019-2018	% Change 2018-2017
Cost of revenue	\$ 120,718	\$ 96,396	\$ 99,976	(2) %	(2) %
Gross profit	\$ 164,902	123,705	74,784	12	11
Gross margin	57.7 %	56.2 %	42.8 %	7 %	8 %

Cost of revenue: Includes all third-party direct costs of sales including Identity Graph and cloud and hosting costs, as well as IT, security and product operations functions. Finally, cost of revenue includes amortization of internally developed software and other acquisition related intangibles.

Cost of revenue was \$120.7 million in fiscal 2019, a \$24.3 million, or 25.2%, increase from fiscal 2018. Gross margins increased to 57.7% compared to 56.2% in the prior year. The gross margin increase is due to the revenue increases, offset partially by increased Identity Graph data and security costs, as well as accelerated depreciation, and costs associated with the Company's migration to a new cloud based IT infrastructure. Until the third quarter of this fiscal year, costs associated with AbiliTec were shared with AMS. Beginning in the third quarter, LiveRamp bears all costs for AbiliTec and has a revenue arrangement with AMS for its use of AbiliTec. U.S. gross margins increased to 59.6% in fiscal 2019 from 58.6% in fiscal 2018. International gross margins increased to 36.9% in the current year from 35.1%.

Cost of revenue was \$96.4 million in fiscal 2018, a \$3.6 million, or 3.6%, decrease from fiscal 2017, due primarily to the disposition of Impact (\$18.2 million) offset by increases to support LiveRamp revenue growth. Gross margins increased to 56.2% compared to 42.8% in the prior year due to the revenue growth and the disposition of Impact. U.S. gross margins increased to 58.6% in fiscal 2018 from 50.1% in fiscal 2017. International gross margins increased to 35.1% in fiscal 2018 from 13.5% in the prior year.

Operating Expenses

The Company's operating expenses for each of the years reported is presented below (dollars in thousands):

	2019	2018	2017	% Change 2019-2018	% Change 2018-2017
Operating expenses:					
Research and development	\$ 85,697	\$ 60,713	\$ 49,367	41 %	23
Sales and marketing	\$ 158,540	108,639	59,258	46	83
General and administrative	\$ 98,878	85,154	92,898	16	(8)
Gains, losses and other items, net	\$ 19,933	2,723	4,673	632	(42)
Total operating expenses	\$ 363,048	\$ 257,229	\$ 206,196	41 %	25 %

Research and development ("R&D"): Includes operating expenses for the Company's engineering and product/project management functions supporting research, new development, and related product enhancement.

R&D expenses were \$85.7 million in fiscal 2019, an increase of \$25.0 million, or 41.2%, compared to fiscal 2018, and are 30.0% of total revenues compared to 27.6% in fiscal 2018. The increase is due to an increase in non-cash stock compensation of \$12.6 million, and ongoing investment in LiveRamp products.

R&D expenses were \$60.7 million in fiscal 2018, an increase of \$11.3 million, or 23.0%, compared to fiscal 2017, and are 27.6% of total revenues compared to 28.2% in fiscal 2017. The increase is due to an increase in non-cash stock compensation of \$5.1 million, and ongoing investment in LiveRamp products.

Sales and marketing ("S&M"): Includes operating expenses for the Company's sales, marketing, and product marketing functions.

S&M expenses were \$158.5 million in fiscal 2019, an increase of \$49.9 million, or 45.9%, compared to fiscal 2018, and are 55.5% of total revenues compared to 49.4% in fiscal 2018. The increase is due to an increase in non-cash stock compensation of \$20.6 million, other incentive-based compensation, and headcount to support revenue growth initiatives.

S&M expenses were \$108.6 million in fiscal 2018, an increase of \$49.4 million, or 83.3%, compared to fiscal 2017, and are 49.4% of total revenues compared to 33.9% in fiscal 2017. The increase is due to an increase in non-cash stock compensation of \$15.9 million, other incentive-based compensation, and headcount to support revenue growth initiatives.

General and administrative (G&A): Represents operating expenses for all of the Company's finance, human resources, legal, corporate IT, and corporate administrative functions.

G&A expenses were \$98.9 million in fiscal 2019, an increase of \$13.7 million, or 16.1%, compared to fiscal 2018, and are 34.6% of total revenues compared to 38.7% in fiscal 2018. Current year expenses included \$2.1 million of expenses related to business separation costs compared to \$17.8 million in the prior year. The prior year costs were primarily related to separation planning and readiness activities. Additionally, G&A expenses included \$25.8 million of non-cash stock-based compensation compared to \$11.2 million in the prior year. The current year increase is due to PSU conversions to RSUs at 200% on the date of the AMS disposition, new LiveRamp leadership equity grants in the current year, and award modifications (revised vesting terms). The remaining increase in G&A expenses is primarily headcount related to support business growth.

G&A expenses were \$85.2 million in fiscal 2018, a decrease of \$7.7 million, or 8.3%, compared to fiscal 2017, and are 38.7% of total revenues compared to 53.2% in fiscal 2017. The decrease is due primarily to lower non-cash stock based compensation of \$5.1 million, lower incentive compensation accruals, and other cost savings offset partially by a \$9.2 million increase in separation and transformation costs. Fiscal 2017 non-cash stock compensation costs were impacted by adjustments to increase expected performance levels for certain performance based awards.

Gains, losses, and other items, net: Represents restructuring costs and other adjustments.

Gains, losses and other items, net were \$19.9 million in fiscal 2019, an increase of \$17.2 million compared to fiscal 2018. The fiscal 2019 amount includes a \$12.2 million charge related to an early termination of a data supplier contract, \$6.2 million in severance and other associate-related charges, and a \$1.6 million charge related to the restructuring of the Redwood City, California lease.

Gains, losses and other items, net of \$2.7 million in fiscal 2018, a decrease of \$2.0 million compared to fiscal 2017. The fiscal 2018 amount included includes a \$2.6 million charge related to the restructuring of the Redwood City, California lease.

Loss from Operations and Operating Margins

Loss from operations was \$198.1 million in fiscal 2019 compared to \$133.5 million in fiscal 2018. Operating margin was a negative 69.4% compared to a negative 60.7% in fiscal 2018. The increase of \$64.6 million was due primarily to increases in non-cash stock compensation of \$49.9 million due primarily to PSU conversions to RSUs at 200% on the date of the AMS disposition, new LiveRamp leadership equity grants in the current year, award modifications (vesting terms modified to end of transition term) for transition associates, and vesting modifications for income tax planning purposes. Approximately \$19.8 million of the increase in stock-based compensation is due to vesting acceleration of awards that would have otherwise vested over the next six months to take advantage of significant cash tax savings opportunities. Additionally, restructuring charges increased \$12.2 million due to the early termination of a data supplier contract. These increases were partially offset by a \$15.7 million decrease in separation costs included in G&A.

Loss from operations was \$133.5 million in fiscal 2018 compared to \$131.4 million in fiscal 2017. Operating margin was a negative 60.7% compared to a negative 75.2% in fiscal 2017. The increase of \$2.1 million was due to a \$51.0 million increase in operating expenses, primarily from increases in non-cash stock compensation, largely related to the Arbor and Circulate acquisitions, and separation and transformation costs included in G&A, offset partially by an increase in gross profit.

Other Income and Income Taxes

Other income was \$18.8 million in fiscal 2019 compared to \$0.5 million in fiscal 2018. The increase is due to interest income related to invested cash proceeds from the sale of AMS.

Other income was \$0.5 million in fiscal 2018 compared to \$0.7 million in fiscal 2017. Other, net primarily consists of foreign currency transaction gains and losses, and interest and investment income.

Income tax benefit was \$45.4 million on pretax loss of \$179.4 million for fiscal 2019. The effective tax rate reflects the Tax Act's permanent reduction in the U.S. federal corporate income tax rate to 21%. Fiscal 2019 also included a \$5.3 million income tax expense due to nondeductible stock-based compensation, primarily related to the Arbor and Circulate acquisitions, a net \$3.1 million benefit related to U.S. research and development tax credits, a \$10.7 million benefit related to net excess tax benefits from stock-based compensation, and a \$5.2 million expense related to establishing a valuation allowance against deferred tax assets.

Income tax benefit was \$65.7 million on pretax loss of \$133.0 million for fiscal 2018. The income tax benefit is primarily attributable to a \$24.6 million benefit for the remeasurement of deferred tax liabilities as a result of the Tax Act. In addition, the effective tax rate reflects the Tax Act's permanent reduction in the U.S. federal corporate income tax rate. Fiscal 2018 also included a \$6.4 million income tax expense due to nondeductible stock-based compensation, primarily related to the Arbor and Circulate acquisitions, a net \$1.2 million benefit related to U.S. research and development tax credits, and a \$1.9 million benefit related to net excess tax benefits from stock-based compensation.

Discontinued operations

Summary results for operations of AMS are segregated and included in earnings from discontinued operations, net of tax, in the Company's consolidated statements of operations for the years presented below (dollars in thousands):

	2019	2018	2017
Revenues	\$ 332,185	\$ 697,305	\$ 705,487
Earnings (loss) from discontinued operations before income taxes	\$ (40,796)	\$ 133,731	\$ 139,404
Gain on sale of discontinued operations before income taxes	1,673,636	—	—
Income taxes	470,346	42,952	49,718
Earnings from discontinued operations, net of tax	\$ 1,162,494	\$ 90,779	\$ 89,686

Capital Resources and Liquidity

The Company's cash and cash equivalents is primarily located in the United States. Approximately \$10.1 million of the total cash balance of \$1.061 billion, or approximately 1.0%, is located outside of the United States. The Company has no current plans to repatriate this cash to the United States.

Working capital at March 31, 2019 totaled \$1.097 billion, a \$953.0 million increase when compared to \$144.0 million at March 31, 2018, due primarily to the net cash received in the sale of AMS. Current assets and current liabilities held for sale at March 31, 2018 are excluded from working capital.

Management believes that the Company's existing available cash will be sufficient to meet the Company's working capital and capital expenditure requirements for the foreseeable future. However, we may take advantage of opportunities to generate additional liquidity through capital market transactions. The amount, nature, and timing of any capital market transactions will depend on our operating performance and other circumstances; our then-current commitments and obligations; the amount, nature, and timing of our capital requirements; and overall market conditions.

Cash Flows

The following table summarizes our cash flows for the periods presented (dollars in thousands):

	Year ended March 31,		
	2019	2018	2017
	(in thousands)		
Net cash used in operating activities - continuing operations	\$ (1,978)	\$ (14,090)	\$ (25,888)
Net cash used in investing activities - continuing operations	\$ (11,142)	\$ (14,119)	\$ (124,374)
Net cash provided by (used in) financing activities - continuing operations	\$ (841,508)	\$ (81,540)	\$ 25,776
Net cash provided by discontinued operations	\$ 1,777,833	\$ 79,649	\$ 106,070

Operating Activities - Continuing Operations

Our cash flows from operating activities are primarily influenced by growth in our operations, increases or decreases in collections from our clients and related payments to our suppliers. The timing of cash receipts from clients and payments to suppliers can significantly impact our cash flows from operating activities. Our collection and payment cycles can vary from period to period.

In fiscal 2019, net cash used in operating activities of \$2.0 million resulted primarily from net earnings adjusted for non-cash items of \$19.0 million, offset by an increase in cash used by operating assets and liabilities of \$21.0 million. The net unfavorable change in operating assets and liabilities was primarily related to unfavorable changes in accounts receivable of \$44.4 million, partially offset by favorable change in accounts payable and other liabilities of \$25.3 million and income taxes of \$5.1 million. The increase in accounts receivable was primarily due to the growth in our subscription business and the timing of cash receipts from clients and the increase in accounts payable and other liabilities was primarily due to the timing of payments to suppliers.

In fiscal 2018, net cash used in operating activities of \$14.1 million resulted primarily from net earnings adjusted for non-cash items of \$0.2 million, offset by an increase in cash used by operating assets and liabilities of \$14.3 million. The net unfavorable change in operating assets and liabilities was primarily related to unfavorable changes in accounts receivable of \$13.7 million and accounts payable and other liabilities of \$3.2 million, offset partially by a favorable change in income taxes of \$2.3 million. The increase in accounts receivable was primarily due to the growth in our subscription business and the timing of cash receipts from clients and the decrease in accounts payable and other liabilities was primarily due to the timing of payments to suppliers.

In fiscal 2017, net cash used in operating activities of \$25.9 million resulted primarily from net loss adjusted for non-cash items of \$22.3 million and an increase in cash used by operating assets and liabilities of \$3.6 million. The net unfavorable change was primarily an increase in accounts receivable of \$10.1 million, partially offset by a favorable change in income taxes of \$9.1 million. The increase in accounts receivable was primarily due to the growth in our

subscription business and the timing of cash receipts from clients and the increase in accounts payable and other liabilities was primarily due to the timing of payments to suppliers.

Investing Activities - Continuing Operations

Our primary investing activities have consisted of capital expenditures in support of our expanding headcount as a result of our growth, and capitalized development costs in support of enhancing our technology platform. Capital expenditures may vary from period-to-period due to the timing of the expansion of our operations, the addition of new headcount and new facilities. Expenditures related to our capitalized software also may vary from period-to-period based on development cycles. As development cycles shorten, we expect our capitalized costs to continue to decrease. Other periodic investing activities include cash paid in acquisitions, cash received in dispositions that are not classified as discontinued operations, and payments for investments.

In fiscal 2019, we used \$11.1 million of cash in investing activities, consisting of \$7.3 million for capital expenditures, \$2.5 million for payments for investments, and \$1.3 million for capitalized software.

In fiscal 2018, we used \$14.1 million of cash in investing activities, consisting of \$9.4 million for capital expenditures, \$4.5 million for the acquisition of PDP, \$3.3 million for capitalized software and \$1.0 million for payments for investments, partially offset by \$4.0 million net cash received from the note receivable related to the sale of Impact.

In fiscal 2017, we used \$124.4 million of cash in investing activities, consisting of \$137.4 million net cash paid in the Arbor and Circulate acquisitions, \$23.1 million for capital expenditures, \$5.4 million for capitalized software and \$1.0 million for payments for investments. These uses of cash were partially offset by \$25.5 million of proceeds from the sale of two facilities, and \$17.0 million net cash received related to the sale of Impact.

Financing Activities - Continuing Operations

Our financing activities have consisted of borrowings and repayments of our debt, acquisition of treasury stock, proceeds from our equity compensation plans, and shares repurchased for tax withholdings upon vesting of stock-based awards.

In fiscal 2019, we used \$841.5 million of cash in financing activities, consisting of \$233.3 million in debt repayments related primarily to the \$230.0 million payoff of our revolving credit as a result of the AMS disposition, acquisition of treasury shares from the tender offer of \$503.4 million (11.2 million shares), acquisition of treasury shares pursuant to the board of directors' approved stock repurchase plan of \$74.4 million (2.4 million shares), and \$50.5 million for shares repurchased for tax withholdings upon vesting of stock-based awards (1.2 million shares). These uses of cash were partially offset by proceeds of \$20.4 million from the sale of common stock from our equity compensation plans (1.3 million shares).

In fiscal 2018, we used \$81.5 million of cash in financing activities. Proceeds from the debt refinancing of \$230.0 million were used to pay the outstanding \$225 million term and revolving loan balances, with interest, along with \$4.0 million in fees related to the restated credit agreement. We also used cash of \$88.9 million (3.3 million shares) for the acquisition of treasury shares pursuant to the board of directors' approved stock repurchase plan, and \$11.1 million for shares repurchased for tax withholdings upon vesting of stock-based awards (0.4 million shares). These uses of cash were partially offset by proceeds of \$19.7 million from the sale of common stock from our equity compensation plans (1.1 million shares).

In fiscal 2017, net cash provided by financing activities of \$25.8 million was primarily driven by proceeds from debt of \$70.0 million and the sale of common stock from our equity compensation plans of \$21.1 million (1.2 million shares). Cash provided by these financing activities was partially offset by payments of debt of \$32.2 million, acquisition of treasury shares pursuant to the board of directors' approved stock repurchase plan of \$30.5 million (1.3 million shares), and shares repurchased for tax withholdings upon vesting of stock-based awards of \$5.4 million (0.2 million shares).

Discontinued operations

In fiscal 2019, net cash provided by discontinued operations was \$1.8 billion, primarily due to net proceeds from the sale of AMS of \$2.3 billion offset partially by income taxes.

Fiscal 2018 net cash provided by discontinued operations of \$79.6 million and fiscal 2017 net cash provided by discontinued operations of \$106.1 million was primarily due to net earnings, adjusted for non-cash items, partially offset by capital expenditures.

Off-Balance Sheet Items and Commitments

Common Stock Repurchase Program

On August 29, 2011, the board of directors adopted a common stock repurchase program. That program was subsequently modified and expanded, most recently on October 25, 2018 (see Note 13 – Stockholders' Equity). On that date, the board of directors authorized a \$500 million increase to the existing common stock repurchase program. Under the modified common stock repurchase program, the Company may purchase up to \$1.0 billion of its common stock through the period ending December 31, 2020.

During the fiscal year ended March 31, 2019, the Company repurchased 2.4 million shares of its common stock for \$74.4 million. During the fiscal year ended March 31, 2018, the Company repurchased 3.3 million shares of its common stock for \$88.9 million. During the fiscal year ended March 31, 2017, the Company repurchased 1.3 million shares of its common stock for \$30.5 million. From program inception and through March 31, 2019, the Company had repurchased 22.6 million shares of its stock for \$449.1 million, leaving remaining capacity of \$550.9 million under the stock repurchase program.

Contractual Commitments

The following table presents the Company's contractual cash obligations and purchase commitments at March 31, 2019. Operating leases primarily consist of our various office facilities, and purchase commitments primarily include contractual commitments for the purchase of data. The table does not include the future payment of liabilities related to uncertain tax positions of \$19.2 million as the Company is not able to predict the periods in which the payments will be made (dollars in thousands):

	For the years ending March 31,						
	2020	2021	2022	2023	2024	Thereafter	Total
Operating leases	\$ 12,057	\$ 11,253	\$ 10,865	\$ 5,160	\$ 3,270	\$ 4,497	\$ 47,102

	For the years ending March 31,						
	2020	2021	2022	2023	2024	Thereafter	Total
Purchase commitments	\$ 16,360	\$ 7,219	\$ 5,211	\$ 3,308	\$ 96	\$ 48	\$ 32,242

While the Company does not have any other material contractual commitments for capital expenditures, certain levels of investments in facilities and computer equipment continue to be necessary to support the growth of the business.

For a description of certain risks that could have an impact on results of operations or financial condition, including liquidity and capital resources, see "Risk Factors" contained in Part I, Item 1A, of this Annual Report.

Key Trends and Uncertainties

The following is a summary of selected trends, events or uncertainties that the Company believes may have a significant impact on its future performance.

- The macroeconomic environment has a direct impact on overall marketing and advertising expenditures in the U.S. and abroad. As marketing budgets are often more discretionary in nature, they are easier to reduce in the short term as compared to other corporate expenses. Future widespread economic slowdowns in any of the industries or markets our clients serve, particularly in the United States, could reduce the marketing expenditures of our clients and prospective customers.

- With the growth of online advertising and e-commerce, there is increasing awareness and concern among the general public, privacy advocates, mainstream media, governmental bodies and others regarding marketing and privacy matters, particularly as they relate to individual privacy interests and global reach of the online marketplace. Negative publicity and/or increased restrictions on the collection, management, aggregation and use of information could result in reduced demand for our products or services, decreased availability of certain kinds of data and/or a material increase in the cost of collecting and using certain kinds of data.
- Compromises in the security or stability of our data and systems, including from cyber-based attacks, the unauthorized transmission of confidential information or systems interruptions could negatively affect our economic condition.

Inflation

Although we cannot accurately determine the amounts attributable to inflation, we are affected by inflation through increased compensation costs and other operating expenses. If inflation were to increase over the low levels of recent years, the impact in the short run would be to cause increases in costs, which we would attempt to pass on to clients, although there is no assurance that we would be able to do so. Generally, the effects of inflation in recent years have been offset by technological advances, economies of scale and other operational efficiencies.

Non-U.S. Operations

The Company has a presence in the United Kingdom, France, Australia, China, Singapore and Japan. Most of the Company's exposure to exchange rate fluctuation is due to translation gains and losses as there are no material transactions that cause exchange rate impact. In general, each of the foreign locations is expected to fund its own operations and cash flows, although funds may be loaned or invested from the U.S. to the foreign subsidiaries. These advances are considered long-term investments, and any gain or loss resulting from changes in exchange rates as well as gains or losses resulting from translating the foreign financial statements into U.S. dollars are included in accumulated other comprehensive income. Exchange rate movements of foreign currencies may have an impact on the Company's future costs or on future cash flows from foreign investments. The Company has not entered into any foreign currency forward exchange contracts or other derivative instruments to hedge the effects of adverse fluctuations in foreign currency exchange rates.

Recent Accounting Pronouncements –

For information on recent accounting pronouncements, see "Adoption of New Accounting Standards" and "Recent Accounting Pronouncements" under Note 1, "Summary of Significant Accounting Policies," of the Notes to Consolidated Financial Statements.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
LiveRamp Holdings, Inc.:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of LiveRamp Holdings, Inc. and subsidiaries (the Company) as of March 31, 2019 and 2018, the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended March 31, 2019, and the related notes (collectively, the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of March 31, 2019, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2019 and 2018, and the results of its operations and its cash flows for each of the years in the three-year period ended March 31, 2019, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2019 based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, the Company has changed its method of accounting for revenue recognition in fiscal 2019 due to the adoption of Accounting Standard Update No. 2014-09, *Revenue from Contracts with Customers (ASC 606)*.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting

includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

KPMG LLP

We have served as the Company's auditor since 2003.

Dallas, Texas
May 28, 2019

LIVERAMP HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2019 AND 2018
(Dollars in thousands, except per share data)

	March 31, 2019	March 31, 2018
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 1,061,473	\$ 140,018
Trade accounts receivable, net	78,563	52,047
Refundable income taxes	7,890	9,977
Other current assets	44,150	20,173
Assets held for sale	—	138,374
Total current assets	1,192,076	360,589
Property and equipment, net of accumulated depreciation and amortization	26,043	32,340
Software, net of accumulated amortization	6,861	13,970
Goodwill	204,656	203,639
Deferred income taxes	35	10,703
Deferred commissions, net	10,741	—
Other assets, net	32,499	37,854
Assets held for sale	—	550,402
	<u>\$ 1,472,911</u>	<u>\$ 1,209,497</u>
<u>LIABILITIES AND EQUITY</u>		
Current liabilities:		
Current installments of long-term debt	\$ —	\$ 1,583
Trade accounts payable	31,203	18,759
Accrued payroll and related expenses	18,715	13,774
Other accrued expenses	40,916	39,624
Deferred revenue	4,284	4,506
Liabilities held for sale	—	100,353
Total current liabilities	95,118	178,599
Long-term debt	—	227,837
Deferred income taxes	39	40,243
Other liabilities	46,922	10,016
Other liabilities held for sale	—	3,707
Commitments and contingencies		
Equity:		
Common stock, \$0.10 par value (authorized 200 million shares; issued 141.9 million and 136.1 million shares at March 31, 2019 and 2018, respectively)	14,187	13,609
Additional paid-in capital	1,406,813	1,235,679
Retained earnings	1,669,605	628,331
Accumulated other comprehensive income	7,801	10,767
Treasury stock, at cost (73.2 million and 58.3 million shares at March 31, 2019 and 2018, respectively)	(1,767,574)	(1,139,291)
Total equity	1,330,832	749,095
	<u>\$ 1,472,911</u>	<u>\$ 1,209,497</u>

See accompanying notes to consolidated financial statements.

LIVERAMP HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED MARCH 31, 2019, 2018 AND 2017
(Dollars in thousands, except per share amounts)

	2019	2018	2017
Revenues	\$ 285,620	\$ 220,101	\$ 174,760
Cost of revenue	120,718	96,396	99,976
Gross profit	164,902	123,705	74,784
Operating expenses:			
Research and development	85,697	60,713	49,367
Sales and marketing	158,540	108,639	59,258
General and administrative	98,878	85,154	92,898
Gains, losses and other items, net	19,933	2,723	4,673
Total operating expenses	363,048	257,229	206,196
Loss from operations	(198,146)	(133,524)	(131,412)
Total other income	18,790	502	652
Loss from continuing operations before income taxes	(179,356)	(133,022)	(130,760)
Income taxes (benefit)	(45,409)	(65,723)	(45,184)
Net loss from continuing operations	(133,947)	(67,299)	(85,576)
Earnings from discontinued operations, net of tax	1,162,494	90,779	89,684
Net earnings	\$ 1,028,547	\$ 23,480	\$ 4,108
Basic earnings (loss) per share:			
Net loss from continuing operations	\$ (1.79)	\$ (0.85)	\$ (1.10)
Net earnings from discontinued operations	15.50	1.15	1.16
Net earnings	\$ 13.71	\$ 0.30	\$ 0.05
Diluted earnings (loss) per share:			
Net loss from continuing operations	\$ (1.79)	\$ (0.85)	\$ (1.10)
Net earnings from discontinued operations	15.50	1.15	1.16
Net earnings	\$ 13.71	\$ 0.30	\$ 0.05

See accompanying notes to consolidated financial statements.

LIVERAMP HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED MARCH 31, 2019, 2018 AND 2017
(Dollars in thousands)

	2019	2018	2017
Net earnings	\$ 1,028,547	\$ 23,480	\$ 4,108
Other comprehensive income (loss):			
Change in foreign currency translation adjustment	(2,966)	2,768	(706)
Unrealized gain on interest rate swap	\$ —	—	115
Other comprehensive income (loss)	\$ (2,966)	2,768	(591)
Comprehensive income	\$ 1,025,581	\$ 26,248	\$ 3,517

See accompanying notes to consolidated financial statements.

LIVERAMP HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
YEARS ENDED MARCH 31, 2019, 2018 AND 2017
(Dollars in thousands)

	Common Stock		Additional paid-in Capital	Retained earnings	Accumulated other comprehensive income	Treasury Stock		Total Equity
	Number of shares	Amount				Number of shares	Amount	
Balances at March 31, 2016	130,390,106	\$ 13,039	\$ 1,082,220	\$ 598,501	\$ 8,590	(53,030,682)	\$ (1,003,382)	\$ 698,968
Employee stock awards, benefit plans and other issuances	1,233,566	123	21,007	—	—	(236,870)	(5,421)	15,709
Tax impact of stock options and restricted stock	—	—	2,183	—	—	—	—	2,183
Non-cash stock-based compensation	236,162	24	49,121	—	—	—	—	49,145
Restricted stock units vested	1,015,539	102	(102)	—	—	—	—	—
Acquisition of treasury stock	—	—	—	—	—	(1,314,840)	(30,542)	(30,542)
Comprehensive income (loss):								
Foreign currency translation	—	—	—	—	(706)	—	—	(706)
Unrealized gain on interest rate swap	—	—	—	—	115	—	—	115
Net earnings	—	—	—	4,108	—	—	—	4,108
Balances at March 31, 2017	132,875,373	\$ 13,288	\$ 1,154,429	\$ 602,609	\$ 7,999	(54,582,392)	\$ (1,039,345)	\$ 738,980
Cumulative-effect adjustment from adoption of ASU 2016-09	—	—	384	2,242	—	—	—	2,626
Employee stock awards, benefit plans and other issuances	1,054,754	105	19,622	—	—	(420,419)	(11,062)	8,665
Non-cash stock-based compensation	628,208	63	61,397	—	—	—	—	61,460
Restricted stock units vested	1,521,341	153	(153)	—	—	—	—	—
Acquisition of treasury stock	—	—	—	—	—	(3,302,106)	(88,884)	(88,884)
Comprehensive income:								
Foreign currency translation	—	—	—	—	2,768	—	—	2,768
Net earnings	—	—	—	23,480	—	—	—	23,480
Balances at March 31, 2018	136,079,676	\$ 13,609	\$ 1,235,679	\$ 628,331	\$ 10,767	(58,304,917)	\$ (1,139,291)	\$ 749,095

	Common Stock		Additional paid-in Capital	Retained earnings	Accumulated other comprehensive income	Treasury Stock		Total Equity
	Number of shares	Amount				Number of shares	Amount	
Cumulative-effect adjustment from adoption of ASU 2014-09	—	—	—	12,727	—	—	—	12,727
Employee stock awards, benefit plans and other issuances	1,330,757	133	20,286	—	—	(1,202,243)	(50,520)	(30,101)
Non-cash stock-based compensation	415,706	41	151,303	—	—	—	—	151,344
Restricted stock units vested	4,039,749	404	(404)	—	—	—	—	—
Warrant exercises	—	—	(51)	—	—	3,488	51	—
Acquisition of treasury stock	—	—	—	—	—	(2,428,265)	(74,421)	(74,421)
Acquisition of treasury stock from tender offer	—	—	—	—	—	(11,235,955)	(503,393)	(503,393)
Comprehensive income (loss):								
Foreign currency translation	—	—	—	—	(2,966)	—	—	(2,966)
Net earnings	—	—	—	1,028,547	—	—	—	1,028,547
Balances at March 31, 2019	<u>141,865,888</u>	<u>\$ 14,187</u>	<u>\$ 1,406,813</u>	<u>\$ 1,669,605</u>	<u>\$ 7,801</u>	<u>(73,167,892)</u>	<u>\$ (1,767,574)</u>	<u>\$ 1,330,832</u>

See accompanying notes to consolidated financial statements.

LIVERAMP HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2019, 2018 AND 2017
(Dollars in thousands)

	2019	2018	2017
Cash flows from operating activities:			
Net earnings	\$ 1,028,547	\$ 23,480	\$ 4,108
Earnings from discontinued operations, net of tax	(1,162,494)	(90,779)	(89,684)
Adjustments to reconcile net earnings to net cash used in operating activities:			
Depreciation and amortization	33,782	37,647	31,963
Loss on disposal or impairment of assets	3,460	2,891	2,726
Provision for doubtful accounts	3,069	1,214	296
Accelerated debt issuance costs	—	720	—
Deferred income taxes	9,894	(27,798)	(11,107)
Non-cash stock-based compensation expense	102,722	52,867	39,408
Changes in operating assets and liabilities:			
Accounts receivable, net	(44,411)	(13,703)	(10,067)
Deferred commissions	(4,298)	—	—
Other assets	(3,106)	562	(3,155)
Accounts payable and other liabilities	25,308	(3,219)	812
Refundable income taxes	5,087	2,310	9,121
Deferred revenue	462	(282)	(309)
Net cash used in operating activities	(1,978)	(14,090)	(25,888)
Cash flows from investing activities:			
Capitalized software development costs	(1,322)	(3,266)	(5,363)
Capital expenditures	(7,320)	(9,375)	(23,110)
Proceeds from sales of assets	—	—	25,494
Equity investments	(2,500)	(1,000)	(1,000)
Cash paid in acquisitions, net of cash acquired	—	(4,478)	(137,383)
Net cash received in dispositions	—	4,000	16,988
Net cash used in investing activities	(11,142)	(14,119)	(124,374)
Cash flows from financing activities:			
Proceeds from debt	—	230,000	70,000
Payments of debt	(233,293)	(227,320)	(32,243)
Fees for debt refinancing	(300)	(4,001)	—
Proceeds related to the issuance of common stock under stock and employee benefit plans	20,419	19,727	21,130
Shares repurchased for tax withholdings upon vesting of stock-based awards	(50,520)	(11,062)	(5,421)
Excess tax benefits from stock-based compensation	—	—	2,852
Acquisition of treasury stock	(74,421)	(88,884)	(30,542)
Acquisition of treasury stock from tender offer	(503,393)	—	—
Net cash provided by (used in) financing activities	(841,508)	(81,540)	25,776
Net cash used in continuing operations	\$ (854,628)	\$ (109,749)	\$ (124,486)

See accompanying notes to consolidated financial statements

LIVERAMP HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
YEARS ENDED MARCH 31, 2019, 2018 AND 2017
(Dollars in thousands)

	2019	2018	2017
Cash flows from discontinued operations:			
From operating activities	(458,525)	125,645	141,016
From investing activities	2,236,530	(46,202)	(34,878)
Effect of exchange rate changes on cash	(172)	206	(68)
Net cash provided by discontinued operations	1,777,833	79,649	106,070
Net cash provided by (used in) continuing and discontinued operations	923,205	(30,100)	(18,416)
Effect of exchange rate changes on cash	(1,750)	1,438	(1,572)
Net change in cash and cash equivalents	921,455	(28,662)	(19,988)
Cash and cash equivalents at beginning of period	140,018	168,680	188,668
Cash and cash equivalents at end of period	<u>\$ 1,061,473</u>	<u>\$ 140,018</u>	<u>\$ 168,680</u>
Supplemental cash flow information:			
Cash (paid) received during the period for:			
Income taxes	\$ (439,542)	\$ (1,236)	\$ (6,866)
Non-cash investing and financing activities:			
Leasehold improvements paid directly by lessor	\$ —	\$ 505	\$ —

See accompanying notes to consolidated financial statements.

LIVERAMP HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2019, 2018 AND 2017

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Description of Business -

On September 20, 2018, we implemented a holding company reorganization, as a result of which Acxiom Holdings, Inc. became the successor issuer to Acxiom Corporation. On October 1, 2018, we changed our name to LiveRamp Holdings, Inc. ("LiveRamp"). References to "we", "us", "our" or the "Company" for events that occurred prior to September 20, 2018 refer to Acxiom Corporation and its subsidiaries; for events that occurred from September 20, 2018 to October 1, 2018, to Acxiom Holdings, Inc. and its subsidiaries; and after October 1, 2018, to LiveRamp Holdings, Inc. and its subsidiaries.

LiveRamp is a global technology company with a vision of becoming the trusted platform that makes all customer data accessible and meaningful. We provide an enterprise customer management platform that helps organizations better leverage customer data to deliver innovative products and meaningful experiences. Powered by its core capabilities in data accessibility, identity, connectivity and data stewardship, LiveRamp makes it safe and easy to connect the world's data, people and applications.

LiveRamp is a Delaware corporation headquartered in San Francisco, California. Our common stock is listed on the New York Stock Exchange under the symbol "RAMP." We serve a global client base from locations in the United States, Europe, and the Asia-Pacific ("APAC") region. Our direct client list includes many of the world's largest and best-known brands across most major industry verticals, including but not limited to financial, insurance and investment services, retail, automotive, telecommunications, high tech, consumer packaged goods, healthcare, travel, entertainment, non-profit, and government. Through our extensive reseller and partnership network, we serve thousands of additional companies, establishing LiveRamp as a foundational and neutral enabler of the customer experience economy.

Basis of Presentation and Principles of Consolidation -

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries, after elimination of all significant intercompany accounts and transactions. We have prepared the accompanying consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") as set forth in the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") and we consider the various staff accounting bulletins and other applicable guidance issued by the United States Securities and Exchange Commission ("SEC").

Use of Estimates -

In preparing consolidated financial statements and related disclosures in conformity with GAAP and pursuant to the rules and regulations of the SEC, we must make estimates and judgments that affect the amounts reported in the consolidated financial statements and accompanying notes. Estimates are used in determining, among other items, revenue recognition criteria, allowance for doubtful accounts, the fair value of acquired assets and assumed liabilities, projected cash flows associated with recoverability of assets, restructuring and impairment accruals, litigation and facilities lease loss accruals, stock-based compensation, and the recognition and measurement of current and deferred income taxes, including the measurement of uncertain tax positions. Actual results could differ materially from these estimates.

Operating Segments -

The Company operates as one operating segment. Operating segments are defined as components of an enterprise for which separate financial information is evaluated regularly by the chief operating decision maker. Our chief operating decision maker evaluates our financial information and resources and assesses the performance of these resources on a consolidated basis. Since we operate as one operating segment, all required financial segment information can be found in the consolidated financial statements.

Discontinued Operations -

Discontinued operations comprise those activities that have been disposed of during the period or that have been classified as held for sale at the end of the period, and represent a separate major line of business or geographical area that can be clearly distinguished for operational and financial reporting purposes. In fiscal 2019, the Company sold its Axiom Marketing Solutions business ("AMS") and began reporting the results of operations, cash flows and the balance sheet amounts pertaining to AMS as a component of discontinued operations in the consolidated financial statements.

Unless otherwise indicated, information in the notes to the consolidated financial statements relates to continuing operations.

Earnings (Loss) per Share -

A reconciliation of the numerator and denominator of basic and diluted earnings (loss) per share is shown below (in thousands, except per share amounts):

	2019	2018	2017
Net loss from continuing operations	\$ (133,947)	\$ (67,299)	\$ (85,576)
Earnings from discontinued operations, net of tax	\$ 1,162,494	\$ 90,779	\$ 89,684
Net earnings	<u>\$ 1,028,547</u>	<u>\$ 23,480</u>	<u>\$ 4,108</u>
Basic earnings (loss) per share:			
Basic weighted-average shares outstanding	<u>75,020</u>	<u>78,891</u>	<u>77,609</u>
Basic earnings (loss) per share:			
Continuing operations	\$ (1.79)	\$ (0.85)	\$ (1.10)
Discontinued operations	15.50	1.15	1.16
Net earnings	<u>\$ 13.71</u>	<u>\$ 0.30</u>	<u>\$ 0.05</u>
Diluted earnings (loss) per share:			
Diluted weighted-average shares outstanding	<u>75,020</u>	<u>78,891</u>	<u>77,609</u>
Diluted earnings (loss) per share:			
Continuing operations	\$ (1.79)	\$ (0.85)	\$ (1.10)
Discontinued operations	15.50	1.15	1.16
Net earnings	<u>\$ 13.71</u>	<u>\$ 0.30</u>	<u>\$ 0.05</u>

Due to the net loss from continuing operations in each year, the dilutive effect of options and restricted stock units covering 3.4 million, 2.6 million, and 2.2 million shares of common stock at March 31, 2019, 2018 and 2017, respectively, was excluded from the earnings per share calculation since the impact on the calculation was anti-dilutive. Additional options to purchase shares of common stock and restricted stock units that were outstanding during the periods presented but were not included in the computation of diluted earnings per share because the effect was anti-dilutive are shown below (in thousands, except per share amounts):

	2019		2018		2017	
Number of shares outstanding under options and restricted stock units	227	NA	20	NA	90	NA
Range of exercise prices for options	NA	-	\$ 32.85	-	\$ 32.85	\$ 27.77 - \$ 32.85

Significant Accounting Policies

Cash and Cash Equivalents -

The Company considers all highly-liquid investments purchased with original maturities of three months or less to be cash equivalents. Cash and cash equivalents consist of cash held in bank deposit accounts and short-term, highly-liquid money-market fund investments with remaining maturities of three months or less at the date of purchase. The Company has no restricted cash.

Revenue Recognition -

The Company's policy follows the guidance from ASC 606, *Revenue from Contracts with Customers*.

LiveRamp recognizes revenue from the following sources: (i) **subscription revenue**, which consists primarily of subscription fees from clients accessing our IdentityLink platform; and (ii) **marketplace and other revenue**, which primarily consists of revenue-sharing fees generated from data transactions through our IdentityLink Data Store platform, and transactional usage-based revenue from arrangements with certain publishers and addressable TV providers. Our IdentityLink platform subscription pricing is tiered based on data volume supported by our platform.

We determine revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, the performance obligations are satisfied.

Identification of the contract

A customer contract is primarily identified when the Company and a customer have executed an arrangement or arrangements that set out the terms of the relationship.

Identification of the performance obligations

As part of accounting for arrangements with multiple performance obligations, we must assess whether each performance obligation is distinct. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer, and a company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract. We have determined that our subscriptions and revenue-sharing and usage-based arrangements are distinct because, once a customer has access to the platform, the product is fully functional and does not require any additional development, modification, or customization.

Determination of the transaction price

The transaction price is the amount of consideration we expect to be entitled to in exchange for transferring goods or services to a customer, excluding sales taxes that are collected on behalf of government agencies. The Company estimates any variable consideration to which it will be entitled at contract inception, and reassesses at each reporting date, when determining the transaction price. The Company does not include variable consideration to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will occur when any uncertainty associated with the variable consideration is resolved.

Allocation of the transaction price to the performance obligations in the contract

We allocate the transaction price to each distinct performance obligation based on the standalone selling price ("SSP") of each good or service. We generally determine the SSP based on contractual selling prices when the obligation is sold on a standalone basis, as well as market conditions, competition, and pricing practices. As pricing and marketing strategies evolve, we may modify our pricing practices in the future, which could result in changes to SSP.

Recognition of revenue when, or as, the performance obligations are satisfied

Revenues are recognized when or as control of the promised goods or services is transferred to customers. Subscription revenue is generally recognized ratably over the subscription period beginning on the date the goods or services are made available to customers. The majority of our subscription revenue is derived from subscriptions that are one year in duration and invoiced on a monthly basis, although some of our clients are entering into multiple-year subscriptions. Marketplace and other revenue is typically transactional in nature, tied to a revenue share or volumes purchased. We report revenue from Data Store and other similar transactions on a net basis

because our performance obligation is to facilitate a transaction between data providers and end users, for which we earn a portion of the gross fee. Consequently, the portion of the gross amount billed to end users that is remitted to data providers is not reflected as revenues.

Disaggregation of Revenue

The Company reports disaggregation of revenue based on primary geographical markets and major service offerings (see Note 2 - Topic 606 Adoption Impact and Revenue from Contracts with Customers).

Accounts Receivable

Accounts receivable includes amounts billed to customers as well as unbilled amounts recognized in accordance with the Company's revenue recognition policies. Unbilled amounts included in trade accounts receivable, net, which generally arise from the performance of services to customers in advance of billings, were \$2.5 million at March 31, 2019 and \$3.1 million at March 31, 2018.

Accounts receivable are presented net of allowance for doubtful accounts. The Company evaluates its allowance for doubtful accounts based on a combination of factors at each reporting date. Each account is evaluated based on specific information known to management regarding each customer's ability or inability to pay, as well as historical experience for each customer, the length of time the receivable has been outstanding, and current economic conditions in the customer's industry. Accounts receivable that are determined to be uncollectible are charged against the allowance for doubtful accounts.

A summary of the activity of the allowance for doubtful accounts, returns and credits is as follows (dollars in thousands):

	Balance at beginning of period	Additions charged to costs and expenses	Other changes	Bad debts written off, net of amounts recovered	Balance at end of period
2017:					
Allowance for doubtful accounts, returns and credits	\$ 3,282	\$ 296	\$ (30)	\$ (1,411)	\$ 2,137
2018:					
Allowance for doubtful accounts, returns and credits	\$ 2,137	\$ 1,214	\$ 123	\$ (292)	\$ 3,182
2019:					
Allowance for doubtful accounts, returns and credits	\$ 3,182	\$ 3,069	\$ (92)	\$ (3,152)	\$ 3,007

Deferred Revenue

Deferred revenue consists of amounts billed in excess of revenue recognized. Deferred revenues are subsequently recorded as revenue when earned in accordance with the Company's revenue recognition policies.

Property and Equipment -

Property and equipment are stated at cost. Depreciation and amortization are calculated on the straight-line method over the estimated useful lives of the assets as follows: leasehold improvements, 5 - 7 years; data processing equipment, 2 - 5 years, and office furniture and other equipment, 3 - 7 years.

Operating Leases -

The Company records rent expense for operating leases, some of which have escalating rent payments, on a straight-line basis over the term of the lease agreement. The Company begins recognition of rent expense on the date of initial possession, which is generally when the Company enters the leased premises and begins to make improvements in preparation for its intended use. Some of the Company's lease arrangements provide for

concessions by the landlords, including payments for leasehold improvements and rent-free periods. The Company accounts for the difference between the straight-line rent expense and rent paid as deferred rent. Refer to the discussion below in Recent Accounting Pronouncements regarding the Company's adoption of ASU No. 2016-02, "Leases", in fiscal 2020.

Software and Research and Development Costs –

Costs of internally developed software are capitalized in accordance with ASC 350-40, *Internal Use Software*.

The standard generally requires that research and development costs incurred prior to the beginning of the application development stage of software products are charged to operations as such costs are incurred. Once the application development stage has begun, costs are capitalized until the software is available for general release. Costs of internally developed computer software are amortized on a straight-line basis over the remaining estimated economic life of the software product, generally two to five years (see Note 9 – Software).

Capitalized software is reviewed when facts and circumstances indicate the carrying amount may not be recoverable and, if necessary, the Company reduces the carrying value of each product to its fair value. We did not recognize any impairment charges related to capitalized software in fiscal 2019, 2018 or 2017.

Business Combinations –

We apply the provisions of ASC 805, *Business Combinations*, in accounting for acquisitions. It requires us to recognize separately from goodwill the assets acquired and the liabilities assumed at the acquisition date fair values. Goodwill as of the acquisition date is measured as the excess of consideration transferred over the net of the acquisition date fair values of the assets acquired and the liabilities assumed. While we use our best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date as well as any contingent consideration, where applicable, our estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, we record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired and liabilities assumed, whichever comes first, any subsequent adjustments are recorded to our consolidated statements of operations.

Goodwill and Intangible Assets -

Goodwill is measured and tested for impairment on an annual basis in the first quarter of the Company's fiscal year in accordance with ASC 350, *Intangibles-Goodwill and Other*, or more frequently if indicators of impairment exist. In performing our goodwill impairment test, we first evaluate goodwill to determine if it is more likely than not that the occurrence of an event or change in circumstances has reduced the fair value of a reporting segment below its carrying value. The qualitative assessment requires that we consider events or circumstances that may include macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, changes in management or key personnel, changes in strategy, changes in customers, and changes in our stock price. If, after assessing the totality of events or circumstances, we determine that it is more likely than not that the fair value of our reporting segments is greater than the carrying amounts, then the two-step goodwill impairment test is not performed.

If the qualitative assessment indicates that the two-step quantitative analysis should be performed, we evaluate goodwill for impairment by comparing the fair value of each of our reporting segments to its carrying value, including the associated goodwill. To determine the fair values, we use the equal weighting of the market approach based on comparable publicly traded companies in similar lines of businesses and the income approach based on estimated discounted future cash flows. Our cash flow assumptions consider forecasted revenue, operating costs and other relevant factors.

We completed our annual impairment test during the first quarter of fiscal 2019. We determined, after performing a qualitative review of each reporting unit, that it is more likely than not that the fair value of each of our reporting segments exceeds the respective carrying amounts. Accordingly, there was no indication of impairment, and the two-step quantitative goodwill impairment test was not performed. We did not recognize any goodwill impairment charges in fiscal 2019, 2018 or 2017.

As a result of the organizational realignment and subsequent sale of AMS, we now operate as one operating segment and as a result, evaluate goodwill impairment based on our fair value as a whole. Operating segments are defined as components of an enterprise for which separate financial information is evaluated regularly by the chief operating decision maker. While we have offerings in multiple market segments, our chief operating decision maker evaluates our financial information and resources and assesses the performance of these resources on a consolidated basis.

We amortize intangible assets with finite lives over their estimated useful lives and review them for impairment whenever an impairment indicator exists. We continually monitor events and changes in circumstances that could indicate carrying amounts of our long-lived assets, including our intangible assets, may not be recoverable. When such events or changes in circumstances occur, we assess recoverability by determining whether the carrying value of such assets will be recovered through the undiscounted expected future cash flows. If the future undiscounted cash flows are less than the carrying amount of these assets, we recognize an impairment loss based on any excess of the carrying amount over the fair value of the assets. We did not recognize any intangible asset impairment charges in fiscal 2019, 2018, or 2017.

During fiscal 2019, our intangible assets were amortized over their estimated useful lives ranging from four years to six years. Amortization is based on the pattern in which the economic benefits of the intangible asset will be consumed or on a straight-line basis when the consumption pattern is not apparent. The weighted average useful lives of our intangible assets were as follows:

	Weighted Average Useful Life (years)
Developed technology	4
Customer relationships	6
Publisher relationships	6

Impairment of Long-lived Assets -

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company considers factors such as operating losses, declining outlooks, and business conditions when evaluating the necessity for an impairment analysis. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset group to the undiscounted cash flows expected to result from the use and eventual disposition of the asset group. If such assets are impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. We did not recognize any impairment charges related to long-lived assets in fiscal 2019, 2018, or 2017.

Fair Value of Financial Instruments -

We apply the provisions of ASC 820, *Fair Value Measurement*, to our assets and liabilities that we are required to measure at fair value pursuant to other accounting standards. The additional disclosure regarding our fair value measurements is included in Note 17 - Fair Value of Financial Instruments.

Concentration of Credit Risk and Significant Customers -

Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash and cash equivalents and trade accounts receivable.

The Company maintains deposits in federally insured financial institutions more than federally insured limits. Management, however, believes the Company is not exposed to significant credit risk due to the financial position of the depository institutions in which those deposits are held.

The Company has no significant off-balance sheet risk such as foreign exchange contracts, options contracts, or other hedging arrangements.

The Company's trade accounts receivables are from a large number of customers. Accordingly, the Company's credit risk is affected by general economic conditions.

At March 31, 2019 and 2018 there were no customers that represented more than 10% of the trade accounts receivable balance. There were no customers that individually exceeded 10% of the Company's revenue in any of the fiscal years presented.

Income Taxes -

The Company and its domestic subsidiaries file a consolidated federal income tax return. The Company's foreign subsidiaries file separate income tax returns in the countries in which their operations are based.

The Company makes estimates and judgments in determining the provision for income taxes for financial statement purposes. These estimates and judgments occur in the calculation of tax credits, benefits, and deductions, and in the calculation of certain deferred tax assets and liabilities that arise from differences in the timing of recognition of revenue and expense for tax and financial statement purposes, as well as the interest and penalties related to uncertain tax positions. Significant changes in these estimates may result in an increase or decrease to the tax provision in a subsequent period. The Company assesses the likelihood that it will be able to recover its deferred tax assets. If recovery is not likely, the Company increases the provision for taxes by recording a valuation allowance against the deferred tax assets that it estimates will not ultimately be recoverable.

The calculation of tax liabilities involves dealing with uncertainties in the application of complex tax laws and regulations. The Company recognizes liabilities for uncertain tax positions based on a two-step process pursuant to ASC 740, *Income Taxes*. The first step is to evaluate the tax position for recognition by determining whether the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. If the Company determines that a tax position will more likely than not be sustained on audit, the second step requires the Company to estimate and measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. It is inherently difficult and subjective to estimate such amounts, as the Company must determine the probability of various outcomes.

The Company re-evaluates these uncertain tax positions on a quarterly basis. This evaluation is based on factors such as changes in facts or circumstances, changes in tax law, new audit activity, and effectively settled issues. Determining whether an uncertain tax position is effectively settled requires judgment. Such a change in recognition or measurement would result in the recognition of a tax benefit or an additional charge to the tax provision.

Foreign Currency -

The reporting currency of the Company is the U.S. dollar. The functional currency of our foreign operations generally is the applicable local currency for each foreign subsidiary. The balance sheets of the Company's foreign subsidiaries are translated at period-end rates of exchange, and the statements of operations are translated at the average exchange rate for the period. The effects of foreign currency translation adjustments are included in accumulated other comprehensive income in the consolidated statements of stockholders' equity and comprehensive income.

Advertising Expense -

Advertising costs are expensed as incurred. Advertising expense was approximately \$8.2 million, \$8.3 million and \$6.2 million for the fiscal years ended March 31, 2019, 2018 and 2017, respectively. Advertising expense is included in operating expenses in the consolidated statements of operations.

Legal Contingencies -

We are currently involved in various claims and legal proceedings. Quarterly, we review the status of each significant matter and assess our potential financial exposure. We accrue a liability for an estimated loss if the potential loss from any claim or legal proceeding is considered probable, and the amount can be reasonably estimated. Note 12 - Commitments and Contingencies provides additional information regarding certain of our legal contingencies.

Stock-Based Compensation -

The Company records stock-based compensation expense according to the provisions of ASC Topic 718, *Compensation – Stock Compensation*. ASC Topic 718 requires all stock-based payments to employees, including grants of employee stock options, to be recognized in the statement of operations over the service period of the award based on their fair values. Under the provisions of ASC Topic 718, the Company determines the appropriate fair value model to be used for valuing stock-based payments and the amortization method for compensation cost.

The Company has stock option plans and equity compensation plans (collectively referred to as the “stock-based plans”) administered by the compensation committee (“compensation committee”) of the board of directors under which options and restricted stock units were outstanding as of March 31, 2019.

The Company’s equity compensation plan provides that all associates (employees, officers, directors, affiliates, independent contractors or consultants) are eligible to receive awards (grant of any option, stock appreciation right, restricted stock award, restricted stock unit award, performance award, performance share, performance unit, qualified performance-based award, or other stock unit award) under the plan with the terms and conditions applicable to an award set forth in applicable grant documents.

Incentive stock option awards granted under the stock-based plans cannot be granted with an exercise price less than 100% of the per-share market value of the Company’s shares at the date of grant and have a maximum duration of ten years from the date of grant. Board policy currently requires that non-qualified options also must be priced at or above the fair market value of the common stock at the time of grant with a maximum duration of ten years.

Restricted stock units may be issued under the equity compensation plan and represent the right to receive shares in the future by way of an award agreement that includes vesting provisions. Award agreements can further provide for forfeitures triggered by certain prohibited activities, such as breach of confidentiality. All restricted stock units are expensed over the vesting period and adjusted for forfeitures as incurred. The vesting of some restricted stock units is subject to the Company’s achievement of certain performance criteria, as well as the individual remaining employed by the Company for a period of years.

The Company receives income tax deductions because of the exercise of non-qualified stock options and the vesting of other stock-based awards. To the extent the income tax deductions differ from the corresponding stock-based compensation expense, such excess tax benefits and deficiencies are included as a component of income tax expense and reflected as an operating cash flow included in changes in operating assets and liabilities.

Restructuring –

The Company records costs associated with employee terminations and other exit activity in accordance with ASC 420, *Exit or Disposal Cost Obligations*, depending on whether the costs relate to exit or disposal activities under the accounting standards, or whether they are other post-employment termination benefits. Under applicable accounting standards for exit or disposal costs, the Company records employee termination benefits as an operating expense when the benefit arrangement is communicated to the employee and no significant future services are required. Under the accounting standards related to post employment termination benefits the Company records employee termination benefits when the termination benefits are probable and can be estimated. The Company recognizes the present value of facility lease termination obligations, net of estimated sublease income and other exit costs, when the Company has future payments with no future economic benefit or a commitment to pay the termination costs of a prior commitment. In future periods the Company will record accretion expense to increase the liability to an amount equal to the estimated future cash payments necessary to exit the leases. This requires judgment and management estimation to determine the expected time frame for securing a subtenant, the amount of sublease income to be received and the appropriate discount rate to calculate the present value of the future cash flows. Should actual lease exit costs differ from estimates, the Company may be required to adjust the restructuring charge, which will impact net earnings in the period any adjustment is recorded.

Adoption of New Accounting Standards –

In May 2017, the FASB issued ASU 2017-09, “Compensation-Stock Compensation (Topic 719): Scope of Modification Accounting” (“ASU 2017-09”). ASU 2017-09 clarifies when changes to the terms or conditions of a stock-based payment award must be accounted for as modifications. ASU 2017-09 will reduce diversity in practice

and result in fewer changes to the terms of an award being accounted for as modifications. Under ASU 2017-09, an entity will not apply modification accounting to a stock-based payment award if the award's fair value, vesting conditions and classification as an equity or liability instrument are the same immediately before and after the change. ASU 2017-09 will be applied prospectively to awards modified on or after the adoption date. The guidance is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2017. ASU 2017-09 is effective for the Company beginning in fiscal 2019. We adopted the standard in the current fiscal year, and adoption of this guidance did not have a material impact on our consolidated financial statements and related disclosures.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606) and issued subsequent amendments to the initial guidance in August 2015, March 2016, April 2016, May 2016 and December 2016 within ASU 2015-14, ASU 2016-08, ASU 2016-10, ASU 2016-12 and ASU 2016-20, respectively. Topic 606 supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of the new guidance is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. We adopted Topic 606 as of April 1, 2018 using the modified retrospective method. See Note 2 - Topic 606 Adoption Impact and Revenue from Contracts with Customers for further details.

Recent Accounting Pronouncements Not Yet Adopted –

In January 2017, the FASB issued ASU 2017-04, "Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment" ("ASU 2017-04"), which eliminates step two from the goodwill impairment test. Under current guidance, step two of the goodwill impairment test requires entities to calculate the implied value of goodwill in the same manner as the amount of goodwill recognized in a business combination by assigning the fair value of a reporting unit to all of the assets and liabilities of the reporting unit. The carrying value in excess of the implied fair value is recognized as goodwill impairment. Under ASU 2017-04, goodwill impairment is recognized based on step one of the current guidance, which calculates the carrying value in excess of the reporting unit's fair value. ASU 2017-04 is effective for annual periods beginning after December 15, 2019 (fiscal 2021 for the Company), including interim periods within those fiscal years; earlier adoption is permitted for goodwill impairment tests performed on testing dates after January 1, 2017. The Company does not expect the adoption of this guidance to have a material impact on its consolidated financial statements and related disclosures.

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)" ("ASU 2016-02"), as a comprehensive new standard that amends various aspects of existing guidance for leases and requires additional disclosures about leasing arrangements. The new standard will require lessees to recognize a right-of-use asset and a lease liability on the balance sheet for all leases except short-term leases. For lessees, leases will continue to be classified as either operating or financing in the income statement. Lessor accounting is similar to the current model but updated to align with certain changes to the lessee model. Lessors will continue to classify leases as operating, direct financing or sales-type leases. Subsequently, the FASB has issued various ASU's to provide further clarification around aspects of Topic 842, including an alternative method that permits application of the new guidance at the beginning of adoption, recognizing a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption, in addition to the method of applying the new guidance retrospectively to each prior reporting period presented. ASU 2016-02 is effective for annual periods beginning after December 15, 2018 (fiscal 2020 for the Company), including interim periods within those fiscal years, with early adoption permitted. We will adopt the new standard on April 1, 2019 using the modified retrospective approach. Although the Company is in the process of evaluating the impact of this guidance on its consolidated financial statements, the Company currently believes the most significant change will be that most of its operating lease commitments will be recognized as right-of-use assets and lease liabilities of approximately \$25.0 to \$30.0 million on the Company's consolidated balance sheets upon adoption of this new guidance. The new guidance is not expected to have a material impact to the company's consolidated statements of operations.

The Company does not anticipate that the adoption of any other recent accounting pronouncements will have a material impact on the Company's consolidated financial position, results of operations or cash flows.

2. TOPIC 606 ADOPTION IMPACT AND REVENUE FROM CONTRACTS WITH CUSTOMERS:

On April 1, 2018, we adopted Topic 606 using the modified retrospective method applied to those contracts that were not completed as of April 1, 2018. Results for reporting periods beginning after April 1, 2018 are presented under Topic 606, while prior period amounts are not adjusted and continue to be reported in accordance with our historic reporting under Topic 605.

We recorded a net increase to our opening retained earnings of \$12.7 million, net of tax, due to the cumulative impact of adopting Topic 606, with the impact primarily related to the capitalization of costs of obtaining customer contracts.

The details of the significant changes and quantitative impact of the changes are disclosed below.

Costs of Obtaining Customer Contracts

The Company previously recognized commission payments made for obtaining a contract as an operating expense when incurred. Under Topic 606, the Company capitalizes incremental costs to acquire contracts and amortizes them over the expected period of benefit, which we have determined to be four years. As of March 31, 2019, the unamortized contract costs were \$10.7 million and are included in deferred commissions, net, in the consolidated balance sheet. Net capitalized costs of \$4.3 million were recorded as a reduction to operating expense for the year ended March 31, 2019. No impairment was recognized for the year ended March 31, 2019.

Impacts on Financial Statements

Consolidated Balance Sheet	Impact of changes in accounting policies		
	As reported March 31, 2019	Adjustments	Balances without adoption of Topic 606
Deferred income taxes	35	2,556	2,591
Deferred commissions, net	10,741	(10,741)	—
Others	1,462,135	—	1,462,135
Total assets	\$ 1,472,911	\$ (8,185)	\$ 1,464,726
Total liabilities	142,079	—	142,079
Retained earnings	1,669,605	(8,185)	1,661,420
Other equity	(338,773)	—	(338,773)
Total equity	1,330,832	(8,185)	1,322,647
Total liabilities and equity	\$ 1,472,911	\$ (8,185)	\$ 1,464,726

Consolidated Statement of Operations

	Impact of changes in accounting policies		
	As reported for the fiscal year ended March 31, 2019	Adjustments	Balances without adoption of Topic 606
Revenues	\$ 285,620	\$ —	\$ 285,620
Cost of revenue	120,718	—	120,718
Gross profit	\$ 164,902	\$ —	\$ 164,902
Operating expenses:			
Sales and marketing	\$ 158,540	\$ 4,298	\$ 162,838
Other operating expenses	204,508	—	204,508
Total operating expenses	363,048	4,298	367,346
Loss from operations	(198,146)	(4,298)	(202,444)
Total other income	18,790	—	18,790
Loss from continuing operations before income taxes	(179,356)	(4,298)	(183,654)
Income taxes (benefit)	(45,409)	(1,023)	(46,432)
Net loss from continuing operations	\$ (133,947)	\$ (3,275)	\$ (137,222)

Consolidated Statement of Comprehensive Income

	Impact of changes in accounting policies		
	As reported for the fiscal year ended March 31, 2019	Adjustments	Balances without adoption of Topic 606
Net earnings	\$ 1,028,547	\$ (3,275)	\$ 1,025,272
Other comprehensive loss:			
Change in foreign currency translation adjustment	(2,966)	—	(2,966)
Comprehensive income	\$ 1,025,581	\$ (3,275)	\$ 1,022,306

Consolidated Statement of Cash Flows

	Impact of changes in accounting policies		
	As reported for the fiscal year ended March 31, 2019	Adjustments	Balances without adoption of Topic 606
Net earnings	\$ 1,028,547	\$ (3,275)	\$ 1,025,272
Earnings from discontinued operations	(1,162,494)	—	(1,162,494)
Adjustments for:			
Deferred income taxes	9,894	(1,023)	8,871
Others	143,033	—	143,033
Changes in:			
Accounts receivable, net	(44,411)	—	(44,411)
Deferred commissions	(4,298)	4,298	—
Other assets	(3,106)	—	(3,106)
Accounts payable and other liabilities	25,308	—	25,308
Income taxes	5,087	—	5,087
Deferred revenue	462	—	462
Net cash from operating activities	(1,978)	—	(1,978)
Net cash from investing activities	(11,142)	—	(11,142)
Net cash from financing activities	(841,508)	—	(841,508)
Net cash from discontinued operations	1,777,833	—	1,777,833
Effect of exchange rate changes on cash	(1,750)	—	(1,750)
Net change in cash and cash equivalents	921,455	—	921,455
Cash and cash equivalents at beginning of period	140,018	—	140,018
Cash and cash equivalents at end of period	\$ 1,061,473	\$ —	\$ 1,061,473

Disaggregation of Revenue

In the following table, revenue is disaggregated by primary geographical market and major service offerings (dollars in thousands).

Primary Geographical Markets	For the twelve months ended		
	March 31, 2019	March 31, 2018	March 31, 2017
United States	\$ 262,135	\$ 197,613	\$ 162,231
Europe	18,566	18,397	9,298
APAC	4,919	4,091	3,231
	\$ 285,620	\$ 220,101	\$ 174,760
Major Offerings/Services			
Subscription	236,718	172,079	114,531
Marketplace and Other	48,902	48,022	39,854
Impact	—	—	20,375
	\$ 285,620	\$ 220,101	\$ 174,760

Transaction Price Allocated to the Remaining Performance Obligations

We have performance obligations associated with fixed commitments in customer contracts for future services that have not yet been recognized in our consolidated financial statements. The amount of fixed revenue not yet recognized was \$345.0 million as of March 31, 2019. The Company expects to recognize revenue on substantially all of these remaining performance obligations by March 31, 2024 with the balance recognized thereafter.

3. RESTRUCTURING, IMPAIRMENT AND OTHER CHARGES:

The following table summarizes the restructuring activity included in gains, losses and other items, net in the consolidated statements of operations for the fiscal years ended March 31, 2019, 2018 and 2017 (dollars in thousands):

	Associate-related reserves	Lease accruals	Total
March 31, 2016	\$ 664	\$ 3,488	\$ 4,152
Restructuring charges and adjustments	33	3,007	3,040
Payments	(375)	(2,187)	(2,562)
March 31, 2017	322	4,308	4,630
Restructuring charges and adjustments	182	2,564	2,746
Payments	38	(1,584)	(1,546)
March 31, 2018	542	5,288	5,830
Restructuring charges and adjustments	6,163	1,582	7,745
Payments	(2,110)	(1,182)	(3,292)
March 31, 2019	\$ 4,595	\$ 5,688	\$ 10,283

Restructuring Plans

In fiscal 2019, the Company recorded a total of \$7.7 million in restructuring charges and adjustments included in gains, losses and other items, net in the consolidated statement of operations. The fiscal year 2019 expense included restructuring plans primarily for associates in the United States and Asia-Pacific of \$6.1 million, lease accruals and adjustments of \$0.8 million, and leasehold improvement write-offs of \$0.8 million. Of the associate related accruals of \$6.1 million, \$4.3 million remained accrued at March 31, 2019. The associate-related costs are expected to be paid out in fiscal 2020.

In fiscal 2018, the Company recorded a total of \$2.7 million in restructuring charges and adjustments included in gains, losses and other items, net in the consolidated statement of operations. The expense included severance and other associate-related charges of \$0.2 million, and lease accruals and adjustments of \$2.5 million. The associate-related accruals of \$0.2 million were paid out in fiscal 2019. The lease accruals and adjustments of 2.5 million result from the Company's exit from certain leased office facilities.

In fiscal 2017, the Company recorded a total of \$3.0 million in restructuring charges and adjustments included in gains, losses and other items, net in the consolidated statement of operations. The expense included lease accruals and adjustments of \$3.0 million resulting from the Company's exit from certain leased office facilities (\$1.5 million) and adjustments to estimates related to the fiscal 2015 lease accruals (\$1.5 million).

In fiscal 2015, the Company recorded a total of \$9.3 million in restructuring charges and adjustments included in gains, losses and other items, net in the consolidated statement of operations. The expense included severance and other associate-related charges of \$2.6 million, lease accruals of \$4.7 million, and the write-off of leasehold improvements of \$2.0 million. Of the associate-related accruals of \$2.6 million, \$0.3 million remained accrued as of March 31, 2019. These amounts are expected to be paid out in fiscal 2021.

With respect to the lease accruals described above, the Company intends to sublease the facilities to the extent possible. The liabilities will be satisfied over the remainder of the leased properties' terms, which continue through

November 2025. Of the total amount accrued, \$5.7 million remained accrued as of March 31, 2019. Actual sublease receipts may differ from the estimates originally made by the Company. Any future changes in the estimates or in the actual sublease income could require future adjustments to the liabilities, which would impact net earnings (loss) in the period the adjustment is recorded.

Gains, Losses and Other Items

Gains, losses and other items for each of the years presented are as follows (dollars in thousands):

	2019	2018	2017
Restructuring plan charges and adjustments	\$ 7,745	\$ 2,746	\$ 3,040
Other restructuring charges	12,188	—	2,125
Other	—	(23)	(492)
	<u>\$ 19,933</u>	<u>\$ 2,723</u>	<u>\$ 4,673</u>

4. ACQUISITIONS:

Pacific Data Partners

On February 14, 2018, the Company acquired all the outstanding units of Pacific Data Partners LLC ("PDP") in order to accelerate its ability to power people-based B2B marketing. The Company paid approximately \$4.5 million in cash, net of \$0.5 million funds held in escrow and \$0.2 million cash acquired. The escrow funds are expected to be delivered to the PDP sellers 18 months from the acquisition date. The Company omitted pro forma disclosures related to this acquisition as the pro forma effect of this acquisition is not material. The results of operations of this acquisition are included in the Company's consolidated results beginning February 14, 2018.

The following table presents the purchase price allocation related to assets acquired and liabilities assumed (dollars in thousands):

	February 14, 2018
Assets acquired:	
Cash	\$ 228
Trade accounts receivable	224
Developed technology (Software, net)	2,000
Goodwill	3,260
Intangible assets (Other assets)	200
Total assets acquired	<u>5,912</u>
Accounts payable and accrued expenses	(706)
Net assets acquired	<u>5,206</u>
Less:	
Funds held in escrow	(500)
Cash acquired	(228)
Net cash paid	<u>\$ 4,478</u>

The fair values assigned to tangible and identifiable intangible assets acquired and liabilities assumed were based on calculations and valuations using management's estimates and assumptions and were based on the information that was available as of the date of acquisition.

In connection with the PDP acquisition, the Company assumed the outstanding performance compensation plan under the 2018 Equity Compensation Plan of Pacific Data Partners, LLC ("PDP PSU plan"). Under the PDP PSU plan, performance compensation will be paid to plan participants in four annual increments based on attainment of certain Connectivity B2B run rate revenue targets for the performance period covering April 1, 2018 to March 31, 2022. Each annual payout will be determined at the close of each fiscal year within the performance period, on a

cumulative basis. The amount of each annual payout will be settled in shares of Company common stock. The number of shares of Company common stock issued to participants will be equal to 90% of the annual payout divided by the volume weighted average stock price for the 20 trading days prior to, and ending on, the end of each annual performance period, plus, 10% of the annual payout divided by the volume weighted average stock price for the 20 trading days prior to, and ending on, the date of the closing of the acquisition. Total performance attainment may result in combined payouts ranging from \$0.0 million to \$65.0 million. There was no payment due as of March 31, 2019

The performance compensation paid under the PDP PSU plan will be recorded as non-cash stock-based compensation as it is attributable to post-combination service (see Note 13 - Stockholders' Equity). The non-cash stock-based compensation expense will be recognized over the requisite service and performance period based on expected attainment. 90% of the performance compensation will be settleable in a number of shares calculated using a variable 20-day stock price factor, determined in future periods, and will be classified as a liability-based equity award. As of each reporting date, 90% of any recognized, but unpaid portions of the performance compensation plan will be recorded in other accrued expenses in the consolidated balance sheets. The remaining 10% of the performance compensation will be classified as an equity-based equity award.

5. DISCONTINUED OPERATIONS AND DISPOSITIONS:

During fiscal 2019, the Company entered into a definitive agreement to sell AMS to The Interpublic Group of Companies, Inc. ("IPG") for \$2.3 billion in cash. Shareholder approval was received on September 20, 2018, and the Company began reporting the results of operations, cash flows, and the balance sheet amounts pertaining to AMS as a component of discontinued operations in the consolidated financial statements as of the second quarter of fiscal 2019. Prior to the discontinued operations classification, the AMS business was included in the AMS segment in the Company's segment results. The sale was completed on October 1, 2018. At the closing of the transaction, the Company received total consideration of \$2.3 billion (\$2.3 billion stated sales price less closing adjustments, transaction costs and other items of \$49.0 million). Additionally, the Company applied \$230.5 million of proceeds from the sale to repay outstanding Company debt and related interest. The Company reported a gain of \$1.7 billion on the sale, which is included in earnings from discontinued operations, net of tax. The gain on sale includes a \$17.6 million increase in the fourth quarter of fiscal 2019 based on the final purchase price statement delivered by IPG, which is included as a post-closing receivable in other current assets in the consolidated balance sheet (see Note 6 - Other Current and Noncurrent Assets). The Company expects to collect the final purchase price in the second quarter of fiscal 2020.

Summary results of operations of AMS for the fiscal years ended March 31, 2019, 2018 and 2017, respectively, are segregated and included in earnings from discontinued operations, net of tax, in the consolidated statements of operations.

The following is a reconciliation of the major classes of line items constituting earnings from discontinued operations, net of tax (dollars in thousands):

	2019	2018	2017
Major classes of line items constituting earnings from discontinued operations, net of tax:			
Revenues	\$ 332,185	\$ 697,305	\$ 705,487
Cost of revenue	213,512	370,040	377,710
Gross profit	118,673	327,265	327,777
Operating expenses:			
Research and development	21,621	34,160	32,742
Sales and marketing	60,743	106,960	107,418
General and administrative	71,500	38,372	36,816
Gains, losses and other items, net	(1,673,636)	3,650	3,700
Total operating expenses	(1,519,772)	183,142	180,676
Earnings from discontinued operations	1,638,445	144,123	147,101
Interest expense	(5,702)	(10,131)	(7,381)
Other, net	97	(261)	(318)
Earnings from discontinued operations before income taxes	1,632,840	133,731	139,402
Income taxes	470,346	42,952	49,718
Earnings from discontinued operations, net of tax	\$ 1,162,494	\$ 90,779	\$ 89,684

Substantially all of the Company's interest expense was allocated to discontinued operations.

The carrying amounts of the major classes of assets and liabilities of AMS are segregated and included in assets and liabilities held for sale in the consolidated balance sheet. The following is a reconciliation of the assets and liabilities held for sale (dollars in thousands):

	March 31, 2018
Cash and cash equivalents	\$ 2,261
Trade accounts receivable, net	115,141
Other current assets	20,972
Property and equipment, net	124,193
Software, net	21,014
Goodwill	392,356
Purchased software licenses, net	7,502
Deferred income taxes	1,522
Other assets, net	3,815
Assets held for sale	\$ 688,776
Trade accounts payable	27,929
Accrued payroll and related expenses	28,725
Other accrued expenses	16,241
Deferred revenue	27,214
Income taxes payable	244
Other liabilities	3,707
Liabilities held for sale	\$ 104,060

The Company entered into certain agreements with AMS at the time of the sale in which services will be provided from the Company to AMS, and from AMS to the Company. The terms of these agreements are primarily 60 months from the date of sale.

Cash inflows and outflows related to the agreements are included in cash flows from operating activities in the consolidated statements of cash flows. Revenues and expenses related to the agreements are included in loss from operations in the consolidated statements of operations. The related cash inflows and outflows and revenues and expenses for the six months ended March 31, 2019 was (dollars in thousands):

	<u>For the six months ended March 31, 2019</u>
Cash inflows	\$ 19,711
Cash outflows	\$ 860
Revenues	\$ 23,852
Costs	\$ 7,198

The revenues include approximately \$9.0 million incremental to amounts reported as LiveRamp revenues in previous periods.

Disposition of Impact email business

In fiscal 2017, the Company completed the sale of its Impact email business to Zeta Interactive for total consideration of \$22.0 million, including a \$4.0 million subordinated promissory note receivable with interest accruing at a rate of 6% per annum. The receivable was paid in full in fiscal 2018.

The business did not meet the requirements of a discontinued business; therefore, all financial results were included in continuing operations. The Company recorded a gain on sale of \$0.3 million, included in gains, losses and other items, net. The transaction also generated a \$4.3 million income tax benefit.

Revenues and loss from operations from the disposed Impact email business are shown below (dollars in thousands):

	<u>2017</u>
Revenues	\$ 20,375
Loss from operations	\$ (157)

6. OTHER CURRENT AND NONCURRENT ASSETS:

Other current assets consist of the following (dollars in thousands):

	March 31, 2019	March 31, 2018
Prepaid expenses and other	\$ 9,058	\$ 6,622
Post-closing receivable from IPG (see Note 5 - Discontinued Operations and Dispositions)	17,625	—
Interest receivable	2,497	—
Assets of non-qualified retirement plan (see Note 7 - Other Accrued Expenses)	14,970	13,551
Other current assets	<u>\$ 44,150</u>	<u>\$ 20,173</u>

Other noncurrent assets consist of the following (dollars in thousands):

	March 31, 2019	March 31, 2018
Acquired intangible assets, net	\$ 24,217	\$ 33,911
Other miscellaneous noncurrent assets	8,282	3,943
Other assets, net	<u>\$ 32,499</u>	<u>\$ 37,854</u>

7. OTHER ACCRUED EXPENSES:

Other accrued expenses consist of the following (dollars in thousands):

	March 31, 2019	March 31, 2018
Liabilities of non-qualified retirement plan (see Note 6 - Other Current and Noncurrent Assets)	\$ 14,970	\$ 13,551
Other accrued expenses	25,946	26,073
Other accrued expenses	<u>\$ 40,916</u>	<u>\$ 39,624</u>

8. GOODWILL AND INTANGIBLE ASSETS:

Goodwill for the years ended March 31, 2019 and 2018 was as follows (dollars in thousands):

	Total
Balance at March 31, 2017	\$ 200,393
Acquisition of PDP (see Note 4 - Acquisitions)	3,260
Arbor purchase accounting adjustments	(21)
Change in foreign currency translation adjustment	7
Balance at March 31, 2018	<u>\$ 203,639</u>
Reallocation from AMS	1,377
Change in foreign currency translation adjustment	(360)
Balance at March 31, 2019	<u>\$ 204,656</u>

Goodwill by geography as of March 31, 2019 was:

	Total
U.S.	\$ 201,449
APAC	3,207
Balance at March 31, 2019	<u>\$ 204,656</u>

The amounts allocated to intangible assets from acquisitions include developed technology, customer relationships, trade names, and publisher relationships. Amortization lives for those intangibles range from four years to six years. The following table shows the amortization activity of intangible assets (dollars in thousands):

	2019	2018
Developed technology, gross (Software)	\$ 54,000	\$ 54,000
Accumulated amortization	\$ (49,625)	(43,383)
Net developed technology	\$ 4,375	\$ 10,617
Customer relationship/Trade name, gross (Other assets, net)	\$ 35,800	\$ 35,800
Accumulated amortization	\$ (26,128)	(20,400)
Net customer/trade name	\$ 9,672	\$ 15,400
Publisher relationship, gross (Other assets, net)	\$ 23,800	\$ 23,800
Accumulated amortization	\$ (9,255)	(5,289)
Net publisher relationship	\$ 14,545	\$ 18,511
Total intangible assets, gross	\$ 113,600	\$ 113,600
Total accumulated amortization	\$ (85,008)	(69,072)
Total intangible assets, net	\$ 28,592	\$ 44,528

Total amortization expense related to intangible assets was \$15.9 million, \$23.9 million, and \$18.6 million in fiscal 2019, 2018, and 2017, respectively. As of March 31, 2019, estimated future amortization expenses related to purchased and other intangible assets were as follows (dollars in thousands):

Year ending March 31,

2020	\$ 11,925
2021	\$ 8,083
2022	\$ 5,150
2023	\$ 3,434
	\$ 28,592

9. SOFTWARE:

Software is summarized as follows (dollars in thousands):

	March 31, 2019	March 31, 2018
Internally developed computer software	\$ 51,525	\$ 49,964
Acquired developed technology	54,000	54,000
	105,525	103,964
Less accumulated amortization	98,664	89,994
	\$ 6,861	\$ 13,970

The Company recorded amortization expense related to internally developed computer software of \$8.4 million, \$15.7 million, and \$13.9 million for fiscal 2019, 2018 and 2017, respectively, including \$6.2 million, \$13.8 million, and \$11.8 million, respectively, related to acquired developed technology as part of recent acquisitions.

10. PROPERTY AND EQUIPMENT:

Property and equipment is summarized as follows (dollars in thousands):

	March 31, 2019	March 31, 2018
Leasehold improvements	\$ 20,097	\$ 15,635
Data processing equipment	37,678	39,938
Office furniture and other equipment	7,077	6,780
	64,852	62,353
Less accumulated depreciation and amortization	38,809	30,013
	\$ 26,043	\$ 32,340

Depreciation expense on property and equipment was \$15.6 million, \$11.8 million and \$11.2 million for the fiscal years ended March 31, 2019, 2018 and 2017, respectively. Depreciation expense in fiscal 2019 included \$3.8 million of accelerated depreciation expense associated with the reduced useful life of certain IT equipment in connection with the Company's migration to a cloud-based data center solution.

11. LONG-TERM DEBT:

Long-term debt consists of the following (dollars in thousands):

	March 31, 2018
Revolving credit borrowings	\$ 230,000
Other debt	3,293
Total long-term debt	233,293
Less current installments	1,583
Less deferred debt financing costs	3,873
Long-term debt, excluding current installments and deferred debt financing costs	\$ 227,837

At the closing of the AMS transaction, the Company applied \$230.5 million of proceeds from the sale to repay all outstanding Company debt and related interest.

12. COMMITMENTS AND CONTINGENCIES:

Legal Matters

The Company is involved in various claims and legal proceedings. Management routinely assesses the likelihood of adverse judgments or outcomes to these matters, as well as ranges of probable losses, to the extent losses are reasonably estimable. The Company records accruals for these matters to the extent that management concludes a loss is probable and the financial impact, should an adverse outcome occur, is reasonably estimable. These accruals are reflected in the Company's consolidated financial statements. In management's opinion, the Company has made appropriate and adequate accruals for these matters, and management believes the probability of a material loss beyond the amounts accrued to be remote. However, the ultimate liability for these matters is uncertain, and if accruals are not adequate, an adverse outcome could have a material effect on the Company's consolidated financial condition or results of operations. The Company maintains insurance coverage above certain limits. There are currently no matters pending against the Company or its subsidiaries for which the potential exposure is considered material to the Company's consolidated financial statements.

Commitments

The Company leases office space and equipment under non-cancellable operating leases that expire at various dates through fiscal year 2026. Rent expense was \$12.8 million, \$9.5 million, and \$7.4 million for the fiscal years ended March 31, 2019, 2018 and 2017, respectively.

Future minimum lease payments under all noncancellable operating leases as of March 31, 2019 are (dollars in thousands):

Year ending March 31,	
2020	\$ 12,057
2021	11,253
2022	10,865
2023	5,160
2024	3,270
Thereafter	4,497
	<u>\$ 47,102</u>

13. STOCKHOLDERS' EQUITY:

The Company has authorized 200 million shares of \$0.10 par value common stock and 1 million shares of \$1.00 par value preferred stock. The board of directors of the Company may designate the relative rights and preferences of the preferred stock when and if issued. Such rights and preferences could include liquidation preferences, redemption rights, voting rights and dividends, and the shares could be issued in multiple series with different rights and preferences. The Company currently has no plans for the issuance of any shares of preferred stock.

On August 29, 2011, the board of directors adopted a common stock repurchase program. That program was subsequently modified and expanded, most recently on October 25, 2018. On that date, the board of directors authorized a \$500 million increase to the existing common stock repurchase program. Under the modified common stock repurchase program, the Company may purchase up to \$1.0 billion of its common stock through the period ending December 31, 2020. During the fiscal year ended March 31, 2019, the Company repurchased 2.4 million shares of its common stock for \$74.4 million under the stock repurchase program. During the fiscal year ended March 31, 2018, the Company repurchased 3.3 million shares of its common stock for \$88.9 million. During the fiscal year ended March 31, 2017, the Company repurchased 1.3 million shares of its common stock for \$30.5 million. Through March 31, 2019, the Company has repurchased 22.6 million shares of its stock for \$449.1 million, leaving remaining capacity of \$550.9 million under the stock repurchase program.

On October 25, 2018, the board of directors authorized a Dutch auction tender offer to purchase shares of its outstanding common stock at an initial aggregate purchase price not to exceed \$500 million, plus up to 2% of the Company's outstanding shares of common stock in accordance with the rules and regulations of the SEC. On December 13, 2018, the Company accepted for purchase 11.2 million shares of its common stock at a price of \$44.50 per share, for an aggregate cost of \$503.4 million, including fees and expenses. These shares represented approximately 14.2% of the shares outstanding.

The Company paid no dividends on its common stock for any of the years reported.

Stock-based Compensation Plans

The Company has stock option and equity compensation plans for which a total of 42.3 million shares of the Company's common stock have been reserved for issuance since the inception of the plans. At March 31, 2019, there were a total of 12.1 million shares available for future grants under the plans.

During the fiscal year ended March 31, 2019, the Board voted to amend the Amended and Restated 2005 Equity Compensation Plan to increase the number of shares available under the plan from 32.9 million shares at March 31, 2018 to 37.9 million shares at March 31, 2019, bringing the total number of shares reserved for issuance since inception of all plans from 34.5 million shares at March 31, 2018 to 42.3 million shares beginning in the quarter ended September 30, 2018. The amendment received shareholder approval at the September 20, 2018 annual shareholders' meeting.

Stock-based Compensation Expense

The Company's stock-based compensation activity for the fiscal years ended March 31, 2019, 2018 and 2017, by award type, was (dollars in millions):

	2019	2018	2017
Stock options	\$ 3.3	\$ 5.0	\$ 6.9
Performance stock options	—	0.5	1.4
Restricted stock units	67.0	29.1	24.7
Arbor acquisition consideration holdback	15.3	15.3	5.1
PDP assumed performance plan	15.8	2.0	—
Other non-employee stock-based compensation	1.3	1.0	1.3
Total non-cash stock-based compensation included in the consolidated statements of operations	102.7	52.9	39.4
Less expense related to liability-based equity awards	(14.2)	(1.7)	—
Stock-based compensation of discontinued operations	62.8	10.3	9.7
Total non-cash stock-based compensation included in the consolidated statements of equity	\$ 151.3	\$ 61.5	\$ 49.1

In March 2019, the Company accelerated the vesting of certain time-vesting restricted stock units that would have otherwise vested over the next six months to take advantage of significant cash tax savings opportunities. This resulted in the release of restricted stock units covering approximately 0.5 million shares of common stock. The Company recognized \$19.8 million of compensation costs related to the accelerated vesting and release of these units, which is included in loss from operations in the consolidated statement of operations. Of the \$19.8 million compensation costs, \$14.3 million represented incremental compensation cost and \$5.5 million represented accelerated original grant date fair value compensation cost.

Future expense for all of the Company's outstanding equity awards at March 31, 2019, by award type, is expected to be (dollars in millions):

	During the year ended:				
	2020	2021	2022	2023	Total
Stock options	\$ 2.2	\$ 0.5	\$ —	\$ —	\$ 2.7
Restricted stock units	40.7	28.3	16.8	6.1	91.9
Arbor acquisition consideration holdback	2.6	—	—	—	2.6
PDP assumed performance plan	15.8	15.8	15.7	—	47.3
	\$ 61.3	\$ 44.6	\$ 32.5	\$ 6.1	\$ 144.5

Stock Option Activity of Continuing Operations

Stock option activity during the year ended March 31, 2019 was:

	Number of shares	Weighted-average exercise price per share	Weighted-average remaining contractual term (in years)	Aggregate Intrinsic value (in thousands)
Outstanding at March 31, 2018	2,456,184	\$ 13.30		
Exercised	(1,056,163)	\$ 11.20		\$ 35,337
Forfeited or cancelled	(25,591)	\$ 18.64		
Outstanding at March 31, 2019	1,374,430	\$ 14.81	4.5	\$ 54,950
Exercisable at March 31, 2019	1,213,177	\$ 15.67	4.2	\$ 47,462

The aggregate intrinsic value for options exercised in fiscal 2019, 2018, and 2017 was \$35.3 million, \$6.5 million, and \$7.7 million, respectively. The aggregate intrinsic value at period end represents total pre-tax intrinsic value (the difference between LiveRamp's closing stock price on the last trading day of the period and the exercise price for each in-the-money option) that would have been received by the option holders had option holders exercised their options on March 31, 2019. This amount changes based upon changes in the fair market value of LiveRamp's stock.

A summary of stock options outstanding and exercisable as of March 31, 2019 was:

Range of exercise price per share	Options outstanding			Options exercisable	
	Options outstanding	Weighted-average remaining contractual life	Weighted-average exercise price per share	Options exercisable	Weighted-average exercise price per share
\$ 0.61 — \$ 9.99	214,347	5.5 years	\$ 1.52	122,502	\$ 1.59
\$ 10.00 — \$ 19.99	709,672	3.6 years	\$ 14.69	640,264	\$ 14.39
\$ 20.00 — \$ 24.99	450,411	5.5 years	\$ 21.32	450,411	\$ 21.32
	<u>1,374,430</u>	<u>4.5 years</u>	<u>\$ 14.81</u>	<u>1,213,177</u>	<u>\$ 15.67</u>

Performance Stock Option Unit Activity of Continuing Operations

Performance stock option unit activity during the year ended March 31, 2019 was:

	Number of shares	Weighted-average exercise price per share	Weighted-average remaining contractual term (in years)	Aggregate intrinsic value (in thousands)
Outstanding at March 31, 2018	328,806	\$ 21.38		
Forfeited or cancelled	(198,652)	\$ 21.40		
Outstanding at March 31, 2019	<u>130,154</u>	<u>\$ 21.44</u>	1.1	\$ 4,340
Exercisable at March 31, 2019	<u>—</u>	<u>\$ —</u>	—	\$ —

Of the performance stock option units outstanding at March 31, 2019, 130,154 reached maturity of the relevant performance period at March 31, 2019. The units are expected to vest at an approximate 0% attainment level during the subsequent service period, resulting in cancellation of the units.

Restricted Stock Unit Activity Related to Disposition of AMS

Performance-based Restricted Stock Unit Conversions

In conjunction with the disposition of AMS, the Company converted its outstanding TSR-based performance restricted stock units ("PSUs") to time-vesting restricted stock units ("RSUs"). On the conversion date, the performance period was truncated and attainment measured, resulting in conversion of the PSUs to RSUs at a 200% conversion rate. Each converted RSU held by an AMS associate was vested immediately. The remaining converted RSUs will cliff vest on the same date as the original PSU performance period maturity date.

Share activity related to these conversions was:

		Continuing Operations	Discontinued Operations	Total Continuing and Discontinued Operations
TSR-based performance restricted stock units converted to time-based restricted stock units, by fiscal year granted:	Original Performance Maturity Date:			
Fiscal 2017 PSU	3/31/2019	(168,378)	(46,218)	(214,596)
Fiscal 2018 PSU	3/31/2020	(148,963)	(36,815)	(185,778)
Fiscal 2019 PSU	3/31/2021	(186,539)	(30,188)	(216,727)
Totals		(503,880)	(113,221)	(617,101)
Time-based restricted stock units converted from TSR-based performance restricted stock units	RSU Cliff Vest Date (Continuing Ops Only):			
Fiscal 2017 PSU	3/31/2019	336,756	92,436	429,192
Fiscal 2018 PSU	3/31/2020	297,926	73,630	371,556
Fiscal 2019 PSU	3/31/2021	373,078	60,376	433,454
Totals		1,007,760	226,442	1,234,202

The Company recognized both incremental and accelerated compensation costs in the consolidated statement of operations related to the PSU conversions. The impact on compensation costs was (dollars in thousands):

	Continuing Operations	Discontinued Operations	Total Continuing and Discontinued Operations
Incremental compensation costs	\$ 7,179	\$ 1,599	\$ 8,778
Accelerated compensation costs of original grant date fair value related to immediate vesting of converted PSUs of AMS associates	\$ —	\$ 1,607	\$ 1,607

AMS Restricted Stock Unit Accelerations

In conjunction with the disposition of AMS, the Company accelerated the vesting of substantially all outstanding time-vesting restricted stock units of AMS associates to the date of disposition, including converted PSU shares, resulting in the release of restricted stock units covering 1,187,344 shares of common stock. The Company recognized \$54.0 million of compensation costs related to the accelerated vesting and release of these units, which is included in net earnings from discontinued operations, net of tax in the consolidated statement of operations. Of the \$54.0 million compensation costs, \$27.0 million represented incremental compensation cost and \$27.0 million represented accelerated original grant date fair value compensation cost.

Restricted Stock Unit Activity of Continuing Operations

During fiscal 2019, the Company granted time-vesting restricted stock units covering 1,939,746 shares of common stock with a fair value at the date of grant of \$69.5 million. Of the restricted stock units granted in the current period, 1,856,444 vest over four years and 83,302 vest over one year.

During fiscal 2018, the Company granted time-vesting restricted stock units covering 1,386,448 shares of common stock with a fair value at the date of grant of \$36.2 million. Of the restricted stock units granted in fiscal 2018, 1,089,379 vest over four years, 106,571 vest over three years, 174,368 vest over two years, and 16,130 vest over one year.

During fiscal 2017, the Company granted time-vesting restricted stock units covering 1,716,357 shares of common stock with a fair value at the date of grant of \$42.2 million, of which units covering 768,710 shares, with a fair value at grant date of \$20.4 million, were granted to former Arbor and Circulate employees subsequent to the acquisitions

(see Note 4 - Acquisitions). Of the restricted stock units granted in fiscal 2017, 898,646 vest over four years, 398,079 vest over three years, 407,413 vest over two years, and 12,219 vest in one year.

Non-vested time-vesting restricted stock units activity during the year ended March 31, 2019 was:

	Number of shares	Weighted-average fair value per share at grant date	Weighted-average remaining contractual term (in years)
Outstanding at March 31, 2018	2,517,488	\$ 24.73	2.38
Granted	1,939,746	\$ 35.85	
Vested	(2,014,518)	\$ 24.04	
Forfeited or cancelled	(395,726)	\$ 26.09	
Outstanding at PSUs converted to RSUs in conjunction with AMS disposition	1,007,760	\$ 21.21	
Outstanding at March 31, 2019	<u>3,054,750</u>	<u>\$ 30.91</u>	2.47

Valuation of time-vesting restricted stock units for all periods presented is equal to the quoted market price for the shares on the date of grant. The total fair value of time-vesting restricted stock units vested in fiscal 2019, 2018, and 2017 was \$93.1 million, \$24.1 million, and \$17.0 million, respectively and is measured as the quoted market price of the Company's common stock on the vesting date for the number of shares vested.

Non-vested performance-based restricted stock units activity during the year ended March 31, 2019 was:

	Number of shares	Weighted-average fair value per share at grant date	Weighted-average remaining contractual term (in years)
Outstanding at March 31, 2018	557,801	\$ 25.65	1.67
Granted	534,438	\$ 41.08	
Additional earned performance shares	176	\$ 23.89	
Vested	(61,330)	\$ 24.22	
Forfeited or cancelled	(133,017)	\$ 25.16	
PSUs converted to RSUs in conjunction with AMS disposition	(503,880)	\$ 28.06	
Outstanding at March 31, 2019	<u>394,188</u>	<u>\$ 43.88</u>	3.23

During fiscal 2019, the Company granted performance-based restricted stock units, in two separate plans, covering 534,438 shares of common stock having a fair value at the date of grant of \$22.0 million. Under the first performance plan, units covering 186,539 shares of common stock were granted having a fair value at the date of grant of \$5.8 million, determined using a Monte Carlo simulation model. The units vest subject to attainment of market conditions established by the compensation committee and continuous employment through the vesting date. The 186,539 units may vest in a number of shares from 25% to 200% of the award, based on the total shareholder return of LiveRamp common stock compared to total shareholder return of a group of peer companies established by the compensation committee for the period from April 1, 2018 to March 31, 2021. All of these awards were converted to RSUs at the time of the AMS disposition. Under the second performance plan, units covering 347,899 shares of common stock were granted having a fair value at the date of grant of \$16.2 million equal to the quoted market price for the shares on the date of grant. The units vest subject to attainment of performance criteria established by the compensation committee. The units may vest in a number of shares from zero to 200% of the award, based on the attainment of revenue growth and margin targets.

During fiscal 2018, the Company granted performance-based restricted stock units covering 389,065 shares of common stock having a fair value at the date of grant of \$10.1 million. Of the performance-based restricted stock units granted in fiscal 2018, 184,931 units - having a fair value at the date of grant of \$5.1 million, determined using a Monte Carlo simulation model - vest subject to attainment of performance criteria established by the compensation committee and continuous employment through the vesting date. The 184,931 units may vest in a

number of shares from zero to 200% of the award, based on the total shareholder return of LiveRamp common stock compared to TSR established by the compensation committee for the period from April 1, 2017 to March 31, 2020. All of these awards were converted to RSUs at the time of the AMS disposition.

Of the performance-based restricted stock units granted in fiscal 2018, 87,184 units - having a fair value at the date of grant of \$2.1 million, based on the quoted market price for the shares on the date of grant - vest over two periods, each being subject to attainment of performance criteria established by the compensation committee and continuous employment through the vesting date. These units vested at 50.2% attainment in fiscal 2019 resulting in release of 43,768 shares of stock and cancellation of remaining units.

The remaining 116,950 performance-based restricted stock units granted in fiscal 2018 - having a fair value at the date of grant of \$2.9 million, based on the quoted market price for the shares on the date of grant - vest in three equal tranches, each being subject to attainment of performance criteria established by the compensation committee and continuous employment through the vesting date. Each of the three tranches may vest in a number of shares, from zero to 300% of the initial award, based on the attainment of certain revenue growth and operating margin targets for the years ending March 31, 2018, 2019, and 2020, respectively. The first tranche vested at 53.3% attainment in fiscal 2019 resulting in release of 17,562 shares of stock. Of the 46,289 units outstanding at March 31, 2019, 23,142 reached maturity of the relevant performance period at March 31, 2019. Those units are expected to vest at an approximate 0% attainment level, resulting in cancellation of the units.

During fiscal 2017, the Company granted performance-based restricted stock units covering 212,083 shares of common stock with a fair value at the date of grant of \$5.3 million, determined using a Monte Carlo simulation model. Of the performance-based restricted stock units granted in fiscal 2017, 3,882 units represent award modifications that included 5,231 corresponding canceled units. The remaining 208,201 performance-based restricted stock units, having a fair value at the date of grant of \$5.1 million, vest subject to attainment of performance criteria established by the compensation committee. Those units may vest in a number of shares from zero to 200% of the award, based on TSR established by the compensation committee for the period from April 1, 2016 to March 31, 2019. All of these awards were converted to RSUs at the time of the AMS disposition.

During fiscal 2019, 61,330 performance-based restricted stock units vested. Of the units vested, 43,768 relate to 50.2% attainment on a fiscal 2018 plan, and 17,562 relate to 53.3% attainment on a fiscal 2018 plan. During fiscal 2018, 580,133 performance-based restricted stock units vested. There were no performance-based restricted stock units vested in fiscal 2017. The total fair value of performance-based restricted stock units vested in fiscal 2019 and 2018 was \$2.20 million and \$14.1 million, respectively and is measured as the quoted market price of the Company's common stock on the vesting date for the number of shares vested.

Other Performance Unit Activity

Other performance unit activity during the year ended March 31, 2019 was:

	Number of shares	Weighted average fair value per share at grant date	Weighted-average remaining contractual term (in years)
Outstanding at Outstanding at March 31, 2018	111,111	\$ 5.33	0
Vested	(45,364)	\$ 5.33	
Forfeited or canceled	(65,747)	\$ 5.33	
Outstanding at Outstanding at March 31, 2019	—	\$ —	—

The 111,111 performance-based units outstanding at March 31, 2018 reached maturity of the relevant performance period on March 31, 2018. The units achieved a 100% performance attainment level. However, application of the share price adjustment factor resulted in a 59% reduction in shares vested in fiscal 2019.

Stock-based Compensation Expense Related to Discontinued Operations

Total stock-based compensation expense related to discontinued operations for fiscal 2019, 2018 and 2017 was \$62.8 million, \$10.3 million and \$9.7 million, respectively and is included in non-cash stock-based compensation in the consolidated statements of equity.

Consideration Holdback

As part of the Company's acquisition of Arbor in fiscal 2017, \$38.3 million of the acquisition consideration otherwise payable with respect to shares of restricted Arbor common stock held by certain key employees was subject to holdback by the Company pursuant to agreements with those employees (each, a "Holdback Agreement"). As a result, 382,462, 578,071 and 184,214 shares were issued to the Arbor key employees in fiscal 2019, 2018 and 2017, respectively.

PDP Assumed Performance Plan

In connection with the fiscal 2018 acquisition of PDP, the Company assumed the outstanding performance compensation plan under the 2018 Equity Compensation Plan of PDP ("PDP PSU plan"). Through March 31, 2019, the Company recognized a total of \$17.8 million in non-cash stock-based compensation expense in the consolidated statements of operations related to the PDP PSU plan. Future expense shown in tables above for the PDP PSU plan is based on a current expectation of full attainment. At March 31, 2019, the recognized, but unpaid, balance in other liabilities in the consolidated balance sheet was \$16.0 million.

Qualified Employee Stock Purchase Plan

In addition to the stock-based plans, the Company maintains a qualified employee stock purchase plan ("ESPP") that permits substantially all employees to purchase shares of common stock at a discount from the market price. At March 31, 2019, there were approximately 0.6 million shares available for issuance under the ESPP. During the combined fiscal years of 2019, 2018, and 2017, 276,475 shares were purchased under the plan. The total expense to the Company, representing the discount to the market price, for fiscal 2019, 2018 and 2017 was approximately \$0.4 million, \$0.2 million, and \$0.3 million, respectively.

Accumulated Other Comprehensive Income

Accumulated other comprehensive income accumulated balances of \$7.8 million and \$10.8 million at March 31, 2019 and March 31, 2018, respectively, reflect accumulated foreign currency translation adjustments.

14. INCOME TAXES:

Total income tax expense (benefit) was allocated as follows (dollars in thousands):

	2019	2018	2017
Continuing operations	\$ (45,409)	\$ (65,723)	\$ (45,184)
Discontinued operations	470,346	42,952	49,718
Stockholders' equity:			
Excess tax benefits from stock-based compensation	—	—	(2,183)
	<u>\$ 424,937</u>	<u>\$ (22,771)</u>	<u>\$ 2,351</u>

Income tax expense (benefit) attributable to loss from continuing operations consists of (dollars in thousands):

	2019	2018	2017
Current:			
U.S. Federal	\$ (39,534)	\$ (33,626)	\$ (33,289)
Non-U.S.	323	115	188
State	(16,092)	(4,414)	(976)
	<u>(55,303)</u>	<u>(37,925)</u>	<u>(34,077)</u>
Deferred:			
U.S. Federal	1,245	(26,884)	(8,934)
Non-U.S.	149	21	(3)
State	8,500	(935)	(2,170)
	<u>9,894</u>	<u>(27,798)</u>	<u>(11,107)</u>
Total	<u>\$ (45,409)</u>	<u>\$ (65,723)</u>	<u>\$ (45,184)</u>

Loss before income tax attributable to U.S. and non-U.S. continuing operations consists of (dollars in thousands):

	2019	2018	2017
U.S.	\$ (174,867)	\$ (132,552)	\$ (128,646)
Non-U.S.	(4,489)	(470)	(2,114)
Total	<u>\$ (179,356)</u>	<u>\$ (133,022)</u>	<u>\$ (130,760)</u>

Loss before income taxes, as shown above, is based on the location of the entity to which such losses are attributable. However, since such losses may be subject to taxation in more than one country, the income tax provision shown above as U.S. or non-U.S. may not correspond to the loss shown above.

Below is a reconciliation of expected income tax benefit computed by applying the U.S. federal statutory rate of 21.0% for fiscal 2019, the blended U.S. federal statutory rate of 31.5% for fiscal 2018, and the U.S. federal statutory rate of 35.0% for fiscal 2017, respectively, to loss before income taxes to actual income tax benefit from continuing operations (dollars in thousands):

	2019	2018	2017
Computed expected income tax (benefit)	\$ (37,665)	\$ (41,967)	\$ (45,766)
Increase (reduction) in income taxes resulting from:			
State income taxes, net of federal benefit	(5,998)	(3,329)	(2,045)
Research and other tax credits	(3,141)	(1,229)	(1,174)
Effect of federal rate change on deferred taxes	—	(24,565)	—
Nondeductible expenses	426	431	418
Stock-based compensation	(5,350)	4,452	2,150
Non-U.S. subsidiaries taxed at other rates	1,343	332	714
Adjustment to valuation allowances	5,204	—	—
Other, net	(228)	152	519
	<u>\$ (45,409)</u>	<u>\$ (65,723)</u>	<u>\$ (45,184)</u>

On December 22, 2017, the U.S. enacted significant tax law changes following the passage of H.R.1, "An Act to Provide for Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018" (the "Tax Act") (previously known as "The Tax Cuts and Jobs Act"). The Tax Act included significant changes to existing tax law, including a permanent reduction to the U.S. federal corporate income tax rate from 35% to 21%, a one-time repatriation tax on deferred foreign income, and numerous other changes to business-related deductions.

The permanent reduction to the U.S. federal corporate income tax rate from 35% to 21% became effective January 1, 2018 (the "Effective Date"). Because the Effective Date did not fall on the first day of our fiscal year ended March 31, 2018, we are required to apply a blended tax rate for the entire fiscal year based on a weighted daily average

rate. As a result of the Tax Act, our U.S. federal statutory corporate income tax rate is 21% for the fiscal year ended March 31, 2019 and 31.5% for the fiscal year ended March 31, 2018.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at March 31, 2019 and 2018 are presented below (dollars in thousands).

	2019	2018
Deferred tax assets:		
Accrued expenses	\$ 3,332	\$ 5,737
Deferred revenue	19	437
Net operating loss carryforwards	13,638	40,783
Stock-based compensation	10,770	10,884
Nonqualified deferred compensation	3,147	3,217
Capital loss carryforward	—	2,099
Tax credit carryforwards	—	13,427
Other	3,102	185
Total deferred tax assets	34,008	76,769
Less valuation allowance	(18,947)	(38,321)
Net deferred tax assets	15,061	38,448
Deferred tax liabilities:		
Prepaid expenses	\$ (1,222)	\$ (4,111)
Capitalized software costs	(636)	(7,343)
Property and equipment	(440)	(6,304)
Intangible assets	(5,631)	(42,402)
Deferred commissions	(2,586)	—
Accrued expenses	(4,550)	(7,828)
Total deferred tax liabilities	(15,065)	(67,988)
Net deferred tax liabilities	\$ (4)	\$ (29,540)

At March 31, 2019, the Company has net operating loss carryforwards of approximately \$8.3 million and \$22.6 million for U.S. federal and state income tax purposes, respectively. The net operating loss carryforwards will expire in various amounts and will completely expire if not used by 2039. The Company has foreign net operating loss carryforwards of approximately \$37.4 million. Of this amount, \$33.9 million do not have expiration dates. The remainder expires in various amounts and will completely expire if not used by 2024.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. Realization of the Company's net deferred tax assets is dependent upon its generation of sufficient taxable income of the proper character in future years in appropriate tax jurisdictions to obtain benefit from the reversal of temporary differences and net operating loss carryforwards.

Based upon the weight of available evidence, including the Company's disposal of the AMS business and the Company's history of losses from continuing operations, management believes that it is not more likely than not the Company will realize the benefits of the deductible temporary differences and net operating loss carryforwards. Accordingly, the Company has established valuation allowances against its deferred tax assets.

The following table sets forth changes in the total gross unrecognized tax benefits for the fiscal years ended March 31, 2019, 2018 and 2017 (dollars in thousands):

	2019	2018	2017
Balance at beginning of period	\$ 15,415	\$ 12,870	\$ 10,906
Increases related to prior year tax positions	325	1,134	307
Decreases related to prior year tax positions	(292)	(208)	(466)
Increases related to current year tax positions	5,483	3,172	2,123
Lapse of statute of limitations	(1,331)	(1,553)	—
Balance at end of period	<u>\$ 19,600</u>	<u>\$ 15,415</u>	<u>\$ 12,870</u>

Gross unrecognized tax benefits as of March 31, 2019 was \$19.6 million, which would reduce the Company's effective tax rate in future periods if and when realized. The Company reports accrued interest and penalties related to unrecognized tax benefits in income tax expense. The combined amount of accrued interest and penalties related to tax positions on tax returns was approximately \$0.4 million as of March 31, 2019. There was no material change in accrued interest and penalties during fiscal 2019. The Company anticipates a reduction of \$0.8 million of unrecognized tax benefits within the next 12 months, as a result of a lapse of the statute of limitations.

The Company files a consolidated U.S. federal income tax return and tax returns in various state and local jurisdictions. The Company's subsidiaries also file tax returns in various foreign jurisdictions in which they operate. In the U.S., the statute of limitations for Internal Revenue Service examinations remains open for the Company's federal income tax returns for fiscal years after 2015. The Company's federal income tax return for fiscal 2017 is currently under examination by the Internal Revenue Service. The status of U.S. federal, state and foreign tax examinations varies by jurisdiction. The Company does not anticipate any material adjustments to its financial statements resulting from tax examinations currently in progress.

15. RETIREMENT PLANS:

The Company has a qualified 401(k) retirement savings plan that covers substantially all U.S. employees. The Company also offers a supplemental non-qualified deferred compensation plan ("SNQDC Plan") for certain highly-compensated employees. Through December 31, 2018, the Company matched 50% of the first 6% of employee's annual aggregate contributions. Effective January 1, 2019 the Company matches 100% of the first 6% of employee's annual aggregate contributions. The Company may also contribute additional amounts to the plans at the discretion of the board of directors.

Company contributions for the above plans amounted to approximately \$2.9 million, \$1.9 million, and \$1.5 million in fiscal years 2019, 2018, and 2017, respectively. Included in both other current assets and other accrued liabilities are the assets and liabilities of the SNQDC Plan in the amount of \$15.0 million and \$13.6 million at March 31, 2019 and 2018, respectively.

16. FOREIGN OPERATIONS:

The Company attributes revenue to each geographic region based on the location of the Company's operations. The following table shows financial information by geographic area for fiscal 2019, 2018 and 2017 (dollars in thousands):

<i>Revenue</i>	2019	2018	2017
United States	\$ 262,135	\$ 197,613	\$ 162,231
Foreign			
Europe	\$ 18,566	\$ 18,397	\$ 9,298
APAC	4,919	4,091	3,231
All Foreign	\$ 23,485	\$ 22,488	\$ 12,529
	<u>\$ 285,620</u>	<u>\$ 220,101</u>	<u>\$ 174,760</u>

Long-lived assets excluding financial instruments (dollars in thousands):

	March 31,	
	2019	2018
United States	\$ 276,189	\$ 824,673
Foreign		
Europe	\$ 757	\$ 8,990
APAC	3,889	15,245
All Foreign	\$ 4,646	\$ 24,235
	<u>\$ 280,835</u>	<u>\$ 848,908</u>

17. FAIR VALUE OF FINANCIAL INSTRUMENTS:

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, trade accounts receivables, short-term borrowings and trade accounts payables - The carrying amount approximates fair value because of the short maturity of these instruments.

Long-term debt - The interest rate on the revolving credit agreement is adjusted for changes in market rates and therefore the carrying value approximates fair value. The estimated fair value of other long-term debt was determined based upon the present value of the expected cash flows considering expected maturities and using interest rates currently available to the Company for long-term borrowings with similar terms. At March 31, 2018, the estimated fair value of long-term debt approximated its carrying value.

Under applicable accounting standards financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurements. The Company assigned assets and liabilities to the hierarchy in the accounting standards, which is Level 1 - quoted prices in active markets for identical assets or liabilities, Level 2 - significant other observable inputs and Level 3 - significant unobservable inputs.

The following table presents the balances of assets measured at fair value as of March 31, 2019 and 2018 (dollars in thousands):

As of March 31, 2019	Level 1	Level 2	Level 3	Total
Assets:				
Other current assets	\$ 14,970	\$ —	\$ —	\$ 14,970
Total assets	<u>\$ 14,970</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 14,970</u>
As of March 31, 2018	Level 1	Level 2	Level 3	Total
Assets:				
Other current assets	\$ 13,551	\$ —	\$ —	\$ 13,551
Total assets	<u>\$ 13,551</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 13,551</u>

18. UNAUDITED SELECTED QUARTERLY FINANCIAL DATA:

The following tables contain selected unaudited statement of operations information for each quarter of 2019 and 2018. The following information reflects all normal recurring adjustments necessary for a fair presentation of the information for the periods presented. The operating results for any quarter are not necessarily indicative of results for any future period. Unaudited quarterly results are as follows:

(dollars in thousands except per-share amounts)	Quarter ended June 30, 2018	Quarter ended September 30, 2018	Quarter ended December 31, 2018	Quarter ended March 31, 2019
Revenue	\$ 62,471	\$ 64,812	\$ 80,021	\$ 78,316
Gross profit	38,817	40,346	45,183	40,556
Net loss from continuing operations	(27,818)	(41,180)	(15,261)	\$ (49,688)
Earnings from discontinued operations, net of tax	24,803	61,803	1,071,661	\$ 4,227
Net earnings (loss)	(3,015)	20,623	1,056,400	\$ (45,461)
Basic earnings (loss) per share:				
Continuing operations	(0.36)	(0.53)	(0.20)	(0.73)
Discontinued operations	0.32	0.80	13.85	0.06
Net earnings (loss)	(0.04)	0.27	13.65	(0.67)
Diluted earnings (loss) per share:				
Continuing operations	(0.36)	(0.53)	(0.20)	(0.73)
Discontinued operations	0.32	0.80	13.85	0.06
Net earnings (loss)	(0.04)	0.27	13.65	(0.67)

(dollars in thousands except per-share amounts)	Quarter ended June 30, 2017	Quarter ended September 30, 2017	Quarter ended December 31, 2017	Quarter ended March 31, 2018
Revenue	\$ 46,757	\$ 54,013	\$ 59,121	\$ 60,210
Gross profit	22,696	30,004	34,595	36,410
Net earnings (loss) from continuing operations	(26,215)	(25,191)	3,117	(19,010)
Earnings from discontinued operations, net of tax	24,915	21,855	19,824	24,185
Net earnings (loss)	(1,300)	(3,336)	22,941	5,175
Basic earnings (loss) per share:				
Continuing operations	(0.33)	(0.32)	0.04	(0.24)
Discontinued operations	0.32	0.28	0.25	0.31
Net earnings (loss)	(0.02)	(0.04)	0.29	0.07
Diluted earnings (loss) per share:				
Continuing operations	(0.33)	(0.32)	0.04	(0.24)
Discontinued operations	0.32	0.28	0.24	0.31
Net earnings (loss)	(0.02)	(0.04)	0.28	0.07

Some earnings (loss) per share amounts may not add due to rounding.

DESCRIPTION OF SHARE CAPITAL

The following information describes our common stock, as well as certain provisions of our amended and restated certificate of incorporation (the "Charter") and amended and restated bylaws (the "Bylaws"). This description is only a summary. You should also refer to our Charter and Bylaws, which have been filed with the SEC.

Share Capital

Our Charter authorizes 201,000,000 shares of capital stock, which consist of:

- 200,000,000 shares of common stock with a \$0.10 par value per share; and
- 1,000,000 shares of undesignated preferred stock with a \$1.00 par value per share.

General

As of May 23, 2019, there were 68,972,247 shares of common stock issued and outstanding, held of record by approximately 1,457 stockholders, although we believe that there may be a significantly larger number of beneficial owners of our common stock. We derived the number of stockholders by reviewing the listing of outstanding common stock recorded by our transfer agent as May 23, 2019.

The following is a summary of the material provisions of the common stock and preferred stock provided for in our Charter and Bylaws. For additional detail about our capital stock, please refer to our Charter and Bylaws, each as amended.

Common Stock

The holders of common stock are entitled to one vote per share on all matters submitted to a vote of our stockholders. Subject to preferences that may be applicable to any preferred stock outstanding at the time, the holders of outstanding shares of common stock are entitled to receive ratably any dividends out of assets legally available therefor as the board of directors of our company (the "Board") may from time to time determine. Upon liquidation, dissolution or winding up of our company, holders of our common stock are entitled to share ratably in all assets remaining after the payment of liabilities and the liquidation preference of any then-outstanding shares of preferred stock. Holders of common stock have no preemptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions applicable to the common stock. All outstanding shares of common stock are fully paid and nonassessable.

Holders of our common stock have no preemptive or conversion rights or other subscription rights, and there are no redemption or sinking fund provisions applicable to the common stock. The rights, preferences and privileges of the holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

Listing on the NYSE

Our common stock is listed on the New York Stock Exchange under the symbol "RAMP." The transfer agent and registrar for the common stock is Computershare Investor Services. Its address is 7557 Rambler Road, Suite 800A, Dallas, TX 75231, and its telephone number is (979) 691-6033.

Preferred Stock

Under the terms of our Charter, the Board has the authority, without further action by the stockholders, to issue up to 1,000,000 shares of preferred stock in one or more series. The Board is able to fix the rights, preferences, privileges and restrictions of the preferred stock, including dividend rights, conversion rights,

voting rights, terms of redemption, liquidation preferences, sinking fund terms and the number of shares constituting any series or the designation of this series. We have no present plan to issue any shares of preferred stock.

The issuance of preferred stock would affect, and could adversely affect, the rights of holders of common stock. It is not possible to state the actual effect of the issuance of any shares of preferred stock on the rights of holders of common stock until the Board determines the specific rights attached to that preferred stock. The effects of issuing preferred stock could include one or more of the following:

- restricting dividends on the common stock;
- diluting the voting power of the common stock;
- impairing the liquidation rights of the common stock; or
- delaying or preventing changes in control or changes in the management of our company.

Effect of Certain Provisions of the Delaware Anti-Takeover Statute and our Charter and Bylaws

Some provisions of Delaware law and our Charter and Bylaws contain provisions that could make the following transactions more difficult:

- acquisition of us by means of a tender offer;
- acquisition of us by means of a proxy contest or otherwise; or
- removal of our incumbent officers and directors.

Those provisions, summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids and to promote stability in our management. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with the Board.

Delaware Anti-Takeover Statute

We are subject to Section 203 of the General Corporation Law of the State of Delaware ("Section 203"), which prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years after the date that such stockholder became an interested stockholder, with the following exceptions:

- before such date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction began, excluding for purposes of determining the voting stock outstanding (but not excluded for the purposes of determining the outstanding voting stock owned by the interested stockholder) those shares owned (i) by persons who are directors and also officers and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- on or after such date, the business combination is approved by the board of directors and authorized at an annual or special meeting of the stockholders, and not by written consent, by the affirmative vote of at least 66-2/3% of the outstanding voting stock that is not owned by the interested stockholder.

In general, Section 203 defines a "business combination" to include the following:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, lease, exchange, mortgage, transfer, pledge or other disposition of 10% or more of either the assets or the outstanding stock of the corporation involving the interested stockholder; subject to certain exceptions,
- any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested stockholder; or

- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits by or through the corporation.

In general, Section 203 defines an “interested stockholder” as an entity or person who, together with affiliates and associates, beneficially owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of the outstanding voting stock of the corporation.

Fair Price Provision

In addition to the approval requirements of business combinations under Delaware law, which may have the effect of deterring hostile takeovers or delaying changes in control or changes in our management, our Charter includes what is typically referred to as a “fair price provision.” Generally, this provision of our Charter provides that a business combination requires approval by the affirmative vote of at least 80% of the voting power of the then-outstanding shares of our capital stock entitled to vote, unless (a) the business combination is approved by a majority of the disinterested directors or (b) certain specified minimum price criteria and procedural requirements that are intended to assure an adequate and fair price under the circumstances are satisfied. For purposes of our Charter, a “business combination” is defined to include any of the following:

- any merger or consolidation of our company or any majority-owned subsidiary with (a) any interested stockholder or (b) any other person (whether or not itself an interested stockholder) that is, or after such merger or consolidation would be, an affiliate of an interested stockholder;
- any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions) to or with any interested stockholder of any assets of our company or of any majority-owned subsidiary which have an aggregate fair market value of \$10 million or more;
- the issuance or transfer by us or by any majority-owned subsidiary (in one transaction or series of transactions) of any of our securities or the securities of any majority-owned subsidiary to an interested stockholder in exchange for cash, securities or other property (or a combination thereof) having an aggregate fair market value of \$10 million or more;
- the adoption of any plan or proposal for the liquidation or dissolution of our company proposed by or on behalf of any interested stockholder or any affiliate of any interested stockholder;
- the adoption of any plan of share exchange between our company or any majority-owned subsidiary with any interested stockholder or any other person which is, or after such share exchange would be, an affiliate of any interested stockholder; or
- any reclassification of securities (including any reverse stock split) or recapitalization of our company or any merger or consolidation of our company with any of our majority-owned subsidiaries or any other transaction (whether or not with or into or otherwise involving an interested stockholder) which has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of any class of our or any majority-owned subsidiary’s equity securities that is directly or indirectly owned by any interested stockholder or any affiliate of any interested stockholder.

Under our Charter, an “interested stockholder” essentially includes any person who is the beneficial owner of 5% or more of our voting capital stock or is an affiliate of ours and at any time within the two-year period immediately prior to the date in question was the beneficial owner of 5% or more of our voting capital stock. A “disinterested director” essentially refers to a director that is not affiliated with the interested stockholder and was a member of the Board prior to the time that the interested stockholder became an interested stockholder.

Supermajority Stockholder Approval of Extraordinary Transactions

Our Charter also provides that any merger or consolidation of our company with any other person, any sale, lease, exchange, mortgage, pledge, transfer or other disposition by us of our property or assets, and any dissolution or liquidation or revocation thereof that Delaware law requires be approved by the holders of common stock must be approved by the affirmative vote of at least two-thirds of the holders of our common stock.

LIVERAMP HOLDINGS, INC.
AMENDED AND RESTATED
2010 EXECUTIVE OFFICER SEVERANCE POLICY

SECTION 1

PURPOSE

The purpose of the Policy is to provide Severance Benefits for the Executive Officers of the Company.

SECTION 2

DEFINITIONS

As used herein, the following words and phrases shall have the following meanings:

2.1 "Actual Cash Bonus" shall mean a cash bonus payment based on the extent to which the performance goals relating to such bonus are ultimately achieved, pro-dated based on the portion of the Fiscal Year the Participant worked for the Company.

2.2 "Affiliate" shall mean, with respect to any person or entity, any entity directly or indirectly controlled by, controlling or under common control with such person or entity. Notwithstanding the foregoing, for purposes of determining whether an Executive Officer has had a Separation from Service, Section 1.409A-1(h)(3) of the Treasury Regulations shall determine whether an Affiliate is a "service recipient" under Code Section 409A.

2.3 "Annual Salary Amount" shall mean a Participant's annual base salary in effect on the Termination Date (or in the case of a Change in Control Termination, if greater, immediately before any reduction in such base salary giving rise to Good Reason), without reduction for any pre-tax contributions to benefit plans or state or federal taxes. Base salary does not include bonuses, commissions, premium pay, cost of living allowances or income from stock options, stock grants or other incentives.

2.4 "Average Annual Cash Bonus" shall mean the average annual cash bonus for the two Fiscal Years preceding the Termination Date. In the event a Participant has not been employed or otherwise eligible for a full Fiscal Year cash bonus payment in either or both of the two preceding Fiscal Years, 100% of the Participant's cash bonus opportunity shall be substituted for the applicable year(s) in determining the Average Annual Cash Bonus.

2.5 "Board" shall mean the Board of Directors of the Company.

2.6 "Cash Severance Benefit" shall mean any severance benefit paid in cash due to a Qualifying Separation from Service in accordance with the terms of the Policy.

2.7 "Cause" for termination by the Company of the Participant's employment shall mean: (i) the willful failure by Participant to substantially perform his or her duties or follow the reasonable and lawful instructions of his or her supervisor; provided, that the Participant will be allowed to cure such failure within thirty (30) days of delivery to the Participant by the Company of written demand for performance, which such written demand will specifically identify the manner in which the Company believes he or she has not substantially performed his duties; (ii) the engaging by the Participant in willful misconduct, or the Participant's gross negligence, that is materially injurious to the Company, monetarily or otherwise; (iii) the conviction of, or pleading guilty or nolo contendere to, any felony or a fraud; or (iv) the Participant's material breach of the provisions of this Policy or of any material employment policy of the Company, which, if curable, is not cured within thirty (30) days of delivery to the Participant by the Company of written notice thereof.

2.8 "Change in Control" shall mean the occurrence during the term of the Policy of any one of the following events:

(j) An acquisition of any securities of the Company entitled to vote generally in the election of directors (the "Voting Securities") by any "person" (as the term person is used for purposes of Sections 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act")) immediately after which such person has "Beneficial Ownership" (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of thirty percent (30%) or more of the combined voting power of the then outstanding Voting Securities; provided, however, that in determining whether a Change in Control has occurred, Voting Securities that are acquired in a "Non-Control Acquisition" will not constitute an acquisition that would cause a Change in Control. A "Non-Control Acquisition" will mean (i) an acquisition by an employee benefit plan (or a trust forming a part thereof) maintained by (A) the Company or (B) any corporation or other person of which a majority of its voting power or its equity securities or equity interest is owned directly or indirectly by the Company (a "Subsidiary"), (ii) any acquisition by or directly from the Company or any Subsidiary, or (iii) an acquisition pursuant to a Non-Qualifying Transaction (as defined in Section 2.6(iii) below);

(ii) The individuals who, on the Effective Date, constitute the Board of Directors of the Company (the "Incumbent Directors") cease for any reason to constitute at least a majority of such board, provided that, any person becoming a director after the Effective Date and whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors then on the Board of Directors will be an Incumbent Director; provided however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to the election or removal of directors ("Election Contest") or other actual or threatened solicitation of proxies or consents by or on behalf of any "person" (such term for purposes of this definition being as defined in Section 3(a)(9) of the 1934 Act and as used in Section 13(d)(3) and 14(d)(2) of the 1934 Act) other than the Board of Directors ("Proxy Contest"), including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest, will be deemed an Incumbent Director; or

(A) The stockholders of the Company immediately before such Reorganization, Sale or Acquisition, beneficially own, directly or indirectly, immediately following such Reorganization, Sale or Acquisition, more than fifty percent (50%) of the combined voting power of the outstanding Voting Securities of the Company resulting from such Reorganization, Sale or Acquisition (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets or stock either directly or through one or more subsidiaries, the "Surviving Corporation") in substantially the same proportion as their ownership of the Voting Securities immediately before such Reorganization, Sale or Acquisition;

(B) The individuals who were members of the Incumbent Board immediately before the execution of the agreement providing for such Reorganization, Sale or Acquisition constitute at least a majority of the members of the board of directors of the Surviving Corporation; and

(C) No person (other than the Company, any Subsidiary, any employee benefit plan (or any trust forming a part thereof) maintained by the Company, the Surviving Corporation or any Subsidiary, or any person who, immediately before such Reorganization, Sale or Acquisition, had Beneficial Ownership of thirty percent (30%) or more of the then outstanding Voting Securities), has Beneficial Ownership of thirty percent (30%) or more of the combined voting power of the Surviving Corporation's then outstanding Voting Securities;

Any Reorganization, Sale or Acquisition which satisfies all of the criteria specified in subparts (A), (B) and (C) of this Section 2.6(iii) above will be deemed to be a "Non-Qualifying Transaction." Notwithstanding the foregoing, a "Change in Control" will not be deemed to occur solely because any Person (the "Subject Person") acquired Beneficial Ownership of more than the permitted amount of the outstanding Voting Securities of the Company as a result of the acquisition of Voting Securities by the Company which, by

reducing the number of Voting Securities outstanding, increased the proportional number of shares Beneficially Owned by the Subject Person.

(iv) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, to the extent that (i) any payment under this Policy is payable solely upon or following the occurrence of a Change in Control and (ii) such payment is treated as "deferred compensation" for purposes of Code Section 409A, a Change in Control shall mean a "change in the ownership of the Company," a "change in the effective control of the Company," or a "change in the ownership of a substantial portion of the assets of the Company" as such terms are defined in Section 1.409A-3(i)(5) of the Treasury Regulations.

2.9 "Change in Control Termination" shall mean a Participant's Separation from Service (i) initiated by the Company other than for Cause within the two years following a Change in Control or (ii) initiated by the Participant for Good Reason within two years following a Change in Control.

2.10 "Code" shall mean the Internal Revenue Code of 1986, as amended.

2.11 "Company" shall mean LiveRamp Holdings, Inc. and successors and, when used in relation to the Participant's employment includes all wholly owned subsidiaries of LiveRamp Holdings, Inc. For purposes of this Policy, the terms "employ," "employee" and "employment" shall be construed to refer to the provision of services by the Participant to the Company, irrespective of whether the Participant is classified as an employee of the Company under the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder. Notwithstanding the foregoing, for purposes of determining whether an Executive Officer has had a Separation from Service, Section 1.409A-1(h)(3) of the Treasury Regulations shall determine whether a subsidiary is a "service recipient" under Code Section 409A.

2.12 "Effective Date" of the Policy is November 9, 2010 and as amended herein on May 20, 2014, and as further amended herein on December 19, 2017 and October 19, 2018.

2.13 "Equity Severance Benefit" shall mean any benefit resulting in the vesting of outstanding non-qualified stock options, restricted stock, restricted stock units or any other equity award (other than Performance Units) granted by the Company, due to a Qualifying Separation from Service in accordance with the terms of the Policy.

2.14 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

2.15 "Executive Officer" shall mean as of a particular day, the officers of the Company designated as executive officers for purposes of Section 16 of the Securities Exchange Act of 1934 most recently by the Board, other than any "executive officer" who has an employment agreement with the Company that is in effect on that day.

2.16 "Fiscal Year" shall mean the period of time from April 1 of one year to March 31 of the following year and which is the annual period used by the Company for financial reporting purposes.

2.17 "Good Reason" for a Participant's Separation from Service shall mean the occurrence (without the Participant's express written consent) of any one of the following acts by the Company, or failures by the Company to act, following the occurrence of a Change in Control:

(i) a reduction by the Company in the Participant's title or position, or a material reduction by the Company in the Participant's authority, duties or responsibilities, or the assignment by the Company to the Participant of any duties or responsibilities that are materially inconsistent with such title, position, authority, duties or responsibilities; (ii) a reduction in Annual Salary Amount; or (iii) the Company's requiring the Participant to relocate his office location more than fifty (50) miles from his office location at

the time of the Change in Control. For avoidance of doubt, "Good Reason" will exclude the death or Permanent Disability of the Participant.

Notwithstanding the foregoing, the occurrence of an event that would otherwise constitute Good Reason hereunder shall cease to be an event constituting Good Reason if (i) the Participant fails to provide the Company with notice of the occurrence of any of the foregoing within the ninety-day period immediately following the occurrence of such event, (ii) the Participant fails to provide the Company with a period of at least thirty days from the date of such notice to cure such event prior to providing a Notice of Termination for Good Reason or (iii) the Termination Date specified in the Notice of Termination delivered to Company is not within thirty days following the day on which the thirty-day period set forth in the preceding clause (ii) expires; provided, that the thirty-day notice period required by clause (ii) shall end two days prior to the second anniversary of the Change in Control in the event that the second anniversary of the Change in Control would occur during such thirty-day period.

2.18 "Notice of Termination" shall mean a notice that indicates the specific provisions in this Policy relied upon as the basis for any Separation from Service and sets forth in reasonable detail the facts and circumstances claimed to provide a basis for a Participant's Separation from Service under the provision so indicated. No purported Separation from Service with or without Cause or for Good Reason shall be effective without a Notice of Termination.

2.19 "Participants" shall mean Executive Officers of the Company who meet the eligibility requirements of Section 3 of the Policy.

2.20 "Performance Unit" shall mean any equity incentive awards granted by the Company to Executive Officers that are earned based upon achievement of performance measures during a performance period as defined by the accompanying grant documents.

2.21 "Performance Unit Benefit" shall mean any benefits payable for earned or unearned, unvested Performance Units in accordance with the terms of this Policy.

2.22 "Permanent Disability" shall mean (i) that a Participant is eligible to receive long-term disability benefits under the disability plan in which the Participant participates as of the Termination Date, or (ii) if there is no such plan as of the Termination Date, that the Participant has been substantially unable to perform his or her duties, services and responsibilities to the Company, with a reasonable accommodation if necessary, by reason of a physical or mental infirmity for 180 consecutive days, or for a total of 180 days or more in any consecutive 360 day period as certified by a physician selected by the Policy Administrator.

2.23 "Policy" shall mean the LiveRamp Holdings, Inc. 2010 Executive Severance Policy as set forth in this document.

2.24 "Policy Administrator" shall mean the Compensation Committee of the Board or other person or group designated by the Company to serve as Policy Administrator.

2.25 "Qualifying Separation from Service" shall mean a Participant's Separation from Service that (i) is involuntary and initiated by the Company without Cause at any time other than during the period specified in the Change in Control Termination definition; or (ii) meets the definition of a Change in Control Termination. For the avoidance of doubt, a Separation from Service will not constitute a Qualifying Separation from Service and no Severance Benefits shall be payable to a Participant should the Participant's Separation from Service be (a) initiated by the Company for Cause, (b) by reason of Permanent Disability, (c) by reason of the Participant's death, or (d) initiated by the Participant; provided, however, that in the case of a Change in Control Termination, a Separation from Service initiated by the Participant for Good Reason will be considered a Qualifying Separation from Service.

2.26 "Release of Claims" shall mean the agreement that a Participant must execute in order to receive Severance Benefits under the Policy, which shall be approved by the Policy Administrator and shall

contain, among such other terms and conditions determined by the Policy Administrator, typical post separation terms and a mutual general release of: (i) all claims that the Participant may have against the Company and any of its Affiliates relating to the employment and termination of employment of the Participant, including, but not limited to, any claims for bonus payments pursuant to the Company's bonus plan or otherwise and (ii) all claims that the Company and any of its Affiliates may have against the Participant relating to the employment and termination of employment of the Participant, excluding any claim arising from Participant's contractual obligations or restrictions (whether contained herein, in equity grant agreements, or elsewhere) that are intended to extend beyond the termination of employment (including, but not limited to, non-competition, non-solicitation, confidentiality and clawback provisions) and any matters relating to a violation of law or that could otherwise result in Company liability. The Release of Claims will also contain an agreement by the Participant to be bound by the terms of Section 4.5 hereof.

2.27 "Separation from Service" shall mean an Executive Officer's cessation of services to the Company and/or its Affiliates. For purposes of this Policy, an Executive Officer is treated as continuing in employment with the Company while the Executive Officer is on military leave, sick leave, or other bona fide leave of absence if the period of such leave does not exceed six months, or if longer, so long as the Executive Officer retains a right to reemployment with the Company under an applicable statute or by contract. A leave of absence shall constitute a bona fide leave of absence only if there is (i), to the extent applicable, a right to reemployment under an applicable statute or by contract or (ii) a reasonable expectation an Executive Officer will return to perform services for the Company following such leave. For purposes of this Policy and the application of Section 409A, if the period of leave exceeds six months and an Executive Officer does not retain a right to reemployment under an applicable statute or by contract, the Executive Officer will be deemed to have a Separation from Service on the first date immediately following such six-month period. For purposes of this Policy, an Executive Officer shall be deemed to have experienced a Separation from Service on any date that it is reasonably anticipated that the Executive Officer would perform no further services or that the Executive Officer's level of bona fide services performed for the Company will decrease to a level equal to twenty percent or less of the average level of services rendered by the Executive Officer during the thirty-six-month period ending on such date or the full period of services rendered by the Executive Officer for the Company if the Executive Officer has been providing services to the Company for less than thirty-six months as of such date. Whether a Separation from Service has occurred will be determined in accordance with Treasury Regulation 1.409A-1(h), or any successor thereto.

2.28 "Severance Benefits" shall mean one or more of the following as provided by the Policy following a Qualifying Separation from Service: (i) Cash Severance Benefit, (ii) Equity Severance Benefit or (iii) Performance Unit Benefit.

2.29 "Severance Delay Period" shall mean the period beginning on the Termination Date and ending on the thirtieth day thereafter. Notwithstanding the foregoing, in the event that the Participant's Separation from Service occurs in connection with an exit incentive program or other employment termination program offered to a group or class of employees, as defined under the Older Worker Benefit Protection Act, 29 U.S.C. Section 626, the Severance Delay Period shall mean the period beginning on the Termination Date and ending on the sixtieth day thereafter.

2.30 "Termination Date" shall mean the date of a Participant's Separation from Service with the Company as determined in accordance with Section 5.

SECTION 3 ELIGIBILITY

3.1 Commencement of Participation. Each Executive Officer shall automatically be a Participant in the Policy as of the Effective Date. Each individual who is designated by the Board as an Executive Officer following the Effective Date shall automatically be a Participant in the Policy as of the date of such designation. As a condition to any Executive Officer's participation in the Policy he or she must acknowledge termination of any other employment agreements or severance arrangements with the

Company. Additionally, the Policy Administrator may require as a condition of participation or continued participation that any Participant execute documents agreeing to be bound by any clawback policy adopted by the Board from time to time.

3.2 Duration of Participation.

(a) A Participant shall cease to be a Participant if he or she ceases to be an Executive Officer. To avoid any doubt, the Board shall have full discretion to add or remove Executive Officers.

(b) A Participant entitled to Severance Benefits under the terms of this Policy shall remain a Participant in the Policy until the full amount of the Severance Benefits have been paid to him or her, subject to the Restrictions provided in Section 4.5.

3.3 Eligibility for Severance Benefits.

(a) Subject to Section 3.3(b), a Participant shall be entitled to receive Severance Benefits from the Company as specified in Section 4.

(b) No Severance Benefits will be provided to a Participant unless the Participant has properly executed and delivered to the Company a Release of Claims and that Release of Claims has become irrevocable as provided therein prior to the expiration of the Severance Delay Period. Such Release of Claims shall not be accepted by the Company unless it is executed on or after the Participant's Termination Date.

(c) Subject to Section 1.409A – 1(h)(3) of the Treasury Regulations, for purposes of determining a Participant's and the Company's rights and obligations under the Policy, the transfer of employment of a Participant from the Company to one of its Affiliates, or from such an Affiliate to the Company, in each case whether before or after the Change in Control, shall not constitute a Separation from Service for purposes of the Policy.

(d) To the extent consistent with Code Section 409A, a participant is not entitled to any Severance Benefits if his or her employment is terminated by the Company in connection with a sale, divestiture, or other disposition of all or a portion of the stock or assets of the Company or any of its Affiliates that does not constitute a Change in Control (a "Transaction") if: (i) the Participant is offered a position with the counterparty to the Transaction (or an Affiliate of such counterparty); and (ii) the Policy Administrator determines that the cash compensation to be provided to the Participant in such position is comparable to the Participant's then current cash compensation. For clarification purposes, this Section 3.3(d) is intended solely to limit, and not to expand, the benefits provided for elsewhere in this Policy.

3.4 Death of a Participant.

If a Participant whose employment terminates in a Qualifying Separation from Service dies after his or her Termination Date but before the Participant receives the Severance Benefits to which he or she is entitled, the payment will be made to the Participant's surviving spouse or, if the Participant does not have a surviving spouse, to the Participant's estate; *provided, however*, that no Severance Benefit will be paid pursuant to this Section 3.4 unless the surviving spouse or the executor of the Participant's estate, or any or all of the foregoing, upon the request of the Policy Administrator, properly execute and deliver to the Company a Release of Claims on behalf of the Participant that has become irrevocable as provided therein prior to the expiration of the Severance Delay Period.

SECTION 4

BENEFITS

4.1 Qualifying Separation from Service Other Than a Change in Control Termination.

(a) In the event a Participant has a Qualifying Separation from Service other than a Change in Control Termination, and the Policy Administrator determines that he or she is entitled to a Cash Severance Benefit, such Participant will be eligible to receive a Cash Severance Benefit in an amount equal to such Participant's Annual Salary Amount, Average Annual Cash Bonus, and Actual Cash Bonus.

(b) Notwithstanding anything contained in any equity plan or grant documents, in the event Participant has a Qualifying Separation from Service other than a Change in Control Termination, and the Policy Administrator determines that he or she is entitled to a Performance Unit Benefit, such Participant will be eligible to receive: (i) the number of Performance Units, if any, that were earned during a completed performance period but remain unvested, multiplied by a fraction, the numerator of which is the full number of calendar months that elapsed between the beginning of the performance period and the Termination Date and the denominator of which is the number of months between the beginning of the performance period and when the award would fully vest and no longer be subject to forfeiture; (ii) the number of Performance Units, if any, for performance periods that are ongoing as of the Termination Date and for which at least one-year of the performance period has elapsed as of the Termination Date, multiplied by a fraction, the numerator of which is the full number of calendar months that elapsed between the beginning of the performance period and the Termination Date and the denominator of which is the number of months between the beginning of the performance period and when the award would fully vest and no longer be subject to forfeiture, with the settlement of such performance units to occur after the completion of the applicable performance period based upon the Company's actual performance as determined following the completion of the applicable performance periods in accordance with the terms of the Performance Unit grant documents.

4.2 Change in Control and Performance Unit Benefit.

In the event of a Change in Control, whether or not accompanied by a Qualifying Separation from Service, if the Policy Administrator determines that a Participant is entitled to a Performance Unit Benefit, unless provided otherwise in the applicable grant documents underlying the Performance Units, the applicable performance period (as set forth in the applicable grant documents) will be truncated to end on the date of such Change in Control (such date, the "Change in Control End Date"), and a number of Performance Units will become eligible to vest (the "Eligible PSUs") based on the degree of achievement of performance objectives (as set forth in the applicable grant documents) as of the Change in Control Date. Eligible PSUs will be treated as unvested restricted stock units, and if assumed or substituted for by the acquiring or surviving entity (or an affiliate of such entity) in accordance with the terms of the definitive agreements relating to the Change in Control (the "Definitive Agreements"), will convert into restricted stock units (or other compensatory arrangements) of equal value to be settled in cash or shares (determined in accordance with the Definitive Agreements) by the acquiring or surviving entity (or an affiliate of such entity), as applicable (the "Assumed Eligible PSUs"). In the event the Participant remains employed with the acquiring or surviving entity (or an affiliate of such entity), as applicable, through the end of the applicable performance period (such date, the "Performance Period End Date"), the Assumed Eligible PSUs will become fully vested and will be settled within thirty (30) days of the Performance Period End Date. Subject to the vesting acceleration set forth in Section 4.3(b), in the event the Participant's employment terminates for any reason before the Performance Period End Date, the Participant's Assumed Eligible Performance Units will be immediately forfeited.

(a) In the event of a Change in Control Termination, if the Policy Administrator determines that a Participant is entitled to a Cash Severance Benefit, such Participant will be eligible to receive an amount of cash equal to Participant's Actual Cash Bonus, one and one half times such Participant's Annual Salary Amount and one and one half times such Participant's Average Annual Cash Bonus. Notwithstanding the forgoing, any reduction in the Annual Salary Amount taken by the Company or any of its Affiliates that (i) forms a basis of a Participant's Separation from Service for Good Reason or (ii) is taken following the provision of a Notice of Termination and would constitute Good Reason shall be disregarded in calculating the payments and benefits to be provided pursuant to this Section 4.3.

(b) In the event of a Change in Control Termination, a Participant's unvested outstanding non-qualified stock options, restricted stock, restricted stock units and any other equity awards (including Assumed Eligible PSUs, but excluding any other Performance Units, if applicable) granted prior to the date of the Change in Control and outstanding as of the Termination Date ("Stock Awards") shall vest, notwithstanding anything to the contrary in any equity incentive plan or agreement, including without

limitation, the 2005 Equity Plan, or the related award agreements. Stock Awards shall include any awards covering the securities of a successor company and any rights to cash of an equivalent value (as of the Change in Control) substituted for equity awards of the Company.

4.4 Form and Time of Payment

(a) In the Event of a Qualifying Separation from Service other than a Change in Control Termination, the Cash Severance Benefit, other than the Actual Cash Bonus, shall be paid in twenty-four semi-monthly payments in accordance with the Company's normal payroll cycle, less any applicable state and federal taxes required to be withheld, with such payments commencing on the normal payroll cycle occurring immediately following the expiration of the Severance Delay Period. The Actual Cash Bonus shall be payable on the date when such bonus otherwise would be paid absent a termination of employment and following expiration of the Severance Delay Period. As a condition to receiving such payments, the Participant must execute the Release of Claims and let expire any period during which the Participant may revoke such Release of Claims pursuant to the terms of the Release of Claims prior to the expiration of the Severance Delay Period.

(b) In the Event of a Qualifying Separation from Service other than a Change in Control Termination, payment of any Performance Unit Benefit in accordance with Section 4.1(b)(i) shall be processed within thirty (30) days following the expiration of the Severance Delay Period, and any payment of any Performance Unit Benefit in accordance with Section 4.1(b)(ii) will be made as soon as administratively practicable after the end of the performance period stated in the applicable grant documents and at the time the Participant would have received payment had the Participant remained employed. As a condition to receiving such benefits, the Participant must execute the Release of Claims and let expire any period during which the Participant may revoke such Release of Claims pursuant to the terms of the Release of Claims prior to the expiration of the Severance Delay Period.

(c) In the event of a Change in Control only, payment of any Performance Unit Benefit in accordance with Section 4.2 shall be processed within thirty (30) days after the Change in Control.

(d) In the event of a Change in Control Termination only, any Cash Severance Benefit, other than the Actual Cash Bonus, shall be paid in a lump sum, less any applicable state and federal taxes required to be withheld, on the normal payroll cycle occurring immediately following the expiration of the Severance Delay Period. The Actual Cash Bonus shall be payable on the date when such bonus otherwise would be paid absent a termination of employment and following expiration of the Severance Delay Period. As a condition to receiving such payments, the Participant must execute the Release of Claims and let expire any period during which the Participant may revoke such Release of Claims pursuant to the terms of the Release of Claims prior to the expiration of the Severance Delay Period.

(e) In the event of a Change in Control Termination only, any Equity Severance Benefit shall be processed within thirty (30) days following the expiration of the Severance Delay Period. As a condition to receiving such Equity Severance Benefit, the Participant must execute the Release of Claims and let expire any period during which the Participant may revoke such Release of Claims pursuant to the terms of the Release of Claims prior to the expiration of the Severance Delay Period.

(f) It is intended that (i) each payment or installment of payments provided under this Policy is a separate "payment" for purposes of Code Section 409A and (ii) that the payments satisfy, to the greatest extent possible, the exemptions from the application of Code Section 409A including those exceptions provided under Treasury Regulations 1.409A-1(b)(4) (regarding short-term deferrals), 1.409A-1(b)(9)(iii) (regarding the two-times, two year exception), and 1.409A-1(b)(9)(v) (regarding reimbursements and other separation pay). Notwithstanding anything to the contrary in this Policy, if the Company determines (i) that on the date of an Executive Officer's Separation from Service or at such other time that the Company determines to be relevant, the Executive Officer is a "specified employee" (as such term is defined under Treasury Regulation 1.409A-1(i)(1)) of the Company and (ii) that any payments to be provided to the Executive Officer pursuant to this Policy are or may become subject to the additional tax under Code Section 409A(1)(B) or any other taxes or penalties under Code Section 409A ("Section 409A Taxes") if

provided at the time otherwise required under this Policy, then such payments shall be delayed until the date that is six months after the date of the Executive Officer's Separation from Service with the Company, or if earlier, the Executive Officer's death. Any payments delayed pursuant to this Section 4.4(f) shall be made in a lump sum on the first day of the seventh month following the Executive Officer's Separation from Service or, if earlier, the Executive Officer's death and any remaining payments shall be made in accordance with the Policy.

4.5 Benefits Conditional

(a) Anything in this Policy to the contrary notwithstanding, all payments and benefits for each Participant eligible according to Sections 4.1, 4.2 and 4.3 are conditional upon such Participant's compliance with the Restrictions on Competitive Employment and Restrictions Against Solicitation and Inducement described below (collectively the "Restrictions"). Until such Restrictions are completely satisfied, the Participant shall be a constructive trustee of such payments and benefits and shall return them to the Company promptly if he/she violates any aspect of such Restrictions.

(b) During employment, and for a period of 12 months following a Qualifying Separation from Service, the Participant will not (as an individual, principal, agent, employee, consultant, director or otherwise), directly or indirectly in any territory in which the Company and/or any of its Affiliates does business and/or markets its products and services, engage in activities competitive with, nor render services to any firm or business engaged or about to become engaged in the Business of the Company (collectively, "Restrictions on Competitive Employment"). The Business of the Company includes, but is not limited to, information management products, marketing solutions and other services related to customer acquisition, growth and retention, including data collection, data integration technology and services, database services, information technology outsourcing, consulting and analytics services and consumer privacy products and services, or any other significant business in which the Company or any of its subsidiaries is engaged in, in each case where such products or services are competitive with products or services offered by the Company or any of its subsidiaries that constitute more than five percent (5%) of the Company's revenues in any of its eight (8) preceding fiscal quarters. In addition, the Participant will not have an equity interest in any such firm or business other than as a 1% or less shareholder of a public corporation.

(c) During employment and for a period of 12 months following a Qualifying Separation from Service, the Participant will not, directly or indirectly, on the Participant's own behalf or on behalf of any other person or entity, do any of the following (collectively, "Restrictions Against Solicitation and Inducement"): (i) solicit or contact any customer or targeted potential customer of the Company and/or its Affiliates upon whom he/she called or solicited or with whom he/she became acquainted after commencement of employment with the Company and/or its Affiliates; (ii) induce or attempt to induce, any employees, agents or consultants of the Company and/or its Affiliates to do anything from which he or she is restricted by reason of this Policy or any agreement between the Participant and the Company that restricts the Participant against solicitation or inducement; (iii) offer or aid others to offer employment to, otherwise solicit the services of, or solicit to terminate their employment or agency with the Company any employees, agents, or consultants of the Company and/or its Affiliates; or (iv) provide services to any customer, solicit any vendor or supplier of the Company for the purpose of either providing products or services to do a business competitive with the Company, or otherwise interfere with or disrupt or attempt to disrupt any contractual or potential contractual relationship between any customer, vendor or supplier and the Company and/or its Affiliates.

(d) The Restrictions applicable to Participants are effective for the time stated in this Policy and do not affect and are not affected by any other similar restrictions that may apply or may in the future apply to such Participant pursuant to any other plan, agreement or other arrangement. Any other similar obligations under other agreements, including the Employee Agreement and any Equity grant agreements, entered into between a Participant and Company shall remain in effect and the Participant shall remain bound by the terms of this Policy as well as such other agreements or obligations. Furthermore, the Release of Claims will contain the restrictions and covenants contained in this Section 4.5 (modified if necessary to comply with appropriate state law) and a provision that the restrictions and

covenants contained in this Policy and the Release of Claims are reasonable and necessary to protect the legitimate interests of the Company and that the services rendered by the Participant were of a special, unique and extraordinary character. The Release of Claims will also contain a provision that the Company will be entitled to injunctive relief, which entails that (i) it would be difficult to replace the Participant's services; (ii) the Company would suffer irreparable harm that would not be adequately compensated by monetary damages and (iii) the remedy at law for any breach of any of the restrictions and covenants contained in this Policy and the Release of Claims may be inadequate. The Participant will further agree and acknowledge in the Release of Claims that the Company will be entitled, in addition to any remedy at law or in equity, to obtain preliminary and permanent injunctive relief and specific performance for any actual or threatened violation of any of the restrictive covenants contained in this Policy and the Release of Claims. This provision with respect to injunctive relief will not, however, diminish the right to claim and recover damages, or to seek and obtain any other relief available to it at law or in equity, in addition to injunctive relief.

(e) Notwithstanding anything contained herein, any amounts paid or payable to a Participant pursuant to this Policy or otherwise by the Company, including any equity compensation granted to the Participant, may be subject to forfeiture or repayment to the Company pursuant to any clawback policy as adopted by the Board from time to time and applicable to Executive Officers of the Company to the extent permitted by Code Section 409A, and Participant will be bound by any such policy while an Executive Officer and will agree to continue to be bound in the Release of Claims.

4.6 Exclusive Payments; No Mitigation

Severance Benefits under this Policy are not intended to duplicate benefits such as (i) workers' compensation wage replacement benefits, disability benefits, and pay-in-lieu-of-notice, (ii) severance pay, or similar benefits under other benefit plans, severance programs or agreements, or employment contracts, or (iii) applicable laws, such as the WARN Act. Should such other benefits be payable, a Participant's benefits under this Policy will be reduced accordingly or, alternatively, benefits previously paid under this Policy will be treated as having been paid to satisfy such other benefit obligations in either case to the extent permitted by Code Section 409A. In either case, the Policy Administrator will determine how to apply this provision and may override other provisions in this Policy in doing so.

SECTION 5

TERMINATION OF EMPLOYMENT

5.1 Written Notice Required. Any purported Separation from Service for Cause, without Cause or for Good Reason, whether by the Company or by the Participant, shall be communicated by written Notice of Termination to the other.

5.2 Termination Date. In the case of the Participant's death, the Participant's Termination Date shall be his or her date of death. In the case of Permanent Disability, the Termination Date shall be the date established by Company according to standard policy and procedure. In all other cases, the Participant's Termination Date shall be the date specified in the Notice of Termination; provided however, that upon a Participant's Separation from Service for Good Reason, the date specified in the Notice of Termination must comply with the provisions of Section 2.14.

SECTION 6

EFFECT OF SECTIONS 280G AND 4999 OF THE CODE

Notwithstanding anything contained in this Policy to the contrary, if any payment or benefit a Participant would receive from the Company pursuant to the Policy or otherwise ("Payment") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Payment will be equal to the Reduced Amount (defined below). The "Reduced Amount" will be either (1) the largest portion of the Payment that would result in no portion of the Payment (after reduction) being subject to the Excise Tax or (2) the entire Payment, whichever amount after taking into account all applicable federal,

state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate, net of the maximum reduction in federal income taxes which could be obtained from a deduction of such state and local taxes), results in the Participant's receipt, on an after-tax basis, of the greatest amount of the Payment. If a reduction in the Payment is to be made so that the Payment equals the Reduced Amount, (x) the Payment will be paid only to the extent permitted under the Reduced Amount alternative, and the Participant will have no rights to an additional payments and/or benefits constituting the Payment. In no event will the Company or any stockholder be liable to a Participant for any amounts not paid as a result of the operation of this Section 6. No portion of any Payment shall be taken into account which in the opinion of tax counsel does not constitute a "parachute payment" within the meaning of Code Section 280G(b)(2), including by reason of Code Section 280G(b)(4)(A).

To the extent permitted by Code Section 409A, unless Participant shall have given prior written notice specifying a different order to the Company to effectuate the Reduced Amount, the Company shall reduce or eliminate the Payments by (i) first reducing or eliminating those payments or benefits which are payable in cash and (ii) then reducing or eliminating non-cash payments, in each case in reverse order beginning with payments or benefits which are to be paid the furthest in time from the Change in Control. Any notice given by Participant pursuant to the preceding sentence shall take precedence over the provisions of any other plan, arrangement or agreement governing Participant's rights and entitlements to any benefits or compensation.

SECTION 7 SUCCESSORS TO COMPANY

This Policy shall bind any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, in the same manner and to the same extent that the Company would be obligated under this Policy if no succession had taken place. In the case of any transaction in which a successor would not by the foregoing provision or by operation of law be bound by this Policy, the Company shall require such successor expressly and unconditionally to assume and agree to perform the obligations of the Company under this Policy, in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

SECTION 8 DURATION, AMENDMENT AND PLAN TERMINATION

8.1 Duration. This Policy shall continue in effect until terminated in accordance with Section 8.2. If a Change in Control occurs, this Policy shall continue in full force and effect and shall not terminate or expire until after all Participants who have become or may become entitled as a result of the Change in Control to Equity Severance Benefits, Performance Unit Benefits and/or Cash Severance Benefits hereunder shall have received such payments in full.

8.2 Amendment and Termination. Prior to a Change in Control, the Policy may be amended or modified in any respect, and may be terminated, in any such case by the Committee or the Board; provided, however, that no such amendment, modification or termination that would adversely affect the benefits or protections hereunder of any individual who is a Participant as of the date such amendment, modification or termination is adopted shall be effective (i) as to a Participant for whom a Qualifying Separation from Service of the Participant has already occurred; (ii) if a Change in Control occurs within one year after such adoption; or (iii) from or after the occurrence of a Change in Control and for twenty-seven (27) months thereafter. Any attempted amendment, modification or termination within one year prior to a Change in Control that would adversely affect the benefits or protections hereunder will be null and void ab initio as it relates to all such individuals who were Participants prior to such adoption (it being understood, however, that the hiring, termination of employment, promotion or demotion of any employee of the Company or any of its Affiliates prior to a Change in Control shall not be construed to be an amendment, modification or termination of the Policy). Any amendment, modification or termination that accelerates the payment of any benefit hereunder shall be deemed to not adversely affect the benefits or protections hereunder of any individual.

8.3 Form of Amendment. The form of any amendment or termination of the Policy in accordance with Section 8.2 hereof shall be a written instrument approved by the Committee or the Board certifying that the amendment or termination has been approved by the Committee or the Board, respectively.

SECTION 9 MISCELLANEOUS

9.1 Administration.

(a) The Policy will be interpreted by the Policy Administrator in accordance with the terms of the Policy and their intended meanings. The Policy Administrator shall have the discretion, in his or her sole judgment, to (i) make any findings of fact needed in the administration of the Policy, (ii) interpret or construe ambiguous, unclear or implied (but omitted) terms, (iii) establish rules and regulations for administering the Policy and (iv) take such other action as he or she deems necessary or appropriate. The validity of any such action or determination by the Policy Administrator will not be given *de novo* review if challenged in court, by arbitration or any other forum and will be upheld unless clearly arbitrary or capricious. All actions and all determinations made in good faith by the Policy Administrator shall be final, binding and conclusive upon all persons claiming any interest in or under the Policy. Benefits under the Policy will be paid only if the Policy Administrator decides in his or her discretion that a claimant is entitled to them.

(b) The Policy Administrator shall establish a claims procedure in accordance with ERISA and shall set forth such claims procedure in the summary plan description of the Policy.

9.2 Employment Status. This Policy does not constitute a contract of employment or impose on Company any obligation to: (a) retain any Participant as an employee or maintain any compensation level (except as otherwise provided herein), (b) not change the status of any Participant's employment, (c) not change any employment policies of the Company, or (d) not change or continue the status of any Participant's employment as an Executive Officer.

9.3 Withholding of Taxes. The Company shall withhold from any amounts payable under this Policy all federal, state, local or other taxes that are legally required to be withheld.

9.4 No Effect on Other Benefits. Equity Severance Benefits, Performance Unit Benefits and Cash Severance Benefits shall not be counted as compensation for purposes of determining benefits under other benefit plans, programs, policies and agreements, except as required by law or to the extent expressly provided therein or herein.

9.5 Validity and Severability. The invalidity or unenforceability of any provision of the Policy shall not affect the validity or enforceability of any other provision of the Policy, which shall remain in full force and effect, and any prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

9.6 Settlement of Claims. The Company's obligation to make the payments provided for in this Policy and otherwise to perform its obligations hereunder shall not be affected by any circumstances, including, without limitation, any set-off, counterclaim, defense, recoupment, or other right which the Company may have against a Participant or others except as may be specifically permitted by Code Section 409A.

9.7 Unfunded Obligation. All Equity Severance Benefits, Performance Unit Benefits and Cash Severance Benefits provided under this Policy shall constitute an unfunded obligation of the Company. Cash payments shall be made, as due, from the general funds of the Company. This Policy shall constitute solely an unsecured promise by the Company to provide such benefits to Participants to the extent provided herein. This Policy does not provide the substantive benefits under such other employee benefit plans, and nothing in this Policy shall restrict the Company's ability to amend, modify or terminate such

other employee benefit plans (whether before or after a Change in Control (but subject to Section 2.14 following a Change in Control)).

9.8 Governing Law. It is intended that the Policy be an "employee welfare benefit plan" within the meaning of Section 3(1) of ERISA, and the Policy shall be administered in a manner consistent with such intent. The Policy and all rights thereunder shall be governed and construed in accordance with ERISA and, to the extent not preempted by federal law, with the laws of the state of Arkansas, wherein venue shall lie for any dispute arising hereunder. In addition, this Policy shall only cover certain employees of the Company who are members of a "select group" of management or highly compensated employees within the meaning of Section 201(2), 301(a)(3), and 401(a)(1) of ERISA. The Company shall have the authority to take any and all actions necessary or desirable in order for the Policy to satisfy the requirements set forth in ERISA and the regulations thereunder applicable to plans maintained for employees who are members of a select group of management or highly compensated employees. This Policy shall also be subject to all applicable non-U.S. laws as to Participants employed by subsidiaries of the Company located outside of the United States. Without limiting the generality of this Section 9.9, it is intended that the Policy comply and be interpreted in accordance with Section 409A of the Code, and, the Board shall, as necessary, adopt such conforming amendments as are necessary to comply with Section 409A of the Code without reducing the Equity Severance Benefits, Performance Unit Benefits or Cash Severance Benefits due to Participants hereunder. Notwithstanding any other provision of this Policy, to the extent applicable, any amendment, modification or termination of the Policy, and the acceleration of any payments hereunder in connection thereto, shall be made in accordance with Code Section 409A and the Treasury Regulations promulgated thereunder, including Treasury Regulation 1.409A-3(j)(4)(ix).

9.9 Assignment. This Policy shall inure to the benefit of and shall be enforceable by a Participant's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. A Participant's rights under this Policy shall not otherwise be transferable or subject to lien or attachment.

9.10 Enforcement. This Policy is intended to constitute an enforceable contract between the Company and each Participant subject to the terms hereof.

INDEMNITY AGREEMENT

This Indemnity Agreement (“Agreement”) is made as of the ___ day of _____, ___ (“Effective Date”), by and between LiveRamp Holdings, Inc., a Delaware corporation (the "Corporation"), and _____, with reference to the following:

RECITALS

_____ (“Executive” or “Indemnitee”) is currently serving in a leadership position with the Corporation and/or as an officer of the Corporation and/or a subsidiary(s) of the Corporation, and the Corporation wishes Indemnitee to continue in such capacity. Indemnitee is willing, under certain circumstances, to continue in such capacity.

AGREEMENT

1. In order to induce Indemnitee to continue to serve as an Executive of the Corporation and/or as an officer of any of the Corporation's subsidiaries, and in consideration for such continued service, the Corporation hereby agrees to indemnify Indemnitee, and his/her executors, administrators or assigns, for any amount which he/she is or becomes legally obligated to pay because of any claim or claims made against him/her because of any act or omission or neglect or breach of duty, including any actual or alleged error or misstatement or misleading statement, which he/she commits or suffers while acting in his/her capacity as an Executive of the Corporation or in his/her capacity as an officer of any subsidiary of the Corporation and solely because of his/her being such of the Corporation or any of its subsidiaries. The payments which the Corporation will be obligated to make hereunder shall include, inter alia, damages, judgments, settlements and costs, costs of investigation (excluding salaries of officers or employees of the Corporation) and costs of defense of legal actions, claims or proceedings and appeals therefrom, and costs of attachment or similar bonds.

2. In the event of payment under this Agreement, the Corporation shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Corporation to effectively to bring suit to enforce such rights.

3. Notwithstanding the provisions of Paragraph 1, the Corporation shall not be liable under this Agreement to make any payment in connection with any claim made against the Indemnitee:

- (a) for which payment is actually made to the Indemnitee under a valid and collectible insurance policy, except in respect of any excess beyond the amount of payment under such insurance;
- (b) for which the Indemnitee is entitled to indemnity and/or payment by reason of having given notice of any circumstance which might give rise to a claim under any policy of insurance, the terms of which have expired prior to the Effective Date of this Agreement;
- (c) for which the Indemnitee is indemnified by the Corporation otherwise than pursuant to this Agreement;
- (d) based upon or attributable to the Indemnitee gaining in fact any remuneration, personal profit or advantage to which he/she was not legally entitled;
- (e) for an accounting of profits made from the purchase or sale by the Indemnitee of securities of the Corporation within the meaning of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto or similar provisions of any state statutory law or common law;
- (f) brought about or contributed to by the dishonesty of Indemnitee; however, notwithstanding the foregoing, Indemnitee shall be protected under this Agreement as to any claims upon which suit may be brought against him/her by reason of any alleged dishonesty on his/her part, unless a judgment or other final adjudication thereof adverse to Indemnitee shall establish that he/she committed acts of active and deliberate dishonesty with actual dishonest purpose and intent which were material to the cause of action so adjudicated; or
- (g) if a final decision by a court having jurisdiction in the matter shall determine that such payment is not lawful.

4. Contribution. If indemnification is unavailable for any reason other than those set forth in sub-paragraphs (a) through (g) of Paragraph 3, then in respect of any threatened, pending or completed action, suit or proceeding in which the Corporation is jointly liable with Indemnitee (or would be if joined

in such action, suit or proceeding), the Corporation shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Indemnitee in such proportion as is appropriate to reflect (i) the relative benefits received by the Corporation on the one hand and Indemnitee on the other from the transaction from which such action, suit or proceeding arose; and (ii) the relative fault of the Corporation on the one hand and of Indemnitee on the other in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of the Corporation on the one hand and of Indemnitee on the other shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. The Corporation agrees that it would not be just and equitable if contribution pursuant to this Paragraph 4 were determined by pro-rata allocation or any other method of allocation which does not take account of the foregoing equitable considerations.

5. Promptly after receipt by Indemnitee of notice of the commencement of any action, suit or proceedings, Indemnitee will, if a claim in respect thereof is to be made against the Corporation under this Agreement, notify the Corporation of the commencement thereof; but the omission to so notify the Corporation will not relieve it from any liability which it may have to Indemnitee otherwise than under this Agreement. With respect to any such action, suit or proceedings as to which Indemnitee notifies the Corporation of the commencement thereof:

(a) the Corporation will be entitled to participate therein at its own expense;

(b) except as otherwise provided below, to the extent that it may wish, the Corporation jointly with any other indemnifying party similarly notified will be entitled to assume the defense thereof. After notice from the Corporation to Indemnitee of its election to assume the defense thereof, the Corporation will not be liable to Indemnitee under this Agreement for any legal or other expenses subsequently incurred by Indemnitee in connection with the defense thereof, other than reasonable costs of investigation or as otherwise provided below. Indemnitee shall have the right to employ his/her counsel in such action, suit or proceedings, but the fees and expenses of such counsel incurred after notice from the Corporation of its assumption of the defense thereof shall be at the expense of Indemnitee, unless (i) the employment of counsel by Indemnitee has been authorized by the Corporation, (ii) Indemnitee shall have reasonably concluded that there is a conflict of interest between the Corporation and Indemnitee in the conduct of the defense of

such action, or (iii) the Corporation shall not in fact have employed counsel to assume the defense of such action, in each of which cases the fees and expenses of counsel shall be at the expense of the Corporation. The Corporation shall not be entitled to assume the defense of any action, suit or proceedings brought by or on behalf of the Corporation or as to which Indemnitee shall have made the conclusion provided for in (ii) above; and

(c) the Corporation shall not be liable to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any action or claim effected without the Corporation's written consent. The Corporation shall not settle any action or claim in any manner which would impose any penalty or limitation on Indemnitee without Indemnitee's written consent. Neither the Corporation nor Indemnitee will unreasonably withhold consent to any proposed settlement.

6. In the event that Indemnitee employs his/her own counsel pursuant to Paragraph 5(b) above, the Corporation shall advance to Indemnitee, prior to any final disposition of any threatened or pending action, suit or proceeding, whether civil, criminal, administrative or investigative, any and all reasonable expenses (including legal fees and expenses) incurred in investigating or defending any such action, suit or proceeding within ten (10) days after receiving copies of invoices presented to Indemnitee for such expenses. Indemnitee shall reimburse the Corporation for all reasonable expenses paid by the Corporation in defending any civil or criminal action, suit or proceeding against Indemnitee, in the event and only to the extent that a final decision by a court having jurisdiction in the matter shall determine that it is unlawful for Indemnitee to be indemnified by the Corporation for such expenses.

7. The Corporation expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on the Corporation hereby in order to induce Indemnitee to continue as an Executive of the Corporation, and/or as an officer of any subsidiary of the Corporation, and acknowledges that Indemnitee is relying upon this Agreement in continuing in such capacity. In the event Indemnitee is required to bring any action to enforce rights or to collect monies due under this Agreement and is successful in such action, the Corporation shall reimburse Indemnitee for all of his/her reasonable fees and expenses in bringing and pursuing such action.

8. Each of the provisions of this Agreement is a separate and distinct agreement and independent of the others, so that if any provision hereof shall be held to be invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof.

9. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Delaware.

10. This Agreement shall be binding upon Indemnitee and upon the Corporation, its successors and assigns, and shall inure to the benefit of Indemnitee, his/her heirs, personal representative(s) and assigns and to the benefit of the Corporation, its successors and assigns.

11. No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the Effective Date first written above.

LIVERAMP HOLDINGS, INC.

By:
[insert name & title]

Indemnitee

SUBSIDIARIES OF LIVERAMP HOLDINGS, INC.**U.S. SUBSIDIARIES**

Subsidiary	Organized or Incorporated	Percent of Equity Securities Owned	Doing Business As
LiveRamp, Inc.	Delaware	100 %	LiveRamp, Inc.

INTERNATIONAL SUBSIDIARIES

Subsidiary	Organized or Incorporated	Percent of Equity Securities Owned	Doing Business As
LiveRamp Australia Pty Limited	Australia	100 %	LiveRamp Australia Pty Limited
LiveRamp France SAS	France	100 %	LiveRamp France SAS
LiveRamp UK Ltd.	UK	100 %	LiveRamp UK Ltd.
LiveRamp Greater China Information Services Ltd.	China	100 %	LiveRamp Greater China Information Services Ltd.
LiveRamp Japan K.K.	Japan	100 %	LiveRamp Japan K.K.
Faktor B.V.	Netherlands	100 %	Faktor B.V.
LiveRamp PTE. Ltd.	Singapore	100 %	LiveRamp PTE. Ltd.
LiveRamp Pty Limited	Australia	100 %	LiveRamp Pty Limited
LiveRamp (NZ) Limited	New Zealand	100 %	LiveRamp (NZ) Limited
XYZ Direct Pty Ltd.	Australia	100 %	XYZ Direct Pty Ltd.

Consent of Independent Registered Public Accounting Firm

The Board of Directors
LiveRamp Holdings, Inc.:

We consent to the incorporation by reference in the registration statements filed on Form S-3 and Form S-8 (Nos. 33-17115, 33-37609, 33-37610, 33-42351, 33-72310, 333-63633, 333-40114, 333-57470, 333-68620, 333-91395, 333-98613, 333-108900, 333-124901, 333-127743, 333-136919, 333-148708, 333-148946, 333-151333, 333-158005, 333-175854, 333-190906, 333-197463, 333-209438, 333-214926, 333-214927, 333-215197, 333-215626, 333-219839, 333-221162, 333-223520, 333-227540) of LiveRamp Holdings, Inc. of our report dated May 28, 2019, with respect to the consolidated balance sheets of LiveRamp Holdings, Inc. as of March 31, 2019 and 2018, the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended March 31, 2019, and the related notes (collectively, the "consolidated financial statements"), and the effectiveness of internal control over financial reporting as of March 31, 2019, which report appears in the March 31, 2019 annual report on Form 10-K of LiveRamp Holdings, Inc.

Our report dated May 28, 2019 with respect to the consolidated financial statements refers to a change in the Company's method of accounting for revenue recognition.

KPMG LLP

Dallas, Texas
May 28, 2019

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That the undersigned, a director or officer, or both, of LiveRamp Holdings, Inc. ("the Company"), acting pursuant to authorization of the Company's Board of Directors, hereby appoints Catherine L. Hughes and Jerry C. Jones, or any one of them, attorneys-in-fact and agents for me and in my name and on my behalf, individually and as a director or officer, or both, of the Company, to sign the Company's Annual Report on Form 10-K for the year ended March 31, 2019, together with any amendments thereto, and to file the same, together with any exhibits and all other documents related thereto, with the Securities and Exchange Commission, granting to said attorneys-in-fact and agents full power and authority to do and perform each and any act necessary to be done in connection therewith, as fully to all intents and purposes as the undersigned might or could do in person, duly ratifying and confirming all that said attorneys-in-fact and agents may lawfully do or cause to be done by virtue of the power herein granted.

Executed as of the 28th day of May, 2019.

	Signed: <u>/s/ John L. Battelle</u> Name: JOHN L. BATTELLE, Director
	Signed: <u>/s/ Timothy R. Cadogan</u> Name: TIMOTHY R. CADOGAN, Director
	Signed: _____ Name: WILLIAM T. DILLARD II, Director
	Signed: <u>/s/ Richard P. Fox</u> Name: RICHARD P. FOX, Director
	Signed: <u>/s/ Jerry D. Gramaglia</u> Name: JERRY D. GRAMAGLIA, Director (Non-Executive Chairman of the Board)
	Signed: <u>/s/ William J. Henderson</u> Name: WILLIAM J. HENDERSON, Director
	Signed: <u>/s/ Scott E. Howe</u> Name: SCOTT E. HOWE, Director and Chief Executive Officer (principal executive officer)
	Signed: <u>/s/ Clark M. Kokich</u> Name: CLARK M. KOKICH, Director
	Signed: <u>/s/ Debora B. Tomlin</u> Name: DEBORA B. TOMLIN, Director

LIVERAMP HOLDINGS, INC AND SUBSIDIARIES

CERTIFICATION

I, Scott E. Howe, certify that:

1. I have reviewed this annual report on Form 10-K of LiveRamp Holdings, 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 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 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.

Dated: May 28, 2019

By: /s/ Scott E. Howe
Scott E. Howe
Chief Executive Officer

LIVERAMP HOLDINGS, INC. AND SUBSIDIARIES

CERTIFICATION

I, Warren C. Jenson, certify that:

1. I have reviewed this annual report on Form 10-K of LiveRamp Holdings, 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 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 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.

Dated: May 28, 2019

By: /s/ Warren C. Jenson

Warren C. Jenson

President, Chief Financial Officer & Executive Managing Director of
International

**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 accompanying Annual Report on Form 10-K of LiveRamp Holdings, Inc. (the "Company") for the period ending March 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Scott E. Howe, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, 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 results of operations of the Company.

/s/ Scott E. Howe
Scott E. Howe
Chief Executive Officer
May 28, 2019

**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 accompanying Annual Report on Form 10-K of LiveRamp Holdings, Inc. (the "Company") for the period ending March 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Warren C. Jenson, Chief Financial Officer & Executive Managing Director of International of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, 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 results of operations of the Company.

/s/ Warren C. Jenson

Warren C. Jenson

President, Chief Financial Officer and Executive Managing Director of International

May 28, 2019